OFFICIAL STATEMENT DATED AUGUST 22, 2000

NEW ISSUES — BOOK ENTRY ONLY

Interest on the Series 2000A-1, Series 2000A-2 and Series 2000A-3 Bonds is includible in gross income for federal income tax purposes. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2000A-4 Bonds is excluded from gross income for federal income tax purposes. However, interest on the Series 2000A-4 Bonds is a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is further of the opinion that, pursuant to the Act, the Series 2000A Bonds and the income therefrom are exempt from taxation in the State of Oklahoma. For a more complete description, see the caption "TAX MATTERS" herein.

$120,945,000

OKLAHOMA STUDENT LOAN AUTHORITY

Oklahoma Student Loan Bonds and Notes, Series 2000A

consisting of

$50,000,000 Series 2000A-1 Bonds (Taxable)
$25,000,000 Series 2000A-2 Bonds (Taxable)
$25,000,000 Series 2000A-3 Bonds (Taxable)
(Reset Auction Mode Securities — RAMS™)
Due: June 1, 2030 — Price: 100%

$20,945,000
Variable Rate Demand Obligations, Series 2000A-4 Bonds
(Weekly Rate Bonds)
Due: June 1, 2029 — Price: 100%

Dated: Date of Issuance

The Oklahoma Student Loan Bonds and Notes, Taxable Auction Rate Obligations (Reset Auction Mode Securities—RAMS™ designated as Series 2000A-1, Series 2000A-2 and Series 2000A-3 (collectively, the *"Series 2000A RAMS"*) and Variable Rate Demand Obligations, Series 2000A-4 (the *"Series 2000A-4 Bonds"* and together with the Series 2000A RAMS, the *"Series 2000A Bonds"*) will be issued by the Oklahoma Student Loan Authority (the *"Authority"*) pursuant to the Series 1996A Bond Resolution, as heretofore supplemented and amended and as further supplemented and amended as described herein (collectively, and as further supplemented and amended, the *"Bond Resolution"*). The Series 2000A Bonds will be issued as fully registered obligations without coupons in principal amounts of (i) $100,000 or any integral multiples of $100,000 in excess thereof with respect to the Series 2000A RAMS and (ii) $100,000 or any integral multiple of $5,000 in excess thereof with respect to the Series 2000A-4 Bonds. The Series 2000A Bonds are issued as Additional Bonds and Notes pursuant to the Bond Resolution on a parity with certain other of the Authority's obligations and any Additional Bonds and Notes which may be issued pursuant to the Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT."

The Series 2000A RAMS will bear interest for initial periods at the respective rates determined in accordance with the procedures provided for in the Bond Resolution. Thereafter, the Series 2000A RAMS will bear interest at an Auction Rate based initially on a 28-day Auction Period commencing (i) September 26, 2000 with respect to the Series 2000A-1 RAMS and (ii) October 10, 2000 with respect to each of the Series 2000A-2 RAMS and Series 2000A-3 RAMS. Interest on the Series 2000A RAMS, while outstanding as RAMS and, prior to a change in the Interest Payment Dates as described herein, is payable on the first business day of each succeeding Auction Period commencing on the dates described herein until maturity or earlier redemption.

The Series 2000A-4 Bonds initially will bear interest at a Weekly Rate, determined as provided herein, for Dain Rauscher Incorporated, as Remarketing Agent, but in no event will such rate exceed 12% per annum, except for Bank Bonds. The first Weekly Rate Period will extend from closing and delivery of the Series 2000A-1 Bonds through September 5, 2000. Interest on the Series 2000A-4 Bonds will be payable semi-annually at the applicable rates of interest on June 1 and December 1 of each year, commencing December 1, 2000. During any Weekly Rate Period, the Series 2000A-4 Bonds are subject to tender at the option of the holder upon 7 days' notice, at the Purchase Price thereof at the principal office of Bank of Oklahoma, N.A., Oklahoma City, Oklahoma, or its successors as Tender Agent pursuant to the Tender Agent Agreement.

