

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

**Oklahoma Student Loan Authority**

June 30, 2008

# Contents

	Page
MANAGEMENT'S ASSERTIONS ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE	1
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	2
SCHEDULE OF LENDERS	4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	5



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## Management's Assertions on Compliance and Internal Control over Compliance

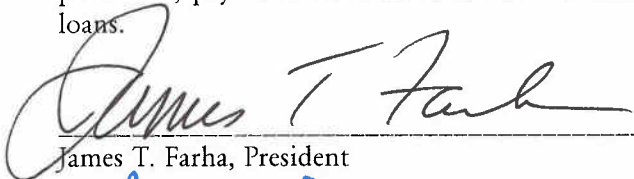
October 27, 2008


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, 2008 and for 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 Lender Reporting System (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 Guide for the year ended June 30, 2008:

- Support for 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, 2008.

During the year ended June 30, 2008, the Authority did not offer or provide directly or indirectly, any points, premiums, payments or other assets as inducements, to any school, or other party to secure applications for FFEL loans.

  
James T. Farha, President

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

  
Larry Hollingsworth, Vice President - Loan Management

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### 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 October 27, 2008, 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, 2008 and that the Authority maintained effective internal control over compliance with the aforementioned compliance requirements as of June 30, 2008:

- Support for Lender Reporting System (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, 2008 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, 2008 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  
October 27, 2008

# Oklahoma Student Loan Authority

## SCHEDULE OF LENDERS

June 30, 2008

<u>Lender</u>	<u>Lender number</u>
Jeff Davis Bank & Trust Co.	805126
Bank of America	807674
Alva State Bank & Trust Co.	808972
First Fidelity Bank	808990
Farmers & Merchants Bank and Trust Company	808995
Southwest National Bank	809015
First National Bank McAlester	809025
First National Bank of Texhoma	809027
BancFirst	809070
Citizens Security Bank & Trust Co.	809087
First National Bank of Oklahoma	809097
Coppermark Bank	809100
Cornerstone Bank	809110
First Bethany Bank & Trust	812155
University of Oklahoma Lew Wentz Foundation	812187
Commerce Bank	813979
The Focus Federal Credit Union	815754
MidFirst Bank	816976
Liberty Federal Savings Bank	818280
AmeriState Bank	818896
Oklahoma City University	823181
Arvest Bank	823400 & 800301
Rose Rock Bank	823777
Oklahoma Student Loan Authority (1)	825659
JPMorgan Chase, N.A.	828352
WEOKIE Credit Union	830307
Community National Bank	830555
Tulsa Teachers Credit Union	831323
First Texoma National Bank	831488
Academic Loan Program for Students (ALPS)	831652
IBC Bank	831784
UMB Bank	832000
Oklahoma Student Loan Authority (Lender of Last Resort) (1)	833059
University of Tulsa	833089
Armstrong Bank	833309
First National Bank & Trust Co. of Weatherford	833344
Oklahoma Employees Credit Union	833460
Allegiance Credit Union	833506
Shamrock Bank, N.A.	833532
Fannin Bank	833711
Southwest Oklahoma Federal Credit Union	833836
East Central Credit Union	833931
Fort Sill Federal Credit Union	834033
First Bank and Trust Co.	834109
Southern Bancorp Bank of Arkansas	834143
Petit Jean State Bank	834155
Bank of the West	834230
First Security Bank and Trust Company	834348

(1) Loans serviced for the Authority's own account

# Oklahoma Student Loan Authority

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2008

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