

INVITATION TO OFFER

SERIES 1995B-2 BONDS
CUSIP No. 679110 CE4

SERIES 2001A-2 BONDS
CUSIP No. 679110 CT1

SERIES 2004A-1 BONDS
CUSIP No. 679110 CY0

SERIES 2004A-2 BONDS
CUSIP No. 679110 CZ7

SERIES 2004A-3 NOTES
CUSIP No. 679110 DA1

**made by BOKF, NA dba Bank of Oklahoma, as Trustee, on behalf of
OKLAHOMA STUDENT LOAN AUTHORITY**

**The Trustee invites bondowners to offer to sell for cash their Series 1995B-2 Bonds,
Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3
Notes listed on Appendix A hereto.**

**THIS INVITATION WILL EXPIRE AT 5:00 P.M., EASTERN TIME
ON THE EXPIRATION DATE OF MAY 15, 2012, UNLESS EARLIER TERMINATED OR EXTENDED.**

To make an informed decision as to whether, and how, to offer Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes, a bondowner must read this Invitation To Offer and the other documents regarding the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes and the Authority referred to herein carefully and consult the bondholder’s account executive, financial advisor or other financial professionals.

Investors with questions about this Invitation should contact the Authority at the address, phone number and e-mail address set forth below:

**Oklahoma Student Loan Authority
525 Central Park Drive, Suite 600
Oklahoma City, OK 73105-1706
Phone No. (405) 556-9210
Attention: Jim Bartlett and Melissa Burgard
finance@osla.org**

The Dissemination Agent, Paying Agent and Tender Agent for this Invitation is:

**BOKF, NA dba Bank of Oklahoma, as Trustee
for the Oklahoma Student Loan Authority
9520 North May Avenue, Suite 100
Oklahoma City, OK 73120
Attn: Corporate Trust Department**

Key Dates

All of these dates are subject to change – Notices of changes will be sent in the manner provided for in this Invitation:

Expiration Date. <i>Deadline for receipt of offers</i>	May 15, 2012, 5:00 p.m. Eastern Time
Announcement of Auction results	May 16, 2012
Release of all Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes which have not been accepted for purchase.....	May 17, 2012
Settlement Date. <i>Payment made on all accepted Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes</i>	May 17, 2012

(The date of this Invitation is April 30, 2012)

TABLE OF CONTENTS

		<u>Page</u>
1.	Introduction.....	1
2.	Source of Funds to Purchase Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes.....	5
3.	Certain Potential Adverse Effects of Invitation on Owners of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes Not Purchased	6
4.	Expiration Date	6
5.	Information About this Invitation	6
6.	How Offers Can Be Made.....	7
7.	Accrued Interest	8
8.	Provisions Applicable to all Offers	8
9.	Procedures For Offering Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes Held through Brokers and Banks	10
10.	Automated Tender Offer Program Account.....	10
11.	Determinations as to Form and Validity of Offers; Right of Waiver and Rejection.....	11
12.	Amendments and Withdrawals of Offers.....	11
13.	Irrevocability of Offers	12
14.	Determination of Amounts to be Purchased	12
15.	Determination of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes to be Purchased.....	12
16.	Acceptance of Offers Constitutes Irrevocable Agreement; Notice of Results	15
17.	Settlement Date; Settlement Procedures	15
18.	Purchase Funds	16
19.	Conditions to Purchase.....	16
20.	Extension, Termination and Amendment of Invitation; Changes to Terms.....	16
21.	Notice Regarding Settlements.....	17
22.	Certain Significant Consequences to Non-Tendering Bondowners	18
23.	Certain Significant Consequences to Tendering Bondowners	24
24.	Certain Federal Income Tax Consequences	28
25.	Waiver and Indemnity.....	29
26.	Fees and Expenses	29
27.	No Personal Liability	29
28.	Miscellaneous	30
APPENDIX A	SERIES 1995B-2 BONDS, SERIES 2001A-2 BONDS, SERIES 2004A-1 BONDS, SERIES 2004A-2 BONDS AND SERIES 2004A-3 NOTES	A-1
APPENDIX B	DESCRIPTION OF THE FFEL PROGRAM	B-1
APPENDIX C	INFORMATION REGARDING THE OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION, COLLEGE ASSISTANCE PROGRAM (OCAP) AS A GUARANTOR FOR FEDERAL FAMILY EDUCATION LOAN PROGRAM STUDENT LOANS	C-1
APPENDIX D	INFORMATION REGARDING THE AUTHORITY	D-1
APPENDIX E	SUMMARY OF BONDS AND NOTES OUTSTANDING UNDER THE MASTER BOND RESOLUTION AS OF MARCH 31, 2012.....	E-1

No one has been authorized by any of the Authority, the Trustee or the Dissemination Agent to recommend to any bondowners whether to offer Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes pursuant to this Invitation or at what price or prices any offer should be made. No one has been authorized to give any information or to make any representation in connection with this Invitation other than those contained in this Invitation or included herein by specific reference. Any recommendation, information and representations given or made cannot be relied upon as having been authorized by the Authority, the Trustee or the Dissemination Agent.

The Authority, the Trustee and the Dissemination Agent do not recommend to any bondowner whether to offer Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes or at what price or prices an offer should be made. Each bondowner must make these decisions and should read this Invitation and consult with its account executive, other financial advisor or other financial professionals in making these decisions.

This Invitation has not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the fairness or merits of this Invitation or upon the accuracy or adequacy of the information contained in this Invitation. Any representation to the contrary is a criminal offense.

This Invitation is not being made to, and offers will not be accepted from or on behalf of, bondowners in any jurisdiction in which this Invitation or the acceptance of offers pursuant thereto would not be in compliance with the laws of such jurisdiction.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Invitation and, if given or made, such information or representation may not be relied upon as having been authorized by the Authority, the Trustee or the Dissemination Agent.

The delivery of this Invitation shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the Authority since the date hereof.

This Invitation and the documents referenced herein contain statements relating to future results that are “forward looking statements.” When used in this Invitation or the documents referenced herein, the words “estimate,” “anticipate,” “forecast,” “project,” “intend,” “propose,” “plan,” “expect” and similar expressions identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties. Some assumptions used in connection with the forward-looking statements will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between such statements and actual results, and those differences may be material. Forward-looking statements speak only as of the date of the document in which they are made. We disclaim any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances on which the forward-looking statement is based.

**INVITATION TO OFFER SERIES 1995B-2 BONDS, SERIES 2001A-2 BONDS,
SERIES 2004A-1 BONDS, SERIES 2004A-2 BONDS AND SERIES 2004A-3 NOTES**

**made by the BOKF, NA dba Bank of Oklahoma, as Trustee, on behalf of
OKLAHOMA STUDENT LOAN AUTHORITY**

(April 30, 2012)

1. Introduction

This Invitation to Offer Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes (this “Invitation”) is made by BOKF, NA dba Bank of Oklahoma, as trustee pursuant to the herein defined Master Bond Resolution, on behalf of the Oklahoma Student Loan Authority, an express trust established for the benefit of the State of Oklahoma (the “Authority”), to the owners of the Authority’s (a) Oklahoma Student Loan Bonds and Notes, Subordinate Bonds, Series 1995B-2 (the “Series 1995B-2 Bonds”), (b) Oklahoma Student Loan Bonds and Notes, Senior Taxable Auction Rate Bonds, Series 2001A-2 (Reset Auction Mode Securities—RAMS™) (the “Series 2001A-2 Bonds”), (c) Oklahoma Student Loan Bonds and Notes, Senior Auction Rate Bonds, Series 2004A-1 (Reset Auction Mode Securities—RAMS™) (the “Series 2004A-1 Bonds”), (d) Oklahoma Student Loan Bonds and Notes, Senior Auction Rate Bonds, Series 2004A-2 (Reset Auction Mode Securities—RAMS™) (the “Series 2004A-2 Bonds”) and (e) Oklahoma Student Loan Bonds and Notes, Senior Taxable Floating Rate Notes, Series 2004A-3 (the “Series 2004A-3 Notes”) listed on Appendix A to this Invitation. The Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes have been issued by the Authority pursuant to the terms and provisions of a Master Bond Resolution adopted by the trustees of the Authority on November 2, 1995, and amended and supplemented by certain supplemental bond resolutions (collectively, the “Master Bond Resolution”). BOKF, NA dba Bank of Oklahoma, is the Master Trustee and Series Trustee (the “Trustee”) pursuant to the Master Bond Resolution.

In addition to the Series 1995B-2 Bonds, the Series 2001A-2 Bonds, the Series 2004A-1 Bonds, the Series 2004A-2 Bonds and the Series 2004A-3 Notes, as of March 31, 2012, there were also outstanding pursuant to the Master Bond Resolution, (i) \$12,800,000 of the Authority’s Oklahoma Student Loan Bonds and Notes, Senior Bonds, Series 1995A-1 (tax-exempt auction rate bonds), (ii) \$1,765,000 of the Authority’s Oklahoma Student Loan Bonds and Notes, Senior Bonds, Series 2001A-1 (5.625% tax-exempt fixed rate bonds), (iii) \$34,800,000 of the Authority’s Oklahoma Student Loan Bonds and Notes, Senior Taxable Floating Rate Notes, Series 2001A-4 (taxable commercial paper based bonds), and (iv) \$25,000,000 of the Authority’s Oklahoma Student Loan Bonds and Notes, Subordinate Auction Rate Obligations, Series 2001B-1 (Reset Auction Mode Securities—RAMS™) (tax-exempt auction rate bonds).

The bonds and notes issued pursuant to the Master Bond Resolution, including the Series 1995B-2 Bonds, the Series 2001A-2 Bonds, the Series 2004A-1 Bonds, the Series 2004A-2 Bonds and the Series 2004A-3 Notes, are collectively referred to herein as the “Bonds and Notes.” A summary of the Outstanding Bonds and Notes as of March 31, 2012, can be found in Appendix E hereto. Capitalized terms used, but not otherwise defined herein, shall have the meanings assigned to such capitalized terms in the Master Bond Resolution.

Each bondowner of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes is invited by the Trustee, on behalf of the Authority, to offer to sell to the Authority for cash all or any part of such owner’s Series 1995B-2 Bonds,

Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes, subject to the terms and conditions set forth in this Invitation. An offer to sell may be made at an offer price specified by a bondowner (an "Offer Price"), subject to acceptance by the Authority as described herein. The Authority may, but will not be required to, accept any offer to sell (a) Series 1995B-2 Bonds with an Offer Price which exceeds \$950 for each \$1,000 of the par amount of any Series 1995B-2 Bonds being offered, (b) Series 2004A-1 Bonds with an Offer Price which exceeds \$950 for each \$1,000 of the par amount of any Series 2004A-1 Bonds being offered, (c) Series 2004A-2 Bonds with an Offer Price which exceeds \$950 for each \$1,000 of the par amount of any Series 2004A-2 Bonds being offered and (d) Series 2001A-2 Bonds and Series 2004A-3 Notes with an Offer Price which exceeds \$950 for each \$1,000 of the par amount of any Series 2001A-2 Bonds and Series 2004A-3 Notes being offered (each, an "Acceptable Offer Price"). The "Purchase Price" for any Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes shall be the Offer Price for the particular Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes being purchased pursuant to this Invitation; therefore, a bondowner may receive a Purchase Price for its tendered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes that is less than the Purchase Price another bondowner may receive for its tendered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes.

A bondowner may offer portions of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes that it owns at more than one Offer Price (i.e., a bondowner may divide the par amount of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes that the bondowner owns into portions and offer to sell all or any portion of such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes owned by the bondowner). A bondowner may offer different portions of the Series 1995B-2 Bonds, the Series 2001A-2 Bonds, the Series 2004A-1 Bonds, the Series 2004A-2 Bonds and the Series 2004A-3 Notes that it owns specifying a different Offer Price for each portion so long as all of these offers do not, in the aggregate, exceed the par amount of the particular Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes owned by that bondowner and so long as each such portion is an integral multiple of the authorized denomination for such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes set forth in Appendix A hereto. If a bondowner offers portions of the Series 1995B-2 Bonds, the Series 2001A-2 Bonds, the Series 2004A-1 Bonds, the Series 2004A-2 Bonds or the Series 2004A-3 Notes he or she owns at more than one Offer Price, each such portion will be treated as a separate offer for purposes of the Authority's acceptance of offers and purchases of the Series 1995B-2 Bonds, the Series 2001A-2 Bonds, the Series 2004A-1 Bonds, the Series 2004A-2 Bonds or the Series 2004A-3 Notes.

The Authority will cause the Trustee to purchase on behalf of the Authority (a) up to \$900,000 of properly offered Series 1995B-2 Bonds with Offer Prices that are less than or equal to the applicable Acceptable Offer Price for the Series 1995B-2 Bonds (the "Tender Ceiling" corresponding to the Series 1995B-2 Bonds) (as such corresponding Tender Ceiling may be increased in the sole discretion of the Authority), (b) up to \$1,075,000 of properly offered Series 2004A-1 Bonds with Offer Prices that are less than or equal to the applicable Acceptable Offer Price for the Series 2004A-1 Bonds (the "Tender Ceiling" corresponding to the Series 2004A-1 Bonds) (as such corresponding Tender Ceiling may be increased in the sole discretion of the Authority), (c) up to \$1,600,000 of properly offered Series 2004A-2 Bonds with Offer Prices that are less than or equal to the applicable Acceptable Offer Price for the Series 2004A-2 Bonds (the "Tender Ceiling" corresponding to the Series 2004A-2 Bonds) (as such corresponding Tender Ceiling may be increased in the sole discretion of the Authority), and (d) up to \$10,000,000 of properly offered Series 2001A-2 Bonds and Series 2004A-3 Notes with Offer Prices that are less than or equal to the applicable Acceptable Offer Price for the Series 2001A-2 Bonds and

Series 2004A-3 Notes (the “Tender Ceiling” corresponding to the Series 2001A-2 Bonds and Series 2004A-3 Notes) (as such corresponding Tender Ceiling may be increased in the sole discretion of the Authority), with funds available to purchase (i) Series 1995B-2 Bonds, (ii) Series 2004A-1 Bonds, (iii) Series 2004A-2 Bonds or (iv) Series 2001A-2 Bonds and Series 2004A-3 Notes, as applicable, pursuant to the Master Bond Resolution, subject to the provisions of this Invitation relating to the selection of offered (A) Series 1995B-2 Bonds, (B) Series 2004A-1 Bonds, (C) Series 2004A-2 Bonds or (D) Series 2001A-2 Bonds and Series 2004A-3 Notes in the event that the aggregate of the Purchase Prices of offered Series 1995B-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2001A-2 Bonds and Series 2004A-3 Notes by all bondowners that would otherwise qualify for purchase under this Invitation exceed the corresponding Tender Ceiling. The Authority may, but is not required to, cause the Trustee to purchase properly offered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes with Offer Prices that exceed the applicable Acceptable Offer Price with amounts outside of the corresponding Tender Ceilings. If the Authority chooses to cause the Trustee to purchase Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and/or Series 2004A-3 Notes on behalf of the Authority at Offer Prices that exceed the applicable Acceptable Offer Price, the Authority may do so on a series by series basis, and may purchase Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and/or Series 2004A-3 Notes within a particular series at higher Offer Prices than Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and/or Series 2004A-3 Notes that it may choose to purchase under another particular series. The Authority anticipates using up to \$515,000 of the Tender Ceiling corresponding to the Series 1995B-2 Bonds (less the principal amount of Series 1995B-2 Bonds purchased pursuant to this Invitation) to redeem Series 1995B-2 Bonds, in part by lot, at a redemption price equal to par, plus accrued interest, on September 1, 2012, to the extent that less than \$515,000 in principal amount of the Series 1995B-2 Bonds are purchased pursuant to this Invitation. The Authority anticipates using all of the Tender Ceiling corresponding to the Series 2004A-1 Bonds not used to purchase Series 2004A-1 Bonds pursuant to this Invitation to redeem Series 2004A-1 Bonds, in part by lot, at a redemption price equal to par, plus accrued interest, on June 26, 2012. The Authority anticipates using all of the Tender Ceiling corresponding to the Series 2004A-2 Bonds not used to purchase Series 2004A-2 Bonds pursuant to this Invitation to redeem Series 2004A-2 Bonds, in part by lot, at a redemption price equal to par, plus accrued interest, on June 12, 2012. The Authority anticipates using up to \$2,600,000 of the Tender Ceiling corresponding to the Series 2001A-2 Bonds and Series 2004A-3 Notes (less the principal amount of Series 2001A-2 Bonds purchased pursuant to this Invitation) to redeem Series 2001A-2 Bonds, in part by lot, at a redemption price equal to par, plus accrued interest, on June 12, 2012, to the extent that less than \$2,600,000 in principal amount of the Series 2001A-2 Bonds are purchased pursuant to this Invitation. The Series 2004A-3 Notes are subject to mandatory redemptions in the amount of \$3,500,000 on first Business Day of each March, June, September and December until paid in full or remarketed; however, pursuant to the Master Bond Resolution, the Authority will receive a credit for such mandatory redemption amounts equal to the principal amount of the Series 2004A-3 Notes purchased by the Authority pursuant to this Invitation.

Offered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes with Offer Prices that are less than or equal to the applicable Acceptable Offer Price will be selected in order of increasing Offer Price within (i) Series 1995B-2 Bonds, (ii) Series 2004A-1 Bonds, (iii) Series 2004A-2 Bonds and (iv) Series 2001A-2 Bonds and Series 2004A-3 Notes, as applicable, beginning with the lowest Offer Price received with respect to an otherwise qualified offer. Offered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes with Offer Prices that exceed the applicable Acceptable Offer Price, if accepted by the Authority, will be selected in order of increasing Offer Price within (i) Series 1995B-2 Bonds, (ii) Series 2004A-1 Bonds, (iii) Series 2004A-2 Bonds and/or (iv) Series 2001A-2 Bonds and Series 2004A-3 Notes, as applicable, chosen by the Authority for

purchase, beginning with the lowest Offer Price received with respect to an otherwise qualified offer. The Authority reserves the right, however, to increase the corresponding Tender Ceiling for (i) Series 1995B-2 Bonds, (ii) Series 2004A-1 Bonds, (iii) Series 2004A-2 Bonds and/or (iv) Series 2001A-2 Bonds and Series 2004A-3 Notes, as applicable, offered at Offer Prices that are less than or equal to the applicable Acceptable Offer Price at any time prior to notification of accepted and rejected offers, as described herein, but solely from additional funds available to purchase such (i) Series 1995B-2 Bonds, (ii) Series 2004A-1 Bonds, (iii) Series 2004A-2 Bonds or (iv) Series 2001A-2 Bonds and Series 2004A-3 Notes, as applicable, pursuant to the Master Bond Resolution.

Prices of (i) Series 1995B-2 Bonds, (ii) Series 2004A-1 Bonds, (iii) Series 2004A-2 Bonds and (iv) Series 2001A-2 Bonds and Series 2004A-3 Notes, as applicable, that the Authority accepts for purchase will be determined pursuant to the auction procedure described herein. See Section 15 hereof. The Authority has previously conducted an invitation to offer and has accepted many unsolicited offers from bondowners to sell senior Bonds and Notes issued pursuant to the Master Bond Resolution at various prices since September of 2009. The Authority has accepted sell offers on approximately \$61,700,000 of senior Bonds and Notes issued pursuant to the Master Bond Resolution at an average price of 95.5% of the par amount of such senior Bonds and Notes, plus accrued interest to the purchase date. The Authority may, from time to time in the future, purchase additional amounts of Bonds and Notes issued pursuant to the Master Bond Resolution, including Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes, pursuant to separate invitations or through one or more unsolicited offers or negotiated transactions, including purchases that may be for prices higher than the applicable Acceptable Offer Price that is applicable to purchases of offered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes pursuant to this Invitation. ***All Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes purchased pursuant to this Invitation will be cancelled pursuant to the Master Bond Resolution.***

As more fully described herein, this Invitation will expire at 5:00 p.m., Eastern Time, on May 15, 2012, unless earlier terminated or extended (the "Expiration Date"). The Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes the Authority determines to purchase will be paid for by 2:00 p.m., Eastern Time, on May 17, 2012 (subject to extension or termination as described herein) (the "Settlement Date"). Accrued interest on the purchased Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes through the day before the Settlement Date (the "Accrued Interest") will also be paid on the Settlement Date.

Investors with questions about this Invitation should contact the Authority as set forth on the cover of this Invitation. The Dissemination Agent for this Invitation is BOKF, NA dba Bank of Oklahoma, the trustee under the Master Bond Resolution.

All times in this Invitation are Eastern Time.

Any auction date for the Series 2001A-2 Bonds, the Series 2004A-1 Bonds or the Series 2004A-2 Bonds occurring during the time this Invitation remains outstanding is referred to herein as a "Subject Auction Date." Any bondowner of Series 2001A-2 Bonds, the Series 2004A-1 Bonds or the Series 2004A-2 Bonds that tenders such Series 2001A-2 Bonds, the Series 2004A-1 Bonds or the Series 2004A-2 Bonds will not be permitted to sell such Series 2001A-2 Bonds, the Series 2004A-1 Bonds or the Series 2004A-2 Bonds in connection with any subsequent Subject Auction Date for such Series 2001A-2 Bonds, the Series 2004A-1 Bonds or the Series 2004A-2 Bonds and, therefore, will be deemed to have submitted a "hold order" with respect to any subsequent Subject Auction Dates. If all of the Series 2001A-2 Bonds, the Series 2004A-1 Bonds or the Series 2004A-2 Bonds, as applicable, are

tendered and not withdrawn prior to a Subject Auction Date, the interest rate on such Series 2001A-2 Bonds, the Series 2004A-1 Bonds or the Series 2004A-2 Bonds, as applicable, from such Subject Auction Date until the Settlement Date (subject to extension or termination as described herein), or if such Series 2001A-2 Bonds, the Series 2004A-1 Bonds or the Series 2004A-2 Bonds, as applicable, are not purchased pursuant to this Invitation, until the end of the auction period corresponding to such Subject Auction Date, will be the “all hold rate” corresponding to such series (as set forth in the Master Bond Resolution, and as described in the corresponding Official Statement described below).

The Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes were initially offered pursuant to Official Statements (each an “Official Statement” and, collectively, the “Official Statements”). Copies of those Official Statements are available at the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) website (www.emma.msrb.org) by searching the corresponding CUSIP number for such series. The Official Statements are also available at the Authority’s financial website (<http://www.OSLAfinancial.com>) under “Official Statements—Visit Archive.”

Current information regarding the Authority is set forth in Appendix D hereto. In addition, updated information regarding the pool of student loans presently held in the trust estate established pursuant to the Master Bond Resolution as of December 31, 2011 (as well as information for prior calendar quarters) and the 2011 Annual Continuing Financial and Operating Data Report, is available at the Authority’s financial website under “Continuing Financial Disclosure—1995 Master Bond Resolution, as Supplemented” thereon. It is anticipated that information regarding the pool of student loans presently held in the trust estate established pursuant to the Master Bond Resolution as of March 31, 2012 will be available on or about May 4, 2012.

Furthermore, copies of the Authority’s Audited Financial Statement are available at the Authority’s financial website under “Financial Statements” thereon and at the EMMA website by searching the corresponding CUSIP number for a series of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes.

Certain information regarding the Oklahoma State Regents for Higher Education, College Assistance Program (“OCAP”) as the guarantor of approximately 85% of the student loans held in the trust estate established pursuant to the Master Bond Resolution, as of September 30, 2011, can be found in Appendix C hereto.

To make an informed decision as to whether, and how, to offer its Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes in connection with this Invitation, a bondowner must read such documents and financial information, as updated, carefully and consult with its account executive, financial advisor and/or other financial professional.

See Appendix B to this Invitation for a description of the student loan provisions of the Higher Education Act.

2. Source of Funds to Purchase Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes

Payments of principal of and interest on the student loans presently held within the Master Bond Resolution are available to redeem or purchase in lieu of redemption the Bond and Notes issued pursuant to the Master Bond Resolution. The Authority has agreed to use amounts up to the corresponding Tender Ceiling for such series to purchase offered (i) Series 1995B-2 Bonds, (ii) Series 2004A-1 Bonds,

(iii) Series 2004A-2 Bonds and/or (iv) Series 2001A-2 Bonds and Series 2004A-3 Notes, as applicable, with Offer Prices that are less than or equal to the applicable Acceptable Offer Price pursuant to this Invitation, but reserves the right to use additional funds available under the Master Bond Resolution to purchase offered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes as described herein.

3. Certain Potential Adverse Effects of this Invitation on Owners of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes Not Purchased

The purchase by the Trustee on behalf of the Authority of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes may have certain potential adverse effects on bondowners who do not tender, including the following:

- the principal amount of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes available to trade publicly will be reduced, which could adversely affect the liquidity and market value of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes that remain outstanding; and
- the Authority may also repurchase Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes through negotiated secondary market purchases, which may further reduce the liquidity and market value of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes that remain outstanding.

4. Expiration Date

The ability to offer Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes for sale to the Trustee on behalf of the Authority in connection with this Invitation will expire at 5:00 p.m., Eastern Time, on May 15, 2012, unless earlier terminated or extended as the Authority may determine (the “Expiration Date”). See Section 20 hereof for a discussion of the Authority’s ability to terminate or extend the Expiration Date. Offers to sell Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes to the Authority in connection with this Invitation after the Expiration Date will not be considered.

5. Information About this Invitation

The Dissemination Agent will give information about this Invitation to the market and bondowners by delivery of the information to the following institutions:

- The Depository Trust Company (“DTC”); and
- The Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system.

These institutions are called the “Information Services.” Delivery by the Dissemination Agent of information to the Information Services will be deemed to constitute delivery of this information to each owner of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes. None of the Authority, the Trustee or the Dissemination Agent has any obligation to ensure that a bondowner actually receives any information given to the Information Services.

A bondowner who would like to receive information transmitted by the Dissemination Agent to the Information Services must make appropriate arrangements with the bondowner's account executive or directly with the Information Services.

6. How Offers Can Be Made

A bondowner may make one or more offers to sell to the Authority Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and/or Series 2004A-3 Notes in a maximum par amount of its choosing (provided that the par amount offered must be in an integral multiple of the authorized denomination for such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes set forth in Appendix A hereto) and at an Offer Price of its choosing. Each Offer Price must be expressed in dollars per \$1,000 of the par amount of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes offered. An Offer Price may contain no more than one number to the right of the decimal point. Any Offer Price containing more than one number to the right of the decimal point will not be processed, and will automatically be rejected.

A bondowner may offer portions of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes that it owns at more than one Offer Price (i.e., a bondowner may divide the par amount of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes that the bondowner owns into portions and offer to sell all or any portion of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes owned by the bondowner). A bondowner may offer different portions of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes that the bondowner owns specifying a different Offer Price for each portion so long as all of these offers do not, in the aggregate, exceed the par amount of the particular Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes owned by that bondowner and so long as each such portion is an integral multiple of the authorized denomination for such series set forth in Appendix A hereto. If a bondowner offers portions of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes he or she owns at more than one Offer Price, each such portion will be treated as a separate offer for purposes of the Authority's acceptance of offers and purchase of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes in connection with this Invitation.

An Offer Price may exceed an applicable Acceptable Offer Price; however, the Authority will have no obligation to cause the Trustee to purchase any Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes with an Offer Price that exceeds an applicable Acceptable Offer Price, even if the corresponding Tender Ceiling has not been reached. The Authority may cause the Trustee to purchase Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes on behalf of the Authority with Offer Prices that exceed an applicable Acceptable Offer Price if (i) the corresponding Tender Ceiling for (A) Series 1995B-2 Bonds, (B) Series 2004A-1 Bonds, (C) Series 2004A-2 Bonds or (D) Series 2001A-2 Bonds and Series 2004A-3 Notes, as applicable, offered at Offer Prices that are less than or equal to the applicable Acceptable Offer Price has been exceeded or (ii) all properly offered (A) Series 1995B-2 Bonds, (B) Series 2004A-1 Bonds, (C) Series 2004A-2 Bonds or (D) Series 2001A-2 Bonds and Series 2004A-3 Notes with Offer Prices which do not exceed the applicable Acceptable Offer Price have been accepted for purchase, and all Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes to be purchased are selected pursuant to the auction procedures described in Section 15 hereof.

Offers may only be made through an automated tender offer program (“ATOP”) account to be established pursuant to the DTC procedures described in Section 10 hereof. A bondowner who is not a DTC participant and who wishes to make an offer should contact the bondowner’s account representative at the financial institution that maintains the account in which the bondowner’s Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes are held for assistance in submitting an offer through this ATOP account. See also Sections 8 and 9 hereof.

7. Accrued Interest

An Offer Price for Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes must not include any amount representing Accrued Interest. For Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes accepted for purchase pursuant to this Invitation, Accrued Interest will be added to the Purchase Price and paid on the Settlement Date.

8. Provisions Applicable to all Offers

Need for Advice. A bondowner should ask the bondowner’s account executive at the financial institution that maintains the account in which its Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes are held, or another financial advisor, for help in determining:

- whether to offer the bondowner’s Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes for sale to the Authority;
- what Offer Price it should offer to the Authority;
- the par amount of its Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes to be offered for sale to the Authority;
- whether the financial institution that holds the bondowner’s Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes will charge a fee for submitting offers (none of the Authority, the Trustee, the Dissemination Agent or the Tender Agent will charge any bondowner for making an offer);
- whether the Authority has caused the Trustee to purchase the bondowner’s offered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes on behalf of the Authority; and
- whether to offer the bondowner’s Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds to one or more investment banks pursuant to agreements or settlements with the Securities and Exchange Commission (see <http://www.sec.gov/investor/ars.htm>; nothing contained on such website is incorporated herein). See the caption “Certain Significant Consequences to Non-Tendering Bondowners—Bondowners whose Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds are Purchased pursuant to this Invitation Will Not be able to Participate in Available Settlement Offers” herein.

None of the Authority, the Trustee or the Dissemination Agent makes any recommendation as to whether a bondowner should offer its Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1

Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes, or at what Offer Price or Offer Prices an offer should be made, pursuant to this Invitation.

