

**OKLAHOMA STUDENT LOAN AUTHORITY
MUNICIPAL SECONDARY MARKET DISCLOSURE**

Fitch Affirms Three Oklahoma Student Loan Authority Series.

This information applies to the rating on the three Oklahoma Student Loan Authority transactions.

The Series Outstanding under the related trusts as of August 31, 2020:

<u>Series</u>	<u>Outstanding Principal Amount</u>	<u>Cusip #</u>	<u>Comments</u>
Senior 2010A-2A	\$25,200,000	679110 DZ6	Non-AMT LIBOR FRN
Senior 2010A-2B	\$21,765,000	679110 EB8	Non-AMT LIBOR FRN
Senior 2011-1	\$34,060,000	679110 EC6	LIBOR FRN
Senior 2013-1	\$36,324,000	679110 EF9	LIBOR FRN

On August 31, 2020, Fitch Ratings affirmed its rating on three of the Oklahoma Student Loan Authority Series 2010A, 2011-1, and 2013-1. Fitch is affirming their current 'AAA (sf)' ratings on the notes from all three series.



RATING ACTION COMMENTARY

Fitch Affirms Oklahoma Student Loan Authority Series 2010A, 2011-1, and 2013-1

Mon 31 Aug, 2020 - 10:21 AM ET

Fitch Ratings - New York - 31 Aug 2020: Fitch Ratings has affirmed the ratings of all outstanding notes for Oklahoma Student Loan Authority (OSLA) Series 2010A, 2011-1, and 2013-1. The Rating Outlooks remain Negative on all outstanding notes.

The cashflow model results were in line with current ratings for all transactions. The Negative Outlooks reflect Fitch's revision of the U.S. sovereign's Outlook to Negative (see Fitch Revises Outlooks to Negative on US FFELP Student Loan Trusts following Sovereign Revision - <https://www.fitchratings.com/site/pr/10132019>).

RATING ACTIONS

ENTITY/DEBT	RATING	PRIOR
Oklahoma Student Loan Authority Series 2010A		

ENTITY/DEBT	RATING			PRIOR
● A-2-A 679110DZ6	LT	AAAsf Rating Outlook Negative	Affirmed	AAAsf Rating Outlook Negative
● A-2-B 679110EB8	LT	AAAsf Rating Outlook Negative	Affirmed	AAAsf Rating Outlook Negative

[VIEW ADDITIONAL RATING DETAILS](#)

KEY RATING DRIVERS

U.S. Sovereign Risk: The trust collateral is comprised of 100% Federal Family Education Loan Program (FFELP) loans, with guaranties provided by eligible guarantors and reinsurance provided by the U.S. Department of Education (ED) for at least 97% of principal and accrued interest. The U.S. sovereign rating is currently 'AAA'/Negative.

Collateral Performance: Based on transaction-specific performance to date, Fitch assumes a cumulative default rate of 16.75%, 21.25% and 22.50% under the base case scenario and a default rate of 50.25%, 63.75% and 67.50% under the 'AAAsf' credit stress scenario for OSLA 2010A, 2011-1 and 2013-1, respectively. Fitch maintained its sustainable constant default rate (sCDR) at 3.0%, 4.5%, and 5.5%, for OSLA 2010A, 2011-1 and 2013-1, respectively. Fitch also maintained its sustainable constant prepayment rate (sCPR; voluntary and involuntary) at 9.5%, 13%, and 15%, for OSLA 2010A, 2011-1 and 2013-1, respectively. Fitch applies the standard default timing curve in its credit stress cash flow analysis. For all the transactions, the claim reject rate is assumed to be 0.50% in the base case and 3.0% in the 'AAAsf' case.

