

**OKLAHOMA STUDENT LOAN AUTHORITY**

**1995 MASTER BOND RESOLUTION, AS SUPPLEMENTED  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA REPORT  
at June 30, 2003**

*The information in this Annual Financial Information and Operating Data Report (the "Report") is subject to change without notice. The delivery of this Report does not mean that there has been no change since the Reporting Period. The presentation of information in this Report is intended to show recent historical information and is not intended to indicate future or continuing trends with respect to the Bonds and Notes or the loan portfolios that are security therefor.*

Name of Issuer: **OKLAHOMA STUDENT LOAN AUTHORITY** CUSIP Base No. 679110

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Reporting Period: June 30, 2003

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**CUSIP NUMBERS REPORTED**

The nine digit CUSIP numbers for the various series of bonds and notes issued under the Oklahoma Student Loan Authority's 1995 Master Bond Resolution, as Supplemented (the "Master Bond Resolution, as Supplemented") are:

- Senior Notes, Series 1995A-1 679110 CB 0
- Senior Notes, Series 1995A-2 679110 CC 8
- Senior Fixed Rate Bonds, Series 2001A-1 679110 CQ 7
- Senior Taxable Bonds, Series 2001A-2 679110 CT 1
- Senior Taxable Bonds, Series 2001A-3 679110 CU 8
- Senior Taxable Notes, Series 2001A-4 679110 CS 3

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- Subordinate Bonds, Series 1995B-1 679110 CD 6
- Subordinate Bonds, Series 1995B-2 679110 CE 4
- Subordinate Bonds, Series 1996B-1 679110 CF 1
- Subordinate Bonds, Series 1996B-2 679110 CG 9
- Subordinate Auction Rate Obligations, Series 2001B-1 679110 CR 5

### MASTER BOND RESOLUTION, AS SUPPLEMENTED

#### Terms of Debt

The Master Bond Resolution provides for self credit enhancement by the issuance of Senior Obligations, Subordinate Obligations and Junior-Subordinate Obligations. The Oklahoma Student Loan Authority (the "Authority") issued multiple series of student loan revenue bonds and notes (the "Bonds and Notes") under separate Supplemental Bond Resolutions. The series of Bonds and Notes listed below are outstanding under the Master Bond Resolution, as Supplemented.

Series	Dated	Maturity	Interest Rate <sup>3</sup>	Federal Income Tax Status	Principal Amount Outstanding*
1995A-1 <sup>1</sup>	Nov. 9, 1995	Sep. 1, 2025	35-Day Auction	Tax-Exempt	\$ 21,600,000
1995A-2 <sup>1</sup>	Nov. 9, 1995	Sep. 1, 2025	1 Year Auction	Tax-Exempt	7,000,000
2001A-1 <sup>1</sup>	June 1, 2001	June 1, 2031	5.625%	Tax-Exempt	15,625,000
2001A-2/3 <sup>1</sup>	Dec. 20, 2001	Dec. 1, 2031	28-Day Auction	Taxable	75,000,000
2001A-4 <sup>1</sup>	Dec. 20, 2001	Dec. 1, 2011	Qtrly CP Index	Taxable	50,000,000
Total Senior Bonds and Notes					\$169,225,000
1995B-1 <sup>2</sup>	Nov. 1, 1995	Sep. 1, 2008	5.80%	Tax-Exempt	\$ 2,000,000
1995B-2 <sup>2</sup>	Nov. 1, 1995	Sep. 1, 2025	6.35%	Tax-Exempt	3,980,000
1996B-1 <sup>2</sup>	Aug. 1, 1996	Aug. 1, 2004	4.80%	Tax-Exempt	5,975,000
1996B-2 <sup>2</sup>	Aug. 1, 1996	Aug. 1, 2008	5.10%	Tax-Exempt	6,230,000
2001B-1 <sup>2</sup>	June 7, 2001	June 1, 2031	35-Day Auction	Tax-Exempt	25,000,000
Total Subordinate Bonds and Notes					\$ 43,185,000
Total Bonds and Notes Outstanding					\$212,410,000

\*As of June 30, 2003.

<sup>1</sup>Senior Bonds and Notes.

<sup>2</sup>Subordinate Bonds and Notes.

<sup>3</sup>Interest is payable semiannually on all outstanding Tax-Exempt Bonds and Notes.

There are no Junior-Subordinate Obligations outstanding.

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### Corporate Trustee

Bank of Oklahoma, N. A., Oklahoma City, OK is the corporate Trustee under the Master Bond Resolution, as Supplemented.

### Additional Obligations

The Master Bond Resolution permits the issuance of Additional Obligations under certain conditions by adoption of Supplemental Bond Resolutions, and by entering into certain agreements, such as interest rate swaps. No interest rate swap agreements, trust estate collateral investment agreements or other such agreements have been issued as Additional Obligations.