Need for Specificity in Tender. An offer must include the CUSIP numbers of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes offered, the par amount of each series being offered and the Offer Price for such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes. Each offer of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes at an Offer Price must be in an integral multiple of the authorized denomination for such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes set forth in Appendix A hereto. An offer which does not meet this requirement will be reduced to the greatest integral multiple of the authorized denomination for such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes that does not exceed the principal amount identified in the offer.

A bondowner may only offer to sell Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes owned by the bondowner. By submitting an offer, a bondowner warrants that he or she has full authority to transfer and sell such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes, and that the transferee will acquire good title, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims.

“All or none” offers are not permitted.

Limitation on Responsibility for Offers. None of the Authority, the Trustee, the Dissemination Agent or the Tender Agent are responsible for making or transmitting any offer to sell Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes or for any mistakes, errors or omissions in the making or transmission of any offer.

Offers of Book-Entry-Only Bonds. The Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes are held in book-entry-only form through the facilities of DTC or are held in “street name.” As a result, positions in Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes are held by the broker-dealers, banks, trust companies and other financial institutions that are participants in DTC, or are the registered owners of the “street name” bonds, for the benefit of the bondowners who own the actual beneficial ownership interests in these Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes. Bondowners who own beneficial ownership interests in Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes held through DTC and who are not DTC participants, or who hold beneficial ownership interests in “street name” bonds, can only make offers to sell these bonds through the financial institution which maintains the account in which their Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes are held pursuant to the procedures set forth in Sections 9 and 10 hereof. Such a bondowner should ask its account representative at the financial institution that maintains the account in which its Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes are held for assistance in submitting an offer through the ATOP account described in Section 10 hereof.

9. Procedures for Offering Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes Held through Brokers and Banks

To offer a Series 1995B-2 Bond, Series 2001A-2 Bond, Series 2004A-1 Bond, Series 2004A-2 Bond or Series 2004A-3 Note that is held through a broker, custodian bank, trust company or other nominee, including through DTC, the bondowner who is the beneficial owner of such Series 1995B-2 Bond, Series 2001A-2 Bond, Series 2004A-1 Bond, Series 2004A-2 Bond or Series 2004A-3 Note must instruct the firm at which this beneficial ownership is held to offer such Series 1995B-2 Bond, Series 2001A-2 Bond, Series 2004A-1 Bond, Series 2004A-2 Bond or Series 2004A-3 Note on the bondowner's behalf. Some firms will require written instructions to take such actions while others will act on oral or telephonic instructions from their customers. A bondowner should consult the bondowner's account executive to determine the preferred procedure.

10. Automated Tender Offer Program Account

The Tender Agent, on behalf of the Authority, will establish an ATOP account with respect to the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes at DTC for purposes of this Invitation within three business days after the date of this Invitation (the "Authority's ATOP Account"). The Authority's ATOP Account will be established pursuant to DTC's ATOP account procedures. *All procedural requirements relating to offers that are described in this Invitation are subject in their entirety to the operational practices of DTC with respect to its ATOP accounts.* Any financial institution that is a participant in DTC may make a book-entry offer of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes by causing DTC to transfer such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes into the Authority's ATOP Account in accordance with DTC's procedures for such transfer. Concurrently with the delivery of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes through book-entry transfer into the Authority's ATOP Account, an Agent's Message (as defined below) in connection with such book-entry transfer must be transmitted to and received by the Authority (or the Trustee on its behalf) on or prior to the Expiration Date (as the Expiration Date may have been extended or terminated pursuant to this Invitation). The confirmation of a book-entry transfer into the Authority's ATOP Account as described above is referred to herein as a "Book-Entry Confirmation."

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Authority (or the Trustee on its behalf) and forming a part of the Book-Entry Confirmation which states that DTC has received an express acknowledgment from a participant in DTC described in such Agent's Message, stating the aggregate amount of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes which have been tendered by such participant pursuant to this Invitation and the Offer Price for such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes and containing a statement to the effect that such participant agrees to be bound by the terms of this Invitation. The name and account number of the beneficial owner of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes being tendered must be included in the Agent's Message with respect to all offers from a single bondowner.

Unless the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes being tendered are received in the Authority's ATOP Account by not later than 5:00 p.m., Eastern Time, on the Expiration Date (as the Expiration Date may have been extended or terminated pursuant to this Invitation) (accompanied by a properly transmitted

Agent's Message), the Authority may, at its option, treat such tender as defective for all purposes of this Invitation.

The delivery of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes through DTC, and any acceptance of an Agent's Message transmitted through ATOP, is at the election and risk of the person offering such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes. The Authority will instruct DTC to return those Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes that were offered through the Authority's ATOP Account but were not accepted for purchase or not purchased to the person or entity that offered the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes. None of the Authority, the Trustee, the Dissemination Agent or the Tender Agent are responsible or liable for the return of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes to these offering institutions or to their owners, nor as to the time by which such return is completed.

11. Determinations as to Form and Validity of Offers; Right of Waiver and Rejection

All questions as to the validity (including the time of receipt at the Authority's ATOP Account), form, eligibility and acceptance of any offers will be determined by the Authority in its discretion and will be final, conclusive and binding, without liability to any bondowner or bondowner nominee.

The Authority reserves the right to waive any irregularities or defects in any offer. None of the Authority, the Trustee, the Dissemination Agent or the Tender Agent are obligated to give notice of any defects or irregularities in offers and they will have no liability for failing to give this notice. The Authority reserves the absolute right to reject any and all offers with Offer Prices that exceed the applicable Acceptable Offer Price, whether or not they otherwise comply with the terms of this Invitation.

12. Amendments and Withdrawals of Offers

General. A bondowner who has made an offer may amend the bondowner's offer in any respect consistent with the terms of this Invitation, or may withdraw such offer, so long as such amendment or withdrawal is made by not later than 5:00 p.m., Eastern Time, on the Expiration Date (as the Expiration Date may have been extended or terminated pursuant to this Invitation) in the manner described in this Section.

All questions as to the validity (including the time of receipt) of an amendment or withdrawal will be determined by the Authority in its discretion and will be final, conclusive and binding, without liability to any bondowner or bondowner nominee.

Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes Held through Broker-Dealers, Banks and Others. An offer of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes made through the Authority's ATOP Account may be amended or withdrawn by the bondowner of these Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes giving instructions to the bank or broker that holds its Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes in substantially the same manner as the bondowner gave the instructions for the bondowner's offer. An offer made through the Authority's ATOP Account may be amended or withdrawn by an amended offer or notice of withdrawal being received at the Authority's ATOP Account by not later than 5:00 p.m., Eastern Time, on the Expiration Date (as the Expiration Date may have been

extended or terminated pursuant to this Invitation). In order to ensure the timely making of an amended offer or withdrawal of an offer, a bondowner must notify the firm that submitted the bondowner's offer of the bondowner's desire to amend or withdraw in time for the amendment or withdrawal to be made by such firm and received at the Authority's ATOP Account by not later than 5:00 p.m., Eastern Time, on the Expiration Date (as the Expiration Date may have been extended or terminated pursuant to this Invitation). In addition, the amendment or notice of withdrawal received through the Authority's ATOP Account must specify the CUSIP number, the principal amount of these Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes previously offered, the DTC Voluntary Offer Instruction number for the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes for which the offer is being amended or withdrawn and the name and account number of the beneficial owner of those Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes.

13. Irrevocability of Offers

All offers (including amended offers) to sell Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes not properly withdrawn will become irrevocable as of 5:00 p.m., Eastern Time, on the Expiration Date (as the Expiration Date may have been extended or terminated pursuant to this Invitation).

14. Determination of Amounts to be Purchased

After the Expiration Date (as the Expiration Date may have been extended or terminated pursuant to this Invitation), the Authority will determine the amount (if any) of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes that it will purchase and the corresponding Purchase Prices. The "Purchase Price" for any Series 1995B-2 Bond, Series 2001A-2 Bond, Series 2004A-1 Bond, Series 2004A-2 Bond or Series 2004A-3 Note shall be the Offer Price for the particular Series 1995B-2 Bond, Series 2001A-2 Bond, Series 2004A-1 Bond, Series 2004A-2 Bond or Series 2004A-3 Note being purchased pursuant to this Invitation; therefore, a bondholder may receive a Purchase Price for its tendered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes that is less than the Purchase Price another bondholder may receive for its tendered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes.

15. Determination of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes to be Purchased

Mechanics of Auction Procedure. Specific offered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes to be purchased will be determined by the Authority through an auction procedure. Under this procedure, (1) for Series 1995B-2 Bonds offered at an Offer Price less than or equal to its applicable Acceptable Offer Price, the Authority will determine the specific offered Series 1995B-2 Bonds that it will purchase sequentially in increasing order of Offer Price, so that all of the Series 1995B-2 Bonds that were offered in accordance with this Invitation at any Offer Price less than or equal to its applicable Acceptable Offer Price will be purchased prior to the purchase of any offered Series 1995B-2 Bonds that were offered at a higher Offer Price until (a) the remaining uncommitted amount of the corresponding Tender Ceiling (as such corresponding Tender Ceiling may be increased in the sole discretion of the Authority) is insufficient to fund the purchase of any remaining offered Series 1995B-2 Bonds (provided that the par amount purchased must be in an integral multiple of the authorized denomination for such Series 1995B-2 Bonds set forth in Appendix A hereto) or (b) all Series 1995B-2 Bonds offered at Offer Prices that do not exceed its

Acceptable Offer Price have been accepted for purchase, (2) for Series 2004A-1 Bonds offered at an Offer Price less than or equal to its applicable Acceptable Offer Price, the Authority will determine the specific offered Series 2004A-1 Bonds that it will purchase sequentially in increasing order of Offer Price, so that all of the Series 2004A-1 Bonds that were offered in accordance with this Invitation at any Offer Price less than or equal to its applicable Acceptable Offer Price will be purchased prior to the purchase of any offered Series 2004A-1 Bonds that were offered at a higher Offer Price until (a) the remaining uncommitted amount of the corresponding Tender Ceiling (as such corresponding Tender Ceiling may be increased in the sole discretion of the Authority) is insufficient to fund the purchase of any remaining offered Series 2004A-1 Bonds (provided that the par amount purchased must be in an integral multiple of the authorized denomination for such Series 2004A-1 Bonds set forth in Appendix A hereto) or (b) all Series 2004A-1 Bonds offered at Offer Prices that do not exceed its Acceptable Offer Price have been accepted for purchase, (3) for Series 2004A-2 Bonds offered at an Offer Price less than or equal to its applicable Acceptable Offer Price, the Authority will determine the specific offered Series 2004A-2 Bonds that it will purchase sequentially in increasing order of Offer Price, so that all of the Series 2004A-2 Bonds that were offered in accordance with this Invitation at any Offer Price less than or equal to its applicable Acceptable Offer Price will be purchased prior to the purchase of any offered Series 2004A-2 Bonds that were offered at a higher Offer Price until (a) the remaining uncommitted amount of the corresponding Tender Ceiling (as such corresponding Tender Ceiling may be increased in the sole discretion of the Authority) is insufficient to fund the purchase of any remaining offered Series 2004A-2 Bonds (provided that the par amount purchased must be in an integral multiple of the authorized denomination for such Series 2004A-2 Bonds set forth in Appendix A hereto) or (b) all Series 2004A-2 Bonds offered at Offer Prices that do not exceed its Acceptable Offer Price have been accepted for purchase and (4) for Series 2001A-2 Bonds and Series 2004A-3 Bonds offered at an Offer Price less than or equal to their applicable Acceptable Offer Price, the Authority will determine the specific offered Series 2001A-2 Bonds and Series 2004A-3 Bonds that it will purchase sequentially in increasing order of Offer Price, so that all of the Series 2001A-2 Bonds and Series 2004A-3 Bonds that were offered in accordance with this Invitation at any Offer Price less than or equal to their applicable Acceptable Offer Price will be purchased prior to the purchase of any offered Series 2001A-2 Bonds and Series 2004A-3 Bonds that were offered at a higher Offer Price until (a) the remaining uncommitted amount of the corresponding Tender Ceiling (as such corresponding Tender Ceiling may be increased in the sole discretion of the Authority) is insufficient to fund the purchase of any remaining offered Series 2001A-2 Bonds and Series 2004A-3 Bonds (provided that the par amount purchased must be in an integral multiple of the authorized denomination for such Series 2001A-2 Bonds and Series 2004A-3 Bonds set forth in Appendix A hereto) or (b) all Series 2001A-2 Bonds and Series 2004A-3 Bonds offered at Offer Prices that do not exceed their Acceptable Offer Price have been accepted for purchase.

If the Authority chooses to purchase offered (i) Series 1995B-2 Bonds, (ii) Series 2004A-1 Bonds, (iii) Series 2004A-2 Bonds or (iv) Series 2001A-2 Bonds and Series 2004A-3 Notes with Offer Prices that exceed the applicable Acceptable Offer Price, such (i) Series 1995B-2 Bonds, (ii) Series 2004A-1 Bonds, (iii) Series 2004A-2 Bonds and/or (iv) Series 2001A-2 Bonds and Series 2004A-3 Notes will be selected in order of increasing Offer Price within any particular series chosen by the Authority for purchase, beginning with the lowest Offer Price received with respect to an otherwise qualified offer.

Procedures in the Event of Overtender. If the Authority receives multiple offers of Series 1995B-2 Bonds at the same Offer Price that together exceed the difference between (i) the corresponding Tender Ceiling (as such corresponding Tender Ceiling may be increased in the sole discretion of the Authority) and (ii) the aggregate of the Purchase Prices of Series 1995B-2 Bonds that were the subject of eligible offers at lower Offer Prices, then the Series 1995B-2 Bonds that were offered at such same Offer Price that are to be purchased will be selected on a pro rata basis, subject to any necessary rounding by the Authority (as described below) such that the par amount purchased is in an

integral multiple of the authorized denomination for such Series 1995B-2 Bonds reflecting the ratio of (a) the aggregate par amount of the offered Series 1995B-2 Bonds by each bondowner at such Offer Price to (b) the aggregate par amount of the offered Series 1995B-2 Bonds by all bondowners at such Offer Price. If the foregoing calculation would result in the Authority being required to purchase Series 1995B-2 Bonds of a bondholder in other than authorized denominations, the Series 1995B-2 Bonds to be purchased by the Authority from such bondholder will be rounded down to the next authorized denomination for such Series 1995B-2 Bonds. After such rounding, the Authority may then use any remaining funds to purchase any Series 1995B-2 Bonds that were rejected due to such rounding by lot or on such other basis deemed fair by the Authority until the entire corresponding Tender Ceiling is used (or an amount less than an authorized denomination for such series remains).

If the Authority receives multiple offers of Series 2004A-1 Bonds at the same Offer Price that together exceed the difference between (i) the corresponding Tender Ceiling (as such corresponding Tender Ceiling may be increased in the sole discretion of the Authority) and (ii) the aggregate of the Purchase Prices of Series 2004A-1 Bonds that were the subject of eligible offers at lower Offer Prices, then the Series 2004A-1 Bonds that were offered at such same Offer Price that are to be purchased will be selected on a pro rata basis, subject to any necessary rounding by the Authority (as described below) such that the par amount purchased is in an integral multiple of the authorized denomination for such Series 2004A-1 Bonds reflecting the ratio of (a) the aggregate par amount of the offered Series 2004A-1 Bonds by each bondowner at such Offer Price to (b) the aggregate par amount of the offered Series 2004A-1 Bonds by all bondowners at such Offer Price. If the foregoing calculation would result in the Authority being required to purchase Series 2004A-1 Bonds of a bondholder in other than authorized denominations, the Series 2004A-1 Bonds to be purchased by the Authority from such bondholder will be rounded down to the next authorized denomination for such Series 2004A-1 Bonds. After such rounding, the Authority may then use any remaining funds to purchase any Series 2004A-1 Bonds that were rejected due to such rounding by lot or on such other basis deemed fair by the Authority until the entire corresponding Tender Ceiling is used (or an amount less than an authorized denomination for such series remains).

If the Authority receives multiple offers of Series 2004A-2 Bonds at the same Offer Price that together exceed the difference between (i) the corresponding Tender Ceiling (as such corresponding Tender Ceiling may be increased in the sole discretion of the Authority) and (ii) the aggregate of the Purchase Prices of Series 2004A-2 Bonds that were the subject of eligible offers at lower Offer Prices, then the Series 2004A-2 Bonds that were offered at such same Offer Price that are to be purchased will be selected on a pro rata basis, subject to any necessary rounding by the Authority (as described below) such that the par amount purchased is in an integral multiple of the authorized denomination for such Series 2004A-2 Bonds reflecting the ratio of (a) the aggregate par amount of the offered Series 2004A-2 Bonds by each bondowner at such Offer Price to (b) the aggregate par amount of the offered Series 2004A-2 Bonds by all bondowners at such Offer Price. If the foregoing calculation would result in the Authority being required to purchase Series 2004A-2 Bonds of a bondholder in other than authorized denominations, the Series 2004A-2 Bonds to be purchased by the Authority from such bondholder will be rounded down to the next authorized denomination for such Series 2004A-2 Bonds. After such rounding, the Authority may then use any remaining funds to purchase any Series 2004A-2 Bonds that were rejected due to such rounding by lot or on such other basis deemed fair by the Authority until the entire corresponding Tender Ceiling is used (or an amount less than an authorized denomination for such series remains).

If the Authority receives multiple offers of Series 2001A-2 Bonds and Series 2004A-3 Notes at the same Offer Price that together exceed the difference between (i) the corresponding Tender Ceiling (as such corresponding Tender Ceiling may be increased in the sole discretion of the Authority) and (ii) the aggregate of the Purchase Prices of Series 2001A-2 Bonds and Series 2004A-3 Notes that were the

subject of eligible offers at lower Offer Prices, then the Series 2001A-2 Bonds and Series 2004A-3 Notes that were offered at such same Offer Price that are to be purchased will be selected on a pro rata basis, subject to any necessary rounding by the Authority (as described below) such that the par amount purchased is in an integral multiple of the authorized denomination for such Series 2001A-2 Bonds and Series 2004A-3 Notes reflecting the ratio of (a) the aggregate par amount of the offered Series 2001A-2 Bonds and Series 2004A-3 Notes by each bondowner at such Offer Price to (b) the aggregate par amount of the offered Series 2001A-2 Bonds and Series 2004A-3 Notes by all bondowners at such Offer Price. If the foregoing calculation would result in the Authority being required to purchase Series 2001A-2 Bonds and Series 2004A-3 Notes of a bondholder in other than authorized denominations, the Series 2001A-2 Bonds and Series 2004A-3 Notes to be purchased by the Authority from such bondholder will be rounded down to the next authorized denomination for such Series 2001A-2 Bonds and Series 2004A-3 Notes. After such rounding, the Authority may then use any remaining funds to purchase any Series 2001A-2 Bonds and Series 2004A-3 Notes that were rejected due to such rounding by lot or on such other basis deemed fair by the Authority until the entire corresponding Tender Ceiling is used (or an amount less than an authorized denomination for such series remains).

16. Acceptance of Offers Constitutes Irrevocable Agreement; Notice of Results

Acceptance by the Authority of offers to sell Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes will constitute an irrevocable agreement between the offering bondowner and the Authority to sell and purchase these Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes, subject to the conditions and terms of this Invitation.

The acceptance of all or a portion of offered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes (or rejection of all or a portion of an offer) will be deemed made when written notification is transmitted to the bondowner through DTC on the second business day after the Expiration Date.

17. Settlement Date; Settlement Procedures

General. The Settlement Date is the day on which Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes accepted for purchase will be purchased and paid for at the applicable Purchase Prices, and the Accrued Interest on these Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes will also be paid. The Settlement Date has initially been set as 2:00 p.m., Eastern Time, on May 17, 2012, the second business day after the Expiration Date (subject to extension or termination as described herein). If the Authority does not complete the purchase of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes by 2:00 p.m., Eastern Time, on May 17, 2012 (subject to extension or termination as described herein), the right and obligation of the Authority to purchase any Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes will automatically terminate, without any liability to any bondowner (or its nominee). ***All Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes which are purchased pursuant to this Invitation will be cancelled pursuant to the Master Bond Resolution.***

None of the Authority, the Trustee, the Dissemination Agent or the Tender Agent has any responsibility or liability for the distribution of the Purchase Price plus Accrued Interest to the owners (or their nominees) by DTC and nominees or when such distributions are made.

Payment of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes Held Through Brokers and Banks. On the Settlement Date, the Authority will cause the Trustee to pay, in immediately available funds, to DTC the aggregate Purchase Prices and Accrued Interest of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes accepted for purchase that were offered through the Authority's ATOP Account. It is expected that, in accordance with DTC's standard procedures, DTC will transmit the aggregate Purchase Price plus Accrued Interest in immediately available funds to each of its participant financial institutions holding those Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes accepted for purchase on behalf of bondowners for delivery to the bondowners.

18. Purchase Funds

The funds (the "Purchase Funds") to purchase Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes will be provided from available funds under the Master Bond Resolution. The Accrued Interest due on purchased Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes on the Settlement Date will also be paid from available funds under the Master Bond Resolution and will be part of the Purchase Funds.

19. Conditions to Purchase

The Authority will incur no liability as a result, if, before payment for the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes:

(a) Litigation or another proceeding is pending or threatened which the Authority believes may, directly or indirectly, have an adverse impact on this Invitation or the expected benefits of this Invitation to the Authority or the bondowners of such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes;

(b) A war, national emergency, banking moratorium, suspension of payments by banks, general suspension of trading by the New York Stock Exchange or limitation of prices on the New York Stock Exchange exists and the Authority believes this fact makes it inadvisable to proceed with the purchase of such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes; or

(c) A material change in the business or affairs of the Authority has occurred which the Authority believes makes it inadvisable to proceed with the purchase of such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes.

These conditions are for the sole benefit of the Authority. They may be asserted by the Authority regardless of the circumstances giving rise to any of these conditions or may be waived by the Authority in whole or in part at any time and from time to time in its sole discretion. The failure by the Authority at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of the Authority which may be asserted at any time and from time to time. Any determination by the Authority concerning the events described in this Section will be final and binding upon all parties. If, prior to the time of payment for any Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes, any of the events described happens, the Authority

will have the absolute right to cancel the obligation to purchase Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes without any liability to any bondowner (or its nominee).

20. Extension, Termination and Amendment of Invitation; Changes to Terms

The Authority has the right to cause the Trustee to announce an extension of this Invitation at any time prior to 5:00 p.m., Eastern Time, on the Expiration Date then in effect, or any prior extension thereof. Notice of an extension of the Expiration Date will be given to the Information Services and will be effective when such notice is transmitted to the Information Services. If the Expiration Time is extended, the Settlement Date will likewise be extended.

The Authority also has the right to cause the Trustee to terminate this Invitation at any time by giving notice to the Information Services of this termination. The termination will be effective at the time specified in this notice; provided that such notice with respect to a particular series of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes can only become effective before the date on which the notice of acceptance of offers for that series is given pursuant to Section 16 hereof.

The Authority also has the right to cause the Trustee to amend or waive the terms of this Invitation in any respect and at any time by giving notice to the Information Services of this amendment or waiver. This amendment or waiver will be effective at the time specified in this notice; provided that, except for the waivers specified in any other Section of this Invitation, such notice with respect to a particular series can only become effective before the date on which the notice of acceptance of offers for that series is given pursuant to Section 16 hereof.

If the Authority causes the Trustee to extend this Invitation, or amend the terms of this Invitation (including a waiver of any term as described above) in any material respect, the Authority may (but is not required to) cause the Trustee to disseminate additional Invitation material and extend this Invitation to the extent required to allow, in the Authority's judgment, reasonable time for dissemination to bondowners and for bondowners to respond.

No extension, termination or amendment of this Invitation (or waiver of any terms of this Invitation) will (a) change the Authority's right to decline to cause the Trustee to purchase any Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes without liability or (b) give rise to any liability of the Authority, the Trustee, the Dissemination Agent or the Tender Agent to any bondowner (or its nominee).

None of the Authority, the Trustee or the Dissemination Agent has any obligation to insure that a bondowner actually receives any information given to the Information Services.

21. Notice Regarding Settlements

Several broker-dealers have entered into settlement agreements with various regulators, including the New York Attorney General, other state regulatory agencies and/or the Securities and Exchange Commission in respect of past sales of certain auction rate securities ("Settlement Agreements"). The Authority understands that, pursuant to the Settlement Agreements, some of these broker-dealers made offers (each, a "Settlement Offer") to purchase auction rate securities from certain holders of auction rate securities at 100% of the principal balance plus accrued and unpaid interest. Some Settlement Offers are not available to large institutional investors and other categories of investors and some, or all, of the Settlement Offers may have already terminated.

The Series 2001A-2 Bonds, the Series 2004A-1 Bonds or the Series 2004A-2 Bonds may be covered by one or more Settlement Agreements and may be subject to one or more Settlement Offers. If a bondowner is an eligible holder as defined in a Settlement Agreement, such bondowner may have the right to sell his or her Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds under a related Settlement Offer for a price equal to 100% of the principal balance of such Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds plus accrued and unpaid interest. A sale of such Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds at 100% of the principal balance plus accrued and unpaid interest pursuant to a Settlement Offer will be more favorable than any Purchase Price a bondowner may receive pursuant to this Invitation. Each bondowner should contact his or her broker or dealer to determine whether he or she is eligible for a pending or proposed future Settlement Offer. Any bondowner whose Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds are tendered and accepted for purchase pursuant to this Invitation will not be able to participate in a Settlement Offer with respect to such Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds.

None of the Authority, the Trustee, the Dissemination Agent or any of their respective affiliates will be responsible for determining whether any bondowner is eligible for any existing or future Settlement Offer.

22. Certain Significant Consequences to Non-Tendering Bondowners

In deciding whether to submit an offer to tender Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes pursuant to this Invitation (an "Offer"), each bondowner should consider carefully, in addition to other information contained in this Invitation, the following:

No Current Active Trading Market; Possible Effects of this Invitation on the Future Trading Market for the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes. To the knowledge of the Authority, there has not been an active market for the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes. Any Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes acquired by the Trustee on behalf of the Authority pursuant to this Invitation will be cancelled and no longer be outstanding pursuant to the Master Bond Resolution. Cancelled Series 2001A-2 Bonds, Series 2004A-1 Bonds and Series 2004A-2 Bonds will not participate in future auctions. Therefore, to the extent that any of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes are purchased, the trading market for the non-tendered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes may become even more limited. A bid for a debt security with a smaller outstanding principal amount available for trading (a smaller "float") may be lower than a bid for a comparable debt security with a larger float. Therefore, the market price of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes not purchased may be affected adversely to the extent that the float will be reduced by the amount of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes purchased pursuant to this Invitation. The reduced float may also tend to make the trading price more volatile. Bondowners of non-tendered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes may attempt to obtain quotations for such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes from their brokers; however, there can be no assurance that an active trading market will exist for such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes following the purchase of such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or

Series 2004A-3 Notes pursuant to this Invitation and no assurance as to the prices at which the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes may trade. In addition, to the extent any Series 2001A-2 Bonds, Series 2004A-1 Bonds and Series 2004A-2 Bonds are tendered and purchased pursuant to this Invitation, the aggregate principal amount of Series 2001A-2 Bonds, Series 2004A-1 Bonds and Series 2004A-2 Bonds participating in future auctions for such series will decrease. The interest rate on the non-tendered Series 2001A-2 Bonds, Series 2004A-1 Bonds and Series 2004A-2 Bonds will continue to be determined pursuant to auctions and the interest rate on the non-tendered Series 2004A-3 Bonds will continue to be the applicable one-month LIBOR rate plus 1.00% unless such Series 2004A-3 Notes are successfully remarketed upon a reset date, and each series of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes which will continue to be governed by the terms of the Master Bond Resolution. The extent of the market for the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes following the purchase of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes would depend upon the number of bondowners remaining at such time, the aggregate principal amount of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes outstanding, the interest in maintaining a market in the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes on the part of broker-dealers, and other factors.

The Series 1995B-2 Bonds constitute Subordinate Bonds under the Master Bond Resolution. The Series 1995B-2 Bonds constitute subordinate bonds under the Master Bond Resolution and (a) the payment of interest on subordinate Bonds and Notes issued pursuant to the Master Bond Resolution is subordinated to the payment of interest on the senior Bonds and Notes issued pursuant to the Master Bond Resolution and (b) the redemption of principal on subordinate Bonds and Notes issued pursuant to the Master Bond Resolution is subject to the satisfaction of certain tests set forth in Master Bond Resolution. Although the Authority presently satisfies the tests to redeem subordinate Bonds and Notes, no assurance can be given that the Authority will be able to satisfy such tests in the future. In addition, upon an event of default under the Master Bond Resolution, the payment of interest and principal on subordinate Bonds and Notes issued pursuant to the Master Bond Resolution is subordinated to the payment of interest and principal on the senior Bonds and Notes issued pursuant to the Master Bond Resolution. Therefore, the Series 1995B-2 Bonds are subject to a higher risk of loss than the senior Bonds and Notes issued pursuant to the Master Bond Resolution.

Treatment of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes Not Tendered in Offer. Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes not tendered and purchased pursuant to this Invitation will remain outstanding. The terms and conditions governing the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes will continue to be governed by the terms of the Master Bond Resolution and will remain unchanged, subject to any amendments that may be made pursuant to the terms of the Master Bond Resolution. The interest rates on the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes that are not purchased will continue to be determined pursuant to the Master Bond Resolution, which may be affected by the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes tendered and purchased as described under the caption “*No Current Active Trading Market; Possible Effects of the Offer on the Future Trading Market for Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes*” above.