When issued, the Series 2000A Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (*"DTC"*), New York, New York which will act as securities depository. Individual purchases of beneficial ownership interests in the Series 2000A Bonds will be made in Book Entry form only. See the caption "SECURITIES DEPOSITORY" herein.

Pursuant to an optional or mandatory tender of Variable Rate Bonds, payment of the Purchase Price of the Series 2000A-4 Bonds will be secured by a Standby Bond Purchase Agreement among the Authority, the Tender Agent and

DEXIA Bank

Payment of the regularly scheduled principal of and interest on the Series 2000A Bonds (which does not include any carry-over amounts on the Series 2000A RAMS or interest accrued thereon), will be secured by a separate financial guaranty insurance policy for each series of the Series 2000A Bonds issued by

MBIA

The Series 2000A Bonds are subject to optional and mandatory redemption prior to maturity, conversion to different interest rate modes, acceleration and optional and mandatory tender for purchase, all as more fully described in the Bond Resolution and herein under the caption "DESCRIPTION OF THE SERIES 2000A RAMS" and "DESCRIPTION OF THE SERIES 2000A-4 BONDS."

The Series 2000A Bonds, and the interest thereon, are limited and special revenue obligations of the Authority, secured by and payable solely from the revenues, funds and other assets specifically pledged therefor, as more particularly described herein and in the Bond Resolution. The Series 2000A Bonds, and the interest thereon, do not constitute, nor do they create an obligation (general or special), debt, liability or moral obligation of the State of Oklahoma or of any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever; and neither the faith and credit nor the taxing power of the State of Oklahoma or any political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2000A Bonds. The Series 2000A Bonds, and the interest thereon, are not personal obligations of the trustees of the Authority and are not a general obligation of the Authority. The Authority has no taxing power.

The Series 2000A Bonds are offered when, as and if issued by the Authority and received by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approval of legality by Kutak Rock LLP, Oklahoma City, Oklahoma, Bond Counsel. Certain legal matters will be passed upon for the Authority by its special counsel, Roderick W. Durrell, Esq.; for the Underwriters by their counsel, Chapman and Cutler, Phoenix, Arizona; for MBIA by its counsel, Kutak Rock LLP, Omaha, Nebraska; and for Dexia Bank S.A. by its counsel, Chapman and Cutler, Chicago, Illinois and by its internal Belgian counsel. It is expected that the Series 2000A Bonds will be delivered through the facilities of DTC in New York, New York on or about August 31, 2000.

DAIN RAUSCHER INCORPORATED **BANC OF AMERICA SECURITIES LLC**

RAMS™ is a trademark of Dain Rauscher Incorporated.

No dealer, broker, salesman or other person has been authorized by the Authority or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Series 2000A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from the Authority, the State Guarantee Agency, UNIPAC Service Corporation, The Depository Trust Company, MBIA Insurance Corporation, Dexia Bank S.A., and other sources which are believed to be reliable. Such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriters. The information concerning the State Guarantee Agency, The Depository Trust Company, MBIA Insurance Corporation and Dexia Bank S.A. has been furnished by those persons, respectively, and such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Authority or the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or any other entity described herein after the date hereof.

This Official Statement does not constitute a contract between the Authority or the Underwriters and any one or more of the purchasers or Registered Owners of the Series 2000A Bonds.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2000A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2000A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2000A BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE SERIES 2000A BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON, OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

This cover contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement, including all Appendices attached hereto, to obtain information essential to the making of an informed investment decision. See the caption "INVESTMENT CONSIDERATIONS" herein for a discussion of certain factors which prospective investors should consider in connection with an investment in the Series 2000A Bonds offered hereby.

