

**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**

**2015 ANNUAL FINANCIAL INFORMATION**

**THIS 2015 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, 2015 WERE FILED ON DECEMBER 7, 2015.**

**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 December 7, 2015.

**B. AN UPDATE AND DISCUSSION OF THE FINANCIAL INFORMATION AND OPERATING DATA IN THE 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:

<b>Names and Position Held</b>	<b>Term Expires</b>	<b>Principal Occupation</b>
Ben Pickard Chairman and Member	July 8, 2018	Retired, former Vice Chancellor of Student Affairs, Arkansas State University – Beebe, Searcy, AR Simmons First Bank, Pine Bluff, AR
Tracy French Secretary and Member	July 8, 2016	Chief Executive Officer Centennial Bank, Cabot, AR
Marvin Steele, Sr. Member	July 8, 2017	Owner, Steele-Guiltner Tire Pros West Memphis, 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, 2017	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 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.

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### Characteristics of the Financed Student Loans

As of June 30, 2015, 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 \$154,899,365 due to rounding.

#### Composition of the Financed Student Loan Portfolio (As of June 30, 2015)

Aggregate Outstanding Principal Balance	\$ 150,251,513
Number of Borrowers*	8,639
Average Outstanding Principal Balance Per Borrower	\$17,392
Number of Loans	18,041
Average Outstanding Principal Balance Per Loan	\$8,328
Weighted Average Remaining Term to Scheduled Maturity (Months)**	174.15
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, 2015)

Loan Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Stafford-Unsubsidized	4,266	\$ 13,488,478	7.75%
Stafford-Subsidized	7,144	15,741,380	9.05
Consolidation-Unsubsidized	5,066	76,486,286	43.95
Consolidation-Subsidized	4,925	67,290,099	38.67
PLUS	215	967,103	0.56
SLS	<u>8</u>	<u>39,673</u>	<u>0.02</u>
Total	<u>18,041</u>	<u>\$150,251,513</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Annual Borrower Interest Rate**  
(As of June 30, 2015)

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%	2,296	\$ 8,038,456	5.35%
2.01% - 3.00%	6,286	28,232,259	18.79
3.01% - 4.00%	2,361	30,861,661	20.54
4.01% - 5.00%	1,921	29,809,900	19.84
5.01% - 6.00%	1,906	16,272,239	10.83
6.01% - 7.00%	2,163	23,273,959	15.49
7.01% - 8.00%	905	11,734,643	7.81
Greater than 8.00%	<u>204</u>	<u>2,028,395</u>	<u>1.35</u>
Total	<u>18,041</u>	<u>\$150,251,513</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by School Type**  
(As of June 30, 2015)

School Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
2-Year	2,294	\$ 10,232,128	6.81%
Graduate/4-Year +	15,474	131,079,420	91.67
Proprietary	231	1,307,188	0.87
Other/Unknown	<u>42</u>	<u>976,635</u>	<u>0.65</u>
Total	<u>18,041</u>	<u>\$150,251,513</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by SAP Interest Rate Index  
(As of June 30, 2015)**

<b>SAP Interest Rate Index</b>	<b>Number of Loans</b>	<b>Outstanding Principal Balance</b>	<b>Percent of Loans by Outstanding Principal Balance</b>
3-month LIBOR Index	18,041	\$150,251,513	100.00%

**Distribution of the Financed Student Loans by Borrower Payment Status  
(As of June 30, 2015)**

<b>Borrower Payment Status</b>	<b>Number of Loans</b>	<b>Outstanding Principal Balance</b>	<b>Percent of Loans by Outstanding Principal Balance</b>
In School	43	\$ 120,201	0.08%
Grace	14	30,050	0.02
Deferment	2,054	13,252,183	8.82
Forbearance	1,761	13,687,913	9.11
Repayment	14,081	122,485,034	81.97
Claims In Progress/Denied	<u>88</u>	<u>676,132</u>	<u>0.45</u>
Total	<u>18,041</u>	<u>\$150,251,513</u>	<u>100.00%</u>