### Subsequent Events

On February 27, 2001, the Trustees of the Authority adopted a First Supplemental Resolution to the separate Series 1995A-1 Supplemental Bond Resolution to amend the definition of "Interest Payment Date" for the Senior Notes, Series 1995A-1. Effective March 14, 2001, the interest payment dates became June 1 and December 1 of each year.

On May 22, 2001, the Trustees of the Authority adopted a Debt Service Reserve Account Requirement Supplemental Resolution. This supplemental resolution reduced the Debt Service Reserve Requirements on the various series of Bonds and Notes from two per cent (2%) of their outstanding principal amounts to one per cent (1%). At June 30, 2003, the amount in the Debt Service Reserve Account met the Debt Service Requirement.

### Redemption History

Maturity Date	Interest Rate	Principal Amount Issued	Principal Matured	Principal Redemptions	Principal Amount Outstanding*
8-1-2004 <sup>2</sup>	4.80%	\$ 5,975,000	\$ 0	\$ 0	\$ 5,975,000
8-1-2008 <sup>2</sup>	5.10%	6,230,000	0	0	6,230,000
9-1-2008 <sup>2</sup>	5.80%	2,000,000	0	0	2,000,000
12-1-2011 <sup>1</sup>	Qtrly CP Index	50,000,000	0	0	50,000,000
9-1-2025 <sup>1</sup>	35-Day Auction	21,600,000	0	0	21,600,000
9-1-2025 <sup>1</sup>	1 Year Auction	7,000,000	0	0	7,000,000
9-1-2025 <sup>2</sup>	6.35%	3,980,000	0	0	3,980,000
6-1-2031 <sup>1</sup>	5.625%	15,625,000	0	0	15,625,000
6-1-2031 <sup>2</sup>	35-Day Auction	25,000,000	0	0	25,000,000
12-1-2031 <sup>1</sup>	28-Day Auctions	75,000,000	0	0	75,000,000
Total		<u>\$212,410,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$212,410,000</u>

\*As of June 30, 2003.

<sup>1</sup>Senior Bonds and Notes.

<sup>2</sup>Subordinate Bonds and Notes.

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### LOAN PORTFOLIO DATA

#### General

Eligible Loans in the security for the Master Bond Resolution, as Supplemented, consist of Federal Family Education Loan ("FFEL") Program loans that are made under the Higher Education Act. The FFEL Program loans are guaranteed or insured to the maximum allowed by the terms of the Higher Education Act with respect to the Eligible Loan at the time it was originated.

At June 30, 2003, the current principal balance of the Authority's Eligible Loan principal (exclusive of uninsured status loans) receivable from borrowers was approximately as shown in the following table.

FFEL Program Loans	Eligible Loan Principal
Authority Total	\$548,850,275
Master Bond Resolution Trust Estate	\$197,489,239

#### Loan Guarantee or Insurance

At June 30, 2003, the current principal balance of Eligible Loans was guaranteed approximately in the percentages shown in the following table.

Guarantor	Principal Location	Per Cent of Total Authority	Per Cent of Master Bond Resolution Trust Estate
State Guarantee			
Agency (OGSLP)	Oklahoma City, OK	95.1%	95.9%
SLGFA, Inc. (AR)	Little Rock, AR	2.8	2.9
TGSLC (TX)	Austin, TX	1.6	0.9
USAF, Inc.	Indianapolis, IN	0.5	0.3
		100.0%	100.0%

At June 30, 2003, the loan guarantee eligibility (percentage of the principal amount of a default claim) of Eligible Loans was approximately in the percentages shown in the following table.

Guarantee Eligibility	Per Cent of Total Authority	Per Cent of Master Bond Resolution Trust Estate
98%	98.4%	98.6%
100%	1.6	1.4
Total	100.0%	100.0%

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### Loan Type

At June 30, 2003, the current principal balance of Eligible Loans by loan type was approximately in the percentages shown in the following table.

Loan Type	Percent of Total Authority	Per Cent of Master Bond Resolution Trust Estate
Federal Stafford		
Subsidized	42.3%	44.5%
Unsubsidized	28.7	30.9
Total Stafford	71.0%	75.4%
Federal Consolidation	23.6	18.1
Federal SLS/PLUS	5.4	6.5
Total	100.0%	100.0%

### Loan Status

At June 30, 2003, the current principal balance of Eligible Loans by loan status was approximately in the percentages shown in the following table.