TABLE OF CONTENTS

PAGE

INDEX OF PRINCIPAL TERMS

The purpose of this Index is to provide an alphabetical listing. for convenience of reference, of the definitions of principal terms used in this Official Statement. Such terms are summaries or extracts of some of the definitions in the complete Bond Resolution. **Reference is hereby made to the Bond Resolution, copies of which are on file with the Trustee and the Authority, for the entire definitions and provisions thereof.** A copy of the Bond Resolution is available upon request to the Authority.

TERMS APPLICABLE TO THE SERIES 2000A RAMS

SUMMARY STATEMENT

This summary highlights selected information about the Series 2000A Bonds. It does not contain all of the information that you might find important in making your investment decision. It provides only an overview to aid your understanding. You should read the full description of this information appearing elsewhere in this Official Statement.

Issuer ..... Oklahoma Student Loan Authority, an express trust established for the benefit of the State of Oklahoma.

The Bonds ..... $120,945,000 aggregate principal amount of Oklahoma Student Loan Bonds and Notes, Series 2000A consisting of:

- $50,000,000 Series 2000A-1 Bonds (Taxable)
- $25,000,000 Series 2000A-2 Bonds (Taxable)
- $25,000,000 Series 2000A-3 Bonds (Taxable)
- $20,945,000 Series 2000A-4 Bonds

Each of the Series 2000A-1, Series 2000A-2 and Series 2000A-3 Bonds are being issued as Reset Auction Mode Securities-RAMS™, maturing June 1, 2030, with the interest rates after the initial period for each series to be reset generally every 28 days under the auction procedures described in this Official Statement.

The Series 2000A-4 Bonds are being issued as variable rate demand obligations maturing June 1, 2029, with rates to be reset after the initial period generally every seven days. As long as the Series 2000A-4 Bonds bear interest at weekly rates, you may elect to tender your Series 2000A-4 Bonds to the Authority on any business day with seven days' advance notice. You may not elect to tender any of the Series 2000A-1, Series 2000A-2 or Series 2000A-3 Bonds to the Authority.

The Authority may convert any series of Series 2000A Bonds to a different rate adjustment period as described herein. Interest on the RAMS is paid generally every 28 days on the first day of each succeeding auction period while interest on the Series 2000A-4 Bonds is payable each June 1 and December 1, commencing December 1, 2000.

Sources of Revenue and Security..... (1) Student loans originated under the Federal Family Education Loan Program which the Authority has already acquired and those we expect to acquire and which will be held on our behalf by a custodian.

(2) Revenues from federal interest subsidy and special allowance payments paid with respect to the student loans under the Higher Education Act.

(3) Moneys on deposit in the funds and accounts established under the Bond Resolution.

(4) A standby bond purchase agreement between the Authority and Dexia Bank S.A., which supports only your right to have the Series 2000A-4 Bonds purchased under the circumstances described in this Official Statement.

(5) Separate financial guaranty insurance policies to be issued by MBIA Insurance Corporation, each of which supports payment of principal of and interest on the applicable series of the Series 2000A Bonds when due, but excluding interest on the Series 2000A RAMS which may be carried over into a subsequent auction period as a result of the applicable auction rate being capped under a maximum auction rate formula.

The Authority is only obligated to pay debt service on the Series 2000A Bonds from the sources identified above and we have not pledged any student loans or other assets pledged under our other financings or any of our unencumbered assets. We cannot compel the State of Oklahoma to pay any amounts owed on the Series 2000A Bonds from any source of funds whatsoever.

Student Loan Insurance, Guarantee and Reinsurance..... All student loans the Authority has acquired with proceeds of parity bonds under the Bond Resolution and those we intend to acquire with proceeds of the Series 2000A Bonds and any future parity bonds are covered by a guaranty of at least 98% (or the highest percentage allowed by law) of principal and accrued interest by certain guarantors. Guarantee claims paid by a guarantor are reinsured to the guarantor by the Secretary of Education on a scale ranging from 75% to 100% depending on various factors.

Redemption and Acceleration..... The Authority may, and under certain circumstances must, prepay your Series 2000A Bonds prior to maturity as a result of redemption or acceleration as described herein.