As a Result of Failing Auctions, Interest on the Series 2001A-2 Bonds, Series 2004A-1 Bonds and Series 2004A-2 Bonds over Time May be Higher Than Might Otherwise be the Case. Since the

first quarter of 2008, to the knowledge of the Authority, all auctions for the Series 2001A-2 Bonds, Series 2004A-1 Bonds and Series 2004A-2 Bonds have failed. To the extent that the auction rate market continues to be illiquid and auctions continue to fail for a series of Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds, interest on such series will accrue at a rate that may be higher than the rate that would have applied had the auction been successful, subject to the effects of caps resulting from the applicable Maximum Auction Rate (as defined in the Master Bond Resolution). Any such higher rate may be greater than the applicable interest rate for the securities of other issuers with similar credit profiles and investment characteristics. While such Series 2001A-2 Bonds, Series 2004A-1 Bonds and Series 2004A-2 Bonds currently have rates that may be higher than the rates that would apply if the auctions had been successful, such higher rates may change in the future and, even if such higher rates continue, they may not adequately reflect the loss of liquidity for such Series 2001A-2 Bonds, Series 2004A-1 Bonds and Series 2004A-2 Bonds arising from the failure of auctions. In addition, the Authority can provide no assurance whether or not successful auctions will resume, which could result in lower rates of interest than are currently applicable to the Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds. See the caption “*No Current Active Trading Market; Possible Effects of the Invitation on the Future Trading Market for the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes*” above. Such higher interest rates may also have an adverse effect on the parity ratio of the trust estate established pursuant to the Master Bond Resolution.

As a Result of Failed Remarketings, the Series 2004A-3 Notes bear interest at a Higher Interest Rate and are Subject to a Five Year Term-Out. The Series 2004A-3 Notes were scheduled to be remarketed on December 1, 2011; however, due to market conditions, the Series 2004A-3 Notes have not been remarketed and currently bear interest, adjusted on the first Business Day of each calendar month, at a rate equal to one-month LIBOR plus 1.00%. Such higher interest rate may have an adverse effect on the parity ratio of the trust estate established pursuant to the Master Bond Resolution. In addition, the Series 2004A-3 Notes are subject to mandatory redemptions in part by lot, and in \$100,000 denominations, in the amount of \$3,500,000 on the first Business Day of each March, June, September and December, commencing March 1, 2012; provided, however, that the payment of each such installment is contingent upon there being, and will be made only to the extent there are, amounts available therefor in the Series 2004A-3 Principal Subaccount of the Taxable Repayment Account of the Student Loan Sinking Fund established pursuant to the Master Bond Resolution. To the extent that the payment of any such installment is not made in the full amount of such installment, the deficiency will be added to the amount of the installment for the following quarterly redemption. Pursuant to the Master Bond Resolution, the Authority will receive a credit for such mandatory redemption amounts equal to the principal amount of the Series 2004A-3 Notes purchased by the Authority pursuant to this Invitation.

Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds may from Time to Time become Subject to Low or Zero Interest. Under the terms of the Master Bond Resolution, the interest rate on the Series 2001A-2 Bonds, Series 2004A-1 Bonds and Series 2004A-2 Bonds is capped at certain Maximum Auction Rates (as set forth in the Master Resolution, and as described in the corresponding Official Statement). See the caption “Introduction” hereof. The Series 2001A-2 Bonds, Series 2004A-1 Bonds and Series 2004A-2 Bonds have limitations in such Maximum Auction Rate calculations that provide that the interest rate cannot exceed an interest rate that would cause the average interest rate over certain auction periods to exceed the interest rate determined by a specific formula. Such limitation may yield a very low interest rate on Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds for a particular auction rate period or multiple auction rate periods. In addition, if for a given auction period, the average interest rate for the specified auction periods would exceed the specified interest rate even if the interest rate for such auction period was set at zero percent, the Maximum Auction Rate for such auction period will be set at zero percent. If auctions continue to fail, interest rates may, from time to time, become very low or equal to zero as a result of such Maximum Auction Rate limitations. In

addition, there can be no assurance that the interest rate on the Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds will not be very low or equal to zero percent at any future time pursuant to the terms of the Master Bond Resolution.

No Assurance of Liquidity Prior to Maturity Date. Although the Authority may consider making subsequent tender offers for its Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes, the Authority cannot provide any assurances that it will purchase or otherwise provide any similar opportunity for the owners of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes to gain liquidity with respect to the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes not purchased pursuant to this Invitation, either through open market purchases, private negotiated transactions, subsequent tender offers, exchange offers, or otherwise. There is no assurance that a trading market for Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes not purchased pursuant to this Invitation will exist, and, even if a trading market were to exist, there is no assurance as to the trading prices for the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes, which may be higher than the price for which a bondowner may offer to sell Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes. See the caption “*The Authority Has Previously Made an Invitation to Tender and Secondary Market Purchases and May Make Subsequent Tender Offers on Different Terms*” below.

The Authority May Issue Additional Series of Bonds or Notes With Different Rights and Priorities Than the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes. The Authority may consider issuing, from time-to-time, additional series of Bonds or Notes or other obligations under the Master Bond Resolution secured by student loans and the other property contained in the trust estate established pursuant to the Master Bond Resolution. Under the Master Bond Resolution, in certain circumstances, these additional series may be issued without the consent of the existing bondowners, may be different from the existing series, and may be equal or inferior in priority to the existing Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes in right of payment. Any future issuances of additional series by the Authority will depend on various factors existing at that time. There can be no assurance as to whether the Authority will ultimately choose to issue, or whether market conditions will be satisfactory for the issuance of, such additional series of Bonds or Notes or other obligations.

The Authority Has Previously Made an Invitation to Tender and Secondary Market Purchases and May Make Subsequent Tender Offers on Different Terms. The Authority previously completed purchases of Bonds and Notes issued pursuant to the Master Bond Resolution through a prior invitation to tender and in the secondary market following unsolicited offers by the bondowners of such Bonds and Notes. Such purchases may have been made at prices higher than the Offer Prices the Authority may accept pursuant to this Invitation. The Authority may consider, from time-to-time, making additional tender offers for Bonds and Notes issued pursuant to the Master Bond Resolution, including the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes. Such subsequent tender offers, if any, may be on terms that are either more or less favorable to bondowners than the terms of this Invitation. The decision to make a subsequent tender offer, and the terms of any subsequent tender offers, by the Authority will depend on various factors existing at that time. There can be no assurance as to whether the Authority will ultimately choose to make, or whether market conditions will be satisfactory for the making of, subsequent tender offers, and the terms of such subsequent tender offers.

Conditions to the Purchase of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes and Related Risks. Each of the conditions to purchase is described in more detail under the heading “Conditions to the Purchase” herein. There can be no assurance that such conditions will be met, or that in the event the purchase is not consummated, the market value and liquidity of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes will not be materially and adversely affected.

Ratings of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes May Be Reviewed or Changed. The Authority is not required under the Master Bond Resolution to obtain, in connection with this Invitation, any confirmation, consent, or other action of any rating agency rating the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes. The Authority cannot predict the timing of any ratings actions by any ratings agencies that provide ratings for the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes, nor can the Authority predict whether the current ratings of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes will be reviewed or changed as a result of the consummation of purchases pursuant to this Invitation or otherwise, either during the time this Invitation remains outstanding or in the future.

All of the Bonds and Notes outstanding under the Master Bond Resolution, including the Series 1995B-2 Bonds, the Series 2001A-2 Bonds, the Series 2004A-1 Bonds, the Series 2004A-2 Bonds and the Series 2004A-3 Notes, are collateralized by Federal Family Education Loans made under the Higher Education Act of 1965, as amended. These student loans are supported by the United States Department of Education (the “Department”) in the form of guarantee or reinsurance (97% or 98% of principal and interest), special allowance payments and interest subsidy payments.

In July 2011, Standard & Poor’s Financial Services LLC (“S&P”) placed the “AAA” long-term sovereign credit rating of the United States of America on CreditWatch Negative. On July 15, 2011, S&P placed numerous United States asset backed securities, including the Series 1995B-2 Bonds, the Series 2001A-2 Bonds, the Series 2004A-1 Bonds, the Series 2004A-2 Bonds and the Series 2004A-3 Notes and all other Bonds and Notes outstanding under the Master Bond Resolution, on CreditWatch Negative as part of S&P’s placement of the long-term sovereign credit rating of the United States of America on CreditWatch Negative. Subsequently, S&P lowered the long-term sovereign credit rating of the United States of America from “AAA CreditWatch Negative” to “AA+.”

On October 7, 2011, S&P lowered the rating on 70 U.S. Student Loan FFELP asset-backed securities transactions which had partial loan-level support of United States government agencies or entities, such as the Department, from “AAA(sf)” to “AA+(sf)”. The Bonds and Notes outstanding under the Master Bond Resolution, including the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes, were not lowered at that time, but S&P indicated in its press release that it was planning to continue reviewing other classes and series of student loan asset backed securities. Consequently, no assurance can be given that the ratings of the Series 1995B-2 Bonds, the Series 2001A-2 Bonds, the Series 2004A-1 Bonds, the Series 2004A-2 Bonds and the Series 2004A-3 Notes will not be changed in the future.

Although Fitch Ratings (“Fitch”) does not rate the Bond and Notes issued pursuant to the Master Bond Resolution, Fitch has placed two other student loan financings of the Authority on “Negative Outlook,” which could adversely affect the market for obligations of the Authority.

Market Value of Student Loans. The Master Bond Resolution provides that the student loans held under the trust estate established pursuant to the Master Bond Resolution are valued at a sum equal

to 100% of the principal balance plus accrued interest of such student loans on the date of testing. However, it is unlikely that any sale by the Authority of such student loans would result in a par sale plus accrued interest.

If We Do Not Receive Timely Payments On Our Student Loans, We May Not Be Able To Pay the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes. Collections on the student loans held under the trust estate established pursuant to the Master Bond Resolution may vary greatly in both timing and amount from the payments actually due on the student loans for a variety of economic, social, demographic and other factors. As a result, we may not receive all the payments that are actually due on the student loans. Failures by borrowers to make timely payments of the principal and interest due on the student loans or an increase in deferments or forbearances could reduce the amounts available to pay principal and interest due on the Bonds and Notes issued pursuant to the Master Bond Resolution, including the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes. We cannot predict with accuracy the effect of these factors, including the effect on the timing and amount of funds available and the ability to pay principal and interest on the Bonds and Notes issued pursuant to the Master Bond Resolution, including the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes.

The cash flow from the student loans, and our ability to make payments due on the Bonds and Notes issued pursuant to the Master Bond Resolution, including the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes, will be reduced to the extent interest is not currently payable on the student loans. The borrowers on most student loans are not required to make payments during the period in which they are in school and for certain authorized periods thereafter as described in the Higher Education Act. The Department of Education will make all interest payments while payments are deferred under the Higher Education Act on certain of the student loans. For most other student loans, interest generally will be capitalized and added to the principal balance of the student loans. The trust estate established pursuant to the Master Bond Resolution includes student loans for which payments are deferred as well as student loans for which the borrower is currently required to make payments of principal and interest. The proportions of the student loans in the trust estate for which payments are deferred and currently in repayment will vary during the period that the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes are outstanding. See the information regarding the pool of student loans presently held in the trust estate established pursuant to the Master Bond Resolution which is available at the Authority's financial website under "Continuing Financial Disclosure—1995 Master Bond Resolution, as Supplemented" thereon.

In general, a guarantee agency reinsured by the Department of Education will guarantee 97% or 98% of the principal amount and interest of each student loan, depending on the disbursement date of such student loan. As a result, if a borrower of a student loan defaults and credit enhancement is not otherwise available, the trust estate will experience a loss of 2% or 3% of the outstanding principal and accrued interest on each of the defaulted student loans depending on when it was first disbursed. We do not have any right to pursue the borrower for the remaining unguaranteed portion. If defaults occur on the student loans and credit enhancement is not otherwise available, you may suffer a delay in payment or a loss on your investment. Certain information regarding the Oklahoma State Regents for Higher Education, as the guarantor of approximately 85% of the student loans held in the trust estate established pursuant to the Master Bond Resolution, as of September 30, 2011, can be found in Appendix C hereto.

23. Certain Significant Consequences to Tendering Bondowners

In deciding whether to submit an Offer, each bondowner should consider carefully, in addition to other information contained in this Invitation, the following:

Bondowners whose Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds are Purchased pursuant to this Invitation Will Not be able to Participate in Available Settlement Offers.

As described under the caption “Notice Regarding Settlements” herein, the Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds may be covered by one or more current or future Settlement Agreements and may be subject to one or more Settlement Offers. If a bondowner is an eligible holder as defined in a Settlement Agreement, such bondowner may have the right to sell his or her Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds under a related Settlement Offer for a price equal to 100% of the principal balance of such Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds plus accrued and unpaid interest. A sale of such Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds at 100% of the principal balance plus accrued and unpaid interest pursuant to a Settlement Offer will be more favorable to a bondowner than any Purchase Price he or she may receive pursuant to this Invitation. Each bondowner should contact his or her broker or dealer to determine whether he or she is eligible for a pending or proposed future Settlement Offer. Any bondowner whose Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds are tendered and accepted for purchase pursuant to this Invitation will not be able to participate in a Settlement Offer with respect to such Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds.

In addition, it is possible that subsequent settlement offers similar to the Settlement Offers described above will be made in the future. Such future settlement offers could result in payments for Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds in amounts greater than a bondowner may receive pursuant to this Invitation. Bondowners whose Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds are tendered pursuant to this Invitation will not be eligible to participate in such future settlement offers with respect to such Series 2001A-2 Bonds, Series 2004A-1 Bonds and Series 2004A-2 Bonds offered for purchase and purchased pursuant to this Invitation.

None of the Authority, the Trustee, the Dissemination Agent or any of their respective affiliates will be responsible for determining whether any bondowner is eligible for any Settlement Offer or any future settlement offer.

Bondowners that Tendered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes that are Purchased Waive Certain Claims and certain Bondowners that Tendered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes Agree to Indemnify the Authority for Certain Claims. Upon payment for accepted Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes, (a) each bondowner that tenders Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes that are accepted for purchase agrees to waive any and all claims which may be available to such bondowner or losses or liabilities which have been, or will be in the future, incurred by such bondowner in connection with the bondowner’s ownership of such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes, and (b) all bondowners, which sell Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes pursuant to this Invitation and are a broker, dealer or financial institution which has purchased such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes from an investor, shall agree to indemnify and hold harmless the

Authority and each person, if any, who controls the Authority against any and all losses, claims, damages and liabilities arising out of any litigation or action commenced or threatened by such investor against the Authority. See the caption “Waiver and Indemnity” herein.

Tendering Bondowners May Receive Different Prices For Similar Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes. Pursuant to this Invitation, the Authority will accept for payment (a) Series 1995B-2 Bonds, (b) Series 2004A-1 Bonds, (c) Series 2004A-2 Bonds or (d) Series 2001A-2 Bonds and Series 2004A-3 Notes offered at an Offer Price less than or equal to the applicable Acceptable Offer Price and validly tendered in ascending order, from the lowest to highest Offer Price within the (i) Series 1995B-2 Bonds, (ii) Series 2004A-1 Bonds, (iii) Series 2004A-2 Bonds or (iv) Series 2001A-2 Bonds and Series 2004A-3 Notes. As the Purchase Price for each tendered and accepted Series 1995B-2 Bond, Series 2001A-2 Bond, Series 2004A-1 Bond, Series 2004A-2 Bond or Series 2004A-3 Note will be equal to its Offer Price, plus Accrued Interest to, but not including, the Settlement Date, bondowners whose Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes were accepted for purchase at a lower Offer Price will receive a lower Purchase Price than bondowners whose Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes were accepted for purchase at a higher Offer Price, if any; provided, however, the Authority is not required to accept any Offer Price which exceeds the applicable Acceptable Offer Price. Bondowners should take this into account when submitting an Offer Price for their Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes in accordance with this Invitation.

The Authority may have Interests which Conflict with those of Tendering Bondowners. All validly tendered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes that are tendered and purchased pursuant to this Invitation will be retired and cancelled in accordance with the terms of the Master Bond Resolution. Thereafter, interest and principal will no longer be required to be paid on the purchased Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes. Amounts available for distribution, including collections with respect to the student loans, will continue to be paid in the order of priority set forth in the “waterfall” provisions of the Master Bond Resolution, but due to the decreased amount of outstanding Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes resulting from this Invitation, it is likely that a greater portion of those funds may be available for distribution to the Authority.

The Market for the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes may Improve and Yield Higher Prices than may be Accepted Pursuant to this Invitation. The market for student loan backed securities has suffered unprecedented liquidity problems. If the market for student loan backed securities should improve from its current condition, the liquidity and marketability of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes following such a market recovery may yield a greater price than what may be obtained pursuant to this Invitation. The market for student loan backed securities could improve for several reasons, including governmental action of the United States or one or more other jurisdictions. For example, in recent years a number of broker-dealers have reached settlements with federal and state regulatory bodies resulting in agreements to purchase related auction rate securities at par, as described under the caption “Notice Regarding Settlements” herein. It is also possible that broker-dealers may voluntarily seek to provide additional liquidity to the student loan backed securities market or that recent or future actions by federal, state or local legislative or regulatory bodies, issuers, underwriters and/or broker-dealers could result in greater liquidity and/or higher prices for student loan backed securities. The Authority is not able to predict whether any recent or future actions of any legislative or regulatory body or other party will result in greater liquidity and/or higher prices for

student loan backed securities, including the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes.

The Amounts Available to Purchase Certain Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes are Limited. Only (a) \$900,000 is currently available pursuant to the Master Bond Resolution for the purchase of Series 1995B-2 Bonds, (b) \$1,075,000 is currently available pursuant to the Master Bond Resolution for the purchase of Series 2004A-1 Bonds, (c) \$1,600,000 is currently available pursuant to the Master Bond Resolution for the purchase of Series 2004A-2 Bonds and (d) \$10,000,000 is currently available pursuant to the Master Bond Resolution for the purchase of the Series 2001A-2 Notes and Series 2004A-3 Notes.

Tendered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes are Being Purchased at a Discount. The price for each \$1,000.00 principal amount of any Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes validly tendered and accepted for payment in this Invitation may be less than the price such bondowner originally paid for their Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes. Additionally, by tendering its Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes in this Invitation, a bondowner may recover less of its invested principal amount than if such bondowner were to hold such tendered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes to their respective final maturity or redemption.

The Authority may later Purchase Additional Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes at More Favorable Prices. It is not possible for all of the outstanding principal amount of the Series 1995B-2 Bonds, the Series 2001A-2 Bonds, the Series 2004A-1 Bonds, the Series 2004A-2 Bonds and the Series 2004A-3 Notes to be purchased pursuant to this Invitation. The Authority reserves the right, and may in the future decide, to acquire some or all of the Series 1995B-2 Bonds, the Series 2001A-2 Bonds, the Series 2004A-1 Bonds, the Series 2004A-2 Bonds or the Series 2004A-3 Notes not purchased pursuant to this Invitation through open market purchases, privately negotiated transactions, subsequent invitations to offer, tender offers, exchange offers or otherwise, upon such terms and at such prices as they may determine, which may be more or less than any Purchase Price that may be paid pursuant to this Invitation and could be for cash or other consideration.

Additionally, the Authority may issue other securities secured by the student loans securing the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes and other property and use the proceeds of such issuance to redeem Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes at par value (see the caption "*The Authority May in the Future Redeem Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes at Par Value*" below). Any future purchase may be on the same terms or on terms that are more or less favorable to bondowners of Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes than any Purchase Price that may be paid pursuant to this Invitation. The decision to make future purchases by the Authority, and the terms of such future purchases, will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, the Authority will ultimately choose to pursue in the future.

The Authority May in the Future Redeem Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes at Par Value. To the extent that the Authority is unable to purchase Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1

Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes through open market purchases, privately negotiated transactions, subsequent invitations to offer, tender offers, exchange offers or otherwise, the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes are subject to redemption by the Authority in accordance with the terms of the Master Bond Resolution from recoveries of principal and other moneys held under the Master Bond Resolution. Pursuant to the Master Bond Resolution, such redemptions must be made at a price equal to 100% of par value plus accrued and unpaid interest. The Authority has previously redeemed Bond and Notes issued pursuant to the Master Bond Resolution at par, including Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes. In addition, the Authority anticipates using some, or all, of the corresponding Tender Ceilings not used to purchase Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes, as applicable, pursuant to this Invitation to redeem the corresponding Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds as described under the caption "Introduction" herein. Furthermore, to the extent that the Authority is unable to purchase Bonds and Notes issued pursuant to the Master Bond Resolution through open market purchases, privately negotiated transactions, subsequent invitations to offer, tender offers, exchange offers or otherwise, the Authority may be required to redeem Bonds and Notes issued pursuant to the Master Bond Resolution in the future at par, including Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes.

Bondowners that Tender Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds Will Not be Permitted to Participate in Auctions. As described above under the caption "Introduction" herein, any bondowner of a Series 2001A-2 Bond, a Series 2004A-1 Bond or a Series 2004A-2 Bond that tenders such Series 2001A-2 Bond, Series 2004A-1 Bond or Series 2004A-2 Bond will not be permitted to sell such Series 2001A-2 Bond, Series 2004A-1 Bond or Series 2004A-2 Bond in an auction occurring on any subsequent Subject Auction Date. It is possible that such bondowner would receive a higher price for its Series 2001A-2 Bond, Series 2004A-1 Bond or Series 2004A-2 Bond by selling its Series 2001A-2 Bond, Series 2004A-1 Bond or Series 2004A-2 Bond in the auction occurring on a Subject Auction Date than such bondowner would receive pursuant to this Invitation. Therefore, if a bondowner wishes to participate in any auction for his or her Series 2001A-2 Bond, Series 2004A-1 Bond or Series 2004A-2 Bond prior to the Expiration Date, he or she should not tender his or her Series 2001A-2 Bond, Series 2004A-1 Bond or Series 2004A-2 Bond prior to a Subject Auction Date. After the Settlement Date, any validly tendered Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds that are not purchased in this Invitation will be able to participate in future auctions. Since the first quarter of 2008, to the knowledge of the Authority all auctions with respect to the Series 2001A-2 Bonds, Series 2004A-1 Bonds and Series 2004A-2 Bonds have failed.

Interest May Accrue at the All Hold Rate. As described under the caption "Introduction" herein, any bondowner of a Series 2001A-2 Bond, a Series 2004A-1 Bond or a Series 2004A-2 Bond that tenders such Series 2001A-2 Bond, Series 2004A-1 Bond or Series 2004A-2 Bond prior to the Subject Auction Date for the applicable series will not be permitted to sell such Series 2001A-2 Bond, Series 2004A-1 Bond or Series 2004A-2 Bond in connection with the Subject Auction Date and, therefore, will be deemed to have submitted a hold order. If all of the Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds of a particular series are tendered prior to the Subject Auction Date, the interest rate on such series of Series 2001A-2 Bonds, Series 2004A-1 Bonds or Series 2004A-2 Bonds, from such Subject Auction Date until the end of the auction period for such Subsequent Auction Date will be the all hold rate provided in the Master Bond Resolution. Each all hold rate is set forth in the Master Bond Resolution, and described in the corresponding Official Statement.

Certain ERISA Considerations. Delivery and surrender of any Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes shall not

be effective from any bondowner that is, or is acting on behalf of (a) an “employee benefit plan” as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), which is subject to Title I of ERISA, (b) a “plan” as described in Section 4975 of the Code, which is subject to Section 4975 of the Code or (c) an entity deemed to hold “plan assets” of any of the foregoing by reason of investment in such entity by an employee benefit plan or other plan, unless the tender of such Series 1995B-2 Bond, Series 2001A-2 Bond, Series 2004A-1 Bond, Series 2004A-2 Bond or Series 2004A-3 Note is afforded exemptive relief from the restrictions of Section 406 of ERISA and Section 4975 of the Code pursuant to either (i) PTCE 90-1, regarding investments by insurance company pooled separate accounts, (ii) PTCE 91-38, regarding investments by bank collective investment funds, (iii) PTCE 84-14, regarding transactions effected by qualified professional asset managers, (iv) PTCE 96-23, regarding transactions effected by in house managers, (v) PTCE 95-60, regarding investments by insurance company general accounts, or (vi) another applicable exemption.

24. Certain Federal Income Tax Consequences

The Authority has been advised that sales by bondowners pursuant to this Invitation will be taxable transactions for federal income tax purposes. The tax consequences of a sale pursuant to this Invitation may vary depending upon, among other things, the particular circumstances of the tendering bondowner. Bondowners should consult their tax advisor with respect to the proper tax treatment of a sale pursuant to this Invitation, in light of their individual tax situation. A bondowner whose Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes are not purchased pursuant to this Invitation will not incur any United States federal income tax liability as a result of the purchase of other bondholder’s tendered Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes.

Amounts paid to bondowners tendering their Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes for purchase may be subject to “backup withholding” (“Backup Withholding”) by reason of the events specified by Section 3406 of the Internal Revenue Code of 1986, as amended, and Treasury Regulations promulgated thereunder (collectively, the “Code”), which include failure of a bondowner to supply their broker, dealer, commercial bank or trust company acting on behalf of such bondowner with such bondowner’s taxpayer identification number certified under penalty of perjury. Backup Withholding may also apply to Bondowners who are otherwise exempt from such Backup Withholding if such bondowners fail to properly document their status as exempt recipients.

To comply with Circular 230 of the Internal Revenue Service, bondowners are hereby notified that any discussion of federal income tax issues contained or referred to herein is not intended or written to be used, and cannot be used by bondowners, for the purposes of avoiding penalties that may be imposed on them under the Code. This federal income tax discussion is included for general information only and should not be construed as a tax opinion nor tax advice by the Authority or any of its advisors or agents to bondowners. Such discussion does not purport to deal with all aspects of federal income taxation that may be relevant to particular bondowners (e.g., a foreign person, bank, thrift institution, personal holding company, tax-exempt organization, regulated investment company, insurance company, or other broker or dealer in securities or currencies). In addition to federal tax consequences, the sale or exchange of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes may be treated as a taxable event for other state and local and foreign tax purposes. Bondowners should not rely upon such discussion and are urged to consult their own tax advisors to determine the particular federal, state or local tax consequences of offer of sales made by them pursuant to this Invitation, including the effect of possible changes in the tax laws.

25. Waiver and Indemnity

In addition to the foregoing, (a) all bondowners who sell Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes pursuant to this Invitation shall agree to waive any and all claims which may be available to such bondowner or losses or liabilities which have been, or will be in the future, incurred by such bondowner in connection with the bondowner's ownership of such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes, and (b) all bondowners who sell Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes pursuant to this Invitation and are a broker, dealer or financial institution which has purchased such Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes from an investor, shall agree to indemnify and hold harmless the Authority and each person, if any, who controls the Authority against any and all losses, claims, damages and liabilities arising out of any litigation or action commenced or threatened by such investor against the Authority. In case any such claim shall be made or action brought against the Authority or person controlling the Authority in respect of which indemnity may be sought against the bondowner, the Authority shall promptly notify the bondowner in writing setting forth the particulars of such claim or action and the bondowner shall assume the defense thereof including the employment of counsel, satisfactory to the Authority (who shall not, except with the consent of the Authority, be counsel for the bondowner), and the payment of all expenses. The Authority or any such controlling person shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Authority or such controlling person or persons unless the employment, and payment by the bondowner, of such counsel has been specifically authorized by the bondowner or unless, in the opinion of counsel to the Authority, the Authority has a defense or defenses not available to the bondowner.

26. Fees and Expenses

The Authority will be responsible to pay the Trustee, the Dissemination Agent, the Paying Agent and the Tender Agent all fees and reasonable out-of-pocket costs and expenses relating to this Invitation.

27. No Personal Liability

Notwithstanding anything to the contrary contained herein, or in any other instrument or document executed by or on behalf of the Authority in connection herewith, no covenant, agreement or obligation contained herein will be deemed or construed to be a covenant, agreement or obligation of any present or future trustee, officer, employee or agent of the Authority in any such person's individual capacity. No such person, in their individual capacity, will be liable personally for any breach or non-observance of, or for any failure to perform, fulfill or comply with, any such covenants, agreements or obligations, nor will any recourse be had for the payment of any moneys due hereunder or for any claim based thereon or on any such covenant, agreement or obligation, against any such person in their individual capacity, either directly or through the Authority under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise. All such liability of any person in their individual capacity is hereby expressly waived and released. Reference is made to the Trust Indenture, dated August 2, 1972, creating the Authority, a copy of which has been filed in the office of the Secretary of State at the State Capitol Building in Oklahoma City, Oklahoma.

28. Miscellaneous

This Invitation is not being made to, and offers will not be accepted from or on behalf of, bondowners in any jurisdiction in which this Invitation or the acceptance thereof would not be in compliance with the laws of such jurisdiction.

The CUSIP numbers contained herein and in the Appendices attached hereto are provided for the convenience of the owners of the Series 1995B-2 Bonds, Series 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds or Series 2004A-3 Notes, and none of the Authority, the Trustee or the Dissemination Agent makes any representation as to, or takes any responsibility for, the correctness of such CUSIP numbers.

OKLAHOMA STUDENT LOAN AUTHORITY

By: _____ /s/Patrick Rooney
Chairman

APPENDIX A

**SERIES 1995B-2 BONDS, SERIES 2001A-2 BONDS, SERIES 2004A-1 BONDS,
SERIES 2004A-2 BONDS AND SERIES 2004A-3 NOTES**

CUSIP	Bond Series	Amount Outstanding	Maturity	Authorized Denominations
679110 CE4	Series 1995B-2	\$ 2,955,000	9/1/2025	\$ 5,000
679110 CT1	Series 2001A-2	29,000,000	12/1/2031	100,000
679110 CY0	Series 2004A-1	27,300,000	12/1/2033	25,000
679110 CZ7	Series 2004A-2	31,350,000	6/1/2034	25,000
679110 DA1	Series 2004A-3	66,400,000	9/1/2034	100,000

[This space left blank intentionally]

APPENDIX B

DESCRIPTION OF THE FFEL PROGRAM

Beginning on July 1, 2010, FFELP Loans made pursuant to the Higher Education Act may no longer be originated, and all new federal student loans will be originated solely under the Federal Direct Student Loan Program (the “Direct Loan Program”). However, FFELP Loans originated under the Higher Education Act prior to July 1, 2010 which have been acquired by the Authority continue to be subject to the provisions of the FFEL Program. The following description of the FFEL Program has been provided solely to explain certain of the provisions of the FFEL Program applicable to FFELP Loans made on or after July 1, 1998 and prior to July 1, 2010. Notwithstanding anything herein to the contrary, after June 30, 2010, no new FFELP Loans (including Consolidation Loans) may be made or insured under the FFEL Program, and no funds are authorized to be appropriated, or may be expended, under the Higher Education Act to make or insure loans under the FFEL Program (including Consolidation Loans) for which the first disbursement is after June 30, 2010, except as expressly authorized by an Act of Congress.