Loan Status	Per Cent of Total Authority	Per Cent of Master Bond Resolution Trust Estate
Interim Loans:		
In-School	20.8%	24.5%
Grace	10.3	11.8
Deferment	10.6*	9.0
Sub-Total – Interim	41.7%	45.3%
Repayment Loans:		
Current	35.4%	33.2%
Delinquent >30 days	9.2	8.6
Forbearance	12.9	12.2
Sub-Total – Repayment	57.5%	54.0%
Claim Loans:	0.8%	0.7%
Total	100.0%	100.0%

\*Approximately 57% of the loan principal in Deferment status were Subsidized Stafford loans or certain Consolidation loans on which the U.S. Department of Education pays interest during Deferment. Interest accrues as the responsibility the borrower on the remainder of the Deferment status loans.

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### Repayment Loan Delinquency

At June 30, 2003, the delinquency rates of the current principal balance of the Authority's Eligible Loans that were in Repayment status, including Forbearance status loans, was approximately as shown in the following table.

Delinquency Aging	Per Cent of Total Authority	Per Cent of Master Bond Resolution Trust Estate
31 - 60 Days	4.9%	4.7%
61 - 90 Days	2.9	2.9
91 - 120 Days	2.1	2.7
121 - 150 Days	1.3	1.3
151 - 180 Days	1.3	1.6
181 - 210 Days	1.7	1.9
211 - 240 Days	0.7	0.7
241 - 270 Days	0.5	0.5
271+ Days	0.7	0.7
Total	16.1%	17.0%

### School Type

At June 30, 2003, the current principal balance of Eligible Loans by school type, exclusive of Federal Consolidation Loans which are not reported by school type, was approximately in the percentages shown in the following table.

School Type	Per Cent of Total Authority	Per Cent of Master Bond Resolution Trust Estate
University - 4 Year	68.8%	68.9%
College - 2 Year	11.6	10.8
Vocational/Proprietary	19.6	20.3
Total	100.0%	100.0%

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## LOAN SERVICING

### General

At June 30, 2003, the servicing of the current principal balance of Eligible Loans was in the percentages shown in the following table.

Servicer	Principal Location	Per Cent of Total Authority	Per Cent of Master Bond Resolution Trust Estate
The Authority*	Oklahoma City, OK	100.0%	100.0%

\*Loan servicing is performed by the Authority a/k/a its trademarked name, OSLA Student Loan Servicing™.

At June 30, 2003, the Authority serviced FFEL Program loans, including education loans serviced for approximately 32 other lenders in the OSLA Student Lending Network (the "OSLA Network"), with a current principal balance totaling approximately \$645,211,286.

### Standards and Activities

We have serviced our own loans, and performed third party pre-acquisition servicing of the loans of the OSLA Network, since 1994. Loan servicing activities performed by us include:

- Application processing and funds disbursement in originating loans;
- Customer service;
- Loan account maintenance, including production of notices and forms to borrowers and the resulting processing;
- Reconciliation and payment of guarantee fee billings;
- Billings to USDE for Interest Benefit Payments and Special Allowance Payments;
- Collection of principal and interest from borrowers;
- Filing claims to collect guarantee payments on defaulted loans; and
- Accounting.

We are required to use due diligence in originating, servicing and collecting education loans. In addition, we are required to use collection practices no less extensive and forceful than those generally in use among financial institutions with respect to other consumer debt.

In order to satisfy the due diligence requirements, we must adhere to specific activities in a timely manner. These activities begin with the receipt of the loan application and continue throughout the life of the loan. Examples of specific due diligence activities include:

- Verifying that the original application is completed with all pertinent data and has a guarantee provided to the lender;
- Diligent efforts to contact a delinquent borrower by letter and telephone;
- Skip tracing if a borrower has an invalid phone number or address;
- Requesting default aversion assistance from the Guarantor between 60 and 120 days of delinquency;

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- Sending a final demand letter to the borrower when the loan becomes 241 or more days delinquent; and
- Timely filing of the default claim for payment, provided the borrower's failure to make monthly installment payments when due, or to comply with other terms of the obligation, persists for the most recent consecutive 270-day period (330 days for a loan repayable in less frequent installments).

### **OSLA Loan Servicing System**

From 1994 to 2002, our loan servicing was done as a remote user of another party's loan servicing system. Presently, we originate and service loans in-house using our own staff and the "OSLA Student Loan Servicing System" comprised of:

- An IBM iSeries computer that we own and related operating and database software that we license from IBM;
- Personal computers and an NT based local area network;
- Aid Delivery System ("ADS") software that we licensed on a perpetual basis from Idaho Financial Associates, Inc. ("IFA"), Boise, Idaho;
- Student Loan Servicing System ("SLSS") software that we licensed also on a perpetual basis from IFA; and
- Ancillary software programs of proprietary software and database query reports that we developed.