Additional Bonds and Other Obligations……	The Authority may issue additional parity bonds to enable us to acquire additional student loans if we meet certain conditions described herein. We also may enter into interest rate swaps which may require payment to the swap provider from the trust assets.
Ratings ……	The Authority expects that the Series 2000A-1, Series 2000A-2 and Series 2000A-3 Bonds will be rated "Aaa" and "AAA" by Moody's and Standard & Poor's, respectively on the basis of the applicable bond insurance policies. The Authority expects that the Series 2000A-4 Bonds will be rated "Aaa/VMIG-1" and "AAA/A-1+," by Moody's and Standard & Poor's, respectively, on the basis of the bond insurance policy and the standby bond purchase agreement.
Trustee ……	Bank of Oklahoma, N.A.
Servicing……	The Authority will service the loans using the remote servicing system of UNIPAC Service Corporation.
Investment Considerations……	You should consider carefully the factors listed herein under the caption "INVESTMENT CONSIDERATIONS" before deciding to invest.

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$120,945,000

OKLAHOMA STUDENT LOAN AUTHORITY
Oklahoma Student Loan Bonds and Notes, Series 2000A

consisting of

$50,000,000 Series 2000A-1 Bonds (Taxable)
$25,000,000 Series 2000A-2 Bonds (Taxable)
$25,000,000 Series 2000A-3 Bonds (Taxable)
(Reset Auction Mode Securities — RAMS™)

$20,945,000 Series 2000A-4 Bonds
Variable Rate Demand Obligations
(Weekly Rate Bonds)

INTRODUCTION

General

This Official Statement is being distributed by the Oklahoma Student Loan Authority (the *"Authority"*), an express trust established for the benefit of the State of Oklahoma (the *"State"*) by a certain Trust Indenture dated August 2, 1972, to furnish information in connection with the offering of its Oklahoma Student Loan Bonds and Notes, Taxable Auction Rate Obligations (Reset Auction Mode Securities – RAMS™), designated as Series 2000A-1, Series 2000A-2 and Series 2000A-3 (collectively, the *"Series 2000A RAMS"*) and Variable Rate Demand Obligations, Series 2000A-4 (the *"Series 2000A-4 Bonds"* and together with the Series 2000A RAMS, the *"Series 2000A Bonds"*) to be dated the date of issuance, issued in the principal amount, maturing and bearing interest as described on the cover page hereof. The CUSIP numbers for the Series 2000A RAMS are 679110 CL8, 679110 CM6, and 679110 CN4, respectively, and for the Series 2000A-4 Bonds is 679110 CP9.

The Series 2000A Bonds are issued as Additional Bonds and Notes, pursuant to the Bond Resolution (as defined herein) secured on a parity with the Authority's $32,580,000 Oklahoma Student Loan Bonds and Notes Variable Rate Demand Obligations, Series 1996A (the *"Series 1996A Bonds"*), $33,000,000 Oklahoma Student Loan Bonds and Notes, Variable Rate Demand Obligations, Series 1997A (the *"Series 1997A Bonds"*) and $33,100,000 Oklahoma Student Loan Bonds and Notes, Variable Rate Demand Obligations, Series 1998A (the *"Series 1998A Bonds"*). The Series 1996A Bonds, Series 1997A Bonds and Series 1998A Bonds (collectively, the *"Prior Bonds"*) are variable rate demand obligations described under the caption "SECURITY AND SOURCES OF PAYMENT — Outstanding Parity Obligations" herein. The Prior Bonds, the Series 2000A Bonds and any Additional Bonds and Notes are collectively referred to herein as the *"Bonds and Notes"*.

For a further description of the Authority, see "Appendix C — GENERAL DESCRIPTION OF THE OKLAHOMA STUDENT LOAN AUTHORITY" herein.

