

**ARKANSAS STUDENT LOAN AUTHORITY
STUDENT LOAN ASSET-BACKED NOTES**

SERIES 2010-1

(LIBOR FLOATING RATE NOTES)

DATE OF ISSUANCE: SEPTEMBER 16, 2010

CUSIP NO: 041150DJ9

2018 ANNUAL FINANCIAL INFORMATION

THIS 2017 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, 2018 WERE FILED ON NOVEMBER 2, 2018.

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

A. ANNUAL FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Previously filed on November 2, 2018.

B. AN UPDATE AND DISCUSSION OF THE FINANCIAL INFORMATION AND OPERATING DATA IN THE OFFERING MEMORANDUM UNDER THE HEADING “ARKANSAS STUDENT LOAN AUTHORITY”

Membership

On April 4, 2017, Governor Asa Hutchinson signed into law Act 824 of the 2017 Acts of Arkansas which by the terms of the Act and consequently the merger was effective July 1, 2017.

Pursuant to Subchapter 19 of the Act, the Arkansas Student Loan Financing Act, in Section 15-902(e), the Arkansas Development Finance Authority effective on that date assumed all the contracts and debt obligations of Arkansas Student Loan Authority that were outstanding as of that date.

Arkansas Development Finance Authority operates the functions of the Arkansas Student Loan Authority as a division of Arkansas Development Finance Authority. After the effective date of the Act, the Arkansas Student Loan Authority will be managed by the Board of Directors of the Arkansas Development Finance Authority and serve under its President.

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 and Chartered Global Management Accountant.

The Issuer currently employs two 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, 2018, 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 \$105,088,543 due to rounding.

**Composition of the Financed Student Loan Portfolio
(As of June 30, 2018)**

Aggregate Outstanding Principal Balance	\$ 105,088,543
Number of Borrowers*	5,592
Average Outstanding Principal Balance Per Borrower	\$18,793
Number of Loans	11,740
Average Outstanding Principal Balance Per Loan	\$8,951
Weighted Average Remaining Term to Scheduled Maturity (Months)**	163.79
Weighted Average Payments Made (Months)	Unknown
Weighted Average Annual Borrower Interest Rate***	Unknown
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, 2018)**

Loan Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Stafford-Unsubsidized	1,872	\$ 8,081,309	7.69%
Stafford-Subsidized	3,430	9,478,987	9.02
Consolidation-Unsubsidized	3,127	46,259,977	44.02
Consolidation-Subsidized	3,196	40,711,302	38.74
PLUS	113	535,952	0.51
SLS	<u>2</u>	<u>21,018</u>	<u>0.02</u>
Total	<u>11,740</u>	<u>\$105,088,543</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Annual Borrower Interest Rate
(As of June 30, 2018)**

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%	1,494	\$ 5,580,202	5.31%
2.01% - 3.00%	4,090	19,683,084	18.73
3.01% - 4.00%	1,536	21,553,660	20.51
4.01% - 5.00%	1,250	20,996,691	19.98
5.01% - 6.00%	1,241	11,412,616	10.86
6.01% - 7.00%	1,407	16,288,724	15.50
7.01% - 8.00%	589	8,186,397	7.79
Greater than 8.00%	<u>132</u>	<u>1,387,169</u>	<u>1.32</u>
Total	<u>11,740</u>	<u>\$105,088,543</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by School Type
(As of June 30, 2018)**

School Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
2-Year	1,493	\$ 6,053,100	5.76%
Graduate/4-Year +	10,069	97,301,482	92.59
Proprietary	151	882,744	0.84
Other/Unknown	<u>27</u>	<u>851,217</u>	<u>0.81</u>
Total	<u>11,740</u>	<u>\$105,088,543</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by SAP Interest Rate Index
(As of June 30, 2018)**

SAP Interest Rate Index	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
1-month LIBOR Index	11,740	\$105,088,543	100.00%

**Distribution of the Financed Student Loans by Borrower Payment Status
(As of June 30, 2018)**

Borrower Payment Status	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
In School	16	\$ 35,122	0.03%
Grace	2	11,708	0.01
Deferment	1,130	6,158,151	5.26
Forbearance	1,492	10,489,930	8.96
Repayment	10,701	100,040,685	85.45
Claims In Progress/Denied	<u>39</u>	<u>339,518</u>	<u>0.29</u>
Total	<u>13,380</u>	<u>\$117,075,114</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Days Delinquent
(As of June 30, 2018)**

Range of Days Delinquent	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Not in Repayment	2,643	\$19,830,208	18.87%
0-30 days	7,943	79,604,573	75.75
31-60 days	351	1,460,730	1.39
61-90 days	335	1,113,939	1.06
91-120 days	147	903,761	0.86
121-180 days	146	714,602	0.68
181 days and above	<u>175</u>	<u>1,460,730</u>	<u>1.39</u>
Total	<u>11,740</u>	<u>\$105,088,543</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, 2018)**

Range of Date of Disbursement	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Pre April 1, 2006	8,126	\$56,138,300	53.42%
April 1, 2006 – September 30, 2007	2,684	37,768,822	35.94
October 1, 2007 and before July 1, 2010	<u>930</u>	<u>11,181,421</u>	<u>10.64</u>
Total	<u>11,740</u>	<u>\$105,088,543</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, 2018)**

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	3,683	\$46,268,085	39.52%
October 1, 1993 – June 30, 2006	7,896	70,327,021	60.07
Pre October 1, 1993	<u>161</u>	<u>480,008</u>	<u>0.41</u>
Total	<u>11,740</u>	<u>\$105,088,543</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, 2018)**

