

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

2020 ANNUAL FINANCIAL INFORMATION

THIS 2020 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, 2020 WERE FILED ON NOVEMBER 12, 2020.

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 12, 2020.

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, 2020, 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 \$81,898,042 due to rounding.

**Composition of the Financed Student Loan Portfolio
(As of June 30, 2020)**

Aggregate Outstanding Principal Balance	\$ 81,898,042
Number of Borrowers*	4,050
Average Outstanding Principal Balance Per Borrower	\$20,222
Number of Loans	8,606
Average Outstanding Principal Balance Per Loan	\$9,516
Weighted Average Remaining Term to Scheduled Maturity (Months)**	164.18
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, 2020)**

Loan Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Stafford-Unsubsidized	1,372	\$ 6,265,200	7.65%
Stafford-Subsidized	2,514	7,354,444	8.98
Consolidation-Unsubsidized	2,293	36,223,504	44.23
Consolidation-Subsidized	2,342	31,637,214	38.63
PLUS	83	401,300	0.49
SLS	<u>2</u>	<u>16,380</u>	<u>0.02</u>
Total	<u>8,606</u>	<u>\$81,898,042</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Annual Borrower Interest Rate
(As of June 30, 2020)**

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%	1,095	\$ 4,340,596	5.30%
2.01% - 3.00%	2,998	15,339,503	18.73
3.01% - 4.00%	1,127	16,772,719	20.48
4.01% - 5.00%	916	16,363,229	19.98
5.01% - 6.00%	909	8,894,127	10.86
6.01% - 7.00%	1,032	12,726,956	15.54
7.01% - 8.00%	432	6,371,668	7.78
Greater than 8.00%	<u>97</u>	<u>1,089,244</u>	<u>1.33</u>
Total	<u>8,606</u>	<u>\$81,898,042</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by School Type
(As of June 30, 2020)**

School Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
2-Year	1,095	\$ 4,651,809	5.68%
Graduate/4-Year +	7,381	75,976,813	92.77
Proprietary	110	646,995	0.79
Other/Unknown	<u>20</u>	<u>622,425</u>	<u>0.76</u>
Total	<u>8,606</u>	<u>\$81,898,042</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by SAP Interest Rate Index
(As of June 30, 2020)**

SAP Interest Rate Index	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
3-month LIBOR Index	8,606	\$81,898,042	100.00%

**Distribution of the Financed Student Loans by Borrower Payment Status
(As of June 30, 2020)**

Borrower Payment Status	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
In School	1	\$ 4,434	0.01%
Grace	0	0	0.00
Deferment	530	3,833,864	4.69
Forbearance	1,547	14,778,967	18.04
Repayment	6,496	63,106,998	77.05
Claims In Progress/Denied	<u>32</u>	<u>173,779</u>	<u>0.21</u>
Total	<u>8,606</u>	<u>\$81,898,042</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Days Delinquent
(As of June 30, 2020)**

Range of Days Delinquent	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Not in Repayment	2,110	\$19,417,292	23.70%
0-30 days	5,973	58,200,765	71.07
31-60 days	146	1,284,019	1.57
61-90 days	110	952,335	1.16
91-120 days	35	366,294	0.45
121-180 days	83	572,380	0.70
181 days and above	<u>149</u>	<u>1,104,957</u>	<u>1.35</u>
Total	<u>8,606</u>	<u>\$81,898,042</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, 2020)**

Range of Date of Disbursement	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Pre April 1, 2006	5,957	\$43,602,517	53.24%
April 1, 2006 – September 30, 2007	1,967	29,294,930	35.77
October 1, 2007 and before July 1, 2010	<u>682</u>	<u>9,000,595</u>	<u>10.99</u>
Total	<u>8,606</u>	<u>\$81,898,042</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, 2020)**

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	2,699	\$32,235,069	39.36%
October 1, 1993 – June 30, 2006	5,789	49,409,089	60.33
Pre October 1, 1993	<u>118</u>	<u>253,884</u>	<u>0.31</u>
Total	<u>8,606</u>	<u>\$81,898,042</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, 2020)**

