

**ARKANSAS STUDENT LOAN AUTHORITY
STUDENT LOAN ASSET-BACKED NOTES
SERIES 2010-1
(LIBOR FLOATING RATE NOTES)**

Date of Issuance: September 16, 2010

CUSIP No: 041150 DJ9

ISIN NO. USO41150DJ99

2011 ANNUAL FINANCIAL INFORMATION

This 2011 Annual Financial Information is provided by the Arkansas Student Loan Authority (the "Authority") in compliance with the Continuing Disclosure Agreement (the "Agreement") delivered in connection with the issuance of the above-referenced Notes.

The audited financial statements of the Authority for the fiscal year ending June 30, 2011 were filed on December 21, 2012.

AN UPDATE AND DISCUSSION OF THE FINANCIAL INFORMATION AND OPERATING DATA IN THE 2010 OFFERING MEMORANDUM UNDER THE HEADING "ARKANSAS STUDENT LOAN AUTHORITY"

Membership

The Authorizing Act provides that the Issuer shall be composed of seven members appointed by the Governor for terms of four years each. Members of the Issuer serve without compensation, but are entitled to reimbursement for their reasonable and necessary expenses incurred in attending meetings of the Issuer. The following is a current list of the members of the Issuer, their term expiration dates and their occupations and places of business within the State:

Names and Position Held	Term Expires	Principal Occupation
David Craig Chairman and Member	July 8, 2013	Investment Advisor October Wealth Advisors, Inc., Fort Smith, AR
Tracy French Secretary and Member	July 8, 2016	Chief Executive Officer Centennial Bank, Cabot, AR
Ben Pickard Member	July 8, 2014	Retired, former Vice Chancellor of Student Affairs, Arkansas State University -- Beebe, Searcy, AR
Dr. Charles Coleman Member	August 15, 2015	Retired, former Director of Technology Arkansas State University, Jonesboro, AR

Edie Arey Member	August 15, 2015	Director, Professional Relations Delta Dental of Arkansas, Little Rock, AR
Linda Yelder Member	July 8, 2016	Associate Director, Financial Aid Office, Arkansas State University – Beebe, Jacksonville, AR
David Bush Member	July 8, 2013	Senior Vice President, Bank Card Simmons First National Bank, Pine Bluff, AR

Staff

The Authorizing Act empowers the Issuer to employ a director and such other professionals as are necessary to implement the programs of the Issuer. Tony W. Williams is employed as the Executive Director of the Authority and has the responsibility of directing the Issuer on a day-to-day basis. Mr. Williams was appointed Executive Director of the Issuer effective on July 1, 2004 by resolution of the Issuer adopted on December 9, 2003.

Prior to 2004 Mr. Williams was employed by Edfinancial in its Little Rock office, where he held the position of Business Development Manager since April 1998. Pursuant to the Program Administration Agreement between Edfinancial and the Issuer (see the caption “Program Agreement,” below), Mr. Williams worked exclusively for the Issuer in the development, management and promotion of the Issuer’s products and programs. Prior to his employment with Edfinancial, Mr. Williams was employed by the Issuer from 1987 to 1998 in various positions, including Vice President of Program Operations and Loan Operations Manager. Mr. Williams was employed from 1986 to 1987 by Union National Bank in Little Rock and is a 1986 graduate of the University of Central Arkansas.

Mark Conine serves as the Chief Financial Officer of the Issuer and is responsible for the management and day-to-day coordination of all financial activities and investor relations. Prior to joining the Issuer in January 2005, Mr. Conine served in the tax group of Ernst & Young, LLP specializing in the multi-state banking and transportation industries. Mr. Conine worked in the corporate tax department of a Fortune 500 telecommunications company prior to joining Ernst & Young, LLP. He received a B.A. in Accounting and Finance from Ouachita Baptist University in 1997 and is a licensed Certified Public Accountant.

The Issuer currently employs three persons in addition to Mr. Williams and Mr. Conine. The Issuer’s mailing address is 3801 Woodland Heights, Suite 200, Little Rock, Arkansas 72212. The Issuer’s telephone number is (501) 682-2952.

Use of Proceeds

The proceeds were used as described in the original offering memorandum.