Range of Outstanding Principal Balance	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Less than \$500	842	\$ 231,195	0.22%
\$500 to \$999	794	756,638	0.72
\$1,000 to \$1,999	1,953	5,969,029	5.68
\$2,000 to \$2,999	1,915	8,249,451	7.85
\$3,000 to \$3,999	1,363	6,862,282	6.53
\$4,000 to \$5,999	1,533	10,361,730	9.86
\$6,000 to \$7,999	673	5,674,781	5.40
\$8,000 to \$9,999	490	5,538,166	5.27
\$10,000 to \$14,999	813	12,862,838	12.24
\$15,000 to \$19,999	466	10,540,381	10.03
\$20,000 to \$24,999	285	7,555,866	7.19
\$25,000 to \$29,999	184	6,095,135	5.80
\$30,000 to \$34,999	131	4,308,630	4.10
\$35,000 to \$39,999	87	3,709,626	3.53
\$40,000 to \$49,999	73	4,214,051	4.01
\$50,000 to \$59,999	41	2,627,214	2.50
\$60,000 to \$69,999	23	1,576,328	1.50
\$70,000 to \$79,999	21	1,860,067	1.77
\$80,000 to \$89,999	16	1,807,523	1.72
\$90,000 to \$99,999	15	1,639,381	1.56
\$100,000 to \$109,999	8	851,217	0.81
\$110,000 to \$149,999	12	1,702,434	1.62
\$150,000 or more	<u>1</u>	<u>94,580</u>	<u>0.09</u>
Total	<u>11,740</u>	<u>\$105,088,543</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, 2018)**

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	564	\$ 599,005	0.57%
25 – 36	382	756,638	0.72
37 – 48	396	1,008,850	0.96
49 – 60	445	1,502,766	1.43
61 – 72	526	1,891,594	1.80
73 – 84	592	2,995,023	2.85
85 – 96	581	3,909,294	3.72
97 – 108	881	7,503,322	7.14
109 – 120	2,856	14,743,923	14.03
121 – 144	1,584	8,533,190	8.12
145 – 168	546	7,019,915	6.68
169 – 192	563	7,324,671	6.97
193 – 220	307	9,300,336	8.85
221 – 300	1,320	22,657,090	21.56
Greater than 300	<u>197</u>	<u>15,342,927</u>	<u>14.60</u>
Total	<u>11,740</u>	<u>\$105,088,543</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, 2018)**

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Alabama	46	\$ 472,898	0.45%
Alaska	18	157,633	0.15
Arizona	28	315,266	0.30
Arkansas	9,147	77,250,588	73.51
California	110	945,797	0.90
Colorado	56	641,040	0.61
Connecticut	9	168,142	0.16
Delaware	1	94,580	0.09
District of Columbia	8	73,562	0.07
Florida	83	1,187,501	1.13
Georgia	92	1,071,903	1.02
Hawaii	9	420,354	0.40
Idaho	3	10,509	0.01
Illinois	71	630,531	0.60
Indiana	31	451,881	0.43
Iowa	10	84,071	0.08
Kansas	39	378,319	0.36
Kentucky	22	273,230	0.26
Louisiana	127	1,082,412	1.03
Maine	2	52,544	0.05
Maryland	38	399,336	0.38
Massachusetts	16	262,721	0.25
Michigan	24	357,301	0.34
Minnesota	17	199,668	0.19
Mississippi	87	872,235	0.83
Missouri	232	1,660,399	1.58
Montana	2	42,035	0.04
Nebraska	15	126,106	0.12
Nevada	10	157,633	0.15
New Hampshire	6	31,527	0.03
New Jersey	19	252,213	0.24
New Mexico	10	2231,195	0.22
New York	26	346,792	0.33
North Carolina	40	662,058	0.63
North Dakota	5	189,159	0.18
Ohio	16	231,195	0.22
Oklahoma	166	1,313,607	1.25
Oregon	16	357,301	0.34
Pennsylvania	27	252,213	0.24
Puerto Rico	2	21,118	0.02

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, 2018)**

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Rhode Island	4	20,918	0.02
South Carolina	23	231,195	0.22
South Dakota	2	10,509	0.01
Tennessee	248	2,627,214	2.50
Texas	628	5,685,290	5.41
Utah	9	735,620	0.70
Vermont	6	767,146	0.73
Virginia	42	315,266	0.30
Washington	28	283,739	0.27
West Virginia	11	115,597	0.11
Wisconsin	16	178,651	0.17
Wyoming	2	10,509	0.01
Armed Forces	8	73,562	0.07
Armed Forces Pacific	4	31,527	0.03
Unknown	<u>22</u>	<u>273,230</u>	<u>0.26</u>
Total	<u>11,740</u>	<u>\$105,088,543</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Servicer
(As of June 30, 2018)**

Servicer	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Edfinancial Services, LLC	10,551	\$94,475,786	89.90%
Nelnet Servicing, LLC	<u>1,189</u>	<u>10,612,757</u>	<u>10.10</u>
Total	<u>11,740</u>	<u>\$105,088,543</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Guaranty Agency
(As of June 30, 2018)**

Guaranty Agency	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Great Lakes (purchased SLGFA)	11,249	\$101,347,391	96.44%
Other	<u>491</u>	<u>3,741,152</u>	<u>3.56</u>
Total	<u>11,740</u>	<u>\$105,088,543</u>	<u>100.00%</u>

C. INDENTURE INFORMATION

Balances in the:

CAPITALIZED INTEREST FUND	\$0
COLLECTION FUND	\$2,136,165
DEPARTMENT REBATE FUND	\$0
RESERVE FUND	\$500,000

Outstanding principal amount of the Notes issued under the Indenture (excludes bond discounts):

\$88,803,462

D. 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.