We began originating education loans using the OSLA Student Loan Servicing System on January 28, 2002. We converted loans from the remote database and implemented all servicing of our portfolio, and the portfolios of the OSLA Network, with the OSLA Student Loan Servicing System as of March 1, 2002.

Together, the IFA ADS and IFA SLSS systems are referred to herein as the "IFA System". IFA provides ADS to one other student loan user and provides the SLSS education loan servicing software to 13 other student loan users that service loans. In addition to licensing the IFA System software, IFA provides software maintenance and enhancement at the direction of the users, as well as support.

IFA is a wholly owned subsidiary of Nelnet, Inc., Lincoln, Nebraska. Nelnet, Inc. uses the IFA SLSS to service loans. Nelnet, Inc. also competes with us as a loan servicer and secondary market.

In operating the OSLA Student Loan Servicing System, also we are responsible for:

- Providing, maintaining and operating the requisite computer system and its operating and database software;
- Maintenance of tables and profiles on lenders, guarantors and post-secondary education institutions that we work with;
- Installing and testing new releases of the IFA System;
- Participation in the IFA System users' group which is responsible for compliance of the IFA System with the Higher Education Act and other applicable law;
- Exchanges of data files with various third party trading partners;



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- Any necessary or desirable ancillary programming for loan servicing functionality not provided by IFA; and
- Necessary or desirable internet functionality related to loan origination and servicing.

In addition to our own use of the OSLA Student Loan Servicing System, we provide, operate, support and maintain our in-house system for remote use by certain OSLA Network lenders in their origination and interim servicing of FFEL Program loans from their premises. Under the remote arrangement, the OSLA Network lenders are required to sell, and we are required to purchase, their FFEL Program loans originated and serviced by the remote use of the OSLA Student Loan Servicing System.

### FUND ACCOUNT BALANCES AND COVERAGES

#### Fund and Account Balances

	Lending Fund as of June 30, 2003	End of Acquisition Period	End of Recycling Period
Series 1995A/B	\$ 82,188 <sup>1</sup>	August 1, 1996	December 1, 2004
Series 1996B	119,972 <sup>1</sup>	January 1, 1997	December 1, 2004
Series 2001A/B	1,517,531 <sup>1</sup>	December 1, 2002	December 1, 2004
Series 2001A-2/3	4,597,979 <sup>2</sup>	April 1, 2003	December 1, 2004
Series 2001A-4	958,503 <sup>1</sup>	April 1, 2003	December 1, 2004

<sup>1</sup>Recycling monies that were spent shortly after June 30, 2003 for loan acquisition. Original bond proceeds were spent prior to the end of the Acquisition Period.

<sup>2</sup>Recycling monies. Original bond proceeds were spent prior to the end of the Acquisition Period.

#### Asset Coverage Ratios

At June 30, 2003, the Eligible Assets, Liabilities and Fund Balances of the Master Bond Resolution Trust Estate and resulting coverages were approximately as shown in the following tables.

Eligible Assets	Master Bond Resolution Total
Insured Eligible Loans	\$197,447,877
Accrued Borrower Interest	4,031,992
Accrued USDE Benefits	883,684
Investment Securities	13,332,926
Pledged Collections	452,163
Other Eligible Assets	15,113
Rebate Fund*	41,263
Total Eligible Assets	\$216,205,018

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<u>Liabilities &amp; Fund Balances</u>	
Bonds and Notes Payable	
Senior Obligations	\$169,225,000
Subordinate Obligations	43,185,000
Accrued Interest Payable	
Senior Interest	262,794
Subordinate Interest	399,559
Admin. & Servicing Payables	831,398
Estimated Arbitrage Rebate	49,990
Other Liabilities	40,406
Estimated Excess Yield	1,609,578
Total Liabilities	\$215,603,725
Fund Balances	601,293
Total Liabilities & Fund Balances	\$216,205,018

\*Not part of the security for the Bonds and Notes.

Coverage Ratios	Master Bond Resolution Total
Senior Obligations	125.69%
All Obligations Combined	100.28%

### Excess Yield Calculations

Proceeds from the Authority's tax exempt debt that are invested in student loans are subject to a maximum allowable spread between the student loan yield and the related debt yield over the life of the respective issues. Any excess student loan interest over the allowable debt yield would be rebated to the student loan borrowers as interest rate reductions or loan principal forgiveness.

As of June 30, 2003, the computed estimate of the excess loan yield for the Series 1995A/B Bonds and Notes was approximately \$1,446,100. The estimate of the excess loan yield for the Series 1996B Bonds was calculated at approximately \$163,500. There was no excess loan yield on the Series 2001A/B Bonds. These estimates are accounted for in the Asset Coverage Ratios in the preceding section.

Management is actively monitoring the yield spread and will take necessary action to maintain student loan yields within the allowable spread over the life of the respective debt issuances.