Range of Outstanding Principal Balance	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Less than \$500	617	\$ 180,176	0.20%
\$500 to \$999	582	606,046	0.74
\$1,000 to \$1,999	1,431	4,651,809	5.67
\$2,000 to \$2,999	1,404	6,412,617	7.82
\$3,000 to \$3,999	999	5,339,752	6.51
\$4,000 to \$5,999	1,124	8,091,527	9.85
\$6,000 to \$7,999	493	4,397,925	5.36
\$8,000 to \$9,999	359	4,316,027	5.26
\$10,000 to \$14,999	596	10,057,080	12.46
\$15,000 to \$19,999	341	8,197,993	10.00
\$20,000 to \$24,999	209	5,872,090	7.17
\$25,000 to \$29,999	135	4,774,656	5.82
\$30,000 to \$34,999	96	3,284,111	4.01
\$35,000 to \$39,999	64	2,891,001	3.52
\$40,000 to \$49,999	53	3,292,301	4.02
\$50,000 to \$59,999	30	2,072,020	2.52
\$60,000 to \$69,999	17	1,253,040	1.53
\$70,000 to \$79,999	16	1,465,975	1.78
\$80,000 to \$89,999	12	1,408,646	1.72
\$90,000 to \$99,999	11	1,269,420	1.54
\$100,000 to \$109,999	6	663,374	0.81
\$110,000 to \$149,999	10	1,334,938	1.62
\$150,000 or more	<u>1</u>	<u>65,518</u>	<u>0.07</u>
Total	<u>8,606</u>	<u>\$81,898,042</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, 2020)**

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	414	\$ 475,009	0.58%
25 – 36	280	581,476	0.71
37 – 48	290	786,221	0.96
49 – 60	326	1,179,332	1.44
61 – 72	386	1,482,355	1.81
73 – 84	434	2,317,715	2.83
85 – 96	426	3,054,797	3.73
97 – 108	646	5,855,710	7.15
109 – 120	2,093	11,498,485	14.04
121 – 144	1,161	6,641,931	8.11
145 – 168	400	5,478,979	6.69
169 – 192	413	5,708,294	6.97
193 – 220	225	7,239,787	8.84
221 – 300	968	17,624,457	21.52
Greater than 300	<u>144</u>	<u>11,973,494</u>	<u>14.62</u>
Total	<u>8,606</u>	<u>\$81,898,042</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, 2020)**

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Alabama	34	\$ 360,351	0.44%
Alaska	14	122,847	0.15
Arizona	21	245,694	0.30
Arkansas	6,703	60,432,564	74.23
California	80	737,082	0.90
Colorado	41	515,958	0.63
Connecticut	7	139,227	0.17
Delaware	1	73,708	0.09
District of Columbia	6	65,518	0.08
Florida	61	909,068	1.11
Georgia	67	851,740	1.04
Hawaii	6	327,592	0.40
Idaho	2	8,190	0.01
Illinois	52	491,388	0.60
Indiana	23	368,541	0.45
Iowa	8	57,329	0.07
Kansas	28	311,213	0.38
Kentucky	16	196,555	0.24
Louisiana	93	859,929	1.05
Maine	2	40,949	0.05
Maryland	28	311,213	0.38
Massachusetts	12	196,555	0.24
Michigan	18	270,264	0.33
Minnesota	13	163,796	0.20
Mississippi	64	687,944	0.84
Missouri	170	1,277,609	1.56
Montana	2	32,759	0.04
Nebraska	11	90,088	0.11
Nevada	7	114,657	0.14
New Hampshire	4	24,569	0.03
New Jersey	14	204,745	0.25
New Mexico	8	171,986	0.21
New York	19	270,264	0.33
North Carolina	29	532,337	0.65
North Dakota	4	139,227	0.17
Ohio	12	180,176	0.22
Oklahoma	122	1,015,536	1.24
Oregon	12	270,264	0.33
Pennsylvania	20	196,555	0.24
Puerto Rico	2	16,380	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, 2020)**

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Rhode Island	3	16,380	0.02
South Carolina	17	171,986	0.21
South Dakota	1	8,190	0.01
Tennessee	182	1,965,553	2.40
Texas	460	4,455,253	5.44
Utah	6	573,286	0.70
Vermont	4	622,425	0.76
Virginia	31	270,264	0.33
Washington	20	212,935	0.26
West Virginia	8	90,088	0.11
Wisconsin	12	139,227	0.17
Wyoming	1	8,190	0.01
Armed Forces	6	57,329	0.07
Armed Forces Pacific	3	24,569	0.03
Unknown	<u>16</u>	<u>204,745</u>	<u>0.25</u>
Total	<u>8,606</u>	<u>\$81,898,042</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Servicer
(As of June 30, 2020)**

Servicer	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Edfinancial Services, LLC	7,849	\$81,123,986	90.54%
Nelnet Servicing, LLC	<u>757</u>	<u>7,744,056</u>	<u>9.46</u>
Total	<u>8,606</u>	<u>\$81,898,042</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Guaranty Agency
(As of June 30, 2020)**

Guaranty Agency	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Great Lakes (purchased SLGFA)	8,246	\$79,187,217	96.69%
Other	<u>360</u>	<u>2,710,825</u>	<u>3.31</u>
Total	<u>8,606</u>	<u>\$81,898,042</u>	<u>100.00%</u>

C. INDENTURE INFORMATION

Balances in the:

CAPITALIZED INTEREST FUND	\$0
COLLECTION FUND	\$1,410,855
DEPARTMENT REBATE FUND	\$0
RESERVE FUND	\$500,001

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

\$66,063,201

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.