

**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

2012 ANNUAL FINANCIAL INFORMATION

This 2012 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, 2012 were filed on December 21, 2012.

**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 \$223,279,282 due to rounding.

Composition of the Financed Student Loan Portfolio (As of June 30, 2012)

Aggregate Outstanding Principal Balance	\$ 223,279,282
Number of Borrowers*	14,196
Average Outstanding Principal Balance Per Borrower	\$15,728
Number of Loans	30,583
Average Outstanding Principal Balance Per Loan	\$7,301
Weighted Average Remaining Term to Scheduled Maturity (Months)**	191.74
Weighted Average Payments Made (Months)	77.19
Weighted Average Annual Borrower Interest Rate***	4.46%
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, 2012)

Loan Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Stafford-Unsubsidized	6,188	\$ 22,668,690	10.15%
Stafford-Subsidized	10,869	28,742,177	12.87
Consolidation-Unsubsidized	6,534	89,653,302	40.16
Consolidation-Subsidized	6,557	80,504,304	36.05
PLUS	423	1,668,219	0.75
SLS	<u>12</u>	<u>42,590</u>	<u>0.02</u>
Total	<u>30,583</u>	<u>\$223,279,282</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Annual Borrower Interest Rate
(As of June 30, 2012)**

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%	3,892	\$ 11,969,028	5.36%
2.01% - 3.00%	10,656	41,026,613	18.37
3.01% - 4.00%	4,003	45,423,780	20.35
4.01% - 5.00%	3,256	44,349,786	19.86
5.01% - 6.00%	3,231	25,276,077	11.32
6.01% - 7.00%	3,666	34,318,489	15.37
7.01% - 8.00%	1,534	17,494,261	7.84
Greater than 8.00%	<u>345</u>	<u>3,421,248</u>	<u>1.53</u>
Total	<u>30,583</u>	<u>\$223,279,282</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by School Type
(As of June 30, 2012)**

School Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
2-Year	4,581	\$ 16,844,337	7.54%
Graduate/4-Year +	24,428	199,176,521	89.21
Proprietary	1,406	5,972,513	2.67
Other/Unknown	<u>168</u>	<u>1,285,911</u>	<u>0.58</u>
Total	<u>30,583</u>	<u>\$223,279,282</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by SAP Interest Rate Index
(As of June 30, 2012)**

SAP Interest Rate Index	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
1-month LIBOR Index	23,601	\$196,217,833	87.88%
91-day T-Bill Index	<u>6,982</u>	<u>27,061,449</u>	<u>12.12</u>
Total	<u>30,583</u>	<u>\$223,279,282</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Borrower Payment Status
(As of June 30, 2012)**

Borrower Payment Status	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
In School	313	\$ 788,435	0.35%
Grace	94	239,383	0.11
Deferment	4,982	30,298,600	13.57
Forbearance	3,540	30,595,426	13.70
Repayment	21,294	159,757,259	71.55
Claims In Progress/Denied	<u>360</u>	<u>1,600,179</u>	<u>0.72</u>
Total	<u>30,583</u>	<u>\$223,279,282</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Days Delinquent
(As of June 30, 2012)**

Range of Days Delinquent	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Not in Repayment	9,289	\$63,522,023	28.45%
0-30 days	16,620	131,478,805	58.89
31-60 days	1,072	6,910,540	3.10
61-90 days	760	4,600,632	2.06
91-120 days	597	3,908,946	1.75
121-180 days	813	4,787,059	2.14
181 days and above	<u>1,432</u>	<u>8,071,277</u>	<u>3.61</u>
Total	<u>30,583</u>	<u>\$223,279,282</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Date of Disbursement
(Dates Correspond to Changes in Special Allowance Payment)
(As of June 30, 2012)**

Range of Date of Disbursement	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Pre April 1, 2006	21,153	\$126,870,496	56.82%
April 1, 2006 – September 30, 2007	6,997	77,244,868	34.60
October 1, 2007 and before July 1, 2010	<u>2,433</u>	<u>19,163,918</u>	<u>8.58</u>
Total	<u>30,583</u>	<u>\$223,279,282</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, 2012)**

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	9,664	\$91,904,002	41.16%
October 1, 1993 – June 30, 2006	20,558	130,381,280	58.39
Pre October 1, 1993	<u>361</u>	<u>994,000</u>	<u>0.45</u>
Total	<u>30,583</u>	<u>\$223,279,282</u>	<u>100.00%</u>

Student loans disbursed prior to October 1, 1993 are 100% guaranteed by the guaranty 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, 2012)**

