

**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

2019 ANNUAL FINANCIAL INFORMATION

THIS 2019 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, 2019 WERE FILED ON NOVEMBER 1, 2019.

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 1, 2019.

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, 2019, 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 \$91,856,550 due to rounding.

**Composition of the Financed Student Loan Portfolio
(As of June 30, 2019)**

Aggregate Outstanding Principal Balance	\$ 91,856,550
Number of Borrowers*	4,779
Average Outstanding Principal Balance Per Borrower	\$19,221
Number of Loans	9,912
Average Outstanding Principal Balance Per Loan	\$9,267
Weighted Average Remaining Term to Scheduled Maturity (Months)**	162.86
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, 2019)**

Loan Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Stafford-Unsubsidized	1,580	\$ 7,045,397	7.67%
Stafford-Subsidized	2,896	8,276,275	9.01
Consolidation-Unsubsidized	2,641	40,591,409	44.19
Consolidation-Subsidized	2,700	35,465,814	38.61
PLUS	95	459,283	0.50
SLS	<u>2</u>	<u>18,371</u>	<u>0.02</u>
Total	<u>9,912</u>	<u>\$91,856,550</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Annual Borrower Interest Rate
(As of June 30, 2019)**

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%	1,261	\$ 4,859,211	5.29%
2.01% - 3.00%	3,453	17,186,361	18.71
3.01% - 4.00%	1,297	18,821,407	20.49
4.01% - 5.00%	1,055	18,362,124	19.99
5.01% - 6.00%	1,047	9,993,993	10.88
6.01% - 7.00%	1,188	14,265,322	15.53
7.01% - 8.00%	497	7,137,254	7.77
Greater than 8.00%	<u>112</u>	<u>1,230,878</u>	<u>1.34</u>
Total	<u>9,912</u>	<u>\$91,856,550</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by School Type
(As of June 30, 2019)**

School Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
2-Year	1,261	\$ 5,217,452	5.68%
Graduate/4-Year +	8,501	85,215,321	92.77
Proprietary	127	725,667	0.79
Other/Unknown	<u>23</u>	<u>698,110</u>	<u>0.76</u>
Total	<u>11,740</u>	<u>\$91,856,550</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by SAP Interest Rate Index
(As of June 30, 2019)**

SAP Interest Rate Index	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
1-month LIBOR Index	9,912	\$91,856,550	100.00%

**Distribution of the Financed Student Loans by Borrower Payment Status
(As of June 30, 2019)**

Borrower Payment Status	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
In School	12	\$ 183,713	0.02%
Grace	2	91,857	0.01
Deferment	837	4,932,697	5.37
Forbearance	1,105	8,294,646	9.03
Repayment	7,923	78,105,624	85.03
Claims In Progress/Denied	<u>33</u>	<u>248,013</u>	<u>0.27</u>
Total	<u>9,912</u>	<u>\$91,856,550</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Days Delinquent
(As of June 30, 2019)**

Range of Days Delinquent	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Not in Repayment	2,231	\$16,589,293	18.06%
0-30 days	6,706	70,160,033	76.38
31-60 days	296	1,313,549	1.43
61-90 days	283	1,019,608	1.11
91-120 days	124	826,709	0.90
121-180 days	123	652,182	0.71
181 days and above	<u>149</u>	<u>1,295,177</u>	<u>1.41</u>
Total	<u>9,912</u>	<u>\$91,856,550</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, 2019)**

Range of Date of Disbursement	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Pre April 1, 2006	6,861	\$48,904,427	53.24%
April 1, 2006 – September 30, 2007	2,266	32,857,088	35.77
October 1, 2007 and before July 1, 2010	<u>785</u>	<u>10,095,035</u>	<u>10.99</u>
Total	<u>9,912</u>	<u>\$91,856,550</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, 2019)**

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	3,109	\$36,219,037	39.43%
October 1, 1993 – June 30, 2006	6,667	55,334,386	60.24
Pre October 1, 1993	<u>136</u>	<u>303,127</u>	<u>0.33</u>
Total	<u>9,912</u>	<u>\$91,856,550</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, 2019)**