The following summary of the FFEL Program, as established by the Higher Education Act, does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the text of the Higher Education Act and the regulations thereunder.

The Higher Education Act provides for several different educational loan programs (collectively, the “Federal Family Education Loan Program” or “FFEL Program,” and the loans originated thereunder, “Federal Family Education Loans” or “FFELP Loans”). Under the FFEL Program, state agencies or private nonprofit corporations administering student loan insurance programs (“Guaranty Agencies”) are reimbursed for portions of losses sustained in connection with FFELP Loans, and holders of certain loans made under such programs are paid subsidies for owning such FFELP Loans. Certain provisions of the Federal Family Education Loan Program are summarized below.

The Higher Education Act has been subject to frequent amendments and federal budgetary legislation, the most significant of which has been the passage of H.R. 4872 (the “Health Care & Education Affordability Reconciliation Act of 2010” or “HCEARA”) which terminated originations of FFELP Loans under the FFEL Program after June 30, 2010 such that all new federal student loans originated on and after July 1, 2010 are originated under the Direct Loan Program.

Federal Family Education Loans

Several types of loans were authorized as Federal Family Education Loans pursuant to the Federal Family Education Loan Program. These included: (a) loans to students meeting certain financial needs tests with respect to which the federal government makes interest payments available to reduce student interest cost during periods of enrollment (“Subsidized Stafford Loans”); (b) loans to students made without regard to financial need with respect to which the federal government does not make such interest payments (“Unsubsidized Stafford Loans” and, collectively with Subsidized Stafford Loans, “Stafford Loans”); (c) loans to graduate students, professional students, or parents of dependent students (“PLUS Loans”); and (d) loans available to borrowers with certain existing federal educational loans to consolidate repayment of such loans (“Consolidation Loans”).

Generally, a FFELP Loan was made only to a United States citizen or permanent resident or otherwise eligible individual under federal regulations who (a) had been accepted for enrollment or was enrolled and was maintaining satisfactory progress at an eligible institution; (b) was carrying at least

one-half of the normal full-time academic workload for the course of study the student was pursuing, as determined by such institution; (c) agreed to notify promptly the holder of the loan of any address change; (d) was not in default on any federal education loans; (e) met the applicable “need” requirements; and (f) had not committed a crime involving fraud or obtaining funds under the Higher Education Act which funds had not been fully repaid. Eligible institutions included higher educational institutions and vocational schools that complied with certain federal regulations. With certain exceptions, an institution with a cohort default rate that was equal to or greater than 25% for each of the three most recent fiscal years for which data was available was not an eligible institution under the Higher Education Act.

Subsidized Stafford Loans

The Higher Education Act provides for federal (a) insurance or reinsurance of eligible Subsidized Stafford Loans, (b) interest benefit payments for borrowers remitted to eligible lenders with respect to certain eligible Subsidized Stafford Loans, and (c) special allowance payments representing an additional subsidy paid by the Secretary to such holders of eligible Subsidized Stafford Loans.

Subsidized Stafford Loans were eligible for reinsurance under the Higher Education Act if the eligible student to whom the loan was made had been accepted or was enrolled in good standing at an eligible institution of higher education or vocational school and was carrying at least one-half the normal full-time workload at that institution. In connection with eligible Subsidized Stafford Loans there were limits as to the maximum amount which could be borrowed for an academic year and in the aggregate for both undergraduate and graduate/professional study. The Secretary had discretion to raise these limits to accommodate students undertaking specialized training requiring exceptionally high costs of education.

Subject to these limits, Subsidized Stafford Loans were available to borrowers in amounts not exceeding their unmet need for financing as provided in the Higher Education Act.

Unsubsidized Stafford Loans

Unsubsidized Stafford Loans were available to students who did not qualify for Subsidized Stafford Loans due to parental and/or student income or assets in excess of permitted amounts. In other respects, the general requirements for Unsubsidized Stafford Loans were essentially the same as those for Subsidized Stafford Loans. The interest rate, the loan fee requirements and the special allowance payment provisions of the Unsubsidized Stafford Loans were the same as the Subsidized Stafford Loans. However, the terms of the Unsubsidized Stafford Loans differ materially from Subsidized Stafford Loans in that the Secretary does not make interest benefit payments and the loan limitations were determined without respect to the expected family contribution. The borrower was required to pay interest from the time such loan was disbursed or capitalize the interest until repayment began.

PLUS Loan Program

The Higher Education Act authorized PLUS Loans to be made to graduate students, professional students, or parents of eligible dependent students. Only graduate students, professional students and parents who did not have an adverse credit history were eligible for PLUS Loans. The basic provisions applicable to PLUS Loans were similar to those of Stafford Loans with respect to the involvement of Guaranty Agencies and the Secretary in providing federal reinsurance on the loans. However, PLUS Loans differ significantly from Subsidized Stafford Loans, particularly because federal interest benefit payments are not available under the PLUS Program and special allowance payments are more restricted.

The Consolidation Loan Program

The Higher Education Act authorized a program under which certain borrowers were permitted to consolidate their various student loans into a single loan insured and reinsured on a basis similar to Subsidized Stafford Loans. The authority to make such Consolidation Loans expired on June 30, 2010. Consolidation Loans were made in an amount sufficient to pay outstanding principal, unpaid interest and late charges on certain federally insured or reinsured student loans incurred under and pursuant to the Federal Family Education Loan Program (other than Parent PLUS Loans) selected by the borrower, as well as loans made pursuant to the Perkins Loan Program, the Health Professions Student Loan Programs and the Direct Loan Program. Consolidation Loans made pursuant to the Direct Loan Program must conform to the eligibility requirements for Consolidation Loans under the Federal Family Education Loan Program. The borrowers could have been either in repayment status or in a grace period preceding repayment, but the borrower could not still be in school. Delinquent or defaulted borrowers were eligible to obtain Consolidation Loans if they agreed to re-enter repayment through loan consolidation. Borrowers were permitted to add additional loans to a Consolidation Loan during the 180-day period following origination of the Consolidation Loan. Further, a married couple who agreed to be jointly and severally liable was treated as one borrower for purposes of loan consolidation eligibility. A Consolidation Loan was federally insured or reinsured only if such loan was made in compliance with the requirements of the Higher Education Act.

The Higher Education Act authorizes the Secretary to offer the borrower a Direct Consolidation Loan with repayment provisions authorized under the Higher Education Act and terms consistent with a Consolidation Loan made pursuant to the FFEL Program. In addition, the Secretary may offer the borrower of a Consolidation Loan a Direct Consolidation Loan for one of three purposes: (a) providing the borrower with an income contingent repayment plan (or income-based repayment plan as of July 1, 2009) if the borrower's delinquent loan has been submitted to a Guaranty Agency for default aversion (or, as of July 1, 2009, if the loan is already in default); (b) allowing the borrower to participate in a public service loan forgiveness program offered under the Direct Loan Program or (c) allowing the borrower to use the no accrual of interest for active duty service members benefit offered under the Direct Loan Program for not more than sixty months for loans first disbursed on or after October 1, 2008. In order to participate in the public service loan forgiveness program, the borrower must not have defaulted on the Direct Loan; must have made 120 monthly payments on the Direct Loan after October 1, 2007 under certain income based repayment plans, a standard 10-year repayment plan for certain Direct Loans, or a certain income contingent repayment plan; and must be employed in a public service job at the time of forgiveness and during the period in which the borrower makes each of his 120 monthly payments. A public service job is defined broadly and includes working at an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and restated (the "IRC"), which is exempt from taxation under Section 501(a) of the IRC. No borrower may, however, receive a reduction of loan obligations under both the public service loan forgiveness program offered under the Direct Loan Program and the following programs: (a) the loan forgiveness program for teachers offered under both the FFEL Program and the Direct Loan Program, (b) the loan forgiveness program for service in areas of national need offered under the FFEL Program and (c) the loan repayment program for civil legal assistance attorneys offered under the FFEL Program.

Federal Direct Student Loan Program

The Student Loan Reform Act of 1993 established the Direct Loan Program. The first loans under the Direct Loan Program were made available for the 1994-1995 academic year. Under the Direct Loan Program, approved institutions of higher education, or alternative loan originators approved by the United States Department of Education (the "Department of Education"), make loans to students or parents without application to or funding from outside lenders or Guaranty Agencies. The Department of Education provides the funds for such loans, and the program provides for a variety of flexible repayment

plans, including extended, graduated and income contingent repayment plans, forbearance of payments during periods of national service and consolidation under the Direct Loan Program of existing student loans. Such consolidation permits borrowers to prepay existing student loans and consolidate them into a Federal Direct Consolidation Loan under the Direct Loan Program. The Direct Loan Program also provides certain programs under which principal may be forgiven or interest rates may be reduced. Direct Loan Program repayment plans, other than income contingent plans, must be consistent with the requirements under the Higher Education Act for repayment plans under the FFEL Program. Due to the enactment of HCEARA, FFELP Loans made pursuant to the Higher Education Act are no longer originated, and new federal student loans are originated solely under the Direct Loan Program.

HCEARA additionally temporarily granted the Secretary authority to make a Federal Direct Consolidation Loan to a borrower (a) who had one or more loans in two or more of the following categories: (i) loans made under the Direct Loan Program, (ii) loans purchased by the Secretary pursuant to the provisions described herein under “—Secretary’s Temporary Authority to Purchase Stafford Loans and PLUS Loans” below and (iii) loans made under the FFEL Program that are held by an eligible lender; (b) who had not yet entered repayment on one or more of such loans in any of the categories described in clause (a)(i)-(iii) herein; and (c) whose application for such Federal Direct Consolidation Loan was received by the Secretary on or after July 1, 2010 and before July 1, 2011.

Interest Rates

Subsidized and Unsubsidized Stafford Loans. Subsidized and Unsubsidized Stafford Loans made on or after October 1, 1998 but before July 1, 2006 which are in in-school, grace and deferment periods bear interest at a rate equivalent to the 91-day T-Bill rate plus 1.70%, with a maximum rate of 8.25%. Subsidized Stafford Loans and Unsubsidized Stafford Loans made on or after October 1, 1998 but before July 1, 2006 in all other payment periods bear interest at a rate equivalent to the 91-day T-Bill rate plus 2.30%, with a maximum rate of 8.25%. The rate is adjusted annually on July 1.

Subsidized Stafford Loans disbursed on or after July 1, 2006 and before July 1, 2010 bear interest at progressively lowered rates described below. Subsidized Stafford Loans made on or after July 1, 2006 but before July 1, 2008 bear interest at a rate equal to 6.80% per annum. Subsidized Stafford Loans made on or after July 1, 2008 but before July 1, 2009 bear interest at a rate equal to 6.00% per annum. Subsidized Stafford Loans made on or after July 1, 2009 but before July 1, 2010 bear interest at a rate equal to 5.60% per annum.

Unsubsidized Stafford Loans made on or after July 1, 2006 and before July 1, 2010 bear interest at a rate equal to 6.80% per annum.

PLUS Loans. PLUS Loans made on or after October 1, 1998 but before July 1, 2006 bear interest at a rate equivalent to the 91-day T-Bill rate plus 3.10%, with a maximum rate of 9.00%. The rate is adjusted annually on July 1. PLUS Loans made on or after July 1, 2006 and before July 1, 2010 bear interest at a rate equal to 8.50% per annum.

Consolidation Loans. Consolidation Loans for which the application was received by an eligible lender on or after October 1, 1998 and that was disbursed before July 1, 2010 bear interest at a fixed rate equal to the lesser of (a) the weighted average of the interest rates on the loans consolidated, rounded upward to the nearest one-eighth of 1.00% or (b) 8.25%.

Servicemembers Civil Relief Act – 6.00% Interest Rate Limitation. As of August 14, 2008, FFELP Loans incurred by a servicemember, or by a servicemember and the servicemember’s spouse jointly, before the servicemember enters military service may not bear interest at a rate in excess of 6.00% during the period of military service. It is not clear at this time, however, if this interest rate limitation

applies to a servicemember's already existing student loans or only to new student loans incurred by the servicemember on or after August 14, 2008 but prior to the servicemember's military service.

Loan Disbursements

The Higher Education Act generally required that Stafford Loans and PLUS Loans made to cover multiple enrollment periods, such as a semester, trimester, or quarter, be disbursed by eligible lenders in at least two separate disbursements. The Higher Education Act also generally required that the first installment of such loans made to a student who was entering the first year of a program of undergraduate education and who had not previously obtained a FFEL Program loan (a "First FFEL Student") must have been presented by the institution to the student 30 days after the First FFEL Student begins a course of study. However, certain institutions whose cohort default rate was less than 10% prior to October 1, 2011 and less than 15% on or after October 1, 2011 for each of the three most recent fiscal years for which data was available were permitted to (a) disburse any such loan made in a single installment for any period of enrollment that was not more than a semester, trimester, quarter, or 4 months and (b) deliver any such loan that was to be made to a First FFEL Student prior to the end of the 30 day period after the First FFEL Student began his or her course of study at the institution.

Loan Limits

A Stafford Loan borrower was permitted to receive a subsidized loan, an unsubsidized loan, or a combination of both for an academic period. Generally, the maximum amount of Stafford Loans, made prior to July 1, 2007, for an academic year was not permitted to exceed \$2,625 for the first year of undergraduate study, \$3,500 for the second year of undergraduate study and \$5,500 per year for the remainder of undergraduate study. The maximum amount of Stafford Loans, made on or after July 1, 2007, for an academic year was not permitted to exceed \$3,500 for the first year of undergraduate study and \$4,500 for the second year of undergraduate study. The aggregate limit for undergraduate study was \$23,000 (excluding PLUS Loans). Dependent undergraduate students were permitted to receive an additional unsubsidized Stafford Loan of up to \$2,000 per academic year, with an aggregate maximum of \$31,000. Independent undergraduate students were permitted to receive an additional Unsubsidized Stafford Loan of up to \$6,000 per academic year for the first two years and up to \$7,000 per academic year thereafter, with an aggregate maximum of \$57,500. The maximum amount of subsidized loans for an academic year for graduate students was \$8,500. Graduate students were permitted to borrow an additional Unsubsidized Stafford Loan of up to \$12,000 per academic year. The Secretary had discretion to raise these limits by regulation to accommodate highly specialized or exceptionally expensive courses of study.

The total amount of all PLUS Loans that (a) parents were permitted to borrow on behalf of each dependent student or (b) graduate or professional students were permitted to borrow for any academic year was not permitted to exceed the student's estimated cost of attendance minus other financial assistance for that student as certified by the eligible institution which the student attends.

Repayment

General. Repayment of principal on a Stafford Loan does not commence while a student remains a qualified student, but generally begins six months after the date a borrower ceases to pursue at least a half-time course of study (the six month period is the "Grace Period"). Repayment of interest on an Unsubsidized Stafford Loan begins immediately upon disbursement of the loan; however, the lender may capitalize the interest until repayment of principal is scheduled to begin. Except for certain borrowers as described below, each loan generally must be scheduled for repayment over a period of not more than 10 years after the commencement of repayment. The Higher Education Act currently requires minimum annual payments of \$600, including principal and interest, unless the borrower and the lender agree to

lesser payments. Regulations of the Secretary require lenders to offer borrowers standard, graduated, income-sensitive, or, as of July 1, 2009 for certain eligible borrowers, income-based repayment plans. Use of income-based repayment plans may extend the ten-year maximum term.

Effective July 1, 2009, a new income-based repayment plan became available to certain FFEL Program borrowers and Direct Loan Program borrowers. To be eligible to participate in the plan, the borrower's annual amount due on loans made to a borrower prior to July 1, 2010 with respect to FFEL Program borrowers and prior to July 1, 2014 with respect to Direct Loan Program borrowers (as calculated under a standard 10-year repayment plan for such loans) must exceed 15% of the result obtained by calculating the amount by which the borrower's adjusted gross income (and the borrower's spouse's adjusted gross income, if applicable) exceeds 150% of the poverty line applicable to the borrower's family size. With respect to any loan made to a new Direct Loan Program borrower on or after July 1, 2014, the borrower's annual amount due on such loans (as calculated under a standard 10-year repayment plan for such loans) must exceed 10% of the result obtained by calculating the amount by which the borrower's adjusted gross income (and the borrower's spouse's adjusted gross income, if applicable) exceeds 150% of the poverty line applicable to the borrower's family size. Such a borrower may elect to have his payments limited to the monthly amount of the above-described result. Furthermore, the borrower is permitted to repay his loans over a term greater than 10 years. The Secretary will repay any outstanding principal and interest on eligible FFEL Program loans and cancel any outstanding principal and interest on eligible Direct Loan Program loans for borrowers who participated in the new income-based repayment plan and, for a period of time prescribed by the Secretary (but not more than 25 years for a borrower whose loan was made prior to July 1, 2010 with respect to FFEL Program loans and prior to July 1, 2014 with respect to Direct Loan Program loans and not more than 20 years for a Direct Loan Program borrower whose loan was made on or after July 1, 2014), have (a) made certain reduced monthly payments under the income-based repayment plan; (b) made certain payments based on a 10-year repayment period when the borrower first made the election to participate in the income-based repayment plan; (c) made certain payments based on a standard 10-year repayment period; (d) made certain payments under an income-contingent repayment plan for certain Direct Loan Program loans; or (e) have been in an economic hardship deferment.

Borrowers of Subsidized Stafford Loans and of the subsidized portion of Consolidation Loans, and borrowers of similar subsidized loans under the Direct Loan Program receive additional benefits under the new income-based repayment program: the Secretary will pay any unpaid interest due on the borrower's subsidized loans for up to three years after the borrower first elects to participate in the new income-based repayment plan (excluding any periods where the borrower has obtained economic hardship deferment). For both subsidized and unsubsidized loans, interest is capitalized when the borrower either ends his participation in the income-based repayment program or begins making certain payments under the program calculated for those borrowers whose financial hardship has ended.

PLUS Loans enter repayment on the date the last disbursement is made on the loan. Interest accrues and is due and payable from the date of the first disbursement of the loan. The first payment is due within 60 days after the loan is fully disbursed, subject to deferral. For parent borrowers whose loans were first disbursed on or after July 1, 2008, it is possible, upon the request of the parent, to begin repayment on the later of (a) six months and one day after the student for whom the loan is borrowed ceases to carry at least one-half of the normal full-time academic workload (as determined by the school) and (b) if the parent borrower is also a student, six months and one day after the date such parent borrower ceases to carry at least one-half such a workload. Similarly, graduate and professional student borrowers whose loans were first disbursed on or after July 1, 2008 may begin repayment six months and one day after such student ceases to carry at least one-half the normal full-time academic workload (as determined by the school). Repayment plans are the same as in the Subsidized and Unsubsidized Stafford Loan Program for all PLUS Loans except those PLUS Loans which are made, insured, or guaranteed on

behalf of a dependent student; such excepted PLUS Loans are not eligible for the income-based repayment plan which became effective on July 1, 2009. Furthermore, eligible lenders were permitted to determine for all PLUS Loan borrowers (a) whose loans were first disbursed on or after July 1, 2008 that extenuating circumstances existed if between January 1, 2007 through December 31, 2009, a PLUS Loan applicant (1) was or had been delinquent for 180 days or less on the borrower's residential mortgage loan payments or on medical bills, and (2) did not otherwise have an adverse credit history, as determined by the lender in accordance with the regulations promulgated under the Higher Education Act prior to May 7, 2008 and (b) whose loans were first disbursed prior to July 1, 2008 that extenuating circumstances existed if between January 1, 2007 through December 31, 2009, a PLUS Loan applicant (1) was or had been delinquent for 180 days or less on the borrower's residential mortgage loan or on medical bills and (2) was not and had not been delinquent on the repayment of any other debt for more than 89 days during the period.

Consolidation Loans enter repayment on the date the loan is disbursed. The first payment is due within 60 days after all holders of the loan have discharged the liabilities of the borrower on the loan selected for consolidation. Consolidation Loans which are not being paid pursuant to income-sensitive repayment plans (or, as of July 1, 2009, income-based repayment plans) must generally be repaid during a period agreed to by the borrower and lender, subject to maximum repayment periods which vary depending upon the principal amount of the borrower's outstanding student loans (but no longer than 30 years). Consolidation Loans may also be repaid pursuant to the new income-based repayment plan which became effective on July 1, 2009. However, Consolidation Loans which have been used to repay a PLUS Loan that has been made, insured, or guaranteed on behalf of a dependent student were not eligible for this new income-based repayment plan.

FFEL Program borrowers who accumulate outstanding FFELP Loans on or after October 7, 1998 totaling more than \$30,000 were permitted to receive an extended repayment plan, with a fixed annual or graduated payment amount paid over a longer period of time, not to exceed 25 years. A borrower may accelerate principal payments at any time without penalty. Once a repayment plan is established, the borrower may annually change the selection of the plan.

Deferment and Forbearance Periods. No principal repayments need to be made during certain periods prescribed by the Higher Education Act ("Deferment Periods") but interest accrues and must be paid. Generally, Deferment Periods include periods (a) when the borrower has returned to an eligible educational institution on a half-time basis or is pursuing studies pursuant to an approved graduate fellowship or an approved rehabilitation training program for disabled individuals; (b) not in excess of three years while the borrower is seeking and unable to find full-time employment; (c) while the borrower is serving on active duty during a war or other military operation or national emergency, is performing qualifying National Guard duty during a war or other military operation or national emergency, and for 180 days following the borrower's demobilization date for the above-described services; (d) during the 13 months following service if the borrower is a member of the National Guard, a member of a reserve component of the military, or a retired member of the military who (i) is called or ordered to active duty, and (ii) is or was enrolled within six months prior to the activation at an eligible educational institution; (e) if the borrower is in active military duty, or is in reserve status and called to active duty; and (f) not in excess of three years for any reason which the lender determines, in accordance with regulations, has caused or will cause the borrower economic hardship. Deferment periods extend the maximum repayment periods. Under certain circumstances, a lender may also allow periods of forbearance ("Forbearance") during which the borrower may defer payments because of temporary financial hardship. The Higher Education Act specifies certain periods during which Forbearance is mandatory. Mandatory Forbearance periods include, but are not limited to, periods during which the borrower is (i) participating in a medical or dental residency and is not eligible for deferment; (ii) serving in a qualified medical or dental internship program or certain national service programs; or (iii) determined to have a debt burden

of certain federal loans equal to or exceeding 20% of the borrower's gross income. In other circumstances, Forbearance may be granted at the lender's option. Forbearance also extends the maximum repayment periods.

Master Promissory Notes

Since July 2000, all lenders were required to use a master promissory note (the "MPN") for new Stafford Loans. Unless otherwise notified by the Secretary, each institution of higher education that participated in the FFEL Program was permitted to use a master promissory note for FFELP Loans. The MPN permitted a borrower to obtain future loans without the necessity of executing a new promissory note. Borrowers were not, however, required to obtain all of their future loans from their original lender, but if a borrower obtains a loan from a lender which does not presently hold an MPN for that borrower, that borrower was required to execute a new MPN. A single borrower may have several MPNs evidencing loans to multiple lenders. If multiple loans have been advanced pursuant to a single MPN, any or all of those loans may be individually sold by the holder of the MPN to one or more different secondary market purchasers.

Interest Benefit Payments

The Secretary is to pay interest on Subsidized Stafford Loans while the borrower is a qualified student, during a Grace Period or during certain Deferment Periods. In addition, those portions of Consolidation Loans that repay Subsidized Stafford Loans or similar subsidized loans made under the Direct Loan Program are eligible for interest benefit payments. The Secretary is required to make interest benefit payments to the holder of Subsidized Stafford Loans in the amount of interest accruing on the unpaid balance thereof prior to the commencement of repayment or during any Deferment Period. The Higher Education Act provides that the holder of an eligible Subsidized Stafford Loan, or the eligible portions of Consolidation Loans, shall be deemed to have a contractual right against the United States to receive interest benefit payments in accordance with its provisions.

Special Allowance Payments

The Higher Education Act provides for special allowance payments to be made by the Secretary to eligible lenders. The rates for special allowance payments are based on formulas that differ according to the type of loan, the date the loan was first disbursed, the interest rate and the type of funds used to finance such loan (tax-exempt or taxable). Loans made or purchased with funds obtained by the holder from the issuance of tax-exempt obligations issued prior to October 1, 1993 have an effective minimum rate of return of 9.50%. Amounts derived from recoveries of principal on loans made prior to October 1, 1993 may only be used to originate or acquire additional loans by a unit of a state or local government, or non-profit entity not owned or controlled by or under common ownership of a for-profit entity and held directly or through any subsidiary, affiliate or trustee, which entity has a total unpaid balance of principal equal to or less than \$100,000,000 on loans for which special allowances were paid in the most recent quarterly payment prior to September 30, 2005. Such entities were permitted to originate or acquire additional loans with amounts derived from recoveries of principal until December 31, 2010. The special allowance payments payable with respect to eligible loans acquired or funded with the proceeds of tax-exempt obligations issued after September 30, 1993 are equal to those paid to other lenders.

Public Law 112-74, dated December 23, 2011, amended the Higher Education Act, reflecting financial market conditions, to allow FFELP lenders to make an affirmative election to permanently change the index for Special Allowance Payment calculations on all FFELP loans in the lender's portfolio (with certain limited exceptions) disbursed after January 1, 2000 from the Three Month Commercial Paper Rate (as hereafter defined) to the One Month LIBOR Rate (as hereafter defined), commencing with the Special Allowance Payment calculations for the calendar quarter beginning on April 1, 2012. Such

election to permanently change the index for Special Allowance Payment calculations must be made by April 1, 2012 and must also waive all contractual, statutory or other legal rights to the Special Allowance Payment calculation formula in effect at the time the loans were first disbursed

Subject to the foregoing, the formulas for special allowance payment rates for Subsidized and Unsubsidized Stafford Loans are summarized in the following chart. The term “T-Bill” as used in this table and the following table, means the average 91-day Treasury bill rate calculated at a “bond equivalent rate” in the manner applied by the Secretary as referred to in Section 438 of the Higher Education Act. The term “Three Month Commercial Paper Rate” means the 90-day commercial paper index calculated quarterly and based on an average of the daily 90-day commercial paper rates reported in the Federal Reserve’s Statistical Release H-15. The term “One Month LIBOR Rate” means the one-month London Interbank Offered Rate for United States dollars in effect for each of the days in such quarter as compiled and released by the British Bankers Association.

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after July 1, 1995	T-Bill Rate less Applicable Interest Rate + 3.10% ¹
On or after July 1, 1998	T-Bill Rate less Applicable Interest Rate + 2.80% ²
On or after January 1, 2000 (and before September 30, 2007)	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.34% ³
On or after October 1, 2007 and before July 1, 2010 if an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 1.94% ⁴
On or after October 1, 2007 and before July 1, 2010 if an eligible lender other than an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 1.79% ⁵

*Substitute “One Month LIBOR Rate” for “Three Month Commercial Paper Rate” in this formula where lenders made the affirmative election by no later than April 1, 2012 under Public Law 112-74, dated December 23, 2011, to permanently change the index for Special Allowance Payment calculations for all loans in the lender’s portfolio.

¹ Substitute 2.50% in this formula while such loans are in the in-school or grace period.

² Substitute 2.20% in this formula while such loans are in the in-school or grace period.

³ Substitute 1.74% in this formula while such loans are in the in-school or grace period.

⁴ Substitute 1.34% in this formula while such loans are in the in-school or grace period.

⁵ Substitute 1.19% in this formula while such loans are in the in-school or grace period.

The formulas for special allowance payment rates for PLUS Loans are as follows:

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after January 1, 2000 (and before September 30, 2007)	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.64%
On or after October 1, 2007 and before July 1, 2010 if an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 1.94%
On or after October 1, 2007 and before July 1, 2010 if an eligible lender other than an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 1.79%

*Substitute “One Month LIBOR Rate” for “Three Month Commercial Paper Rate” in this formula where lenders made the affirmative election by no later than April 1, 2012 under Public Law 112-74, dated December 23, 2011, to permanently change the index for Special Allowance Payment calculations for all loans in the lender’s portfolio.

The formulas for special allowance payment rates for Consolidation Loans are as follows:

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after January 1, 2000 (and before September 30, 2007)	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.64%
On or after October 1, 2007 and before July 1, 2010 if an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.24%
On or after October 1, 2007 and before July 1, 2010 if an eligible lender other than an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.09%

*Substitute “One Month LIBOR Rate” for “Three Month Commercial Paper Rate” in this formula where lenders made the affirmative election by no later than April 1, 2012 under Public Law 112-74, dated December 23, 2011, to permanently change the index for Special Allowance Payment calculations for all loans in the lender’s portfolio.

Special allowance payments are generally payable, with respect to variable rate FFELP Loans to which a maximum borrower interest rate applies, only when the maximum borrower interest rate is in effect. The Secretary offsets interest benefit payments and special allowance payments by the amount of origination fees and lender loan fees described under the caption “Loan Fees” below.

The Higher Education Act provides that a holder of a qualifying loan who is entitled to receive special allowance payments has a contractual right against the United States to receive those payments during the life of the loan. Receipt of special allowance payments, however, is conditioned on the eligibility of the loan for federal insurance or reinsurance benefits. Such eligibility may be lost due to violations of federal regulations or Guaranty Agencies’ requirements.

