

**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**

**2015 ANNUAL FINANCIAL INFORMATION**

This 2014 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.

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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**

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 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.

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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 \$103,290,436 due to rounding.

#### Composition of the Financed Student Loan Portfolio (As of June 30, 2014)

Aggregate Outstanding Principal Balance	\$ 103,290,436
Number of Borrowers*	10,010
Average Outstanding Principal Balance Per Borrower	\$10,319
Number of Loans	32,191
Average Outstanding Principal Balance Per Loan	\$3,209
Weighted Average Remaining Term to Scheduled Maturity (Months)**	117.75
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)**

<b>Loan Type</b>	<b>Number of Loans</b>	<b>Outstanding Principal Balance</b>	<b>Percent of Loans by Outstanding Principal Balance</b>
Stafford-Unsubsidized	13,184	\$ 52,065,633	50.41%
Stafford-Subsidized	18,008	47,584,027	46.07
Consolidation-Unsubsidized	0	0	
Consolidation-Subsidized	0	0	
PLUS	999	3,640,776	3.52
SLS	<u>0</u>	<u>0</u>	<u>—</u>
Total	<u>32,191</u>	<u>\$103,290,436</u>	<u>100.00%</u>

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

<b>Range of Annual Borrower Interest Rate</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 2.00%	4,097	\$ 5,143,864	4.98%
2.01% - 3.00%	11,216	19,408,273	18.79
3.01% - 4.00%	4,213	21,598,030	20.91
4.01% - 5.00%	3,427	20,492,823	19.84
5.01% - 6.00%	3,402	11,031,419	10.68
6.01% - 7.00%	3,858	16,454,166	15.93
7.01% - 8.00%	1,615	7,757,112	7.51
Greater than 8.00%	<u>363</u>	<u>1,404,750</u>	<u>1.36</u>
Total	<u>32,191</u>	<u>\$103,290,436</u>	<u>100.00%</u>

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

<b>School Type</b>	<b>Number of Loans</b>	<b>Outstanding Principal Balance</b>	<b>Percent of Loans by Outstanding Principal Balance</b>
2-Year	6,645	\$ 18,362,911	17.78%
Graduate/4-Year +	24,922	83,491,616	80.83
Proprietary	622	1,433,884	1.39
Other/Unknown	<u>2</u>	<u>2,026</u>	<u>0.002</u>
Total	<u>32,191</u>	<u>\$103,290,436</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>
1-month LIBOR Index	32,191	\$103,290,436	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	396	\$ 1,269,872	1.23%
Grace	158	542,207	0.52
Deferment	4,732	15,565,549	15.07
Forbearance	3,960	15,491,685	15.00
Repayment	18,849	69,492,493	67.28
Claims In Progress/Denied	<u>245</u>	<u>928,630</u>	<u>0.90</u>
Total	<u>32,191</u>	<u>\$103,290,436</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	9,491	\$33,797,945	32.72%
0-30 days	18,849	55,794,960	54.02
31-60 days	1,089	3,778,729	3.66
61-90 days	696	2,508,017	2.43
91-120 days	456	1,726,083	1.67
121-180 days	661	2,335,109	2.26
181 days and above	<u>949</u>	<u>3,349,593</u>	<u>3.24</u>
Total	<u>32,191</u>	<u>\$103,290,436</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	22,265	\$55,559,926	53.79%
April 1, 2006 – September 30, 2007	7,364	38,186,474	36.97
October 1, 2007 and before July 1, 2010	<u>2,562</u>	<u>9,544,036</u>	<u>9.24</u>
Total	<u>32,191</u>	<u>\$103,290,436</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	10,172	\$43,103,099	41.73%
October 1, 1993 – June 30, 2006	21,638	59,629,569	57.73
Pre October 1, 1993	<u>381</u>	<u>557,768</u>	<u>0.54</u>
Total	<u>32,191</u>	<u>\$103,290,436</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	2,309	\$ 299,542	0.29%
\$500 to \$999	2,178	846,982	0.82
\$1,000 to \$1,999	5,354	6,135,452	5.94
\$2,000 to \$2,999	5,251	8,066,983	7.81
\$3,000 to \$3,999	3,738	6,734,536	6.52
\$4,000 to \$5,999	4,203	9,027,584	8.74
\$6,000 to \$7,999	1,845	6,176,768	5.98
\$8,000 to \$9,999	1,344	6,156,110	5.96
\$10,000 to \$14,999	2,230	14,398,687	13.94
\$15,000 to \$19,999	1,277	9,368,443	9.07
\$20,000 to \$24,999	781	6,610,588	6.40
\$25,000 to \$29,999	503	6,218,084	6.02
\$30,000 to \$34,999	360	5,174,851	5.01
\$35,000 to \$39,999	240	3,749,443	3.63
\$40,000 to \$49,999	199	3,987,011	3.86
\$50,000 to \$59,999	112	2,830,158	2.74
\$60,000 to \$69,999	62	1,280,801	1.24
\$70,000 to \$79,999	58	1,229,156	1.19
\$80,000 to \$89,999	45	1,198,169	1.16
\$90,000 to \$99,999	41	1,260,143	1.22
\$100,000 to \$109,999	23	733,362	0.71
\$110,000 to \$149,999	36	1,394,421	1.35
\$150,000 or more	<u>2</u>	<u>413,162</u>	<u>0.40</u>
Total	<u>32,191</u>	<u>\$103,290,436</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, 2014)**