The trailing twelve-month (TTM) levels of deferment are 3.81%, 6.63% and 7.60%, for OSLA 2010A, 2011-1 and 2013-1, respectively. The TTM levels of forbearance are 3.50%, 6.16% and 5.91% for OSLA 2010A, 2011-1 and 2013-1, respectively. The TTM levels of income-based repayment (IBR; prior to adjustment) are 20.25%, 22.64% and 27.91% for OSLA 2010A, 2011-1 and 2013-1, respectively. These levels are used as the starting points in cash flow modeling. Subsequent declines or increases are modeled as per criteria. The borrower benefits are 0.25%, 0.31% and 0.50% for OSLA 2010A, 2011-1 and 2013-1, respectively, based on information provided by the sponsor.

Basis and Interest Rate Risk: Basis risk for these transactions arises from any rate and reset frequency mismatch between interest rate indices for Special Allowance Payments (SAP) and the securities. As of the April 2020 distribution date for OSLA 2010A and 2011-1 and June 2020 distribution date for OSLA 2013-1, approximately 95.0%, 97.1%, and 96.8%, of the student loans in OSLA 2010A, 2011-1, and 2013-1 are indexed to LIBOR, respectively, and the remaining balance of loans is indexed to the 91-day T-Bill rate. All the notes for OSLA 2010A and 2011-1 are indexed to three-month LIBOR and notes for OSLA 2013-1 are indexed to one-month LIBOR. Fitch applies its standard basis and interest rate stresses to these transactions as per criteria.

Payment Structure: Credit enhancement (CE) is provided by over-collateralization (OC) and excess spread. As of the April 2020 distribution date for OSLA 2010A and 2011-1 and June 2020 distribution date for OSLA 2013-1, the total parity ratios (including the reserve account) are 138.85% (27.98% CE), 122.90% (18.63% CE) and 127.73% (21.71% CE) for OSLA 2010A, 2011-1 and 2013-1, respectively. Liquidity support is provided by a reserve account sized at 0.25% of the outstanding bond balance. As of the April 2020 distribution date for OSLA 2010A and 2011-1 and June 2020 distribution date for OSLA 2013-1, the reserve accounts are at their floors of \$340,000, \$307,800 and \$317,730 for OSLA 2010A, 2011-1 and 2013-1, respectively.

Operational Capabilities: Day-to-day servicing will be provided by Oklahoma Student Loan Authority (OSLA). Nelnet Servicing LLC (Nelnet) acts as backup servicer for the entire pool. OSLA and Nelnet have demonstrated adequate servicing capabilities for FFELP student loans with long track records. Fitch believes both to be acceptable servicers of FFELP student loans at this time.

Coronavirus Impact: Under the coronavirus baseline scenario, Fitch assumes a global recession in 1H20 driven by sharp economic contractions in major economies with a rapid spike in unemployment, followed by a recovery that begins in 3Q20, but personal incomes remain depressed through 2022. Fitch evaluated the sCDRs and sCPRs under this scenario analyzing a decline in payment rates and an increase in defaults to previous recessionary levels for two years and then a return to recent performance for the remainder of the life of the transaction. Fitch maintained the sCDR and sCPR assumptions reflecting healthy cushions from current performance. Fitch also conducted stressed scenario analysis on forbearance and IBR, given there are classes maturing prior to 2035. The results indicated no change in model implied ratings.

The risk of negative rating actions will increase under Fitch's coronavirus downside scenario, which contemplates a more severe and prolonged period of stress with a halting

recovery beginning in 2Q21. The results of this down side sensitivity analysis are included in Rating Sensitivities section below.

RATING SENSITIVITIES

'AAAsf' rated tranches of most FFELP securitizations will likely move in tandem with the U.S. sovereign rating, given the strong linkage to the U.S. sovereign, by nature of the reinsurance provided by the Department of Education. Aside from the U.S. sovereign rating, defaults, basis risk and loan extension risk account for the majority of the risk embedded in FFELP student loan transactions.

This section provides insight into the model-implied sensitivities the transaction faces when one assumption is modified, while holding others equal. Fitch conducts credit and maturity stress sensitivity analysis by increasing or decreasing key assumptions by 25% and 50% over the base case. The credit stress sensitivity is viewed by stressing both the base case default rate and the basis spread. The maturity stress sensitivity is viewed by stressing remaining term, IBR usage and prepayments. The results below should only be considered as one potential outcome, as the transaction is exposed to multiple dynamic risk factors. It should not be used as an indicator of possible future performance.