**Distribution of the Financed Student Loans by Range of Days Delinquent  
(As of June 30, 2015)**

<b>Range of Days Delinquent</b>	<b>Number of Loans</b>	<b>Outstanding Principal Balance</b>	<b>Percent of Loans by Outstanding Principal Balance</b>
Not in Repayment	3,903	\$27,541,102	18.33%
0-30 days	12,520	109,518,328	72.89
31-60 days	333	3,951,615	2.63
61-90 days	241	2,298,848	1.53
91-120 days	274	1,938,245	1.29
121-180 days	361	2,088,496	1.39
181 days and above	<u>409</u>	<u>2,914,879</u>	<u>1.94</u>
Total	<u>18,041</u>	<u>\$150,251,513</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, 2015)**

Range of Date of Disbursement	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Pre April 1, 2006	12,487	\$78,626,617	52.33%
April 1, 2006 – September 30, 2007	4,124	55,953,663	37.24
October 1, 2007 and before July 1, 2010	<u>1,430</u>	<u>15,671,233</u>	<u>10.43</u>
Total	<u>18,041</u>	<u>\$150,251,513</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, 2015)**

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	5,683	\$59,529,649	39.62%
October 1, 1993 – June 30, 2006	12,134	90,060,757	59.94
Pre October 1, 1993	<u>224</u>	<u>661,107</u>	<u>0.44</u>
Total	<u>18,041</u>	<u>\$150,251,513</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, 2015)**

Range of Outstanding Principal Balance	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Less than \$500	1,294	\$ 315,528	0.21%
\$500 to \$999	1,221	1,081,811	0.72
\$1,000 to \$1,999	3,001	8,474,185	5.64
\$2,000 to \$2,999	2,943	11,749,668	7.82
\$3,000 to \$3,999	2,095	9,796,399	6.52
\$4,000 to \$5,999	2,355	14,889,925	9.91
\$6,000 to \$7,999	1,034	8,098,557	5.39
\$8,000 to \$9,999	753	7,903,230	5.26
\$10,000 to \$14,999	1,250	18,390,785	12.24
\$15,000 to \$19,999	716	15,070,227	10.03
\$20,000 to \$24,999	438	10,803,084	7.19
\$25,000 to \$29,999	282	8,804,739	5.86
\$30,000 to \$34,999	202	6,145,287	4.09
\$35,000 to \$39,999	134	5,318,904	3.54
\$40,000 to \$49,999	112	5,995,035	3.99
\$50,000 to \$59,999	63	3,771,313	2.51
\$60,000 to \$69,999	35	2,268,798	1.51
\$70,000 to \$79,999	33	2,659,452	1.77
\$80,000 to \$89,999	25	2,524,225	1.68
\$90,000 to \$99,999	23	2,373,974	1.58
\$100,000 to \$109,999	13	1,217,037	0.81
\$110,000 to \$149,999	20	2,479,150	1.65
\$150,000 or more	<u>1</u>	<u>120,201</u>	<u>0.08</u>
Total	<u>18,041</u>	<u>\$150,251,513</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, 2015)**

<b>Range of Remaining Term to Scheduled Maturity (in months)</b>	<b>Number of Loans</b>	<b>Outstanding Principal Balance</b>	<b>Percent of Loans by Outstanding Principal Balance</b>
Less than or equal to 24	867	\$ 841,408	0.56%
25 – 36	587	1,096,836	0.73
37 – 48	608	1,457,440	0.97
49 – 60	684	2,118,546	1.41
61 – 72	808	2,689,502	1.79
73 – 84	910	4,222,068	2.81
85 – 96	893	5,529,256	3.68
97 – 108	1,353	10,758,008	7.16
109 – 120	4,389	21,005,162	13.98
121 – 144	2,434	12,170,373	8.10
145 – 168	838	9,976,700	6.64
169 – 192	865	10,532,631	7.01
193 – 220	472	13,342,334	8.88
221 – 300	2,029	32,499,402	21.63
Greater than 300	<u>303</u>	<u>22,011,847</u>	<u>14.65</u>
Total	<u>18,041</u>	<u>\$150,251,513</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, 2015)**