The Higher Education Act provides that for FFELP Loans first disbursed on or after April 1, 2006 and before July 1, 2010, lenders must remit to the Secretary any interest paid by a borrower which is in excess of the special allowance payment rate set forth above for such loans.

Loan Fees

Insurance Premium. For loans guaranteed before July 1, 2006, a Guaranty Agency was authorized to charge a premium, or guarantee fee, of up to 1.00% of the principal amount of the loan, which may be deducted proportionately from each installment of the loan. Generally, Guaranty Agencies had waived this fee since 1999. For loans guaranteed on or after July 1, 2006 that are first disbursed before July 1, 2010, a federal default fee equal to 1.00% of principal was required to be paid into such Guaranty Agency's Federal Student Loan Reserve Fund (hereinafter defined as the "Federal Fund").

Origination Fee. Lenders were authorized to charge borrowers of Subsidized Stafford Loans and Unsubsidized Stafford Loans an origination fee in an amount not to exceed: 3.00% of the principal amount of the loan for loans disbursed prior to July 1, 2006; 2.00% of the principal amount of the loan for loans disbursed on or after July 1, 2006 and before July 1, 2007; 1.50% of the principal amount of the loan for loans disbursed on or after July 1, 2007 and before August 1, 2008; 1.00% of the principal amount of the loan for loans disbursed on or after August 1, 2008 and before July 1, 2009; and 0.50% of the principal amount of the loan for loans disbursed on or after July 1, 2009 and before July 1, 2010. The Secretary is authorized to charge borrowers of Direct Loans 4.00% of the principal amount of the loan for loans disbursed prior to February 8, 2006. A lender was permitted to charge a lesser origination fee to Stafford Loan borrowers so long as the lender did so consistently with respect to all borrowers who resided in or attended school in a particular state. For borrowers of Direct Loans other than Federal Direct Consolidation Loans and Federal Direct PLUS Loans, the Secretary may charge such borrowers as follows: 3.00% of the principal amount of the loan for loans disbursed on or after February 8, 2006 and before July 1, 2007; 2.50% of the principal amount of the loan for loans disbursed on or after July 1, 2007 and before August 1, 2008; 2.00% of the principal amount of the loan for loans disbursed on or after August 1, 2008 and before July 1, 2009; 1.50% of the principal amount of the loan for loans disbursed on or after July 1, 2009 and before July 1, 2010; and 1.00% of the principal amount of the loan for loans disbursed on or after July 1, 2010. These fees must be deducted proportionately from each installment payment of the loan proceeds prior to payment to the borrower. The lenders were required to pass the origination fees received under the FFEL Program on to the Secretary.

Lender Loan Fee. The lender of any FFELP Loan was required to pay to the Secretary an additional origination fee equal to 0.50% of the principal amount of the loan for loans first disbursed on or after October 1, 1993, but prior to October 1, 2007. For all loans first disbursed on or after October 1, 2007 and before July 1, 2010, the lender was required to pay an additional origination fee equal to 1.00% of the principal amount of the loan.

The Secretary collects from the lender or subsequent holder of the loan the maximum origination fee authorized (regardless of whether the lender actually charges the borrower) and the lender loan fee, either through reductions in interest benefit payments or special allowance payments or directly from the lender or holder of the loan.

Rebate Fee on Consolidation Loans. The holder of any Consolidation Loan for which the first disbursement was made on or after October 1, 1993, is required to pay to the Secretary a monthly rebate fee equal to .0875% (1.05% per annum) of the principal amount plus accrued unpaid interest on the loan. However, for Consolidation Loans for which applications were received from October 1, 1998 to January 31, 1999, inclusive, the monthly rebate fee is approximately equal to .0517% (.62% per annum) of the principal amount plus accrued interest on the loan.

Insurance and Guarantees

A Guaranty Agency guarantees Federal Family Education Loans made to students or parents of students by eligible lenders. A Guaranty Agency generally purchases defaulted student loans which it has

guaranteed with its reserve fund (as described under the caption “Guaranty Agency Reserves” below). A Federal Family Education Loan is considered to be in default for purposes of the Higher Education Act when the borrower fails to make an installment payment when due, or to comply with other terms of the loan, and if the failure persists for 270 days in the case of a loan repayable in monthly installments or for 330 days in the case of a loan repayable in less frequent installments. If the loan is guaranteed by a Guaranty Agency in accordance with the provisions of the Higher Education Act, the Guaranty Agency is to pay the holder a percentage of such amount of the loss subject to a reduction (as described in 20 U.S.C. § 1075(b)) within 90 days of notification of such default. The default claim package submitted to a Guaranty Agency must include all information and documentation required under the Federal Family Education Loan Program regulations and such Guaranty Agency’s policies and procedures.

The Higher Education Act gives the Secretary of Education various oversight powers over the Guaranty Agencies. These include requiring a Guaranty Agency to maintain its reserve fund at a certain required level and taking various actions relating to a Guaranty Agency if its administrative and financial condition jeopardizes its ability to meet its obligations.

Federal Insurance. The Higher Education Act provides that, subject to compliance with such Act, the full faith and credit of the United States is pledged to the payment of insurance claims and ensures that such reimbursements are not subject to reduction. In addition, the Higher Education Act provides that if a Guaranty Agency is unable to meet its insurance obligations, holders of loans may submit insurance claims directly to the Secretary until such time as the obligations are transferred to a new Guaranty Agency capable of meeting such obligations or until a successor Guaranty Agency assumes such obligations. Federal reimbursement and insurance payments for defaulted loans are paid from the student loan insurance fund established under the Higher Education Act. The Secretary is authorized, to the extent provided in advance by appropriations acts, to issue obligations to the Secretary of the Treasury to provide funds to make such federal payments.

Guarantees. If the loan is guaranteed by a Guaranty Agency in accordance with the provisions of the Higher Education Act, the eligible lender is reimbursed by the Guaranty Agency for a statutorily set percentage (98% for loans first disbursed prior to July 1, 2006 and 97% for loans first disbursed on or after July 1, 2006 but before July 1, 2010) of the unpaid principal balance of the loan plus accrued unpaid interest on any defaulted loan so long as the eligible lender has properly serviced such loan. Under the Higher Education Act, the Secretary enters into a guarantee agreement and a reinsurance agreement (the “Guarantee Agreements”) with each Guaranty Agency which provides for federal reimbursement for amounts paid to eligible lenders by the Guaranty Agency with respect to defaulted loans.

Guarantee Agreements. Pursuant to the Guarantee Agreements, the Secretary is to reimburse a Guaranty Agency for the amounts expended in connection with a claim resulting from the death of a borrower; bankruptcy of a borrower; total and permanent disability of a borrower (including those borrowers who have been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition); inability of a borrower to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, has lasted continuously for at least 60 months, or can be expected to last continuously for at least 60 months; the death of a student whose parent is the borrower of a PLUS Loan; certain claims by borrowers who are unable to complete the programs in which they are enrolled due to school closure; borrowers whose borrowing eligibility was falsely certified by the eligible institution; or the amount of an unpaid refund due from the school to the lender in the event the school fails to make a required refund. Such claims are not included in calculating a Guaranty Agency’s claims rate experience for federal reimbursement purposes. Generally, educational loans are non-dischargeable in bankruptcy unless the bankruptcy court determines that the debt will impose an undue hardship on the borrower and the borrower’s dependents. Further, the Secretary is to reimburse a Guaranty Agency for any amounts paid to

satisfy claims not resulting from death, bankruptcy, or disability subject to reduction as described below. See the caption “Education Loans Generally Not Subject to Discharge in Bankruptcy” below.

The Secretary may terminate Guarantee Agreements if the Secretary determines that termination is necessary to protect the federal financial interest or to ensure the continued availability of loans to student or parent borrowers. Upon termination of such Guarantee Agreements, the Secretary is authorized to provide the Guaranty Agency with additional advance funds with such restrictions on the use of such funds as is determined appropriate by the Secretary, in order to meet the immediate cash needs of the Guaranty Agency, ensure the uninterrupted payment of claims, or ensure that the Guaranty Agency will make loans as the lender-of-last-resort. On May 7, 2008, Treasury funds were further authorized to be appropriated for emergency advances to Guaranty Agencies to ensure such Guaranty Agencies are able to act as lenders-of-last-resort and to assist Guaranty Agencies with immediate cash needs, claims, or any demands for loans under the lender-of-last-resort program.

If the Secretary has terminated or is seeking to terminate Guarantee Agreements, or has assumed a Guaranty Agency’s functions, notwithstanding any other provision of law: (a) no state court may issue an order affecting the Secretary’s actions with respect to that Guaranty Agency; (b) any contract entered into by the Guaranty Agency with respect to the administration of the Guaranty Agency’s reserve funds or assets purchased or acquired with reserve funds shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets or is inconsistent with the terms or purposes of the Higher Education Act; and (c) no provision of state law shall apply to the actions of the Secretary in terminating the operations of the Guaranty Agency. Finally, notwithstanding any other provision of law, the Secretary’s liability for any outstanding liabilities of a Guaranty Agency (other than outstanding student loan guarantees under the Higher Education Act), the functions of which the Secretary has assumed, shall not exceed the fair market value of the reserves of the Guaranty Agency, minus any necessary liquidation or other administrative costs.

Reimbursement. The amount of a reimbursement payment on defaulted loans made by the Secretary to a Guaranty Agency is subject to reduction based upon the annual claims rate of the Guaranty Agency calculated to equal the amount of federal reimbursement as a percentage of the original principal amount of originated or guaranteed loans in repayment on the last day of the prior fiscal year. The claims experience is not accumulated from year to year, but is determined solely on the basis of claims in any one federal fiscal year compared with the original principal amount of loans in repayment at the beginning of that year. The formula for reimbursement amounts is summarized below:

Claims Rate	Guaranty Agency Reinsurance Rate for Loans made prior to October 1, 1993	Guaranty Agency Reinsurance Rate for Loans made between October 1, 1993 and September 30, 1998	Guaranty Agency Reinsurance Rate for Loans made on or after October 1, 1998 and prior to July 1, 2010¹
0% up to 5%	100%	98%	95%
5% up to 9%	100% of claims up to 5%; and 90% of claims 5% and over	98% of claims up to 5%; and 88% of claims 5% and over	95% of claims up to 5% and 85% of claims 5% and over
9% and over	100% of claims up to 5%; 90% of claims 5% up to 9%; 80% of claims 9% and over	98% of claims up to 5%; 88% of claims 5% up to 9%; 78% of claims 9% and over	95% of claims up to 5%, 85% of claims 5% up to 9%; 75% of claims 9% and over

¹ Student loans made pursuant to the lender-of-last resort program have an amount of reinsurance equal to 100%; student loans transferred by an insolvent Guaranty Agency have an amount of reinsurance ranging from 80% to 100%.

The amount of loans guaranteed by a Guarantee Agency which are in repayment for purposes of computing reimbursement payments to a Guarantee Agency means the original principal amount of all loans guaranteed by a Guarantee Agency less: (a) guarantee payments on such loans, (b) the original

principal amount of such loans that have been fully repaid, and (c) the original amount of such loans for which the first principal installment payment has not become due.

In addition, the Secretary may withhold reimbursement payments if a Guarantee Agency makes a material misrepresentation or fails to comply with the terms of its agreements with the Secretary or applicable federal law. A supplemental guarantee agreement is subject to annual renegotiation and to termination for cause by the Secretary.

Under the Guarantee Agreements, if a payment by the borrower on a FFELP Loan guaranteed by a Guarantee Agency is received after reimbursement by the Secretary, the Secretary is entitled to receive an equitable share of the borrower's payment. The Secretary's equitable share of the borrower's payment equals the amount remaining after the Guarantee Agency has deducted from such payment: (a) the percentage amount equal to the complement of the reinsurance percentage in effect when payment under the Guarantee Agreement was made with respect to the loan and (b) as of October 1, 2007, 16% of the borrower's payments (to be used for the Guarantee Agency's Operating Fund (hereinafter defined)). The percentage deduction for use of the borrower's payments for the Guarantee Agency's Operating Fund varied prior to October 1, 2007: from October 1, 2003 through and including September 30, 2007, the percentage in effect was 23% and prior to October 1, 2003, the percentage in effect was 24%. The Higher Education Act further provides that on or after October 1, 2006, a Guarantee Agency may not charge a borrower collection costs in an amount in excess of 18.50% of the outstanding principal and interest of a defaulted loan that is paid off through consolidation by the borrower; provided that the Guarantee Agency must remit to the Secretary a portion of the collection charge equal to 8.50% of the outstanding principal and interest of the defaulted loan. In addition, on or after October 1, 2009, a Guarantee Agency must remit to the Secretary any collection fees on defaulted loans paid off with consolidation proceeds by the borrower which are in excess of 45% of the Guarantee Agency's total collections on defaulted loans in any one federal fiscal year.

Lender Agreements. Pursuant to most typical agreements for guarantee between a Guarantee Agency and the originator of the loan, any eligible holder of a loan insured by such a Guarantee Agency is entitled to reimbursement from such Guarantee Agency, subject to certain limitations, of any proven loss incurred by the holder of the loan resulting from default, death, permanent and total disability, certain medically determinable physical or mental impairment, or bankruptcy of the student borrower at the rate of 98% for loans in default made on or after October 1, 1993 but prior to July 1, 2006 and 97% for loans in default made on or after July 1, 2006 but prior to July 1, 2010. Certain holders of loans may receive higher reimbursements from Guarantee Agencies. For example, lenders of last resort may receive reimbursement at a rate of 100% from Guarantee Agencies.

Guarantee Agencies generally deem default to mean a student borrower's failure to make an installment payment when due or to comply with other terms of a note or agreement under circumstances in which the holder of the loan may reasonably conclude that the student borrower no longer intends to honor the repayment obligation and for which the failure persists for 270 days in the case of a loan payable in monthly installments or for 330 days in the case of a loan payable in less frequent installments. When a loan becomes at least 60 days past due, the holder is required to request default aversion assistance from the applicable Guarantee Agency in order to attempt to cure the delinquency. When a loan becomes 240 days past due, the holder is required to make a final demand for payment of the loan by the borrower. The holder is required to continue collection efforts until the loan is 270 days past due. At the time of payment of insurance benefits, the holder must assign to the applicable Guarantee Agency all right accruing to the holder under the note evidencing the loan. The Higher Education Act prohibits a Guarantee Agency from filing a claim for reimbursement with respect to losses prior to 270 days after the loan becomes delinquent with respect to any installment thereon.

Any holder of a loan is required to exercise due care and diligence in the servicing of the loan and to utilize practices which are at least as extensive and forceful as those utilized by financial institutions in the collection of other consumer loans. If a Guarantee Agency has probable cause to believe that the holder has made misrepresentations or failed to comply with the terms of its agreement for guarantee, the Guarantee Agency may take reasonable action including withholding payments or requiring reimbursement of funds. The Guarantee Agency may also terminate the agreement for cause upon notice and hearing.

Rehabilitation of Defaulted Loans. Under the Higher Education Act, the Secretary of Education is authorized to enter into an agreement with each Guaranty Agency pursuant to which a Guaranty Agency sells defaulted student loans that are eligible for rehabilitation to an eligible lender. For a defaulted student loan to be rehabilitated, the borrower must request rehabilitation and the applicable Guaranty Agency must receive an on-time, voluntary, full payment each month for 12 consecutive months. However, effective July 1, 2006, for a student loan to be eligible for rehabilitation, the applicable Guaranty Agency must receive 9 payments made within 20 days of the due date during 10 consecutive months. Upon rehabilitation, a student loan is eligible for all the benefits under the Higher Education Act for which it would have been eligible had no default occurred.

A Guaranty Agency repays the Secretary an amount equal to 81.5% of the outstanding principal balance of the student loan at the time of sale to the lender multiplied by the reimbursement percentage in effect at the time the student loan was reimbursed. The amount of such repayment is deducted from the amount of federal reimbursement payments for the fiscal year in which such repayment occurs, for purposes of determining the reimbursement rate for that fiscal year.

Loans Subject to Repurchase. The Higher Education Act requires a lender to repurchase student loans from a Guaranty Agency, under certain circumstances, after a Guaranty Agency has paid for the student loan through the claim process. A lender is required to repurchase: (a) a student loan found to be legally unenforceable against the borrower; (b) a student loan for which a bankruptcy claim has been paid if the borrower's bankruptcy is subsequently dismissed by the court or, as a result of the bankruptcy hearing, the student loan is considered non-dischargeable and the borrower remains responsible for repayment of the student loan; (c) a student loan which is subsequently determined not to be in default; or (d) a student loan for which a Guaranty Agency inadvertently paid the claim.

Guarantee Agency Reserves

Each Guarantee Agency is required to establish a Federal Fund which, together with any earnings thereon, is deemed to be property of the United States. Each Guarantee Agency is required to deposit into the Federal Fund any reserve funds plus reinsurance payments received from the Secretary, a certain percentage of default collections equal to the complement of the reinsurance percentage in effect when payment under the Guarantee Agreement was made, insurance premiums, 70% of payments received after October 7, 1998 from the Secretary for administrative cost allowances for loans insured prior to that date, and other receipts as specified in regulations. A Guarantee Agency is authorized to transfer up to 180 days' cash expenses for normal operating expenses (other than claim payments) from the Federal Fund to the Operating Fund at any time during the first three years after establishment of the fund. The Federal Fund may be used to pay lender claims and to pay default aversion fees into the Operating Fund. A Guarantee Agency is also required to establish an operating fund (the "Operating Fund"), which, except for funds transferred from the Federal Fund to meet operating expenses during the first three years after fund establishment, is the property of the Guarantee Agency. A Guarantee Agency was permitted to deposit into the Operating Fund loan processing and issuance fees equal to 0.40% of the total principal amount of loans insured during the fiscal year for loans originated on or after October 1, 2003 and first disbursed before July 1, 2010, 30% of payments received after October 7, 1998 for the administrative cost allowances for loans insured prior to that date, the account maintenance fee paid by the Secretary for

Direct Loan Program loans in the amount of .06% of the original principal amount of the outstanding loans insured, any default aversion fee that is paid, the Guarantee Agency's 16% retention on collections of defaulted loans and other receipts as specified in the regulations. An Operating Fund must be used for application processing, loan disbursement, enrollment and repayment status management, default aversion, collection activities, school and lender training, financial aid awareness and related outreach activities, compliance monitoring, and other student financial aid related activities. For Subsidized and Unsubsidized Stafford Loans guaranteed on or after July 1, 2006 and first disbursed before July 1, 2010, Guarantee Agencies were required to collect and deposit a federal default fee to the Federal Fund equal to 1.00% of the principal amount of the loan.

The Higher Education Act provides for a recall of reserves from each Federal Fund in certain years, but also provides for certain minimum reserve levels which are protected from recall. The Secretary is authorized to enter into voluntary, flexible agreements with Guarantee Agencies under which various statutory and regulatory provisions can be waived; provided, however, the Secretary is not authorized to waive, among other items, any deposit of default aversion fees by Guarantee Agencies. In addition, under the Higher Education Act, the Secretary is prohibited from requiring the return of all of a Guarantee Agency's reserve funds unless the Secretary determines that the return of these funds is in the best interest of the operation of the FFEL Program, or to ensure the proper maintenance of such Guarantee Agency's funds or assets or the orderly termination of the Guarantee Agency's operations and the liquidation of its assets. The Higher Education Act also authorizes the Secretary to direct a Guarantee Agency to: (a) return to the Secretary all or a portion of its reserve fund which the Secretary determines is not needed to pay for the Guarantee Agency's program expenses and contingent liabilities; and (b) cease any activities involving the expenditure, use or transfer of the Guarantee Agency's reserve funds or assets which the Secretary determines is a misapplication, misuse or improper expenditure.

Secretary's Temporary Authority to Purchase Stafford Loans and PLUS Loans

On May 7, 2008, the Ensuring Continued Access to Student Loans Act temporarily granted the Secretary the authority to purchase Stafford Loans and PLUS Loans from eligible lenders which were first disbursed on or after October 1, 2003, but prior to July 1, 2009 on such terms as are, subject to certain other conditions, in the best interest of the United States. On October 7, 2008, P.L. 110-350 became law and additionally granted the Secretary the power to purchase Stafford Loans and PLUS Loans from eligible lenders which were first disbursed on or after July 1, 2009, but prior to July 1, 2010. On July 1, 2009, P.L. 111-39 became law and further expanded the Secretary's purchase authority to include FFELP Loans rehabilitated pursuant to 20 U.S.C. § 1078-6.

In order to purchase loans (other than rehabilitated loans), the Secretary was required to make a determination that adequate loan capital is not available to meet demand for Stafford Loans and PLUS Loans. However, any purchase of loans by the Secretary was not permitted to create any net cost for the United States government (including any servicing costs associated with the loans). The Secretary was required to additionally fulfill various other requirements in order to purchase loans, including a notice with certain details which must be published in the Federal Register prior to any purchase. Eligible lenders, in turn, were required to use the funds provided by the Secretary to ensure their continued participation in the FFEL Program, to originate new FFELP Loans to students, and, with respect to funds received from rehabilitated FFELP Loan sales to the Secretary, to purchase such rehabilitated FFELP Loans pursuant to 20 U.S.C. § 1078-6(a). Pursuant to P.L. 110-350, the Secretary's authority to purchase loans expired on July 1, 2010.

Through certain "Dear Colleague" letters issued to members of the higher education lending community, the Secretary has created three programs to utilize its temporary purchasing authority, two of

which have expired. The third program, the Asset-Backed Commercial Paper Conduit Program, is defined and described below.

Asset-Backed Commercial Paper Conduit Program. In a November 10, 2008 “Dear Colleague” letter, the Secretary announced that, due to stagnation in the credit markets and the billions of dollars of student loans which remain on bank balance sheets, the Department of Education would develop an asset-backed commercial paper conduit program (the “Asset-Backed Commercial Paper Conduit Program”) to purchase fully disbursed FFELP Loans (other than Consolidation Loans) awarded between October 1, 2003 and July 1, 2009. Each conduit would be privately created by an eligible lender trustee and would contain the ownership rights of lenders to their eligible FFELP Loans. The conduit would issue commercial paper to investors and secure the repayment of the commercial paper with the conduit’s FFELP Loan pool. The funds provided by investors would be paid to the student lenders who transferred the ownership rights in their eligible FFELP Loans to the conduit. The Department of Education would, pursuant to the Ensuring Continued Access to Student Loans Act, enter into forward purchase commitments with each eligible lender trustee participating in the Asset-Backed Commercial Paper Conduit Program and commit to purchasing at a date in the future eligible FFELP Loans at a certain price from the conduit if the conduit lacks sufficient funds to repay its investors as the commercial paper becomes due. A single conduit borrower, Straight-A Funding, LLC, was established pursuant to the Asset-Backed Commercial Paper Conduit Program. The ability to finance eligible FFELP Loans under the Asset-Backed Commercial Paper Conduit Program terminated on June 30, 2010. The Asset-Backed Commercial Paper Conduit Program currently terminates in January of 2014. Any FFELP Loans not refinanced by a lender will be put to the Department upon the expiration of the Asset-Backed Commercial Paper Conduit Program.

Lender-of-Last-Resort Program

The FFEL Program allowed Guaranty Agencies and certain eligible lenders to act as lenders-of-last-resort before July 1, 2010. A lender-of-last-resort was authorized to receive advances from the Secretary in order to ensure that adequate loan capital exists in order to make loans to students before July 1, 2010. Students and parents of students who were otherwise unable to obtain FFELP Loans (other than Consolidation Loans) were permitted to apply to receive loans from the state’s lenders-of-last-resort before July 1, 2010.

Education Loans Generally Not Subject to Discharge in Bankruptcy

Under the U.S. Bankruptcy Code, educational loans are not generally dischargeable. Title 11 of the United States Code at Section 523(a)(8)(A)(i)-(ii) provides that a discharge under Section 727, 1141, 1228(a), 1228(b), or 1328(b) of Title 11 of the United States Code does not discharge an individual debtor from any debt for an education benefit overpayment or loan made, insured, or guaranteed by a governmental unit or made under any program funded in whole or in part by a governmental unit or nonprofit institution, or for an obligation to repay funds received as an educational benefit, scholarship or stipend unless excepting such debt from discharge under this paragraph will impose an undue hardship on the debtor and the debtor’s dependents.

Secretary’s Temporary Loan Consolidation Authority

In October of 2011, President Obama announced a program permitting students with both FFELP loans and Direct Loans to consolidate their existing FFELP loans into the Department of Education’s Direct Loan program during the period from January 1, 2012 through June 30, 2012, and such students will receive up to a 0.25% interest rate reduction on the consolidated FFELP loan. The terms and conditions of the students’ existing student loans would continue. Holders of such FFELP loans, such as the Authority, would be paid 100 percent of the outstanding principal and interest balance on any FFELP

loans consolidated, and such payment would be treated as a prepayment of the financed eligible loan under the Master Bond Resolution.

APPENDIX C

The information concerning the Oklahoma College Assistance Program, formerly known as the Oklahoma Guaranteed Student Loan Program, was obtained from them. The information is not guaranteed as to accuracy or completeness by the Authority, the Dissemination Agent or counsel to those parties. It is not to be construed as a representation by any of those persons.

None of the Authority, the Dissemination Agent or counsel to those parties, has independently verified this information. No representation is made by any of those persons as to the absence of material adverse changes in such information subsequent to the date hereof.

GENERAL DESCRIPTION OF THE

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION OKLAHOMA COLLEGE ASSISTANCE PROGRAM (OCAP)

General

The Oklahoma State Regents for Higher Education (the “*State Regents*”), a Constitutional agency of the State of Oklahoma, operate the Oklahoma College Assistance Program, or “*OCAP*”. OCAP, formerly known as OGSLP, has been in operation in Oklahoma since November 1965.

OCAP is a state guarantee agency under the Higher Education Act of 1965, as amended (the “*Higher Education Act*”), pursuant to a guarantee agreement and a supplemental guarantee agreement with the Secretary (the “*Secretary*”) of the U.S. Department of Education (the “*Department of Education*”). The guarantee agreement and supplemental guarantee agreement provide for reinsurance by reimbursement by the Department of Education of amounts expended by OCAP to discharge its guarantees of Federal Family Education Loan (“*FFEL*”) Program loans. The supplemental guarantee agreement with the Department of Education is subject to annual renegotiation and to termination for cause by the Department of Education.

The formula for OCAP’s reinsurance on amounts expended to discharge its guarantees of FFEL Program loans ranges from 100% to 75% depending on the time the student loan was made, the claims “trigger rate” of OCAP, and whether the claim is for default, bankruptcy, death or disability or as a lender of last resort loan.

Following the FFEL Program changes from the Student Aid and Fiscal Responsibility Act of 2009 (“*SAFRA*”), Title II of the Health Care and Education Affordability Reconciliation Act of 2010 (the “*Reconciliation Act*”), effective July 1, 2010, OCAP continues to administer and utilize a Guarantee Fund established in the State of Oklahoma Treasury by Title 70 Oklahoma Statutes 2011, Sections 622 and 623 (the “*Guarantee Fund*”) to support the

outstanding portfolio of guaranteed FFEL Program loans made to students who had attended approved universities, colleges, vocational education or trade schools. However, no new FFEL Program loans will be guaranteed.

At the federal fiscal year ended September 30, 2011, FFEL Program loans made by various eligible lenders and guaranteed by OCAP were outstanding in the total principal amount of approximately \$2.7 billion, compared to a principal amount of approximately \$3.3 billion at September 30, 2010.

Effective July 1, 2010, the Reconciliation Act eliminated the origination of new FFELP loans by eligible lenders after June 30, 2010 and all federal student loans have been made in the Federal Direct Student Loan Program. Guarantors, like OCAP, are required to continue to provide services for outstanding FFELP borrowers, including default prevention, claim payment and default collections. However, lenders are precluded from continuing to disburse federal student loans.

State Guarantee Agency Administration

The State Regents appoint a chief executive officer, the Chancellor of Higher Education. The present Chancellor is Dr. Glen Johnson. Rick Edington is the Executive Director of OCAP. OCAP employs approximately 131 full time equivalent employees.

The offices of OCAP are located at 421 N.W. 13th Street, Oklahoma City, Oklahoma 73103; Telephone (405) 234-4300.

OCAP is a separate legal entity from the Oklahoma Student Loan Authority, and the members of the State Regents and the trustees of the Oklahoma Student Loan Authority do not overlap. In addition, the administrative management of OCAP and the management of the Oklahoma Student Loan Authority are separate.

Electronic Data Processing Support

OCAP uses an integrated software system and data processing facilities for administering education loans that is provided pursuant to an agreement between the State Regents and Sallie Mae Servicing L.P. dated September 7, 1989, as amended and extended to December 31, 2015.

This software system is operated from terminals controlled by OCAP and connected to Sallie Mae's system. The system provides OCAP with the ability to continue the support services for loan status management, pre-claims assistance, claims processing, post claims operations (including reinsurance claims to the Department of Education) and reporting. Previously, it also provided for the loan application processing and guarantee fee billings to lenders.

Annual Guaranteed Loan Volume

During the federal fiscal years indicated below, the loan principal volume guaranteed by OCAP was as shown in the following table. The reduction in the Annual Guaranteed Loan Volume total from September 30, 2006 to September 30, 2010 was a result of a decrease in Consolidation Loan volume, the capital markets disruption of lender participation in the FFEL Program and the cessation of new loan guarantees in the FFEL Program after June 30, 2010.

Also, for the federal fiscal year ended September 30, 2010, the decline in the percent of the 4 year university school type, with a corresponding increase in the percentages of 2 year colleges and proprietary schools, was due to the earlier entry and size of the transition of volume of 4 year universities compared to the other school types transitioning to the Federal Direct Student Loan Program.