Range of Outstanding Principal Balance	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Less than \$500	711	\$ 202,084	0.22%
\$500 to \$999	671	679,738	0.74
\$1,000 to \$1,999	1,649	5,208,266	5.67
\$2,000 to \$2,999	1,617	7,201,554	7.84
\$3,000 to \$3,999	1,151	6,016,604	6.55
\$4,000 to \$5,999	1,294	9,057,056	9.86
\$6,000 to \$7,999	568	4,923,511	5.36
\$8,000 to \$9,999	414	4,850,026	5.28
\$10,000 to \$14,999	687	11,262,647	12.26
\$15,000 to \$19,999	393	9,204,026	10.02
\$20,000 to \$24,999	241	6,595,300	7.18
\$25,000 to \$29,999	155	5,346,051	5.82
\$30,000 to \$34,999	111	3,692,633	4.02
\$35,000 to \$39,999	74	3,251,722	3.54
\$40,000 to \$49,999	61	3,691,599	4.02
\$50,000 to \$59,999	34	2,314,785	2.52
\$60,000 to \$69,999	19	1,396,220	1.52
\$70,000 to \$79,999	18	1,635,047	1.78
\$80,000 to \$89,999	14	1,589,118	1.73
\$90,000 to \$99,999	12	1,414,591	1.54
\$100,000 to \$109,999	7	744,038	0.81
\$110,000 to \$149,999	10	1,497,262	1.63
\$150,000 or more	<u>1</u>	<u>82,671</u>	<u>0.09</u>
Total	<u>9,912</u>	<u>\$91,856,550</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, 2019)**

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	476	\$ 532,768	0.58%
25 – 36	322	652,182	0.71
37 – 48	334	881,823	0.96
49 – 60	376	1,322,734	1.44
61 – 72	444	1,662,604	1.81
73 – 84	500	2,599,540	2.83
85 – 96	490	3,426,249	3.73
97 – 108	743	6,567,743	7.15
109 – 120	2,412	12,896,660	14.04
121 – 144	1,337	7,449,566	8.11
145 – 168	461	6,145,203	6.69
169 – 192	475	6,402,402	6.97
193 – 220	259	8,120,119	8.84
221 – 300	1,115	19,767,530	21.52
Greater than 300	<u>166</u>	<u>13,429,428</u>	<u>14.62</u>
Total	<u>9,912</u>	<u>\$91,856,550</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, 2019)**

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Alabama	39	\$ 404,169	0.44%
Alaska	16	137,785	0.15
Arizona	24	275,570	0.30
Arkansas	7,723	67,551,307	73.54
California	93	826,709	0.90
Colorado	48	578,696	0.63
Connecticut	8	156,156	0.17
Delaware	1	82,671	0.09
District of Columbia	6	73,485	0.08
Florida	70	1,019,608	1.11
Georgia	77	955,308	1.04
Hawaii	7	367,426	0.40
Idaho	3	9,186	0.01
Illinois	60	551,139	0.60
Indiana	27	413,354	0.45
Iowa	9	64,300	0.07
Kansas	33	349,055	0.38
Kentucky	18	220,456	0.24
Louisiana	107	964,494	1.05
Maine	2	45,928	0.05
Maryland	32	349,055	0.38
Massachusetts	14	220,456	0.24
Michigan	20	303,127	0.33
Minnesota	15	183,713	0.20
Mississippi	74	771,595	0.84
Missouri	196	1,432,962	1.56
Montana	2	36,743	0.04
Nebraska	12	101,042	0.11
Nevada	8	128,599	0.14
New Hampshire	5	27,557	0.03
New Jersey	16	229,641	0.25
New Mexico	9	192,899	0.21
New York	22	303,127	0.33
North Carolina	33	597,068	0.65
North Dakota	4	156,156	0.17
Ohio	14	202,084	0.22
Oklahoma	140	1,139,021	1.24
Oregon	13	303,127	0.33
Pennsylvania	22	220,456	0.24
Puerto Rico	2	18,371	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, 2019)**

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Rhode Island	4	18,371	0.02
South Carolina	20	192,899	0.21
South Dakota	1	9,186	0.01
Tennessee	209	2,204,557	2.40
Texas	530	4,996,996	5.44
Utah	7	642,996	0.70
Vermont	5	698,110	0.76
Virginia	35	303,127	0.33
Washington	23	238,827	0.26
West Virginia	9	101,042	0.11
Wisconsin	14	156,156	0.17
Wyoming	1	9,186	0.01
Armed Forces	6	64,300	0.07
Armed Forces Pacific	4	27,557	0.03
Unknown	19	229,641	0.25
Total	<u>9,912</u>	<u>\$91,856,550</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Servicer
(As of June 30, 2019)**

Servicer	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Edfinancial Services, LLC	9,010	\$83,081,272	90.45%
Nelnet Servicing, LLC	<u>902</u>	<u>8,775,278</u>	<u>9.55</u>
Total	<u>9,912</u>	<u>\$91,856,550</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Guaranty Agency
(As of June 30, 2019)**

Guaranty Agency	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Great Lakes (purchased SLGFA)	9,497	\$88,715,056	96.58%
Other	<u>415</u>	<u>3,141,494</u>	<u>3.42</u>
Total	<u>9,912</u>	<u>\$91,856,550</u>	<u>100.00%</u>

C. INDENTURE INFORMATION

Balances in the:

CAPITALIZED INTEREST FUND	\$0
COLLECTION FUND	\$2,652,004
DEPARTMENT REBATE FUND	\$0
RESERVE FUND	\$500,000

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

\$76,789,777

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.