Authorization

The Series 2000A Bonds will be issued pursuant to the provisions of the Oklahoma Student Loan Act, Title 70, Oklahoma Statutes 1991, Sections 695.1 *et seq*., as amended (the *"Student Loan Act"*), and the Oklahoma Trusts for Furtherance of Public Functions Act, Title 60, Oklahoma Statutes 1991, Sections 176 to 180.3, inclusive, as amended (the *"Public Trust Act"*). The *"Student Loan Act"* and the *"Public Trust Act"* are together referred to herein as the *"Act"*.

The Series 2000A Bonds will be issued pursuant to the Series 1996A Bond Resolution (the *"Series 1996A Bond Resolution"*) adopted by the trustees of the Authority on November 4, 1996, as heretofore supplemented and amended and as further supplemented and amended by a Series 2000A-1/A-2/A-3 Supplemental Bond Resolution and a Series 2000A-4 Supplemental Bond Resolution (collectively, the *"Series 2000A Bond Resolution"*) to be adopted on August 22, 2000, respectively (collectively, and as further supplemented and amended, the *"Bond Resolution"*).

For the definitions and provisions of the Bond Resolution, including without limitation, provisions regarding: the rights, duties and obligations of the Authority, the Trustee, the Credit Facility Provider, the Liquidity Facility Provider and Registered Owners of the Bonds and Notes; the revenues and fund accounts of the Trust Estate; defaults and remedies; supplemental resolutions; resignation or removal of the Trustee (as defined herein) and appointment of a successor; covenants; and discharge of the Bond Resolution; reference is made to the Bond Resolution, a copy of which is available upon request during the initial offering period to Dain Rauscher Incorporated at 2398 East Camelback Road, Suite 700, Phoenix, Arizona 85016, Attention: Public Finance or Banc of America Securities LLC, 5433 Westheimer Street, Houston, Texas 77056, Attention: Public Finance and thereafter to the Authority.

Capitalized terms used and not defined herein have the same meanings set forth in the Bond Resolution unless the context clearly indicates otherwise.

Use of Proceeds

The proceeds of the Series 2000A Bonds, together with other legally available assets, will be used by the Authority, among other things: (i) to provide funds to finance Eligible Loans; (ii) with respect to the Series 2000A-4 Bonds only, to currently refund the Authority's Promissory Note Series 1999A-1 in the outstanding principal amount of $10,455,000 and thereby refinance certain Eligible Loans; (iii) to fund capitalized interest, if any; and (iv) to pay the costs of issuing the Series 2000A Bonds. Such uses are further set forth in the table below:

SOURCES

Series 2000A RAMS	$100,000,000
Series 2000A-4 Bonds	20,945,000
Total	$120,945,000

USES

Deposit to Series 2000A-1/A-2/A-3 Loan Subaccount	$ 96,970,652
Deposit to Series 2000A-4 Loan Subaccount	10,385,275
Refunding of Promissory Note Series 1999A-1	10,455,000
Capitalized Interest	2,534,084
Costs of Issuance	206,918
Underwriting Fee and Expenses	393,071
Total	$120,945,000

Initial Collateralization

It is expected that upon issuance and delivery of the Series 2000A Bonds, the ratio of the Aggregate Market Value of the Trust Estate to the total accrued and unpaid principal of and interest on the Bonds and Notes Outstanding will be approximately 101.2%.

Financed Eligible Loans

Eligible Loans held under the Bond Resolution and the Trust Agreement are referred to herein as *"Financed Eligible Loans"*. The education loan promissory notes evidencing the Financed Eligible Loans and related loan documentation will be held by Bank of Oklahoma, N.A., acting as *"Custodian"* pursuant to the provisions of a certain Master Custodian Services Agreement dated September 27, 1994 between the Authority and Boatmen's First National Bank of Oklahoma (*"Boatmen's"*), as assigned to the Custodian pursuant to the terms and provisions of a Custodian Assignment, Acceptance and Consent, dated August 22, 1997, among the Authority, NationsBank, N.A., as successor to Boatmen's and the Custodian.

