



UNITED STATES DEPARTMENT OF EDUCATION

Financial Partners – Northern Region

111 North Canal Street Suite 830

Chicago, Illinois 60606

312.886.8768

Robert Bridgman
Senior Guarantor and
Lender Review Specialist

March 26, 2004

Jim Farha, President
Oklahoma Student Loan Authority
525 Central Park Drive, Suite 600
Oklahoma City, OK 73105-1706

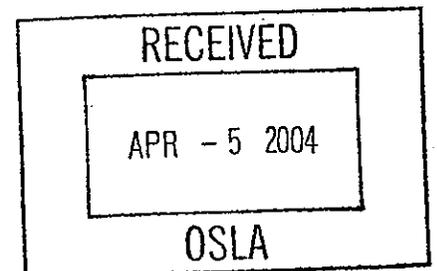
Dear Mr. Farha:

Thank you for your cooperation during our program review of the Oklahoma Student Loan Authority's service operations.

The adjustments made in the Special Allowance Categories satisfy the findings addressed in the review. You may consider the review closed.

Sincerely,

Robert Bridgman
Senior Guarantor and
Lender Review Specialist





James T. Farha
President

525 Central Park Drive, Suite 600
Oklahoma City, OK 73105-1706
P.O. Box 18145
Oklahoma City, OK 73154-0145
405-556-9278
Fax 405-556-9255
jfarha@osla.org

May 14, 2003

Mr. Robert Bridgman
U. S. Department of Education
Financial Partners – Northern Region
111 North Canal Street, Suite 830
Chicago, IL 60606

Re: Loan Service Organization Program Review
Control Number 2003-1-05-5008

Dear Mr. Bridgman:

We received your Report on the Program Review for OSLA loan service operations. On our part, we appreciated the professionalism shown by your Review teams during the November 2002 Review at our premises and the corresponding Secondary Market operations review done in September 2002. It was gratifying to note that your Review on our secondary market operations had no findings and was closed on issuance of your Report.

The Report on the loan service operations Review had one finding on a non-recurring, system conversion matter, as follows:

***FINDING #1:** The Special Allowance reports prepared for the March 31, 2002 quarter overstate the Average Daily Balance. In this quarter OSLA converted from one loan system to another. The prior system used the wrong denominator in the quarterly balance calculation – in effect calculating an average based on 59 days in the quarter instead of ninety days. At the end of the quarter the two systems' averages were added together to calculate the average quarterly balance.*

The Report placed a Requirement on OSLA to correct this, as follows:

***REQUIREMENT:** Due to the low average of the Treasury bill rates, payments were made only in the categories eligible for the tax-exempt floor pertaining to the Oklahoma Student Loan Authority Secondary Market portfolio. OSLA must make adjustments to the Average Daily Balance for those categories that received Special Allowance Payments for the quarter ending March 31, 2002.*

I am pleased to respond and advise you that the Requirement was accomplished by adjustments on the March 31, 2003 LaRS submissions.

Mr. Robert Bridgman
May 14, 2003
Page 2

For historical accuracy, the adjustments to the March 31, 2002 balances were made to all serviced lender balances, not just the eligible categories in the OSLA portfolio. These adjustments were made by taking the original pre-conversion average daily principal balances supplied by a third party that overstated those average daily principal balances and calculating lower, correcting average daily principal balances based on 90 days in the quarter.

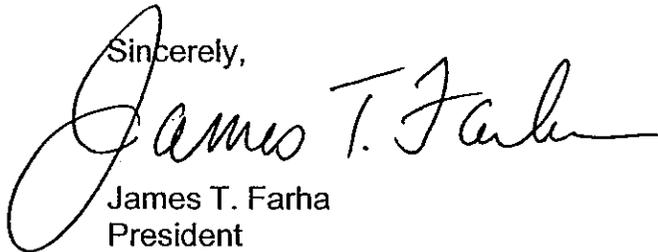
The difference between the corrected and the original overstated average daily principal balances was calculated. This difference was identified as a BD adjustment to the special allowance billings for the quarter ended March 31, 2002 for each combination of loan type, special allowance codes and interest rates.

To insure that all special allowance billings were corrected, all differences were posted as March 31, 2002 quarter BD adjustments for all lenders on the March 31, 2003 LaRs report. The BD adjustments related to the March 31, 2002 special allowance finding were posted to LaRS prior to entering other March 31, 2003 data so the amounts could be cross checked to our calculations of corrected average daily principal balances. All March 31, 2002 quarter BD adjustments for special allowance billings on the March 31, 2003 LaRS were verified.

As of May 2, 2003, all LaRS corrections for the required adjustments to correct the overstated average daily principal balances were accepted by the Department. The corresponding monetary settlement (offset) was made by the Department as of May 8, 2003.

Please advise me if any additional action is required and, if not, about the closure of the above referenced Program Review.

Sincerely,



James T. Farha
President

JTF:bb



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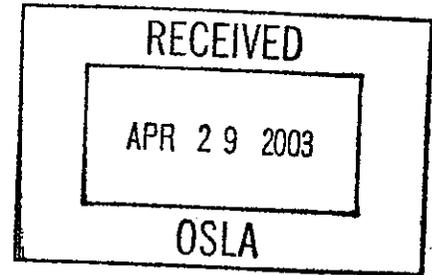
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Chicago, Illinois 60606

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Robert Bridgman
Senior Guarantor and
Lender Review Specialist

April 22, 2003



Jim Farha, President
Oklahoma Student Loan Authority
525 Central Park Drive, Suite 600
Oklahoma City, OK 73105-1706

Dear Mr. Farha:

Thank you for your cooperation during our program review of the Oklahoma Student Loan Authority's service operations.