[This Space Left Blank Intentionally]

Annual Education Loan Guarantees

	Federal Fiscal Year Ended <u>9/30/2010</u>	Federal Fiscal Year Ended <u>9/30/2009</u>	Federal Fiscal Year Ended <u>9/30/2008</u>	Federal Fiscal Year Ended <u>9/30/2007</u>	Federal Fiscal Year Ended <u>9/30/2006</u>
Amount (000)	\$202,708	\$610,881	\$616,451	\$783,880	\$889,312
Loan Type	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
Stafford (Sub)	43.3	42.2	39.9	32.6	28.6
Unsubsidized Stafford	50.1	49.9	41.0	29.3	26.0
PLUS	6.6	7.9	8.1	6.7	5.2
Consolidation	<u>0.0</u>	<u>0.0</u>	<u>11.0</u>	<u>31.4</u>	<u>40.2</u>
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Amount (000)*	\$202,708	\$610,881	\$616,451	\$783,880	\$889,312
School Type*	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
4 Year University	70.8	82.4	83.4	83.0	81.0
2 Year College	12.6	9.4	9.9	10.2	10.5
Proprietary	<u>16.6</u>	<u>8.2</u>	<u>6.7</u>	<u>6.8</u>	<u>8.5</u>
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

*OCAP's system does not track Consolidation Loan approvals by institution type.

Outstanding Portfolio Composition

The composition of OCAP's outstanding loan principal guaranteed during the federal fiscal years has been as shown in the following table:

Composition of Outstanding Education Loan Guarantees

	Federal Fiscal Year Ended <u>9/30/2011</u>	Federal Fiscal Year Ended <u>9/30/2010</u>	Federal Fiscal Year Ended <u>9/30/2009</u>	Federal Fiscal Year Ended <u>9/30/2008</u>	Federal Fiscal Year Ended <u>9/30/2007</u>
Amount (000)	\$2,656,132	\$3,304,578	\$3,798,066	\$3,735,623	\$3,468,995
Loan Status	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
Interim	5.8	17.8	27.5	30.1	29.7
Deferred	14.1	15.3	11.5	11.1	11.0
Repayment	<u>80.2</u>	<u>66.9</u>	<u>61.0</u>	<u>58.8</u>	<u>59.3</u>
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
School Type*	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
4 Year Univ.	72.9	72.9	73.8	73.8	72.4
2 Year College	21.5	21.6	20.7	20.4	21.1
Proprietary	<u>5.6</u>	<u>5.5</u>	<u>5.6</u>	<u>5.8</u>	<u>6.5</u>
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

*OCAP's system does not track Consolidation Loan approvals by institution type.

Trigger Rate

Reimbursements by the Department of Education of claims paid by OCAP are subject to a sliding scale from 95% to 100%, depending on the date of first disbursement, if OCAP's "trigger rate" is below 5.0%. The Department of Education reimbursements can decrease to

75% to 90% if the trigger rate is 5.0% or greater. During the federal fiscal years indicated below, the trigger rate for OCAP has been as shown in the following table:

Trigger Rate of OCAP

<u>Federal Fiscal Year Ended 9/30</u>	<u>Trigger Numerator</u>	<u>Trigger Denominator</u>	<u>Rate</u>
2011	\$116,585,294	\$2,550,403,982	4.57%
2010	\$97,323,248	\$2,597,433,965	3.75%
2009	\$97,197,328	\$2,463,870,798	3.94%
2008	\$78,216,994	\$2,296,689,749	3.41%
2007	\$63,917,275	\$2,212,615,571	2.89%

OCAP is responsible as a co-insurer in each federal fiscal year for the difference between the claim amount paid to eligible lenders and the Department of Education’s reimbursement under the trigger rate formula.

Reserve Ratio

The reserve ratio is calculated on an accrual basis of accounting, using the sum of the Federal Fund balance with amounts reported for allowances and other non-cash charges added back into the balance. Prior years’ ratios were calculated on a cash basis using total cash and investments. The reserve ratio for OCAP for the past five Fiscal Years ended June 30 was as shown in the following Table:

Reserve Ratio of OCAP

<u>Fiscal Year Ended June 30</u>	<u>Reserve Ratio</u>	<u>Required Reserve Ratio</u>
2011	0.84%	0.25%
2010	0.71%	0.25%
2009	0.63%	0.25%
2008	0.63%	0.25%
2007	0.60%	0.25%

Federal Default Fees

The Deficit Reduction Act required, for FFEL Program loans guaranteed on or after July 1, 2006, the collection and deposit into a guarantee agency's Federal Fund of a federal default fee of 1% of loan principal. The fee had to be collected either by deduction from the borrower's proceeds of the loan or by payment from other non-federal sources.

Previously, OCAP charged the 1% default fee for loans it guaranteed. However, OCAP's default fee policy was modified and it paid half of the fee for loans guaranteed on/after June 1, 2008 through June 30, 2010. Various lenders paid the other 0.5% of the default fee on behalf of their borrowers.

Prior to July 1, 2006, guarantee agencies were allowed to collect a guarantee fee from borrowers for up to one percent of the student loan amount disbursed by eligible lenders. Generally, guarantee agencies waived this fee for several years prior to July 1, 2006. OCAP waived the guarantee fee for loans disbursed on or after July 1, 2001 and through June 30, 2006.

Default Rates and Collections

The gross and net (after collections) default rates for OCAP during the federal fiscal years indicated below have been as shown in the following table:

Default Rates Regarding OCAP

	Federal Fiscal Year Ended <u>9/30/2011</u>	Federal Fiscal Year Ended <u>9/30/2010</u>	Federal Fiscal Year Ended <u>9/30/2009</u>	Federal Fiscal Year Ended <u>9/30/2008</u>	Federal Fiscal Year Ended <u>9/30/2007</u>
Gross Default Rate	53.6%	37.7%	29.3%	26.7%	25.2%
Net Default Rate after Collections	10.5%	9.3%	8.5%	8.3%	8.0%

The Higher Education Amendments of 1998 reduced guarantee agencies' retention rate on collection recoveries from 27% to 24%. A reduction to 23% retention on collection recoveries became effective October 1, 2003, with a further reduction to 16% effective October 1, 2007.

In addition, pursuant to the Secretary's interpretation of the Higher Education Act, the retention rate paid by the Secretary on defaulted loans that are paid by the making of a Federal Consolidation Loan was 18.5%. The Deficit Reduction Act required guarantors beginning October 1, 2006 to remit to the Secretary a portion of the collection fees on default consolidations equal to 8.5% of principal and interest, effectively reducing retention on default consolidations to 10%.

Pending State Legislation and Litigation

There is no State legislation pending an effective date, or proposed for legislative action, with respect to OCAP or the Guarantee Fund.

There is no currently pending or, to the knowledge of the State Regents, threatened legal proceeding with respect to OCAP and the Guarantee Fund except for defaulted loan collection recovery efforts in the normal course of operations.

Status of Federal Matters

Regulations provide that a guarantee agency paying a claim more than 90 days after submission cannot file with the Department of Education for reinsurance. The regulations have had no adverse effect on the reserve fund status of OCAP.

Certain Federal Reserve Fund amounts were subject to recall by the Secretary on September 1, 2002 under Section 422 (h) and (i) of the Higher Education Act. These amounts had been provided for by OCAP over a period of five years. As of September 1, 2007, OCAP met its combined recall obligation of approximately \$6,644,024.

The Department of Education routinely conducts regular reviews or audits of guarantee agencies, such as OCAP, for compliance with various aspects of the Higher Education Act. During Fiscal Year 2007, the Department of Education conducted reviews of the Department of Education payments made to FFEL program lenders and guarantee agencies. OCAP's review was conducted in May 2007. OCAP's written report on this review from the Department of Education was dated July 21, 2007. The report stated that "No instances of improper payments were found during our testing of the ED Form 2000 submissions. Therefore, the review is closed with the issuance of this report."

The Ensuring Continued Access to Student Loans Act of 2008 ("ECASLA") was enacted into law as a result of credit market conditions. Pursuant to this legislation, and subsequent legislative action, the Department of Education introduced two liquidity options for lenders for loan periods in the 2008-2009 and 2009-2010 academic years.

The first option was the Loan Participation Purchase Program whereby the Department of Education offered to purchase participation interests in loans. The participation interests could

be paid off directly by the lender or the lender could opt to sell (also known as “put”) the loans in the facility to the Department of Education. The second option was called the Loan Purchase Commitment Program. It involved the sale of loans to the Department of Education following final disbursement of a loan.

The potential impact to guarantee agencies included the loss of guarantees when loans are “put” to the Department of Education. Through September 30, 2011, the end of the ECASLA financing program, \$1.001 Billion of OCAP’s loans were put to the Department of Education. This resulted in a decrease in the outstanding loan amount which is used in the calculation of the Account Maintenance Fee (AMF) as well as a reduction in the denominator for the Reserve Ratio. The loans which were put also resulted in a reduction in future lender claims due to the guarantee no longer being with OCAP.

The Reconciliation Act effective July 1, 2010, required all future federal student loans to be made in the Federal Direct Student Loan Program. Guarantors are required to continue to provide services for outstanding FFEL Program borrowers, including default prevention, claim payment and default collections. However, lenders are precluded from continuing to disburse federal student loans. In addition to continuing to provide services related to the \$2.7 Billion outstanding portfolio, OCAP plans to continue to provide and expand important student support services including default prevention, financial literacy and college access/outreach programs. This business strategy is supported by an amendment to the enabling statute which authorizes State Regents to contract with any necessary parties to provide these types of services and a corresponding change in name from OGSLP to OCAP.

Additionally, there are ongoing discussions with the Department of Education concerning additional revenue streams for guarantee agencies to support expansion of student support services eliminating any potential services gaps as a result of the transition to all loans being made in the Federal Direct Loan Program. This includes discussion in the President’s 2012 federal budget proposal regarding his intent to execute Variable Flexible Agreements with guarantee agencies to enhance the integrity of the student loan programs, and, more recently, a notice in the Federal Register dated May 31, 2011 inviting guaranty agencies to submit proposals to participate in a Voluntary Flexible Agreement.

The deadline for submission of a proposal either as an individual guaranty agency or as a member of a team of guaranty agencies was August 1, 2011. Guaranty agencies whose proposals are accepted by the Department of Education will operate under the requirements of the negotiated VFA in lieu of their existing guaranty agency agreement. OCAP is participating in the VFA proposal process and anticipates upcoming discussions. Any negotiated VFA with the Department of Education is intended to enhance the integrity and stability of the FFEL Program with additional or modified revenue streams to support expansion of student support services and eliminate any potential services gaps as a result of the transition to 100% Direct Lending. The result of OCAPs’ participation in the VFA proposal process is not yet known.

APPENDIX D

GENERAL DESCRIPTION OF



CUSIP Base Number: 679110

Financial Information Web Site: www.OSLAfinancial.com

OKLAHOMA STUDENT LOAN AUTHORITY

525 Central Park Drive, Suite 600
Oklahoma City, Oklahoma 73105-1706

Telephone (General): 405-556-9200

E-mail: finance@OSLA.org

Dated: April 30, 2012

TABLE OF CONTENTS

Operating Business

General	D-1
FFEL Program Loan Guarantees	D-2
FFEL Program Activity	D-2
Other Information	D-4

Organization and Powers

Organization.....	D-4
Governance	D-5
Trust Indenture.....	D-5

Administration

Executive Management.....	D-6
Employees.....	D-8
Properties	D-8

Loan Finance Programs

Program Activity Summary	D-9
Guaranteed FFEL Program	
Principal Balances	D-10
Guarantee of FFEL Program	
Loans.....	D-10
Secondary Market Loan	
Acquisition.....	D-12

FFEL Program Loan Data

Loan Type	D-12
School Type	D-14
Loan Status.....	D-15
Repayment Loan Delinquency.....	D-16
Loan Portfolio Interest Rates	D-17

Student Loan Servicing

Standards and Activities	D-17
OSLA Student Loan	
Servicing System	D-18
Federal Direct Loan	
Servicing Plans.....	D-19
Disaster Recovery Plan	
and Testing.....	D-20
Servicing Costs	D-20
Claims Filing Experience.....	D-21

Program Reviews

Federal Reviews.....	D-22
State Guarantee Agency Reviews.	
Guarantor Common Review	D-22
Initiative	D-22

Summary Debt Information

General	D-22
Credit Ratings	D-23
1995 Master Bond Resolution	D-24
Straight-A Funding Conduit	D-25
2010 A/B Bond Indenture.....	D-26
2011-1 Bond Indenture	D-26
Investments in Trust Funds	
and Accounts.....	D-27
Lease Obligations.....	D-27
Characteristics of Outstanding	
Debt.....	D-27
Annual Rebate Calculations.....	D-29

Financial Information

Audit Standards and Availability..	D-30
Compliance and Attestation	
Reports	D-30
Quarterly Unaudited Financial	
Statements	D-30
Other Information Available.....	D-30



**GENERAL DESCRIPTION OF THE
OKLAHOMA STUDENT LOAN AUTHORITY (“OSLATM”)**

CUSIP Base Number: 679110

This General Description is subject to change without notice. The presentation of this information does not mean that there has been no change in this information or in the affairs of OSLATM since the date hereof.

OPERATING BUSINESS

General

OSLA is an express public trust created in 1972 for the benefit of the State of Oklahoma. We are an eligible lender/holder, a loan servicer and a secondary market in the guaranteed Federal Family Education Loan (“FFEL”) Program under the Higher Education Act of 1965, as amended (the “*Higher Education Act*”). We perform loan servicing functions under the registered trade name “OSLA Student Loan ServicingTM”. According to the 2012 Servicing Volume Survey by the industry group Student Loan Servicing Alliance, at December 31, 2011, we were approximately the 15th largest FFEL Program loan servicer in the nation by number of FFEL Program loans serviced.

The Student Aid and Fiscal Responsibility Act of 2009 (“SAFRA”), Title II of the Health Care and Education Affordability Reconciliation Act of 2010 (the “*Reconciliation Act*”), became law on March 30, 2010. Beginning July 1, 2010, eligible lenders, including OSLA and our OSLA Student Lending Network of eligible lenders (the “*OSLA Network*”), were no longer allowed to originate FFEL Program student loans. Beginning July 1, 2010, all federal student loans began to be solely originated by the federal government pursuant to its Federal Direct Loan Program.

In the years prior to July 1, 2010, we originated loans and performed servicing of FFEL Program loans for as many as 45 other eligible lenders as members of the OSLA Network. Upon the elimination of new loan origination in the FFEL Program at July 1, 2010, we continued to service FFEL Program loan portfolios for 43 eligible network lenders. We purchased 34 of these portfolios with some of the proceeds of our pass through Taxable LIBOR-Indexed Floating Rate Bonds, Series 2011-1 which were issued on June 29, 2011.

Seven of the remaining OSLA Network lenders elected to hold their portfolios and have their student loans serviced by OSLA. Two remaining lenders who did not sell their portfolios to us elected to deconvert their loans to another loan servicer.

In addition, see the section of this General Description captioned “STUDENT LOAN SERVICING – Federal Direct Loan Servicing Plans” for additional information on our planning to become a

Not-For-Profit Servicer (“*NFP Servicer*”) to service Federal Direct Student Loans for the U.S. Department of Education (the “*Department of Education*”).

FFEL Program Loan Guarantees

In servicing a portfolio of education loans, we are required to use due diligence in the servicing and collection of loans in order to maintain the guarantee on the loan. In order to satisfy the due diligence requirements in servicing loans, we must adhere to specific activities in a timely manner throughout the life of the loan.

At June 30, 2011, approximately 87.7% of the FFEL Program student loans that we held were guaranteed by the Oklahoma State Regents for Higher Education (the “*State Regents*”) acting as the Oklahoma State Guarantee Agency and operating the Oklahoma College Assistance Program (“*OCAP*”). The State Regents administer and utilize the guarantee fund established in the State Treasury by Title 70, Oklahoma Statutes 2011, Sections 622 and 623, to guarantee FFEL Program loans.

Numerous eligible lenders make education loans guaranteed by the State Regents’ OCAP. The guarantee fund administered by the State Regents is not a reserve for our bonds or notes or our education loans only, but is an insurance reserve established in respect to any claims that might be submitted by any participating eligible lender with regard to FFEL Program loans guaranteed by the State Regents’ OCAP.

Although the State Regents’ OCAP is our primary loan guarantor, the State Regents’ OCAP is a separate legal entity from us, and the members of the State Regents and the trustees of OSLA do not overlap. In addition, our administrative management and the management of the OCAP are separate.

FFEL Program Activity

Consolidation Loans combine and refinance the various education loans of a borrower. We originated the Consolidation Loans that we hold. However, in July 2008, we suspended originating Consolidation Loans due to a significantly reduced yield on these loans that were made on or after October 1, 2007, a required rebate of a significant part of that yield to the federal government and market difficulties in financing this type of loan. At June 30, 2011, Consolidation Loans comprised almost 52% of the FFEL Program loans that are in repayment status and approximately 45% of all FFEL Program loans that we hold.

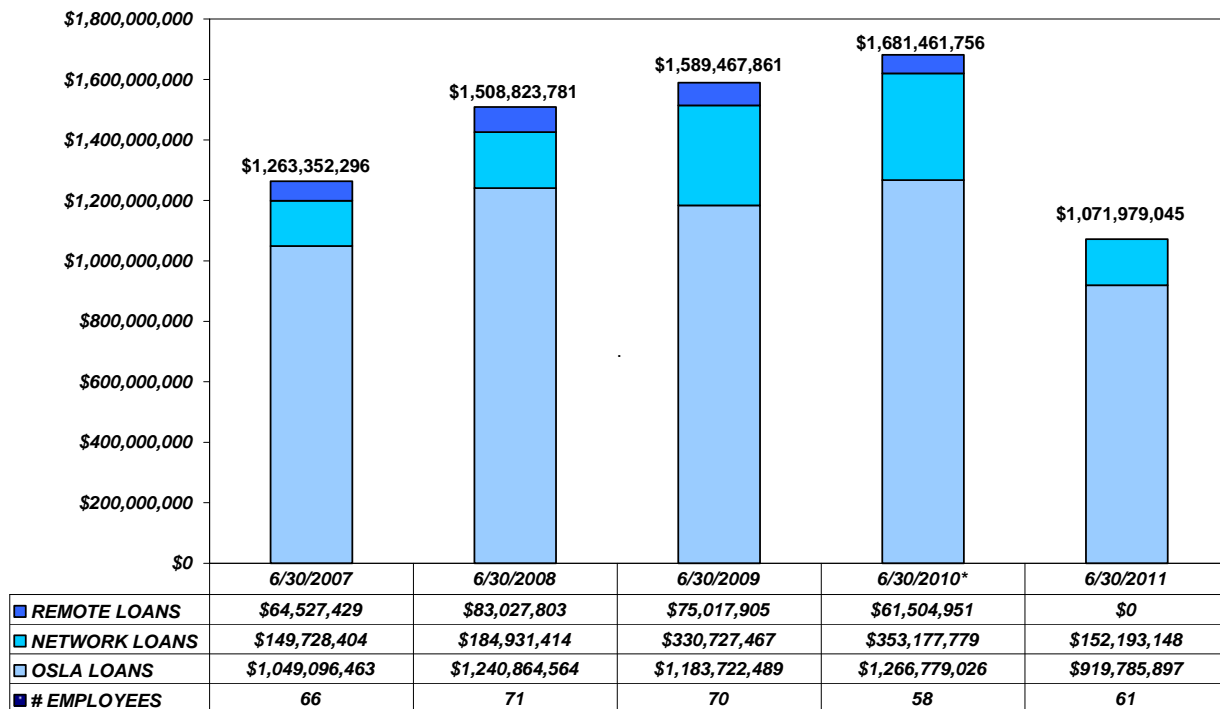
We utilized several of the programs made available through the Ensuring Continued Access to Student Loans Act (“*ECASLA*”). OSLA staff developed internal applications necessary to participate in the Department of Education’s Loan Participation Program and Loan Sale Program, and in the Straight-A Funding Asset Backed Commercial Paper Conduit Program. OSLA participated \$295,842,000 in loans through the Loan Participation Program. Additionally, \$853,895,000 in loans that we owned or serviced were put to the Department of Education under the Loan Sale Program. We also issued \$328,000,000 in Funding Notes through the Straight-A Funding Asset Backed Commercial Paper Conduit Program which is authorized in ECASLA.

The Department of Education offers Federal Direct Consolidation Loans where borrowers of OSLA held loans could prepay our FFEL Program loans. The effect of such actions may be more pronounced because of the large amount of OSLA and Network Lender loans that were put to the Department of Education under the ECASLA Loan Sale Program. If such consolidation occurs, the result would be to increase prepayment of our debt obligations and reduce future loan servicing income received from our trust estates.

Furthermore, in October 2011, President Obama announced a program permitting students with both FFEL Program loans and Federal Direct loans to consolidate their existing FFEL Program loans into the Department of Education’s Direct Loan program during the period from January 1, 2012 through June 30, 2012. Such students will receive up to a 0.5% interest rate reduction on the FFEL Program loans consolidated. The terms and conditions of such students existing student loans would continue. FFEL Program loan holders, such as OSLA, would be paid 100% of outstanding principal and interest balance on any FFEL Program loans consolidated. Such payments would be treated as a prepayment of the FFEL Program loans consolidated.

At the dates indicated in the Table below, we managed FFEL Program loans that we owned (including uninsured loans) plus loans serviced for other eligible lenders in the OSLA Network, with current principal balances as shown in the following Graph and Table:

**OSLA - All Student Loans Managed
Current Principal Balance**



*As of June 30 2010, these totals included: \$40,371,558 of Remote Loans, \$126,328,307 of Network Loans and \$257,697,365 of OSLA Loans that were pending sale to the Department of Education through the ECASLA Put Process.

At March 31, 2012, the principal amount of FFEL Program education loans serviced by us was approximately \$855 million compared to the \$1.072 billion in the Table above that were serviced at June 30, 2012. This change was accounted for by run-off of the portfolio and the deconversion of loans to another servicer by one of the lenders that was serviced at June 30, 2011.

The education loan industry is highly competitive. We compete with numerous local and national lender/holders and loan servicers that participate in the FFEL Program. Many of the participants in the education loan program that compete with us are larger, have more extensive operations and greater financial resources.

In our Supplemental Higher Education Loan FinanceTM (*SHELFTM*) Program for private loans, we originated and hold education loans that are *not* guaranteed under the Higher Education Act. The origination of SHELF loans was discontinued as of July 1, 2008. At June 30, 2011, the Guarantee Reserve Account of our General Student Loan Fund had a balance of approximately \$138,900 and SHELF loans had an outstanding principal balance of approximately \$2,635,000 million. Consequently, SHELF loans are *not* a material portion of the loans that we own. In addition, SHELF loans are not included in any of our debt financings.

Other Information

Our Fiscal Year is from July 1 of each year through June 30 of the next year. We receive no appropriated funds from the State of Oklahoma for our operating expenses. We pay all expenses from revenues derived from the administration of, and loan servicing for, our various education loan programs. At June 30, 2011, our total assets were approximately \$1,036,819,457, (\$869,136,344 at March 31, 2012, unaudited), while total liabilities were approximately \$974,043,052, (\$809,619,655 at March 31, 2012, unaudited), leaving a fund balance (equity) of approximately \$62,776,405 (\$59,516,689 at March 31, 2012, unaudited).

We issue bonds and notes as a municipal issuer. The bonds and notes issued by us to finance our FFEL Program loans are not general obligations, but are limited revenue obligations payable solely from the assets of the trust estates created for particular financings by various bond resolutions or indentures.

Our offices are located at 525 Central Park Drive, Suite 600, Oklahoma City, OK 73105-1706. The general telephone number is (405) 556-9200; and the facsimile transmission number is (405) 556-9255. Our general e-mail address is *info@OSLA.org*. Certain operating and financial information about us is available on the internet at our separate *website* located at “*www.OSLAfinancial.com*”.

ORGANIZATION AND POWERS

Organization

We were created by an express Trust Indenture dated August 2, 1972 in accordance with the provisions of the:

- Student Loan Act at Title 70, Oklahoma Statutes 2011, Sections 695.1 *et seq.*, as amended; and
- Public Trust Act at Title 60, Oklahoma Statutes 2011, Sections 176 to 183.3, inclusive, as amended.

Governance

We are governed by a Board of five trustees who are appointed by the Governor of the State of Oklahoma, subject to the advice and consent of the State Senate, for overlapping five (5) year terms. The present trustees of OSLA and their principal occupations are as follows:

<u>Name</u>	<u>Office</u>	<u>Term Expiration</u>	<u>Principal Occupation</u>
Patrick T. Rooney	Chairman	April 6, 2015	Chairman, First Bancorp of Oklahoma, Inc.; Oklahoma City, OK
John Greenfield ¹	Vice Chairman	April 6, 2011	Superintendent, Davenport Public Schools; Davenport, OK
Hilarie Blaney ²	Secretary	April 6, 2017	Senior Vice President, BancFirst; Oklahoma City, OK
Tom Fagan	Assistant Secretary	April 6, 2014	Vice President for Administration and Finance, Southwestern Oklahoma State University; Weatherford, OK
Kathy Elliott	Trustee	April 6, 2013	Associate Vice President & Controller, Oklahoma State University; Stillwater, OK

¹ If no appointment or reappointment is made, an existing trustee continues to serve until a successor is appointed.

² BancFirst is a 3rd party loan servicing customer of OSLA.

Trust Indenture

The Trust Indenture creating OSLA, and Oklahoma law, empower us to incur debt and to secure such debt by lien, pledge or otherwise. In addition, the trustees of OSLA are authorized to make and perform contracts of every kind, and to do all acts necessary or desirable for the proper management of the trust estate. We may bring any suit or action that is necessary or proper to protect the interests of the trust estate, or to enforce any claim, demand or contract.

Under the Public Trust Act and the Trust Indenture creating OSLA, the trust can not be terminated by voluntary action if there is any indebtedness or fixed term obligations outstanding, unless all owners of such indebtedness or obligations consent in writing to the termination.

ADMINISTRATION

Executive Management

Our day-to-day management is vested in a President and Executive Staff appointed by the Trustees of OSLA. Our present executive officers are listed below.

James T. Farha, Esq, President. Mr. Farha became President and Chief Executive Officer of OSLA in June, 1999. From 1998 until assuming his current position, he was a practicing attorney with Kerr, Irvine, Rhodes & Ables, Oklahoma City, Oklahoma. Prior to that, he was President and Chief Executive Officer and a Member of the Board of Directors for Standard Life and Accident Insurance Company, Oklahoma City, Oklahoma.

Mr. Farha serves as a ex-officio Director, and was Chairman, of the Education Finance Council. He has served as a Director of the National Council of Higher Education Loan Programs; as a Director/Vice Chairman, and Chairman for the Oklahoma Life and Health Guaranty Association; Director, Past Treasurer and Chairman for the National Organization of Life and Health Guaranty Associations; and Director/President for the Association of Oklahoma Life Insurance Companies.

Mr. Farha is a member of the American Bar Association, the Oklahoma Bar Association, the Association of Life Insurance Counsel as well as various civic organizations. He received his Associate in Arts degree from Wentworth Military Academy in 1961, his Bachelor of Business Administration degree from the University of Oklahoma School of Business in 1963, and his Juris Doctor degree from the University of Oklahoma College of Law in 1966.

W. A. Rogers, C.P.A., Controller and Vice President – Operations. Mr. Rogers has been employed by OSLA as Controller since October 1991. His primary duties as Controller are the production of accrual basis financial statements, related management reports and the management of systems related thereto. In 1995, Mr. Rogers also assumed responsibility for OSLA loan servicing operational functions.

From 1987 to 1991, Mr. Rogers was the Controller for W. R. Hess Company of Chickasha, Oklahoma, a gasoline jobber and retailer of computer hardware and software. From 1981 to 1987, Mr. Rogers worked in public accounting in Oklahoma City where his duties included auditing, management advisory services and tax compliance work for a variety of governmental, non-profit and commercial entities.

Mr. Rogers received a Bachelor of Science degree in 1978 from Arkansas State University and received his CPA certificate in July 1983. He is a member of the American Institute of Certified Public Accountants.

Larry Hollingsworth, Vice President – Loan Management. Mr. Hollingsworth has been employed by OSLA since April, 2006. His primary duties include management of two teams – Account Maintenance which provides customer service for current accounts and Asset Management, which handles collections and claims.

Prior to joining OSLA, Mr. Hollingsworth was involved in financial aid on university campuses for twenty-seven years. He served as Director of Student Financial Services at Southwestern Oklahoma State University in Weatherford, OK from 1992 to 1995 and from 2004 to 2006; as Director of Student Financial Services at Oklahoma Baptist University, Shawnee, OK from 1995 to 2004; and as Financial Aid Director at Oklahoma Christian University, Oklahoma City, OK from 1980 to 1992.

While working in financial aid, Mr. Hollingsworth served on numerous state, regional and national financial aid committees and held offices as Treasurer and President of the Oklahoma Association of Student Financial Aid Administrators and Conference Chairman for the Southwest Association of Student Financial Aid Administrators. Mr. Hollingsworth was a state and regional trainer and made frequent financial aid presentations at annual conferences.

Mr. Hollingsworth received his Bachelor of Science degree in Education at Oklahoma Christian University in 1972.

Tonya Latham, Vice President - Information Technology Services. Ms. Latham has been employed by OSLA since November 2002. Her primary duties are managing the Information Technology staff in administration of the systems for loan portfolio servicing, information management and communications. In addition, she has responsibility for project management, information security and strategic technology planning.

Prior to joining OSLA, Ms. Latham was the Director of Information Systems for Express Personnel Corporate Headquarters. Express Personnel is a franchise organization which supplies staffing solutions to companies throughout the United States and Canada. Ms. Latham was responsible for the overall direction and strategy of Express' Information Technology department which included the corporate applications and the network infrastructure. Ms. Latham was employed by Express from 1994 to 2002.

From 1989 to 1994, Ms. Latham was employed by Marketing Information Network. She served as Vice President of Product Development and Operations. Her responsibilities included the development of software applications for companies specializing in the management and brokerage of direct marketing mailing lists.