Range of Outstanding Principal Balance	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Less than \$500	2,194	\$ 459,968	0.21%
\$500 to \$999	2,069	1,545,173	0.69
\$1,000 to \$1,999	5,088	12,688,513	5.68
\$2,000 to \$2,999	4,986	16,793,881	7.52
\$3,000 to \$3,999	3,552	15,456,208	6.92
\$4,000 to \$5,999	3,992	21,273,402	9.53
\$6,000 to \$7,999	1,752	12,058,693	5.40
\$8,000 to \$9,999	1,277	11,436,696	5.12
\$10,000 to \$14,999	2,118	25,162,579	11.27
\$15,000 to \$19,999	1,214	21,114,386	9.46
\$20,000 to \$24,999	743	16,616,434	7.44
\$25,000 to \$29,999	478	12,604,782	5.64
\$30,000 to \$34,999	342	11,111,467	4.98
\$35,000 to \$39,999	227	8,487,228	3.80
\$40,000 to \$49,999	190	8,416,971	3.77
\$50,000 to \$59,999	106	5,793,103	2.59
\$60,000 to \$69,999	59	3,773,240	1.69
\$70,000 to \$79,999	55	4,108,935	1.84
\$80,000 to \$89,999	43	3,901,097	1.75
\$90,000 to \$99,999	39	3,695,793	1.66
\$100,000 to \$109,999	21	2,194,979	0.98
\$110,000 to \$149,999	34	4,347,989	1.95
\$150,000 or more	<u>1</u>	<u>237,765</u>	<u>0.11</u>
Total	<u>30,583</u>	<u>\$223,279,282</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, 2012)**

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	1,469	\$ 631,562	0.56%
25 – 36	994	973,695	0.76
37 – 48	1,031	1,585,767	0.97
49 – 60	1,160	2,440,544	1.34
61 – 72	1,370	3,756,768	1.81
73 – 84	1,543	5,274,928	2.55
85 – 96	1,513	5,605,852	3.67
97 – 108	2,294	8,489,859	7.70
109 – 120	7,955	35,782,092	13.68
121 – 144	4,125	33,967,370	8.28
145 – 168	1,422	14,546,358	6.97
169 – 192	1,467	17,224,616	7.06
193 – 220	800	12,907,350	8.85
221 – 300	3,440	51,691,460	21.59
Greater than 300	<u>514</u>	<u>28,401,061</u>	<u>14.21</u>
Total	<u>30,583</u>	<u>\$223,279,282</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, 2012)**

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Alabama	120	\$ 1,046,421	0.47%
Alaska	48	389,406	0.17
Arizona	74	628,751	0.28
Arkansas	23,873	166,307,242	74.48
California	286	2,209,186	0.99
Colorado	148	1,493,971	0.67
Connecticut	24	322,458	0.14
Delaware	2	12,716	0.01
District of Columbia	20	171,019	0.08
Florida	217	2,751,625	1.23
Georgia	240	2,615,301	1.17
Hawaii	23	120,105	0.05
Idaho	8	29,902	0.01
Illinois	185	1,363,926	0.61
Indiana	82	1,041,767	0.47
Iowa	27	194,638	0.09
Kansas	101	821,027	0.37
Kentucky	57	609,049	0.27
Louisiana	331	2,384,754	1.07
Maine	5	78,184	0.04
Maryland	99	777,353	0.35
Massachusetts	43	570,059	0.26
Michigan	63	662,827	0.30
Minnesota	45	351,677	0.16
Mississippi	228	1,814,705	0.81
Missouri	606	3,579,512	1.60
Montana	6	61,862	0.03
Nebraska	38	232,180	0.10
Nevada	25	326,730	0.15
New Hampshire	15	69,214	0.03
New Jersey	50	447,322	0.20
New Mexico	27	476,322	0.21
New York	66	764,246	0.34
North Carolina	104	1,506,259	0.67
North Dakota	13	38,937	0.02
Ohio	43	513,143	0.23
Oklahoma	433	3,342,284	1.50
Oregon	41	731,253	0.33
Pennsylvania	70	577,174	0.26
Puerto Rico	6	37,175	0.02
Rhode Island	11	48,405	0.02

**Distribution of the Financed Student Loans by Geographic Location
(As of June 30, 2012)**

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
<i>South Carolina</i>	61	565,882	0.25
South Dakota	4	16,668	0.01
Tennessee	648	5,649,510	2.53
Texas	1,642	11,966,522	5.36
Utah	22	196,610	0.09
Vermont	15	193,329	0.09
Virginia	109	739,091	0.33
Washington	72	718,916	0.32
West Virginia	29	279,452	0.13
Wisconsin	43	431,402	0.19
Wyoming	4	17,228	0.01
Armed Forces	20	178,846	0.08
Armed Forces Pacific	11	82,405	0.04
Unknown	<u>58</u>	<u>723,334</u>	<u>0.32</u>
Total	<u>30,583</u>	<u>\$223,279,282</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Servicer
(As of June 30, 2012)**

Servicer	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Edfinancial Services, LLC	26,819	\$198,249,997	88.79%
Nelnet Servicing, LLC	<u>3,764</u>	<u>25,029,285</u>	<u>11.21</u>
Total	<u>30,583</u>	<u>\$223,279,282</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Guaranty Agency
(As of June 30, 2012)**

Guaranty Agency	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Student Loan Guarantee Foundation of Arkansas	29,656	\$213,812,240	95.76%
Other	<u>927</u>	<u>9,467,042</u>	<u>4.24</u>
Total	<u>30,583</u>	<u>\$223,279,282</u>	<u>100.00%</u>

INDENTURE INFORMATION

Balances in the:

CAPITALIZED INTEREST FUND	\$2,000,000
COLLECTION FUND	\$6,709,556
DEPARTMENT REBATE FUND	\$0
RESERVE FUND	\$573,979

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

\$213,547,408.69

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.