The specific nature of the review does not otherwise limit or lessen Oklahoma Student Loan Authority's obligation to comply with the rules and regulations governing the Federal Family Education Loans.

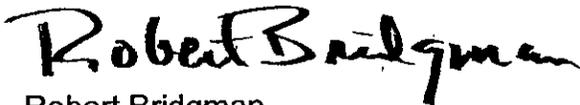
Please respond to this report within forty-five days. The Findings and Observations pertaining to your administration of the student loan portfolio as a loan service organization apply jointly to you and to the eligible lenders serviced by you. We are sending a letter to the lenders advising them of the review and conclusions pertaining to their organization as well as findings that are applicable to OSLA as a service partner in the FFEL program.

The enclosed report represents the observations and findings of the review, references to Federal regulations or instructions, and actions required correcting program deficiencies. Please review the report and respond to each finding by describing the actions that have been taken. Your response to this report, including a description of actions you have taken, should be sent within 45 days of receipt of the report to me at the above address. In the event you wish to appeal any findings in this report, your appeal must be forwarded within 45 days to the following address:

Roberta Russo, Director
U. S. Department of Education
Partner Services – Northern Region
111 North Canal, Suite 830
Chicago, Illinois 60606

You must include with your appeal a copy of this report and indicate the findings, issues, and facts you dispute, your organization's position, relevant facts, and any documentation to support your position, and the Program Review Control Number (PRCN – 2003-1-05-5008).

Sincerely,

A handwritten signature in black ink that reads "Robert Bridgman". The signature is written in a cursive, slightly slanted style.

Robert Bridgman
Senior Guarantor and
Lender Review Specialist

REVIEW SCOPE

Date...	April 22, 2003
Servicer Name and Address...	Oklahoma Student Loan Authority 525 Central Park Drive, Suite 600 Oklahoma City, OK 73105-1706
Telephone Number...	405.556.9239
Dates of Review...	November 18-21, 2002
Contact Official...	Jim Farha, President Rod Durrell, Vice-President Finance Graden Perry, Vice President – Loan Management Andy Rogers, Controller and Vice President Tonya Latham, Vice President – Information Systems Brigid Cook, Director of Quality Assurance Pam Chandler, Training Coordinator
ED Official...	Robert Bridgman, Senior Guarantor and Lender Review Specialist, Chicago Earl Crisp, Guarantor and Lender Review Specialist, Dallas Susan Haenel-Beck, Guarantor and Lender Review Specialist, New York Dino Conte, Guarantor and Lender Review Specialist, New York Peter Sweet, Guarantor and Lender Review Specialist, San Francisco
ED Identification Number...	700155
Program Review Control Number...	2003-1-05-5008

Scope and Purpose

The review covers loan servicing for the life of any loan examined. For invoices submitted to the US Department of Education the review covered the fiscal year ending September 30, 2001 and the next two quarters ending March 31, 2002. Deferments, forbearances, interest rates, and payment calculations, normally covered in a review were omitted or not emphasized as they were covered in the review of the OSLA Secondary Market conducted in September 2002.

Background

Oklahoma Student Loan Authority has agreements with 34 lenders, including three schools in Oklahoma. The agreements generally provide for the origination of student and parent loans and then purchasing them into the OSLA Secondary Market prior to their conversion to repayment or prior to the student's Last Date of Attendance. OSLA services the borrower for the life of the loan.

On February 1, 2002, the OSLA installed the IFA loan management system and began using that system for all new loans. On March 1, 2002, OSLA converted all pre-existing loans from the Unipac system to IFA. (Nelnet purchased both the Unipac and IFA loan service companies.)

OSLA lenders originated \$70 million in student loans, \$37 million in parent loans, and \$19 million in consolidation loans in FY 2001 and managed loans of \$548 million for the lenders as of September 30, 2001.

Disclaimer

The absence of statements in this report about specific practices or procedures of the servicer should not be construed as acceptance, approval or endorsement of those practices or procedures. The findings cited in this report do not limit nor lessen the lender's obligation to comply with all other provisions of the Federal Family Education Loan programs.

The findings of the review are identified below, referenced by the appropriate Federal regulations. All references to program regulations are to Part 682 of Title 34 of the Code of Federal Regulations.

FINDING # 1: The Special Allowance reports prepared for the March 31, 2002 quarter overstate the Average Daily Balance. In this quarter OSLA converted from one loan system to another. The prior system used the wrong denominator in the quarterly balance calculation – in effect calculating an average based on 59 days in the quarter instead of ninety days. At the end of the quarter the two systems' averages were added together to calculate the average quarterly balance.

REQUIREMENT: Due to the low average of the Treasury bill rates, payments were made only in the categories eligible for the tax-exempt floor pertaining to the Oklahoma Student Loan Authority Secondary Market portfolio. OSLA must make adjustments to the Average Daily Balance for those categories that received Special Allowance Payments for the quarter ending March 31, 2002.

CITATION: 34 CFR 682.304(d)

EXIT INTERVIEW

An exit interview was held with Rod Durrell, Graden Perry, Andy Rogers, Brigid Cook, and Pam Chandler advising them of the program review findings pertaining to the administration of the Federal Family Education Loan Program.

Appendix A

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

Appendix B

Borrower Files

Origination and Conversion to Repayment

	Makia	
	Joshua	
	Darren	
	Ginger	
	Kenneth	
	Shundale	
	Arlene	
	Riley	
	Justin	
	Sarah	
	Jean	
	Carrie	
	Heather	
	Hollis	
	Donald	
	Christopher	

Sales and Purchases

	Edward	
	Joshua	
	Mat	
	Brandon	
	Shon	
	Christopher	
	Archie	
	Jacob	
	Laurel	

NOTE: Certain personal information masked for privacy.