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Alabama	71	\$ 661,107	0.44%
Alaska	28	240,402	0.16
Arizona	43	435,729	0.29
Arkansas	14,057	110,365,746	73.45
California	169	1,367,289	0.91
Colorado	87	946,585	0.63
Connecticut	14	210,352	0.14
Delaware	1	135,226	0.09
District of Columbia	12	90,151	0.06
Florida	128	1,667,792	1.11
Georgia	141	1,517,540	1.01
Hawaii	13	616,031	0.41
Idaho	5	15,025	0.01
Illinois	109	886,484	0.59
Indiana	48	676,132	0.45
Iowa	16	120,201	0.08
Kansas	59	525,880	0.35
Kentucky	33	420,704	0.28
Louisiana	195	1,547,591	1.03
Maine	3	67,613	0.05
Maryland	58	570,956	0.38
Massachusetts	25	435,729	0.29
Michigan	37	495,830	0.33
Minnesota	27	267,448	0.18
Mississippi	134	1,235,067	0.82
Missouri	357	2,313,873	1.54
Montana	3	58,598	0.04
Nebraska	23	165,277	0.11
Nevada	15	246,412	0.16
New Hampshire	9	45,075	0.03
New Jersey	29	315,528	0.21
New Mexico	16	333,558	0.22
New York	39	512,358	0.34
North Carolina	61	1,008,188	0.67
North Dakota	8	285,478	0.19
Ohio	25	330,553	0.22
Oklahoma	255	1,918,712	1.28
Oregon	24	531,890	0.35
Pennsylvania	41	408,684	0.27
Puerto Rico	3	33,055	0.02
Rhode Island	7	30,050	0.02
South Carolina	36	348,584	0.23
South Dakota	3	16,528	0.01
Tennessee	381	3,771,313	2.51

**Distribution of the Financed Student Loans by Geographic Location  
(As of June 30, 2015)**

<b>Geographic Location</b>	<b>Number of Loans</b>	<b>Outstanding Principal Balance</b>	<b>Percent of Loans by Outstanding Principal Balance</b>
Texas	966	7,903,230	5.26
Utah	13	1,066,786	0.71
Vermont	9	1,171,962	0.78
Virginia	64	465,780	0.31
Washington	43	438,734	0.29
West Virginia	17	169,784	0.11
Wisconsin	25	238,900	0.16
Wyoming	3	19,533	0.01
Armed Forces	12	111,186	0.07
Armed Forces Pacific	7	46,578	0.03
Unknown	<u>34</u>	<u>426,714</u>	<u>0.28</u>
<b>Total</b>	<b><u>18,041</u></b>	<b><u>\$150,251,513</u></b>	<b><u>100.00%</u></b>

**Distribution of the Financed Student Loans by Servicer  
(As of June 30, 2015)**

<b>Servicer</b>	<b>Number of Loans</b>	<b>Outstanding Principal Balance</b>	<b>Percent of Loans by Outstanding Principal Balance</b>
Edfinancial Services, LLC	16,043	\$133,889,252	89.11%
Nelnet Servicing, LLC	<u>1,998</u>	<u>16,362,261</u>	<u>10.89</u>
<b>Total</b>	<b><u>18,041</u></b>	<b><u>\$150,251,513</u></b>	<b><u>100.00%</u></b>

**Distribution of the Financed Student Loans by Guaranty Agency  
(As of June 30, 2015)**

<b>Guaranty Agency</b>	<b>Number of Loans</b>	<b>Outstanding Principal Balance</b>	<b>Percent of Loans by Outstanding Principal Balance</b>
Student Loan Guarantee Foundation of Arkansas	20,869	\$145,789,043	97.03%
Other	<u>755</u>	<u>4,462,470</u>	<u>2.97</u>
<b>Total</b>	<b><u>18,041</u></b>	<b><u>\$150,251,513</u></b>	<b><u>100.00%</u></b>

**C. INDENTURE INFORMATION**

Balances in the:

CAPITALIZED INTEREST FUND	\$0
COLLECTION FUND	\$3,931,500
DEPARTMENT REBATE FUND	\$0
RESERVE FUND	\$500,000

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

\$134,896,245

**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.