<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	1,547	\$ 588,755	0.57%
25 – 36	1,046	785,007	0.76
37 – 48	1,085	939,943	0.91
49 – 60	1,221	1,466,724	1.42
61 – 72	1,443	1,869,557	1.81
73 – 84	1,624	3,036,739	2.94
85 – 96	1,593	3,894,049	3.77
97 – 108	2,415	7,684,808	7.44
109 – 120	7,831	14,625,926	14.16
121 – 144	4,342	8,345,867	8.08
145 – 168	1,496	6,806,840	6.59
169 – 192	1,544	6,889,472	6.67
193 – 220	842	8,986,268	8.70
221 – 300	3,621	22,414,025	21.70
Greater than 300	<u>541</u>	<u>14,956,455</u>	<u>14.48</u>
Total	<u>32,191</u>	<u>\$103,290,436</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, 2014)**

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Alabama	126	\$ 402,833	0.39%
Alaska	50	196,252	0.19
Arizona	77	289,213	0.28
Arkansas	25,081	76,133,624	73.71
California	301	898,627	0.87
Colorado	155	661,059	0.64
Connecticut	25	144,607	0.14
Delaware	1	72,303	0.07
District of Columbia	21	92,961	0.09
Florida	228	1,177,511	1.14
Georgia	251	1,115,537	1.08
Hawaii	24	444,149	0.43
Idaho	9	7,230	0.01
Illinois	195	640,401	0.62
Indiana	87	454,478	0.44
Iowa	28	92,961	0.09
Kansas	105	402,833	0.39
Kentucky	59	278,884	0.27
Louisiana	349	1,146,524	1.11
Maine	6	35,119	0.03
Maryland	105	424,524	0.41
Massachusetts	45	289,213	0.28
Michigan	66	340,858	0.33
Minnesota	48	184,890	0.18
Mississippi	240	851,113	0.82
Missouri	637	1,662,976	1.61
Montana	6	39,250	0.04
Nebraska	41	113,619	0.11
Nevada	27	167,331	0.16
New Hampshire	16	29,954	0.03
New Jersey	52	185,923	0.18
New Mexico	28	207,614	0.20
New York	70	332,595	0.32
North Carolina	109	668,289	0.65
North Dakota	14	216,910	0.21
Ohio	45	243,765	0.24
Oklahoma	456	1,311,789	1.27
Oregon	43	347,056	0.34
Pennsylvania	73	272,687	0.26
Puerto Rico	6	19,625	0.02
Rhode Island	12	19,935	0.02
South Carolina	64	242,733	0.24
South Dakota	5	9,709	0.01
Tennessee	680	2,538,879	2.46

**Distribution of the Financed Student Loans by Geographic Location  
(As of June 30, 2014)**

<b>Geographic Location</b>	<b>Number of Loans</b>	<b>Outstanding Principal Balance</b>	<b>Percent of Loans by Outstanding Principal Balance</b>
Texas	1,725	5,172,785	5.01
Utah	24	703,408	0.68
Vermont	16	802,567	0.78
Virginia	114	281,983	0.27
Washington	76	306,773	0.30
West Virginia	30	104,323	0.10
Wisconsin	45	172,495	0.17
Wyoming	5	12,395	0.01
Armed Forces	21	75,402	0.07
Armed Forces Pacific	12	32,020	0.03
Unknown	<u>61</u>	<u>217,943</u>	<u>0.21</u>
<b>Total</b>	<b><u>32,191</u></b>	<b><u>\$103,290,436</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	32,191	\$103,290,436	100.00%

**Distribution of the Financed Student Loans by Guaranty Agency  
(As of June 30, 2014)**

<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	32,191	\$103,290,436	100.00%

**C. INDENTURE INFORMATION**

Balances in the:

CAPITALIZED INTEREST FUND	\$0
COLLECTION FUND	\$1,807,103
DEPARTMENT REBATE FUND	\$0
RESERVE FUND	\$300,000

Outstanding principal amount of the Notes issued under the Indenture:

\$94,987,269

**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.