Kay Brezny, Vice President – Human Resources/Special Projects. Ms. Brezny has been employed by OSLA since September 2006. Her work now entails advocating for both OSLA and the employees with oversight of training, benefits, staffing, communication, performance improvement and recruiting. Special projects are related to OSLA's federal contractor status and others. Prior to her present duties, Ms. Brezny was in charge of marketing for OSLA.

Prior to joining OSLA, Ms. Brezny worked for 25 years in healthcare marketing in Oklahoma. Most recently she served from 1999-2006 as director of marketing for Deaconess Hospital in Oklahoma

City, a for-profit hospital owned by Triad Hospitals Inc. Her work included media relations, marketing plans, publications, physician marketing and strategic planning. Prior to that, she held positions with Bone & Joint Hospital/McBride Clinic, St. Anthony Hospital and HCA Management Company.

Ms. Brezny serves on the Oklahoma State University Alumni Association Board and is a graduate of Leadership Oklahoma City, Class XXII. She graduated from Oklahoma State University in 1981 with a Bachelor of Science degree in journalism/public relations.

Employees

At March 31, 2012, we had approximately 59 full time equivalent employees, including the individuals listed above, which was down from approximately 70 full time equivalent employees at June 30, 2009. The primary reason that the number of employees was down was the elimination of loan origination and field marketing activities because of the changes in the FFEL Program under SAFRA. We expect to add additional employees in the near future in conjunction with the commencement of loan servicing activities as a NFP servicer for the Department. The statutory full time equivalent limit on OSLA employees presently is 85.

Properties

Our offices, including the loan servicing center, are maintained under a lease agreement with an unaffiliated third party. That lease was extended recently and presently expires January 31, 2018.

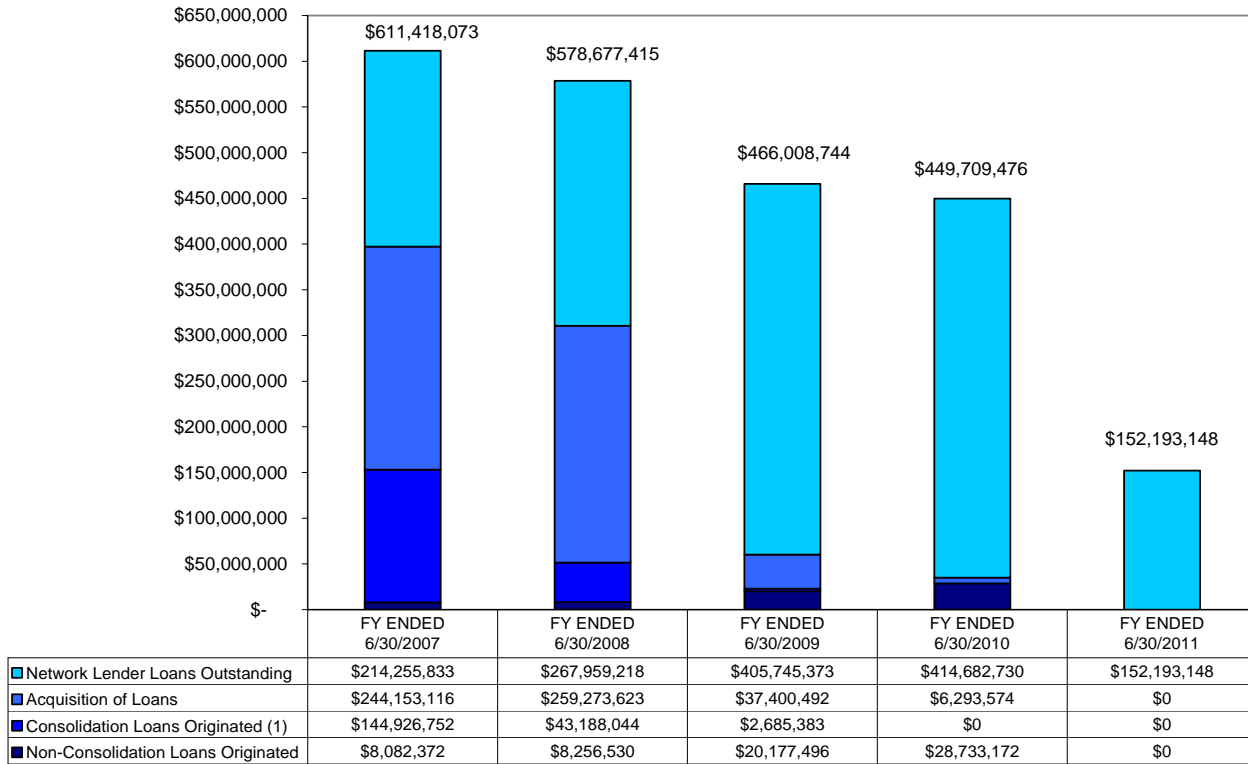
[This Space Left Blank Intentionally]

LOAN FINANCE PROGRAMS

Program Activity Summary

At the dates indicated in the Table below, our total loan financing activity in the FFEL Program was approximately as shown in the following Graph and Table:

OSLA - FFEL PROGRAM ACTIVITY
Current Principal Balance of Student Loans



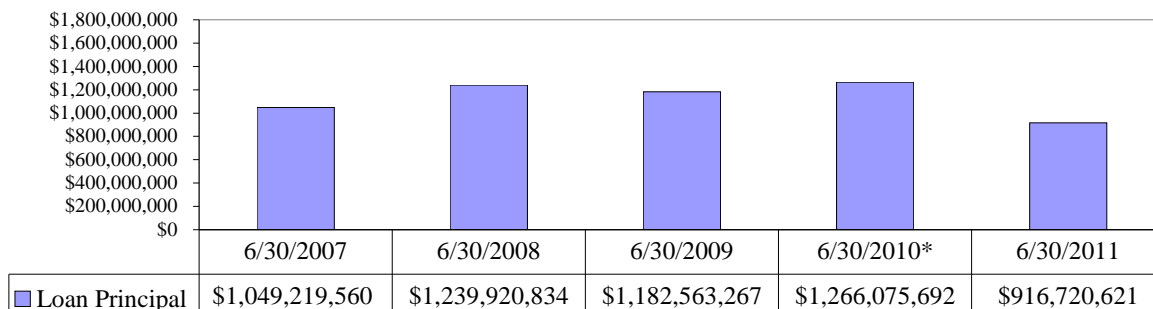
¹In the Fiscal Year ended June 30, 2008, 82% (88% in 2007) of Consolidation Loans that were originated paid off loans that were already owned by OSLA. The Authority suspended originating consolidation loans effective July 1, 2008.

[This Space Left Blank Intentionally]

Guaranteed FFEL Program Principal Balances

At the dates indicated in the Table below, the current principal balance of our guaranteed FFEL Program loan principal (exclusive of uninsured status loans) receivable from borrowers was approximately as shown in the following Graph and Table:

OSLA - FFEL PROGRAM LOANS OWNED
Current Principal Balance



*The June 30, 2010 Principal Balance included approximately \$260,000,000 that were sold subsequently to the Department of Education through the ECASLA program.

Average Borrower Indebtedness

<u>Loan Type</u>	<u>6/30/2007</u>	<u>6/30/2008</u>	<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>
Stafford Subsidized	\$ 5,230	\$ 5,775	\$ 5,338	\$ 4,487	\$ 4,634
Stafford Unsubsidized	\$ 5,806	\$ 6,610	\$ 6,275	\$ 5,469	\$ 5,804
PLUS/GRAD/SLSS	\$ 7,477	\$ 9,047	\$ 8,592	\$ 8,176	\$ 7,205
Consolidation	\$20,835	\$21,230	\$21,145	\$20,959	\$20,867

Guarantee of FFEL Program Loans

Under contracts with guarantee agencies, as a lender/holder of FFEL Program loans, we are entitled to a claim payment from the guarantee agency for 97% (98% for loans first disbursed on or before June 30, 2006) resulting from any proven loss from default (generally, a failure of the borrower to honor their repayment obligation for 270 days), or 100% of any proven loss resulting from death, permanent and total disability, discharge in bankruptcy of the borrower or on a lender of last resort loan. As an eligible lender/holder that services our own FFEL Program loans, we are required to use due diligence in the servicing and collection of loans in order to maintain the guarantee.

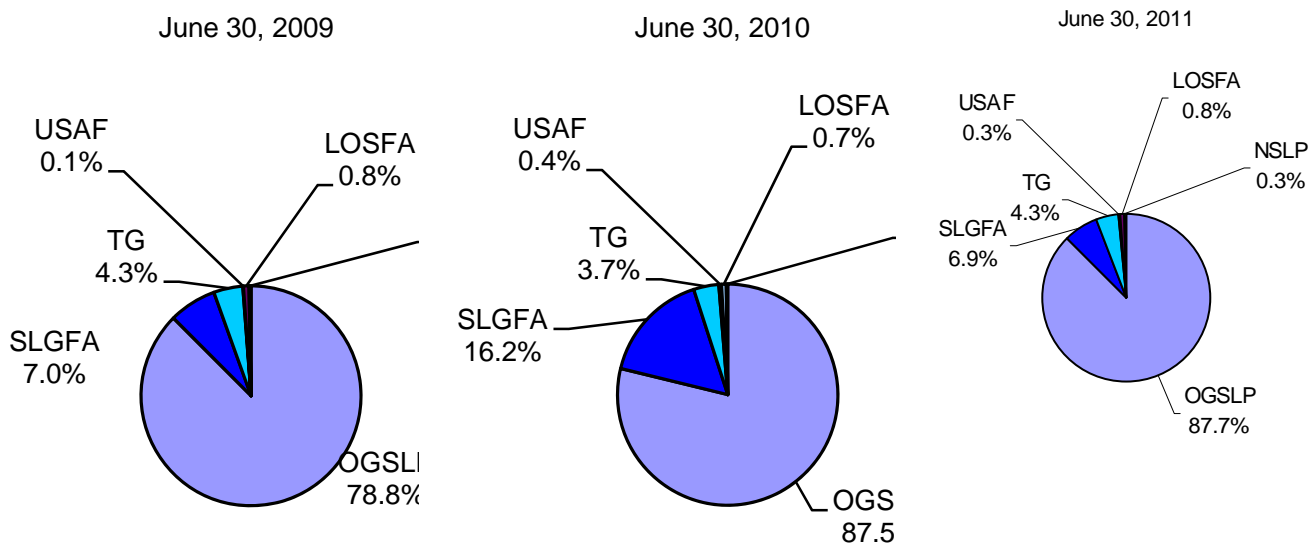
Pursuant to a guarantee agreement and a supplemental guarantee agreement with the Department of Education, a guarantee agency is reinsured and reimbursed for amounts expended by it in the discharge of its guarantee obligations. The formula for reinsurance amounts ranges from 100% to 75% depending on the time the student loan was made, the claims “trigger rate” of the applicable guarantee agency, whether the loan was a lender of last resort loan, and whether the claim is for default, bankruptcy, death or permanent and total disability.

Loans financed by us are guaranteed to the extent provided for in the Higher Education Act by:

- Oklahoma State Regents for Higher Education, College Assistance Program (*OCAP*), formerly the Guaranteed Student Loan Program (*OGSLP*), Oklahoma City, OK;
- Student Loan Guarantee Foundation of Arkansas, Inc. (*SLGFA*), Little Rock, AR;
- Texas Guaranteed Student Loan Corporation (*TG*), Austin, TX;
- United Student Aid Funds, Incorporated (*USAF*), Indianapolis, IN;
- Louisiana Student Financial Assistance Commission (*LOSFA*), Baton Rouge, LA;
- Colorado Department of Higher Education – College Access Network, Denver, Co; and
- National Student Loan Program (*NSLP*), Lincoln, NE.

At the dates indicated below, the guarantee agency composition of our guaranteed FFEL Program loan principal was approximately as shown in the following Graphs:

OSLA – FFEL PROGRAM GUARANTEE COMPOSITION
Share of Current Principal Balance



OCAP - Okla. State Regents College Assistance Program, formerly called OGSLP
 SLGFA - Student Loan Guarantee Foundation of Arkansas, Inc.
 TG - Texas Guaranteed Student Loan Corporation

USAF - USAF Incorporated
 LOSFA - Louisiana Student Financial Assistance Commission
 NSLP - National Student Loan Program

Secondary Market Loan Acquisition

We established the OSLA Network of eligible lenders in August 1994 to further our secondary market activities. We performed loan application processing and disbursement services and until June 30, 2011, performed servicing of FFEL Program loans for the OSLA Network of 43 lenders pursuant to separate education loan servicing agreements between us and each participating lender. On June 29, 2011, we acquired loans from 34 of the OSLA Network lenders.

Presently, we service loans for seven other OSLA Network lenders. We indemnify each of the OSLA Network lenders against any servicing errors made by us in the performance of this work. Due to the discontinuance of new loan origination in the FFEL Program, the acquisition of most of the OSLA Network lender portfolios and the transition from purchasing loans to servicing them, our secondary market activities now are inactive.

FFEL PROGRAM LOAN DATA

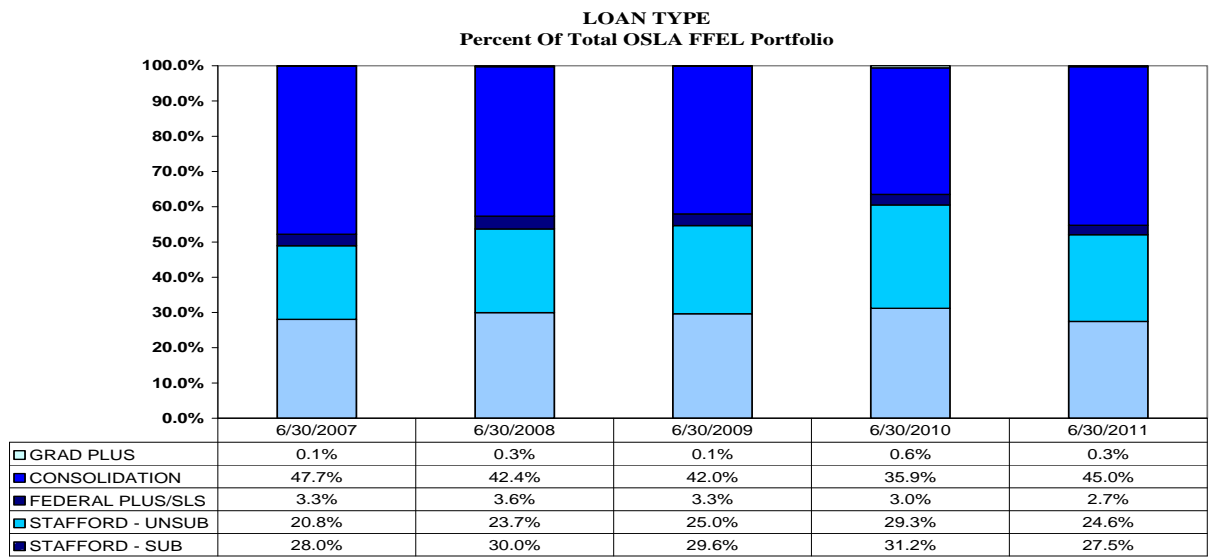
Loan Type

One of the major trends from our Fiscal Year 2000 through our Fiscal Year 2004 was an increasing concentration of the Consolidation Loan type in our portfolio as we consolidated loans of our borrowers. This trend was accelerated in the Fiscal Years ended June 30, 2005 and 2006 by the eligibility of in-school students to consolidate at a fixed rate of interest and the economic incentive to consolidate before significant annual variable rate increases on July 1, 2005 and 2006.

Consolidation loans require us to pay a monthly rebate to the Department of Education at an annual rate of 1.05% of principal and accrued borrower interest. This burden is offset partially by a higher average borrower indebtedness that lowers servicing cost relative to loan principal, by a lower delinquency rate that reduces collection cost and by a lower default rate that reduces claims filing cost. We have not purchased Consolidation Loans from outside parties. Our origination of all Consolidation Loans was discontinued as of July 1, 2008.

[This Space Left Blank Intentionally]

At the dates indicated below, the current principal balance of our Eligible Loans by loan type was approximately in the percentages shown in the following Graph and Table:



The following Table indicates the concentration of Consolidation Loans in our repayment status portfolio, including loans in forbearance status, at the dates indicated below:

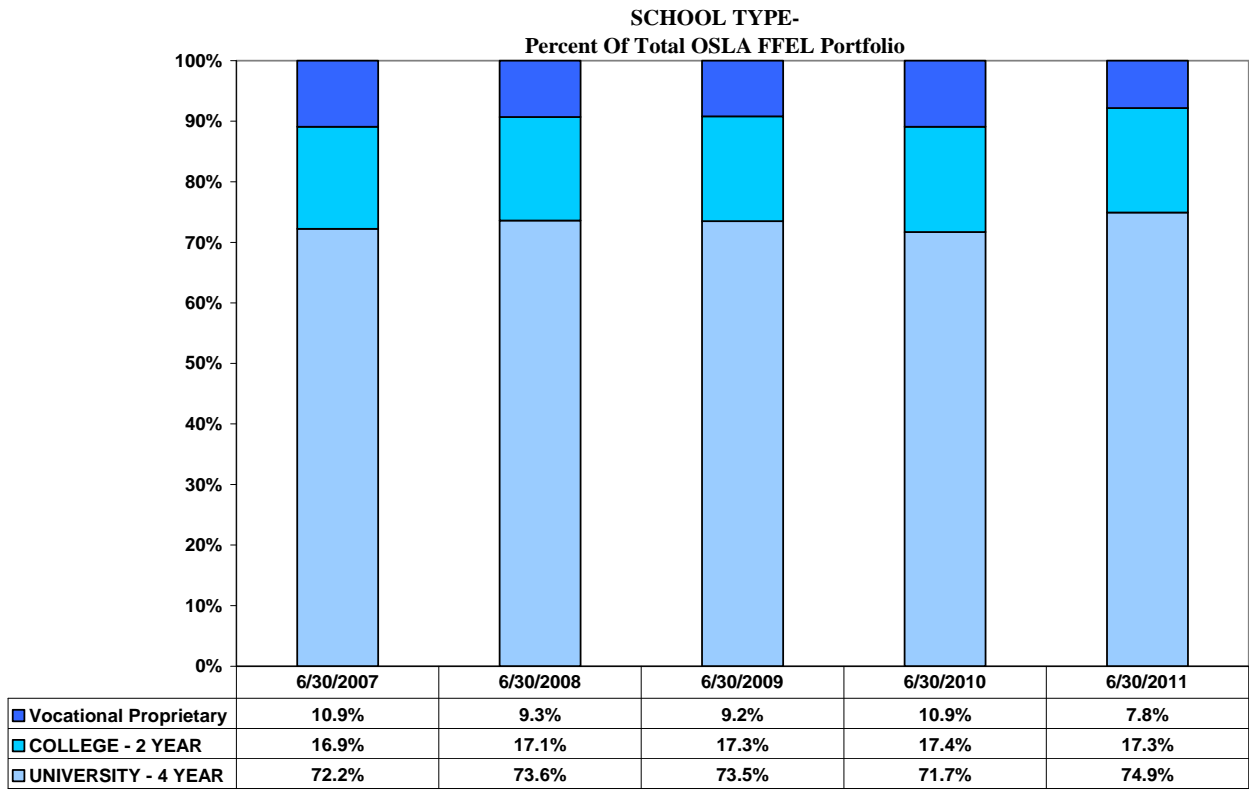
Consolidation Loan Share of Repayment Portfolio

<u>6/30/2007</u>	<u>6/30/2008</u>	<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>
52.3%	55.1%	52.4%	50.9%	52.1%

[This Space Left Blank Intentionally]

School Type

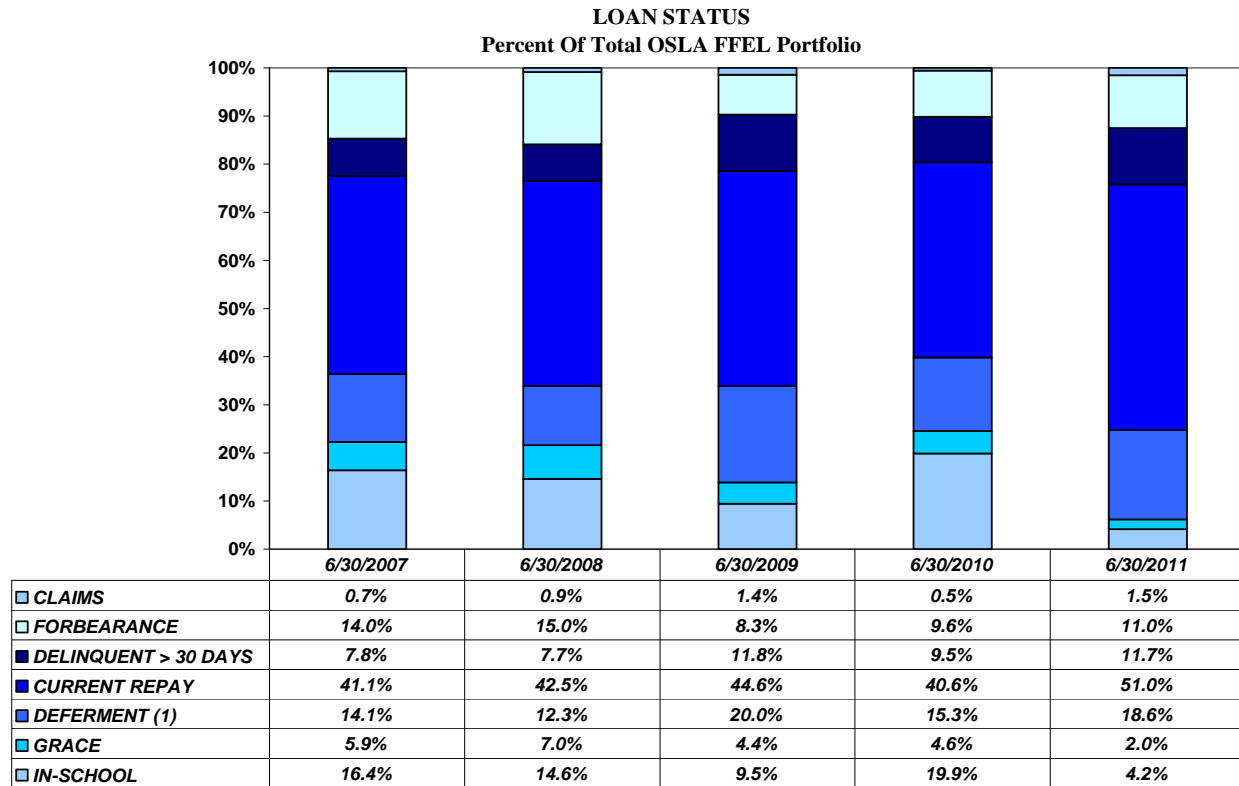
At the dates indicated below, the current principal balance of our guaranteed FFEL Program loans by school type, *exclusive of Federal Consolidation Loans that are not generally reported by school type*, was approximately in the percentages shown in the following Graph and Table:



[This Space Left Blank Intentionally]

Loan Status

At the dates indicated below, the current principal balance of our guaranteed FFEL Program loans by loan status was approximately in the percentages shown in the following Graph and Table:

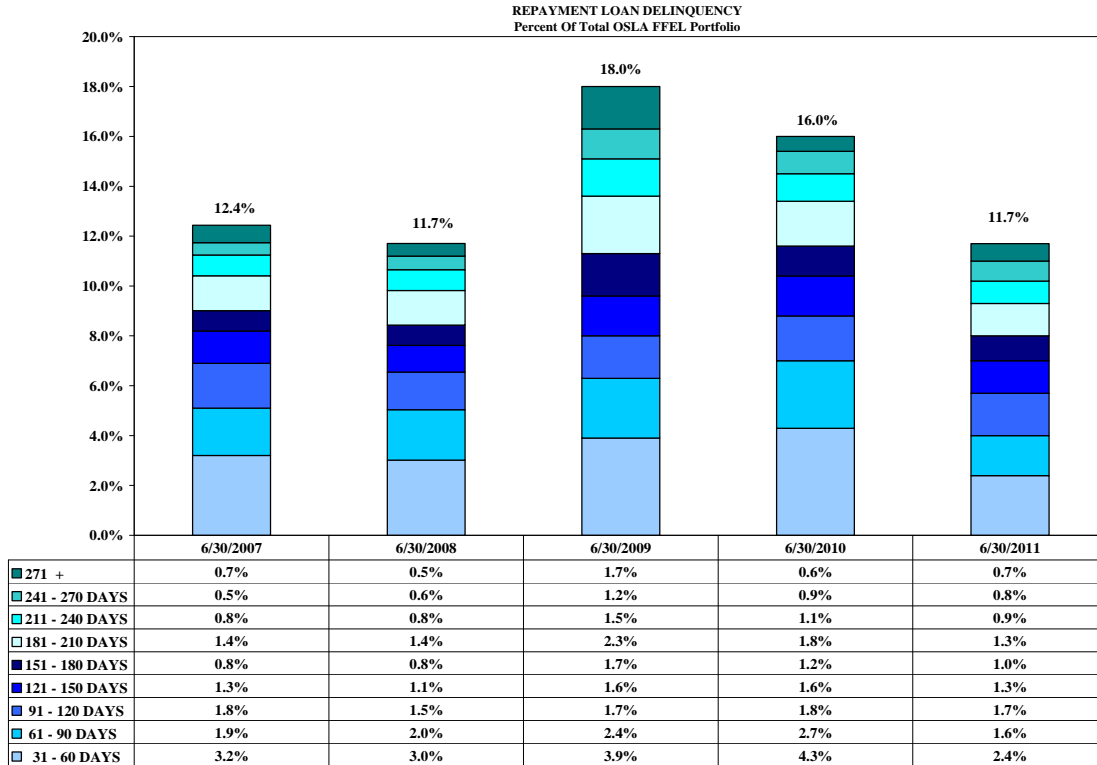


¹At June 30, 2011, approximately 53.1% of this category (51.6% at June 30, 2010, 51.2% at June 30, 2009, and 51.0% at June 30, 2008) were Subsidized Stafford loans or certain Consolidation Loans on which the Department of Education pays interest during deferment.

[This Space Left Blank Intentionally]

Repayment Loan Delinquency

At the dates indicated below, the delinquency rates of the current principal balance of our loans that were in repayment status, including forbearance status loans, were approximately in the percentages shown in the following Graph and Table:



However, delinquency rates can be seasonal. At March 31, 2012, the delinquency rate by principal amount of FFEL Program loans was 15% compared to 19% at March 31, 2011. In addition, at the dates indicated below, total delinquency rates varied widely by loan type as shown in the following Table:

Repayment Loan Delinquency By Loan Type

<u>Loan Type</u>	<u>6/30/2007</u>	<u>6/30/2008</u>	<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>
Stafford	23.0%	18.8%	27.7%	24.0%	24.5%
PLUS/GRAD/SLS	9.0%	7.5%	11.4%	10.3%	11.5%
Consolidation	7.2%	7.5%	11.9%	11.4%	17.3%

Loan Portfolio Interest Rates

The rate we earn on FFEL Program loans is called the lender's yield. The lender's yield is determined by the Special Allowance Payment from the Department of Education. Special Allowance Payments are made to lenders in the FFEL Program to ensure that lenders receive an equitable return on their loans.

In general, the amount of a Special Allowance Payment is the difference between the amount of interest the lender receives from the borrower or the government and the amount that is provided under requirements in the Higher Education Act. The interest amount provided under the Higher Education Act is determined quarterly and has been based on an index of either: (1) the quarterly average of three-month financial commercial paper (the "Commercial Paper Index"), or (2) the ninety-one day U.S. Treasury Bill rate; plus the legislated Special Allowance Payment subsidy. For loans first disbursed on or after April 1, 2006, interest collected from borrowers is limited to the Special Allowance Payment calculation. In these circumstances, we rebate the calculated excess interest back to the Department of Education.

Substantially all of our FFEL Program Loans had a lender's yield based on the Commercial Paper Index. A recent omnibus spending bill, contained an election to allow a lender/holder of FFEL Program loans, such as OSLA, to switch from the Commercial Paper Index to 1-Month LIBOR index if, by April 1, 2012, the holder of the loan affirmatively and permanently waives all contractual, statutory, or other legal rights to a special allowance paid pursuant to the Commercial Paper Index in effect at the time the loans were first disbursed. We filed the election and waiver to change the Special Allowance Payment index on the loans that we own to the 1-Month LIBOR index on March 30, 2012 and that filing was accepted and the election approved by the Department.

STUDENT LOAN SERVICING

Standards and Activities

We have serviced our own loans, and performed third party servicing of the loans of the OSLA Network, since 1994. With the termination of new loan origination in the FFEL Program effective on July 1, 2010, loan servicing activities performed by us include:

- Customer service, which we measure performance by surveying a sample of borrowers continuously and report the survey results quarterly on our investor web site OSLAfinancial.com under the "Continuing Financial Disclosure" tab;
- Loan account maintenance, including production of notices and forms to borrowers and the resulting processing;
- Billings 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 for ourselves and the OSLA Network.

We are required to use due diligence in 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:

- Diligent efforts to contact a delinquent borrower by written correspondence and telephone;
- Skip tracing if a borrower has an invalid phone number or address;
- Requesting default aversion assistance from the guarantor of the loan between 60 and 120 days of delinquency;
- 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 Student Loan Servicing System

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

- An IBM iSeries computer acquired in October 2005 that we own, which replaced an earlier iSeries model, resulting in a significant upgrade in configuration, processing capability and memory storage;
- iSeries related operating and database software that we license from IBM;
- Personal computers and an NT based local area network;
- Student Loan Servicing System software that we licensed on a perpetual basis from Idaho Financial Associates, Inc., now 5280 Solutions, LLC, a wholly owned subsidiary of Nelnet, Inc., Lincoln, Nebraska ("*Nelnet*"); and
- Ancillary software programs of proprietary software and database query reports that we developed and various commercial software applications licensed from multiple vendor sources.

