

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

SERIES 2012-1

(LIBOR FLOATING RATE NOTES)

Date of Issuance: December 21, 2012

CUSIP No: 041150DK6

2020 ANNUAL FINANCIAL INFORMATION

This 2016 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 2012 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.

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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 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, 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 \$45,386,582 due to rounding.

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

Aggregate Outstanding Principal Balance	\$ 45,386,582
Number of Borrowers*	3,426
Average Outstanding Principal Balance Per Borrower	\$13,248
Number of Loans	12,583
Average Outstanding Principal Balance Per Loan	\$3,607
Weighted Average Remaining Term to Scheduled Maturity (Months)**	136.50
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	5,319	\$ 23,749,567	52.33%
Stafford-Subsidized	7,089	20,531,820	45.24
Consolidation-Unsubsidized			
Consolidation-Subsidized			
PLUS	175	1,105,195	2.43
SLS			
Total	<u>12,583</u>	<u>\$45,386,582</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%	1,601	\$ 2,242,097	4.94%
2.01% - 3.00%	4,384	8,505,445	18.74
3.01% - 4.00%	1,647	9,562,953	21.07
4.01% - 5.00%	1,340	9,063,700	19.97
5.01% - 6.00%	1,330	4,815,516	10.61
6.01% - 7.00%	1,508	7,230,083	15.93
7.01% - 8.00%	631	3,403,994	7.50
Greater than 8.00%	142	562,794	1.24
Total	<u>12,583</u>	<u>\$45,386,582</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	2,734	\$ 8,693,938	19.15%
Graduate/4-Year +	9,606	36,083,083	79.51
Proprietary	243	609,561	1.34
Other/Unknown			
Total	<u>12,583</u>	<u>\$45,386,582</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
1-month LIBOR Index	12,583	\$45,386,582	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	14	\$ 73,603	0.16%
Grace	8	30,225	0.07
Deferment	1,194	4,417,457	9.73
Forbearance	2,661	10,470,868	23.07
Repayment	8,643	30,185,982	66.51
Claims In Progress/Denied	<u>63</u>	<u>208,447</u>	<u>0.46</u>
Total	<u>12,583</u>	<u>\$45,386,582</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	3,940	\$15,200,599	31.60%
0-30 days	7,565	25,827,925	56.91
31-60 days	329	1,312,280	2.89
61-90 days	235	1,044,082	2.30
91-120 days	122	479,370	0.94
121-180 days	116	426,615	2.94
181 days and above	<u>276</u>	<u>1,095,711</u>	<u>2.42</u>
Total	<u>12,583</u>	<u>\$45,386,582</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	8,703	\$25,293,942	55.73%
April 1, 2006 – September 30, 2007	2,879	16,865,654	37.16
October 1, 2007 and before July 1, 2010	<u>1,001</u>	<u>3,226,986</u>	<u>7.11</u>
Total	<u>12,583</u>	<u>\$45,386,582</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	3,973	\$17,569,146	38.71%
October 1, 1993 – June 30, 2006	8,458	27,703,970	61.04
Pre October 1, 1993	<u>152</u>	<u>113,466</u>	<u>0.25</u>
Total	<u>12,583</u>	<u>\$45,386,582</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	902	\$ 113,466	0.25%
\$500 to \$999	851	308,629	0.68
\$1,000 to \$1,999	2,093	2,618,806	5.77
\$2,000 to \$2,999	2,052	3,962,919	8.73
\$3,000 to \$3,999	1,461	2,931,973	6.46
\$4,000 to \$5,999	1,643	3,916,862	8.63
\$6,000 to \$7,999	721	2,650,576	5.84
\$8,000 to \$9,999	525	2,596,112	5.72
\$10,000 to \$14,999	872	6,286,331	13.85
\$15,000 to \$19,999	499	4,234,568	9.33
\$20,000 to \$24,999	305	2,904,741	6.40
\$25,000 to \$29,999	197	2,773,120	6.11
\$30,000 to \$34,999	141	2,287,484	5.04
\$35,000 to \$39,999	94	1,688,381	3.72
\$40,000 to \$49,999	78	1,711,074	3.77
\$50,000 to \$59,999	44	1,284,440	2.83
\$60,000 to \$69,999	24	576,410	1.27
\$70,000 to \$79,999	23	534,562	1.18
\$80,000 to \$89,999	17	462,943	1.02
\$90,000 to \$99,999	16	535,562	1.18
\$100,000 to \$109,999	9	376,709	0.83
\$110,000 to \$149,999	14	494,714	1.09
\$150,000 or more	<u>2</u>	<u>136,160</u>	<u>0.30</u>
Total	<u>12,583</u>	<u>\$45,386,582</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	605	\$ 213,317	0.46%
25 – 36	409	295,013	0.64
37 – 48	424	331,322	0.72
49 – 60	477	590,026	1.29
61 – 72	564	857,806	1.88
73 – 84	635	1,357,059	2.98
85 – 96	623	1,624,840	3.57
97 – 108	944	3,408,532	7.50
109 – 120	3,061	6,862,451	15.11
121 – 144	1,697	3,653,620	8.04
145 – 168	585	2,868,432	6.32
169 – 192	604	2,954,666	6.51
193 – 220	329	3,826,089	8.53
221 – 300	1,415	10,093,976	22.24
Greater than 300	<u>211</u>	<u>6,449,433</u>	<u>14.21</u>
Total	<u>12,583</u>	<u>\$45,386,582</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	49	\$ 122,544	0.28%
Alaska	20	49,925	0.12
Arizona	30	99,850	0.23
Arkansas	9,807	33,272,903	73.33
California	118	363,093	0.81
Colorado	61	313,167	0.70
Connecticut	10	27,232	0.07
Delaware	1	22,693	0.06
District of Columbia	7	31,771	0.08
Florida	89	535,562	1.20
Georgia	98	521,946	1.17
Hawaii	9	167,930	0.38
Idaho	3	4,539	0.01
Illinois	76	276,858	0.62
Indiana	34	199,701	0.43
Iowa	11	49,925	0.12
Kansas	41	249,626	0.55
Kentucky	23	149,776	0.35
Louisiana	136	562,794	1.28
Maine	2	181,546	0.41
Maryland	41	190,624	0.43
Massachusetts	17	118,005	0.27
Michigan	26	140,698	0.32
Minnesota	19	77,157	0.18
Mississippi	94	399,402	0.89
Missouri	249	739,801	1.66
Montana	2	136,160	0.31
Nebraska	16	4,539	0.01
Nevada	10	77,157	0.19
New Hampshire	6	13,616	0.03
New Jersey	20	77,157	0.18
New Mexico	11	99,850	0.23
New York	27	158,853	0.36
North Carolina	42	281,397	0.62
North Dakota	5	90,773	0.21
Ohio	17	113,466	0.26
Oklahoma	178	608,180	1.36
Oregon	17	163,392	0.36
Pennsylvania	29	108,928	0.25
Puerto Rico	2	4,539	0.01