OSLA 2010A

Current Ratings: class A 'AAAsf'

Factors that could, individually or collectively, lead to positive rating action/upgrade:

No upgrade sensitivity is provided given Fitch only rates the A class at 'AAAsf'.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

Credit Stress Rating Sensitivity

--Default increase 25%: class A 'AAAsf';

--Default increase 50%: class A 'AAAsf';

--Basis spread increase 0.25%: class A 'AAAsf';

--Basis spread increase 0.50%: class A 'AAAsf'.

Maturity Stress Rating Sensitivity

--CPR decrease 25%: class A 'AAAsf';

--CPR decrease 50%: class A 'AAAsf';

--IBR usage increase 25%: class A 'AAAsf';

--IBR usage increase 50%: class A 'AAAsf';

--Remaining Term increase 25%: class A 'AAAsf';

--Remaining Term increase 50%: class A 'AAAsf'.

OSLA 2011-1

Current Ratings: class A 'AAAsf'

Factors that could, individually or collectively, lead to positive rating action/upgrade:

No upgrade sensitivity is provided given Fitch only rates the A class at 'AAAsf'.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

Credit Stress Rating Sensitivity

--Default increase 25%: class A 'AAAsf';

--Default increase 50%: class A 'AAAsf';

--Basis spread increase 0.25%: class A 'AAAsf';

--Basis spread increase 0.50%: class A 'AAAsf'.

Maturity Stress Rating Sensitivity

--CPR decrease 25%: class A 'AAAsf';

--CPR decrease 50%: class A 'AAAsf';

--IBR usage increase 25%: class A 'AAAsf';

--IBR usage increase 50%: class A 'AAAsf';

--Remaining Term increase 25%: class A 'AAAsf';

--Remaining Term increase 50%: class A 'AAAsf'.

OSLA 2013-1

Current Ratings: class A 'AAAsf'

Factors that could, individually or collectively, lead to positive rating action/upgrade:

No upgrade sensitivity is provided given Fitch only rates the A class at 'AAAsf'.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

Credit Stress Rating Sensitivity

--Default increase 25%: class A 'AAAsf';

--Default increase 50%: class A 'AAAsf';

--Basis spread increase 0.25%: class A 'AAAsf';

--Basis spread increase 0.50%: class A 'AAAsf'.

Maturity Stress Rating Sensitivity

--CPR decrease 25%: class A 'AAAsf';

--CPR decrease 50%: class A 'AAAsf';

--IBR usage increase 25%: class A 'AAAsf';

--IBR usage increase 50%: class A 'AAAsf';

--Remaining Term increase 25%: class A 'AAAsf';

--Remaining Term increase 50%: class A 'AAAsf'.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Structured Finance transactions have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of seven notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of seven notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAAsf' to 'Dsf'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC RULE 17G -10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

The highest level of ESG credit relevance, if present, is a score of 3. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity(ies), either due to their nature or to the way in which they are being managed by the entity(ies). For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

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APPLICABLE CRITERIA

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub. 06 Dec 2019\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub. 29 Jan 2020\)](#)

[U.S. Federal Family Education Loan Program Student Loan ABS Rating Criteria \(pub. 11 Jun 2020\) \(including rating assumption sensitivity\)](#)

[Global Structured Finance Rating Criteria \(pub. 17 Jun 2020\) \(including rating assumption sensitivity\)](#)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

FFELP SL CF Model, v2.19.3 (1)

ADDITIONAL DISCLOSURES

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ENDORSEMENT STATUS

Oklahoma Student Loan Authority 2010A	EU Endorsed
Oklahoma Student Loan Authority Series 2013-1	EU Endorsed
Oklahoma Student Loan Authority,2011-1 Indenture of Trust	EU Endorsed

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Structured Finance: ABS Structured Finance North America United States
