

Compliance audit (attestation engagement) for lenders and lender servicers participating in the Federal Family Education Loan Program

Oklahoma Student Loan Authority

June 30, 2003

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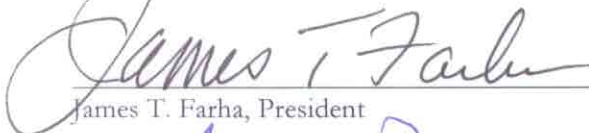
Management's Assertions on Compliance and Internal Control over Compliance


September 17, 2003

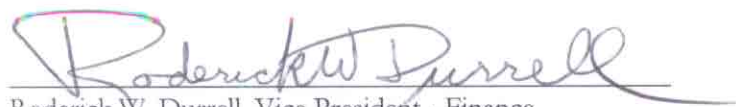
We, the management of Oklahoma Student Loan Authority (the Authority), are responsible for complying with the compliance requirements specified in the Audit Guide, *Compliance Audits (Attestation Engagements) for Lenders and Lender Servicers Participating in the Federal Family Education Loan Program* (the Guide) issued by the U.S. Department of Education, Office of Inspector General, dated December 1996 relative to the Authority's administration of the Federal Family Education Loan Program on behalf of its lender clients listed in the accompanying schedule of lenders during the year ended June 30, 2003 and for the establishing and maintaining effective internal control over compliance with those requirements. We have performed an evaluation of our compliance with the aforementioned requirements. Our evaluation covered the Federal Stafford Loan Program, the Federal Supplemental Loans for Students (SLS) Program, the Federal PLUS Program, and the Federal Consolidation Loan Program for each of the ED Forms 799 or LARS forms submitted to the U.S. Department of Education during the year by the Authority on behalf of our lender clients. Based on our evaluation, we determined that we have complied in all material respects with each of the following compliance requirements as specified in the Audit Guide for the year ended June 30, 2003:

- Support for ED Forms 799/LARS
- Loan Documentation
- Payment of Loan Origination Fees
- Interest Benefits - Eligibility, Proper Rate, and Proper Calculations
- Special Allowance Payments - Eligibility and Proper Calculation of Average Daily Balances
- Accurate Loan Principal Balances
- Reporting of Sales, Purchases, and Transfers
- Recording of Student Status Changes
- Payment Processing
- Due Diligence in Collecting Federal Family Education Loan Program Loans
- Timely Filing of Claims
- Curing Due Diligence/Timely Filing Violations

Also based on our evaluation, we determined that we maintained effective internal control over compliance with the aforementioned compliance requirements as of June 30, 2003.


James T. Farha, President


W. A. Rogers, Vice President - Operations/Controller


Roderick W. Durrell, Vice President - Finance

Report of Independent Certified Public Accountants

Board of Trustees
Oklahoma Student Loan Authority

We have examined management's assertions, included in the accompanying letter dated September 17, 2003, that the Oklahoma Student Loan Authority (the Authority) complied with the following compliance requirements specified in the Audit Guide, *Compliance Audits (Attestation Engagements) for Lenders and Lender Servicers Participating in the Federal Family Education Loan Program* (the Guide), issued by the U.S. Department of Education, Office of the Inspector General, dated December 1996, relative to the Authority's administration of the Federal Family Education Loan Program on behalf of its lender clients listed in the accompanying schedule of lenders during the year ended June 30, 2003 and that the Authority maintained effective internal control over compliance with the aforementioned compliance requirements as of June 30, 2003:

- Support for ED Forms 799/LARS
- Loan Documentation
- Payment of Loan Origination Fees
- Interest Benefits - Eligibility, Proper Rate and Proper Calculations
- Special Allowance Payments - Eligibility and Proper Calculation of Average Daily Balances
- Accurate Loan Principal Balances
- Reporting of Sales, Purchases and Transfers
- Recording of Student Status Changes
- Payment Processing
- Due Diligence in Collecting Federal Family Education Loan Program Loans
- Timely Filing of Claims
- Curing Due Diligence/Timely Filing Violations

Management is responsible for the Authority's compliance with -- and the effectiveness of the Authority's internal control over compliance with -- those requirements. Our responsibility is to express an opinion on management's assertions about the Authority's compliance with -- and the effectiveness of the Authority's internal control over compliance with -- the specified compliance requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, *Government Auditing Standards* issued by the Comptroller General of the United States and the Guide and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements; obtaining an understanding of the internal control over compliance with the specified compliance requirements; testing and evaluating the design and operating effectiveness of internal control over compliance; and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

Because of inherent limitations in any internal control, noncompliance with the aforementioned requirements due to errors or fraud may occur and not be detected. Also, projections of any evaluation of internal control over compliance with the specified requirements to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

In our opinion, management's assertion that the Authority complied with the aforementioned compliance requirements for the year ended June 30, 2003 is fairly stated, in all material respects. Also, in our opinion, management's assertion that the Authority maintained effective internal control over compliance with the aforementioned compliance requirements as of June 30, 2003 is fairly stated, in all material respects, based upon criteria established in *Internal Control-Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission.

This report is intended solely for the information and use of management, the Board of Trustees, the specified lenders and the U.S. Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Oklahoma City, Oklahoma
September 17, 2003

Oklahoma Student Loan Authority

SCHEDULE OF LENDERS

June 30, 2003

<u>Lender</u>	<u>Lender number</u>
Bank of America	807674
Alva State Bank & Trust Co.	808972
F&M Bank & Trust Co.	808995
Southwest National Bank	809015
First National Bank McAlester	809025
First National Bank of Texhoma	809027
BancFirst	809070
Citizens Bank & Trust Co.	809087
First National Bank of Oklahoma	809097
Americrest Bank	809100
Watonga State Bank	809110
First Bethany Bank & Trust	812155
Lew Wentz Foundation	812187
Liberty Federal Savings Bank	818280
AmeriState Bank	818896
Shamrock Bank, N.A. (merged with 833532)	820874
Oklahoma City University	823181
Superior Bank	823400
Gold Bank	823777
Oklahoma Student Loan Authority	825659
Bank One	828352
Community National Bank	830555
First National Bank in Durant	831488
ALPS	831652
UMB Bank	832000
Oklahoma Student Loan Authority (LLR)	833059
University of Tulsa	833089
Oklahoma Student Loan Authority (5%)	833224
Armstrong Bank	833309
First National Bank & Trust Co. of Weatherford	833344
Oklahoma Employees Credit Union	833460
Clayton State Bank (merged with 833532)	833530
Bryan County National Bank (merged with 833532)	833531
Shamrock Bank, NA	833532
RCB Bank	833623
Fannin Bank	833711
East Central Credit Union	833931

Oklahoma Student Loan Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2003

There were no findings noted in the current year or prior year.