Characteristics of the Financed Student Loans

As of June 30, 2012, the aggregate outstanding principal balance of the student loans in each of the following tables includes the principal balance due from borrowers, which does not include total accrued interest. The percentages set forth in the tables below may not always add to 100% and the balances may not always add to \$250,906,143 due to rounding.

Composition of the Financed Student Loan Portfolio (As of June 30, 2011)

Aggregate Outstanding Principal Balance	\$ 250,906,143
Number of Borrowers*	16,428
Average Outstanding Principal Balance Per Borrower	\$15,273
Number of Loans	35,753
Average Outstanding Principal Balance Per Loan	\$7,018
Weighted Average Remaining Term to Scheduled Maturity (Months)**	195.24
Weighted Average Payments Made (Months)	65.62
Weighted Average Annual Borrower Interest Rate***	4.47%
Weighted Average Special Allowance Payment Repayment Margin to 3-Month Commercial Paper	Unknown
Weighted Average Special Allowance Payment Repayment Margin to 91-Day Treasury Bill	Unknown

* A single borrower can have more than one account if such borrower had different types of underlying FFELP loans with certain characteristics.

** The weighted average remaining term to scheduled maturity shown in the table above was determined from the statistical cut-off date to the scheduled maturity date of the applicable student loan, including any current deferral or forbearance periods, but without giving effect to any deferral or forbearance periods that may be granted in the future.

*** The weighted average annual borrower interest rate shown in the table above was determined without including any special allowance payments or any rate reductions that may be earned by borrowers in the future.

Distribution of the Financed Student Loans by Loan Type (As of June 30, 2011)

Loan Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Stafford-Unsubsidized	6,669	\$ 24,447,400	9.75%
Stafford-Subsidized	13,625	30,755,889	12.26
Consolidation-Unsubsidized	7,329	100,813,536	40.18
Consolidation-Subsidized	7,494	92,464,890	36.85
PLUS	612	2,318,832	0.92
SLS	24	105,596	0.04
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Annual Borrower Interest Rate
(As of June 30, 2011)**

Range of Annual Borrower Interest Rate	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Less than or equal to 2.00%	4,975	\$ 15,741,884	6.27%
2.01% - 3.00%	12,920	58,236,656	23.21
3.01% - 4.00%	5,378	46,427,041	18.50
4.01% - 5.00%	4,008	49,931,013	19.90
5.01% - 6.00%	1,897	22,181,841	8.86
6.01% - 7.00%	4,490	34,960,694	13.93
7.01% - 8.00%	1,691	19,255,040	7.67
Greater than 8.00%	<u>394</u>	<u>4,171,974</u>	<u>1.66</u>
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by School Type
(As of June 30, 2011)**

School Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
2-Year	5,092	\$ 21,441,945	8.55%
4-Year +	27,657	211,199,293	84.17
Graduate	31	236,380	0.09
Proprietary	630	2,779,483	1.11
Other/Unknown	<u>2,343</u>	<u>15,249,042</u>	<u>6.08</u>
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by SAP Interest Rate Index
(As of June 30, 2011)**

SAP Interest Rate Index	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
1-month LIBOR Index	19,904	\$212,353,637	84.63%
91-day T-Bill Index	<u>15,849</u>	<u>38,552,506</u>	<u>15.37</u>
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Borrower Payment Status
(As of June 30, 2011)**

Borrower Payment Status	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
In School	649	\$ 1,674,872	0.67%
Grace	207	497,026	0.20
Deferment	6,088	37,890,440	15.10
Forbearance	4,370	38,907,065	15.51
Repayment	23,899	169,945,071	67.73
Claims In Progress/Denied	<u>540</u>	<u>1,991,669</u>	<u>0.79</u>
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Days Delinquent
(As of June 30, 2011)**

Range of Days Delinquent	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Not in Repayment	11,854	\$80,961,072	32.27%
0-30 days	18,944	141,344,653	56.33
31-60 days	1,383	8,780,434	3.50
61-90 days	903	4,951,733	1.97
91-120 days	617	3,589,530	1.44
121-180 days	922	5,200,453	2.07
181 days and above	<u>1,130</u>	<u>6,078,268</u>	<u>2.42</u>
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