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	5	9,077	0.02
South Carolina	25	95,312	0.22
South Dakota	2	4,539	0.01
Tennessee	266	1,107,433	2.47
Texas	674	2,260,252	4.99
Utah	9	267,781	0.60
Vermont	6	317,706	0.71
Virginia	45	104,389	0.24
Washington	30	149,776	0.34
West Virginia	12	45,387	0.10
Wisconsin	17	63,541	0.14
Wyoming	2	4,539	0.01
Armed Forces	8	36,309	0.08
Armed Forces Pacific	5	9,077	0.02
Unknown	<u>24</u>	<u>104,389</u>	<u>0.24</u>
Total	<u>12,583</u>	<u>\$45,386,582</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	12,583	\$45,386,582	100.00%

**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 (formerly SLGFA)	12,583	\$45,386,582	100.00%

C. INDENTURE INFORMATION

Balances in the:

CAPITALIZED INTEREST FUND	\$0
COLLECTION FUND	\$530,326
DEPARTMENT REBATE FUND	\$0
RESERVE FUND	\$300,000

Outstanding principal amount of the Notes issued under the Indenture:

\$32,523,508

D. CHANGES TO THE HIGHER EDUCATION ACT HAVING A SPECIAL FINANCIAL IMPACT ON THE PROGRAM OF THE ISSUER FINANCED BY THE SERIES 2012-1 NOTES WHICH IS NOT GENERALLY EXPERIENCED IN STUDENT LOAN SECTOR

None.