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 licensed student loan servicing software;

- Participation in 5280 Solutions, LLC licensed student loan servicing software users' group which is responsible for compliance of the student loan servicing software with the Higher Education Act and other applicable law;
- Exchanges of data files with various third party trading partners;
- Any necessary or desirable ancillary programming for loan servicing functionality not provided by the licensed student loan servicing software; and
- Necessary or desirable internet functionality related to loan servicing.

Federal Direct Loan Servicing Plans

As mentioned previously, SAFRA became law on March 30, 2010. Beginning July 1, 2010, all federal student loans began to be solely originated by the federal government pursuant to its Direct Loan Program.

SAFRA requires the Secretary of the Department of Education to contract with eligible and qualified NFP Servicers to service loans within the Federal Direct Loan Program. In the summer of 2010, OSLA responded to the information request and was among the first twelve NFP servicers that the Department of Education determined met the NFP eligibility criteria under SAFRA.

We performed significant due diligence on third party remote user Direct Loan Program servicing platforms provided by organizations that have already been awarded federal servicing contracts with the Department of Education. As a result, we selected Nelnet's Direct Loan Servicing system as our platform to service federally owned student loan assets. Nelnet currently is using the same platform for servicing Direct Loan Program student loans under contract with the Department of Education as a Title IV Additional Servicer ("*TIVAS*").

Next, we responded on December 1, 2010 to the Department's request for proposal, HCERA/SAFRA - Not-For-Profit (NFP) Servicer Program - Solicitation Number NPF-RFP-2010. The Department evaluated our response and announced on February 2, 2011 that OSLA was one of two entities initially permitted to proceed with entering into a Memorandum of Understanding ("*MOU*"), with the Department of Education. Nelnet was identified as our system subcontractor. Subsequently, we entered into a remote Hosted Service License Agreement with Nelnet Servicing, LLC, effective October 28, 2011, for provision of a Direct Loan servicing system (the "*System*") operated by Nelnet Servicing, LLC. The license agreement provides for a 5-year term, subject to various conditions, and is renewable for subsequent terms pursuant to a written agreement of the parties. Also, we have the option to use the System in the future for servicing our FFEL Program loans.

We entered into a MOU, as amended, as of April 13, 2011 for the purpose of satisfying requirements to obtain an Authorization to Operate and to receive a NFP Servicer contract award with the Department of Education. If we are awarded an Authorization to Operate and a servicing contract, servicing of Federal Direct Loan assets by us is scheduled in the MOU to begin on July 2, 2012.

We expect the revenue from servicing Federal Direct Loan Program student loans to be set at \$1.05 per month per borrower account in school or grace and \$2.32 per month per borrower account in

repayment. Delinquent loans are paid at a decreasing rate per month per borrower account as the days past due increase.

We understand that contracts with NFP servicers initially would carry a five year term. The Department of Education is expected to allocate 100,000 borrower accounts to each qualified NFP Servicer. An allocation of 100,000 borrower accounts represents a significant increase for us because we were servicing approximately 87,000 borrowers at June 30, 2011 (94,600 borrowers as of December 31, 2010) in our existing FFEL Program loan servicing portfolio.

Disaster Recovery Plan and Testing

OSLA has developed and implemented information security policies and practices. As part of these practices, we maintain a Disaster Recovery Plan that addresses a wide variety of outages. The plan contains recovery procedures for something as simple as a single server failure to the complex set of procedures for recovering the entire data center.

In addition to the disaster recovery document, OSLA has partnered with SunGard Recovery Services to provide OSLA with a cold site in the event that OSLA's location is rendered unusable.

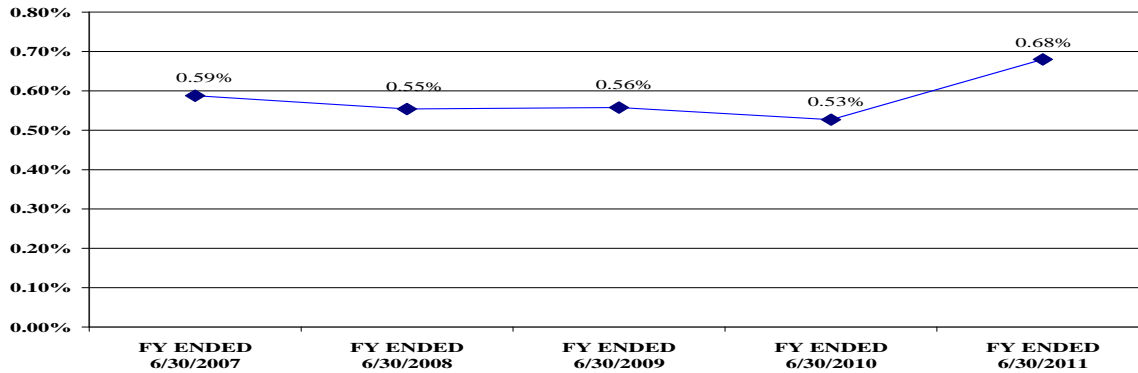
OSLA does internal recovery testing of all servers semi-annually and tests the full recovery plan at the SunGard center yearly. The most recent Disaster Recovery test was completed successfully during the period from April 8 through April 11, 2011.

Servicing Costs

At the dates indicated in the Graph below, our total annual operating cost (expressed as a percent of the average month end outstanding principal balance of loans serviced) was approximately as shown in the following Graph:

[This Space Left Blank Intentionally]

OSLA - LOAN SERVICING COSTS



Note: the percentage is the total annual operating cost of OSLA divided by the average of month end outstanding principal balances of loans.

*Annualized rate. The increase is attributable to lower monthly principal balances outstanding because of no new loan originations and the sales of loans owned or serviced that were sold to the Department of Education.

Claims Filing Experience

If we do not comply with the due diligence standards required by the Higher Education Act, a claim to the guarantee agency of the loan may be rejected. In such event, we can attempt to cure the rejected claim loan by various procedures. A cure within three years re-instates the guarantee.

During the Fiscal Years ended June 30, as indicated below, our cure experience was as shown in the following Table:

<u>Period Ended</u>	<u>Claims Filed</u>	<u>Rejected¹</u>	<u>Gross Rejection Rate</u>	<u>Cured¹ (cumulative)</u>	<u>Unresolved</u>	<u>Net Rejection Rate</u>
6/30/2011	\$81,955,544	\$189,910	0.23%	\$ 98,915	\$ 90,995	0.11%
6/30/2010	\$91,821,763	\$184,119	0.20%	\$ 64,280	\$119,839	0.13%
6/30/2009	\$71,638,799	\$461,091	0.64%	\$ 103,732	\$357,359	0.49%
6/30/2008	\$50,823,231	\$187,024	0.37%	\$ 16,314	\$170,710	0.34%
6/30/2007	\$37,261,708	\$ 50,309	0.14%	\$ 44,709	\$ 5,600	0.02%

¹Annual amounts are adjusted over the time period due to the reconciliation and capitalized interest from recovery.

PROGRAM REVIEWS

Federal Reviews

The Department of Education routinely conducts site program reviews of secondary markets and student loan servicers, such as OSLA, for compliance with various aspects of the Higher Education Act. The Department of Education conducted a Program Review with OSLA as a loan servicer during the week of May 2, 2011.

In October 2011, the Department of Education issued its draft Program Review Report that listed two items of noncompliance, one of which did not affect the borrower's qualifying monthly payment and had no further adjustment necessary.

We responded to the Department of Education draft Program Review Report in November 2011 regarding the other issue, Income Based Repayment. A response or a final report has not been received, so the review is open still.

State Guarantee Agency Reviews

In addition, the State Guarantee Agency routinely conducts site program reviews, or audits, of lenders, such as us, and our OLSA Network members. These reviews are conducted to evaluate compliance with various aspects of the Higher Education Act. The most recent review was an onsite joint program compliance review conducted on November 17, 2008 by OGSLP, now called OCAP, the Oklahoma state guarantee agency, and SLGFA, the Arkansas state guarantee agency.

The State Guarantee Agency requested additional information in April 2010 which was provided to them. The final report was issued on January 4, 2011 with no findings.

Guarantor Common Review Initiative

OGSLP, now called OCAP, TG, SLGFA, LOSFC and USAF conducted a bi-annual review under the Common Review Initiative ("CRI") during July 2010. The report issued as a result of this CRI program review contained two findings. OSLA's response and supporting documentations regarding these two findings satisfactorily addressed those issues. This program review was considered closed per letter dated March 4, 2011.

SUMMARY DEBT INFORMATION

General

We issue bonds and notes as a municipal issuer. We have issued various debt obligations for our loan financing activities. The bonds and notes issued by us are not general obligations, but are limited revenue obligations secured by, and payable solely from, the assets of the trust estates created for particular financings by various bond resolutions and indentures.

At the dates indicated below, the total outstanding debt in our various financing systems was as shown in the following Table:

<u>Total Outstanding Debt</u>				
<u>6/30/2007</u>	<u>6/30/2008</u>	<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>
\$1,030,896,850	\$1,218,689,256	\$1,279,731,151	\$1,079,877,975	\$967,136,313

At March 31, 2012, the total outstanding debt was \$806,906,274, of which \$598,840,000 was publicly held and had long term credit ratings assigned by Moody’s Investors Service, Inc. (“*Moody’s*”), Standard & Poor’s Financial Services LLC (“*S&P*”) or Fitch Ratings (“*Fitch*”).

Credit Ratings

The bonds and notes described herein are collateralized by FFEL Program student loans supported under the Higher Education Act by the Department of Education in the form of guarantee or reinsurance (97% or 98% of principal and interest), special allowance payments and interest subsidy payments.

A. Recent Developments in S&P Student Loan Asset Backed Securities Ratings:

On July 15, 2011, S&P published a list on which numerous United States asset backed securities, including many of the bonds and notes of OSLA, were placed on Credit Watch Negative because S&P had placed the long-term sovereign credit rating of the United States of America on Credit Watch Negative. On August 5, 2011, S&P published a lowering of the long-term sovereign credit rating of the United States from “AAA” with a negative outlook, to “AA+”. On September 19, 2011, S&P published new criteria to describe their methodology for the treatment of partial loan-level support to loans backing “AAA” rated securities where United States government agencies or entities, such as the Department of Education, that are rated by S&P provide such support.

Subsequently, on October 7, 2011, S&P published a press release regarding 118 Ratings From 70 U.S. Student Loan FFELP Asset Backed Securities Transactions Lowered To “AA+ (sf)” from “AAA(sf)”. The bonds and notes described below in the section captioned 1995 Master Bond Resolution, were not among those series or classes of issues, but the two separate discrete debt trust estates of the Authority, the Series 2010A Bonds and the Series 2011-1 Bonds, with separate assets and obligations, were lowered from “AAA(sf)” to “AA+(sf)”.

In the press release, S&P indicated that they were planning to continue reviewing other classes and series of student loan asset backed securities. Consequently, no assurance can be given that the ratings by S&P will not be changed in the future.

B. *Recent Developments in Fitch Student Loan Asset Backed Securities Ratings:*

On Nov. 28, 2011, Fitch affirmed its long-term sovereign credit rating on the United States of America as “AAA”, but revised its Outlook to Negative. On December 2, 2011, Fitch published a press release revising Outlooks that had been rated “AAA” Positive or Stable to “AAA” Outlook Negative for various United States FFEL Program student loan trusts. The ratings on these asset backed securities tranches are directly linked to the United States long-term sovereign credit rating, since the underlying collateral in these transactions is guaranteed by the Department of Education, which carries the full faith and credit of the United States government.

Bonds and notes issued under the OSLA 2010A/B Bond Indenture and the 2011-1 Bond Indenture described below are rated by Fitch and were listed as two of the many student loan issues affected by the Outlook revision to Negative. Fitch commented that, in the absence of material adverse shocks, it did not expect to resolve the Negative Outlook until late 2013.

1995 Master Bond Resolution

The 1995 Master Bond Resolution was adopted on November 2, 1995 and has been amended and supplemented numerous times to provide for issuances of various series of bonds and notes. BOKF, NA dba Bank of Oklahoma is the corporate trustee for the 1995 Master Bond Resolution bonds and notes, which are listed in the Table below.

<u>Series</u>	<u>Interest Rate Type</u>	<u>Principal Balance Outstanding*</u>	<u>Type of Security</u>	<u>Ratings</u>	
				<u>Moody's</u>	<u>S&P**</u>
1995A-1	Auction	\$ 12,800,000	Senior	Aaa	AAA
1995B-2	Fixed	2,955,000	Subordinate ¹	A2	A
2001A-1	Fixed	1,765,000	Senior	Aaa	AAA
2001B-1	Auction	25,000,000	Subordinate ¹	A2	A
2001A-2	Auction	29,000,000	Senior	Aaa	AAA
2001A-4	Floater	35,900,000	Senior	Aaa	AAA
2004A-1	Auction	27,300,000	Senior	Aaa	AAA
2004A-2	Auction	31,350,000	Senior	Aaa	AAA
2004A-3	3-Mo LIBOR	<u>66,400,000</u>	Senior	Aaa	AAA
		<u>\$232,470,000</u>			

*As of March 31, 2012.

** See the caption above entitled “Credit Ratings” for information about the CreditWatch Negative status.

¹The subordinate tax-exempt bonds represent debt that was issued to provide self credit enhancement for the senior debt obligations.

\$125,450,000 of our total debt listed above is Auction Rate Securities of which \$96,450,000 (approximately 77%) was tax-exempt and \$29,000,000 (approximately 23%) was taxable. The auction

procedures utilized to establish rates for this type of debt failed in early 2008 and subsequent auctions have continued to fail. The result of the failed auctions had a short term materially adverse effect on our cost of funds for this debt resulting in rates as high as 17% for taxable and 12% for tax-exempt debt for the maximum rate waiver periods that terminated March 31, 2008. Since termination of the maximum rate waivers, the bond document based maximum rates for failed auctions have resulted in lower rates.

All of our auction rate securities are now subject to the bond document based caps and reset at an average rate for the month of November, 2011, of approximately 0.41% for tax-exempt series and 0.93% for taxable series. The prevailing thought in the credit markets is that auction rate securities will continue in a failed state continuously for the foreseeable future.

The period of recycling principal payments into additional student loans for the 1995 Master Bond Resolution trust estate expired July 1, 2010. Pursuant to the 1995 Master Bond Resolution, monies that are in the trust estate representing principal payments, and principal payments that will be received into the trust estate in the future, will be used for the mandatory redemption of the various series of bonds and notes according to the Supplemental Bond Resolution provisions for each particular series except to the extent the Authority uses such principal payments to purchase bonds and notes in lieu of redemption to the extent permitted by the 1995 Master Bond Resolution.

On January 13, 2012, pursuant to an invitation for holders of Series 2001A-2, Series 2001A-3 and Series 2004A-3 bonds and notes outstanding under the 1995 Master Bond Resolution to tender those bonds and notes, we purchased the amount of \$16,900,000 in outstanding taxable Series 2001A-2 auction rate bonds and taxable Series 2001A-3 auction rate bonds; and, we purchased the amount of \$31,100,000 of taxable Series 2004A-3 rate reset notes. The purchases were made at a discount.

Also, see Appendix E, “Summary of Bonds and Notes Outstanding Under the Master Bond Resolution as of March 31, 2011” in the accompanying Invitation to Offer Series 1995B-2 Bonds, 2001A-2 Bonds, Series 2004A-1 Bonds, Series 2004A-2 Bonds and Series 2004A-3 Notes.

Straight-A Funding Conduit

OSLA issued a taxable Master Funding Note on May 29, 2009 under the Straight-A Funding Asset Backed Commercial Paper Program for \$328,000,000 in funding notes. OSLA was the fifth qualified funding note issuer behind Sallie Mae, Nelnet, CitiBank’s Student Loan Corporation, and The Access Group. BNY Mellon is the corporate trustee for Straight-A Funding, LLC on the transaction.

<u>Series</u>	<u>Interest Rate Type</u>	<u>Principal Balance Outstanding*</u>	<u>Type of Security</u>	<u>Ratings</u>
Conduit	VFN	\$192,548,556	Asset Backed CP	Not Rated

*As of March 31, 2012.

This funding note must be repaid November 19, 2013. If we do not refinance this debt by that termination date, the student loans that are collateral for that obligation would be put to the Department of Education.

2010A/B Bond Indenture

The 2010A/B Bond Indenture is dated as of September 1, 2010. The senior series of tax-exempt bonds were issued originally on October 6, 2010 in the aggregate principal amount of \$228,000,000, payable from a discrete trust with sequential payment of three senior series. BOKF, NA dba Bank of Oklahoma is the corporate trustee under the 2010A/B Bond Indenture.

<u>Series</u>	<u>Interest Rate Type</u>	<u>Principal Balance Outstanding*</u>	<u>Type of Security</u>	<u>Ratings</u>	
				<u>S&P**</u>	<u>Fitch***</u>
2010A-1	LIBOR FRN	\$ 91,100,000	Senior	AA+(sf)	AAA
2010A-2A	LIBOR FRN	51,225,000	Senior	AA+(sf)	AAA
2010A-2B	LIBOR FRN	44,230,000	Senior	AA+(sf)	AAA
2010B-1	Adj. Fixed Rate	<u>15,517,718</u>	Subordinate ¹	Not Rated	Not Rated
		<u>\$ 202,082,718</u>			

*As of March 31, 2012.

** See the caption above entitled “Credit Ratings” for information about the lowering of these ratings from “AAA(sf)”.

*** See the caption above entitled “Credit Ratings” for information about the Outlook Negative status.

¹The tax-exempt subordinate bond represents debt that was issued in a private placement to provide self credit enhancement for the senior debt obligations.

2011-1 Bond Indenture

The 2011-1 Bond Indenture is dated as of June 1, 2011. The senior series taxable bonds were issued originally on June 29, 2011 in the aggregate principal amount of \$205,200,000, payable on a pass-through basis. BOKF, NA dba Bank of Oklahoma is the corporate trustee under the 2011-1 Bond Indenture.

<u>Series</u>	<u>Interest Rate Type</u>	<u>Principal Balance Outstanding*</u>	<u>Type of Security</u>	<u>Ratings</u>	
				<u>S&P**</u>	<u>Fitch***</u>
2011-1	LIBOR FRN	\$179,805,000	Senior	AA+(sf)	AAA(sf)

*As of March 31, 2012. First pass-through distribution was made on December 1, 2011, in the amount of \$14,840,000.

** See the caption above entitled “Credit Ratings” for information about the lowering of these ratings from “AAA(sf)”.

*** See the caption above entitled “Credit Ratings” for information about the Outlook Negative status.

Investments in Trust Funds and Accounts

We invest trust fund balances in collateralized repurchase agreements and U.S. Government securities-based money market mutual funds in accordance with the our investment policy and applicable Oklahoma Statutes. Generally, permissible investments are U.S. Government Obligations or obligations explicitly guaranteed by the U.S. Government. These investment limitations reduce our related credit risk, custodial credit risk, and interest rate risk. We currently invest in the INVESCO AIM Treasury Cash Management Fund which is a U.S. Government securities-based money market mutual fund.

We also have \$639,100 of debt service reserve trust funds from several series in the 1995 Master Bond Resolution invested in a Guaranteed Investment Contract (“*GIC*”) with the New York branch of West LB. We do not have any swap agreements or utilize any other financial derivative products in association with our debt financings.

Lease Obligations

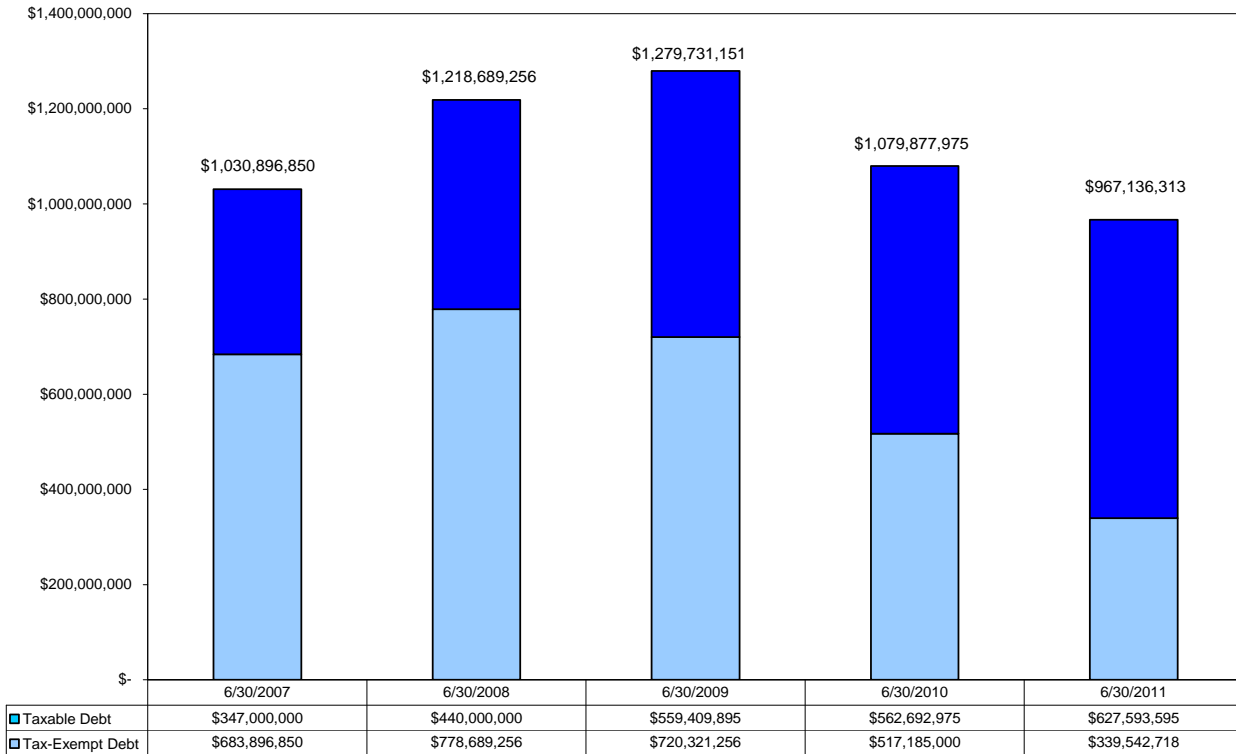
We lease certain facilities and equipment under non-cancelable operating leases that expire at various dates through Calendar Year 2013. The future minimum rental payments under these leases after December 31, 2010 total approximately \$965,000, including a 5-year building lease renewal obligation that expires on January 31, 2013. We have no capitalized lease obligations. We have no off-balance sheet financings.

Characteristics of Outstanding Debt

The characteristics of the various outstanding taxable and tax-exempt debt obligations at the dates indicated below are itemized in the following Graph and Table:

[This Space Left Blank Intentionally]

OUTSTANDING DEBT
Tax Status Of Obligations

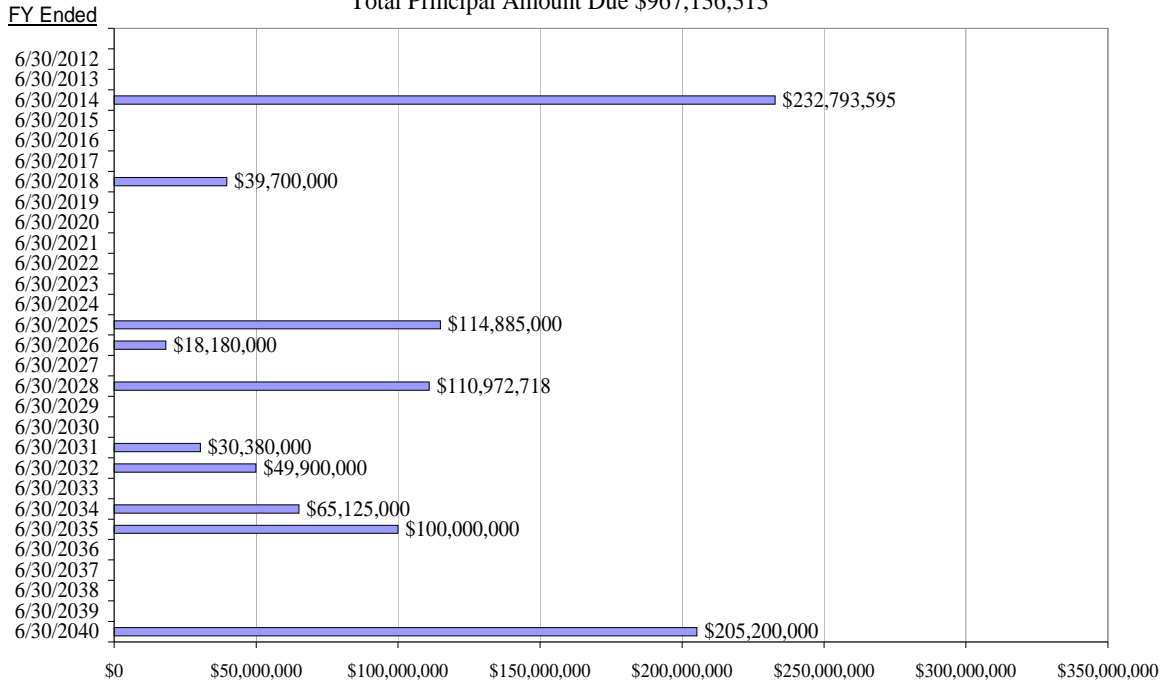


[This Space Left Blank Intentionally]

OSLA - SCHEDULED BOND MATURITIES

At JUNE 30, 2011

Total Principal Amount Due \$967,136,313



Principal maturing in Fiscal Year 2014 is the funding note held by Straight-A Funding, LLC as part of an ECASLA authorized Conduit financing program.

Annual Rebate Calculations

Annual calculations of estimated liability on tax-exempt obligations for arbitrage rebate on non-purpose obligations, and excess yield liability for purpose obligations, are performed each year by an independent third party.

Due to the high cost of debt obligations outstanding, and the low yield on non-purpose investments and the compressed yield on student loan purpose obligations, the calculated estimated liability for both excess yield and arbitrage rebate are both negative for all of the Authority’s tax-exempt obligations.

FINANCIAL INFORMATION

Audit Standards and Availability

Our financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, unless such statements are in direct conflict with statements issued by the Governmental Accounting Standards Board (*GASB*). Our financial statements are prepared to comply with Statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments”.

A copy of the comparative audited financial statements for June 30, 2011 and 2010 is available on the internet at the *website* address of “www.OSLAfinancial.com” and a copy was filed with Municipal Securities Rulemaking Board through the Electronic Municipal Market Access central repository, which has a website of www.emma.msrb.org, under our base CUSIP number 679110.

Compliance and Attestation Reports

In addition, the financial auditors conduct two compliance reviews or agreed upon procedures. These reports include:

- Schedule of Expenditures of Federal Awards and Accountants Report (A-133); and
- Compliance Audit for Lender Servicers in FFEL Program;

Copies of these reports are posted, as available, on our financial website located at “www.OSLAfinancial.com”, under the navigation tab “Compliance Reports – Annual Compliance Reports”.

Quarterly Unaudited Financial Statements

Quarterly unaudited comparative financial statements are available in our servicer report for the Authority. The information can be located on our financial website located at “www.OSLAfinancial.com”, under the navigation tab “OSLA Total Portfolio Servicing”.

Other Information Available

In addition, we post various items of other financial information on our financial investor information website located at “www.OSLAfinancial.com”.

APPENDIX E
OKLAHOMA STUDENT LOAN AUTHORITY

OUTSTANDING BONDS AND NOTES - 1995 Master Bond Resolution Trust Estate as of March 31, 2012

Series	CUSIP Number	Ratings Moody's / S&P ¹	Date of Maturity	Method of Interest	Fedl Income Tax Status ²	Principal Issued	Principal Redeemed	Principal Outstanding
Senior								
1995A-1	679110CB0	Aaa / AAA(sf)	9/1/2025	Auction	Tax-Exempt	\$ 21,600,000	\$ 8,800,000	\$ 12,800,000
2001A-1	679110CQ7	Aaa / AAA(sf)	6/1/2031	5.625%	Tax-Exempt	15,625,000	13,860,000	1,765,000
2001A-2	679110CT1	Aaa / AAA(sf)	12/1/2031	Auction	Taxable	50,000,000	21,000,000	29,000,000
2001A-4	679110CS3	Aaa / AAA(sf)	12/1/2017	Qtrly CP	Taxable	50,000,000	15,200,000	34,800,000
2004A-1	679110CY0	Aaa / AAA(sf)	12/1/2033	Auction	Tax-Exempt	40,625,000	13,325,000	27,300,000
2004A-2	679100CZ7	Aaa / AAA(sf)	6/1/2034	Auction	Tax-Exempt	40,625,000	9,275,000	31,350,000
2004A-3 ³	679110DA1	Aaa / AAA(sf)	9/1/2034	1M LIBOR + 1%	Taxable	100,000,000	33,600,000	66,400,000
Senior						\$ 318,475,000	\$ 115,060,000	\$ 203,415,000
Subordinate								
1995B-2	679110CE4	A2 / A(sf)	9/1/2025	6.35%	Tax-Exempt	\$ 3,980,000	\$ 1,025,000	\$ 2,955,000
2001B-1	679110CR5	A2 / A(sf)	12/1/2031	Auction	Tax-Exempt	25,000,000	0	25,000,000
Subordinate						\$ 28,980,000	\$ 1,025,000	\$ 27,955,000
TOTAL						\$ 347,455,000	\$ 116,085,000	\$ 231,370,000

¹ In July 2011, S&P placed these bonds and notes on CreditWatch Negative. See information about ratings in Section 22 of this Invitation.

² However, all *tax-exempt* Bonds and Notes are a specific preference item for purposes of the Federal Alternative Minimum Tax.

³ Mandatory tenders for rate reset remarketings have been cancelled. See information about remarketing these Notes in Section 22 of this Invitation.



The Student Loan Authority™

Exceptional Service. Resourceful Solutions