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**Distribution of the Financed Student Loans by Range of Date of Disbursement
(Dates Correspond to Changes in Special Allowance Payment)
(As of June 30, 2011)**

Range of Date of Disbursement	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Pre April 1, 2006	23,615	\$143,367,770	57.14%
April 1, 2006 – September 30, 2007	8,870	87,419,325	34.84
October 1, 2007 and before July 1, 2010	<u>3,268</u>	<u>20,119,048</u>	<u>8.02</u>
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

For FFELP loans disbursed on or after April 1, 2006 and before July 1, 2010, if the stated interest rate is higher than the rate applicable to such FFELP loan including Special Allowance Payments, the holder of the FFELP loan must credit the difference to the Department of Education. FFELP loans disbursed on or after October 1, 2007 have a higher SAP margin for eligible not-for-profit lenders such as the Issuer than for for-profit lenders, but have a 40 bps to 70 bps lower Special Allowance Payment margin than loans originated on or after January 1, 2000 and before October 1, 2007.

**Distribution of the Financed Student Loans by Range of Date of Disbursement
(Dates Correspond to Changes in Guaranty Percentages)
(As of June 30, 2011)**

Range of Date of Disbursement	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
July 1, 2006 and before July 1, 2010	10,811	\$105,531,124	42.06%
October 1, 1993 – June 30, 2006	24,421	143,794,310	57.31
Pre October 1, 1993	<u>521</u>	<u>1,580,709</u>	<u>0.63</u>
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

Student loans disbursed prior to October 1, 1993 are 100% guaranteed by the guarantee agency. Student loans disbursed on or after October 1, 1993 and before July 1, 2006 are 98% guaranteed by the applicable guaranty agency. Student loans for which the first disbursement is made on or after July 1, 2006 and before July 1, 2010 are 97% guaranteed by the applicable guaranty agency.

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**Distribution of the Financed Student Loans by Range of Outstanding Principal Balance
(As of June 30, 2011)**

Range of Outstanding Principal Balance	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Less than \$500	2,957	\$ 1,978,910	0.79%
\$500 to \$999	2,890	2,863,467	1.14
\$1,000 to \$1,999	5,941	14,330,054	5.71
\$2,000 to \$2,999	5,575	17,994,981	7.17
\$3,000 to \$3,999	3,980	16,977,676	6.77
\$4,000 to \$5,999	4,787	22,878,206	9.12
\$6,000 to \$7,999	1,996	13,717,424	5.47
\$8,000 to \$9,999	1,428	12,780,835	5.09
\$10,000 to \$14,999	2,269	27,426,650	10.93
\$15,000 to \$19,999	1,361	24,636,345	9.82
\$20,000 to \$24,999	850	19,937,509	7.95
\$25,000 to \$29,999	542	15,797,534	6.30
\$30,000 to \$34,999	364	12,805,168	5.10
\$35,000 to \$39,999	235	8,787,929	3.50
\$40,000 to \$49,999	201	8,843,675	3.52
\$50,000 to \$59,999	114	6,217,276	2.48
\$60,000 to \$69,999	62	3,966,414	1.58
\$70,000 to \$79,999	54	4,043,655	1.61
\$80,000 to \$89,999	49	4,168,424	1.66
\$90,000 to \$99,999	41	3,885,003	1.55
\$100,000 to \$109,999	22	2,300,715	0.92
\$110,000 to \$149,999	34	4,346,113	1.73
\$150,000 or more	<u>1</u>	<u>222,180</u>	<u>0.09</u>
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

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**Distribution of the Financed Student Loans by Range of
Remaining Term to Scheduled Maturity
(As of June 30, 2011)**

Range of Remaining Term to Scheduled Maturity (in months)	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Less than or equal to 24	1,258	\$ 967,751	0.39%
25 – 36	1,135	1,530,814	0.61
37 – 48	1,299	2,674,097	1.07
49 – 60	1,251	3,246,666	1.29
61 – 72	1,556	5,930,265	2.36
73 – 84	1,781	7,000,408	2.79
85 – 96	1,753	7,987,326	3.18
97 – 108	2,851	12,036,978	4.80
109 – 120	9,371	39,070,515	15.57
121 – 144	4,735	35,277,547	14.06
145 – 168	2,067	15,718,344	6.26
169 – 192	1,818	18,919,131	7.54
193 – 220	1,117	15,538,890	6.19
221 – 300	3,761	50,748,459	20.23
Greater than 300	<u>710</u>	<u>34,258,952</u>	<u>13.65</u>
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

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The following chart shows the geographic distribution of the student loans based on the permanent billing addresses of the borrowers as shown on the Servicers' records:

**Distribution of the Financed Student Loans by Geographic Location
(As of June 30, 2011)**

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Alabama	118	\$ 1,212,311	0.48%
Alaska	51	443,896	0.18
Arizona	82	679,948	0.27
Arkansas	28,079	186,808,448	74.45
California	306	2,177,773	0.87
Colorado	179	1,786,047	0.71
Connecticut	26	365,719	0.15
District of Columbia	24	146,479	0.06
Florida	273	3,099,225	1.24
Georgia	280	2,912,073	1.16
Hawaii	19	119,711	0.05
Idaho	11	32,581	0.01
Illinois	200	1,599,062	0.64
Indiana	82	1,074,088	0.43
Iowa	43	331,006	0.13
Kansas	122	930,380	0.37
Kentucky	87	1,061,445	0.42
Louisiana	401	2,849,348	1.14
Maine	8	115,689	0.05
Maryland	91	753,862	0.30
Massachusetts	45	637,884	0.25
Michigan	89	797,474	0.32
Minnesota	67	397,098	0.16
Mississippi	244	2,083,568	0.83
Missouri	731	3,979,361	1.59
Montana	13	85,392	0.03
Nebraska	44	261,230	0.10
Nevada	29	384,522	0.15
New Hampshire	15	81,778	0.03
New Jersey	46	457,230	0.18
New Mexico	31	497,200	0.20
New York	76	756,154	0.30
North Carolina	123	1,657,134	0.66
North Dakota	11	19,868	0.01
Ohio	66	725,365	0.29
Oklahoma	451	3,800,305	1.51
Oregon	40	658,339	0.26
Pennsylvania	75	865,976	0.35
Puerto Rico	6	36,052	0.01
Rhode Island	13	111,596	0.04
South Carolina	70	815,381	0.32

**Distribution of the Financed Student Loans by Geographic Location
(As of June 30, 2011)**

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
South Dakota	7	24,119	0.01
Tennessee	740	6,449,996	2.57
Texas	1,843	13,045,441	5.20
Utah	25	208,100	0.08
Vermont	13	169,655	0.07
Virginia	159	1,144,383	0.46
Washington	82	709,938	0.28
West Virginia	38	301,747	0.12
Wisconsin	43	298,586	0.12
Wyoming	9	34,936	0.01
Armed Forces	19	160,011	0.06
Armed Forces Pacific	8	52,554	0.02
Unknown	<u>59</u>	<u>698,679</u>	<u>0.28</u>
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Servicer
(As of June 30, 2011)**

Servicer	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Edfinancial Services, LLC	31,195	\$221,690,231	88.36%
Nelnet Servicing, LLC	<u>4,558</u>	<u>29,215,912</u>	<u>11.64</u>
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Guaranty Agency
(As of June 30, 2011)**

Guaranty Agency	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Student Loan Guarantee Foundation of Arkansas	34,463	\$241,848,431	96.39%
Other	<u>1,290</u>	<u>9,057,712</u>	<u>3.61</u>
Total	<u>35,753</u>	<u>\$250,906,143</u>	<u>100.00%</u>

INDENTURE INFORMATION

Balances in the:

CAPITALIZED INTEREST FUND	\$2,000,000
COLLECTION FUND	\$4,911,430
DEPARTMENT REBATE FUND	\$584,282
RESERVE FUND	\$638,929

Outstanding principal amount of the 2010-1 Notes issued under the Indenture:

\$241,280,760.17

CHANGES TO THE HIGHER EDUCATION ACT HAVING A SPECIAL FINANCIAL IMPACT ON THE PROGRAM OF THE ISSUER FINANCED BY THE SERIES 2010-1 NOTES WHICH IS NOT GENERALLY EXPERIENCED IN STUDENT LOAN SECTOR

None.