See the captions "SECURITY AND SOURCES OF PAYMENT - Trust Estate"; "INVESTMENT CONSIDERATIONS"; and "THE AUTHORITY" herein; and see also the various Appendices hereto.

The Authority has acquired or originated a portfolio of Financed Eligible Loans in the Trust Estate and expects to deposit in the Trust Estate additional Financed Eligible Loans it has already acquired or originated. The Eligible Loans Financed by the proceeds of the Series 2000A Bonds are expected to be deposited in the Trust Estate on or before April 1, 2001.

It is anticipated that substantially all Eligible Loans will be eligible for the Authority's "TOP™" program (*"TOP"*). TOP is the identifying trademark name of the Authority's behavioral incentive loan program for borrowers that are timely on payments and qualify for a subsequent interest rate discount of 1.50 percent on their education loans held by the Authority. In order to be eligible for TOP, (i) an education loan must have been, with certain exceptions,

first disbursed on or after July 1, 1996 and (ii) an eligible borrower must make their first twelve (12) consecutive timely payments of principal and interest. Once achieved, the TOP loan discount is permanent. Federal Consolidation Loans held by the Authority are not eligible for the TOP program.

The Authority, together with the 29 members of the OSLA Student Lending Network, (the *"Network Members"*) through which the Authority acquires a substantial portion of its Eligible Loans, makes a 1% loan insurance fee payment for borrowers, unless the fee is waived by the guarantor of the loan. This program presently extends through June 30, 2001, but is extendable by the Authority.

Guarantee of Eligible Loans

Financed Eligible Loans will be guaranteed to the extent provided for in Title IV, Part B of the Higher Education Act of 1965, as amended and the regulations thereunder (the *"Higher Education Act"*): (i) by the Oklahoma State Regents for Higher Education (the *"State Regents"*), a Constitutional agency of the State acting as the State Guarantee Agency (the *"State Guarantee Agency"*) in administering the Student Educational Assistance Fund (the *"Guarantee Fund"*); (ii) by other guarantors of Eligible Loans qualified under the provisions of the Bond Resolution to act in such capacity (each, including the State Guarantee Agency, a *"Guarantee Agency"*); or (iii) in certain instances by the Secretary (the *"Secretary"*) of the United States Department of Education (the *"USDE"*). The respective Guarantee Agencies are reinsured, subject to various terms and conditions, by the Secretary for reimbursement from 75% to 100% of the amounts expended in payment of claims by eligible lenders (including the Authority) regarding education loans guaranteed by the respective Guarantee Agencies.

As of June 30, 2000, approximately 98.0% of the Federal Family Education Loan Program (the *"FFEL Program"*) loans held by the Authority were guaranteed by the State Guarantee Agency, and approximately 2.0% were guaranteed by other Guarantee Agencies.

See the caption "GUARANTEE AGENCIES" herein; and see also, "Appendix E - THE STATE GUARANTEE AGENCY DESCRIPTIVE, STATISTICAL AND FINANCIAL INFORMATION" hereto.

Recycling

As a general practice, the Authority utilizes Recoveries of Principal from its various funding sources to finance additional Eligible Loans instead of redeeming bond principal prior to its scheduled maturity (referred to herein as *"Recycling"*). The Authority plans to continue this practice to the maximum extent possible with respect to the Prior Bonds and the Series 2000A Bonds. The Authority may use Recycling in the Trust Estate through September 1, 2003, or such earlier or later date acceptable to the Credit Facility Provider.

Unless otherwise agreed to in writing by the Credit Facility Provider, the Eligible Loans acquired with Recycling proceeds as a whole will have characteristics of interest yield (except with respect to Eligible Loans made on or after January 1, 2000 through June 30, 2003), unpaid principal balance and type of eligible institution attended that fairly represent the characteristics

of the total of Eligible Loans acquired with the proceeds of the Prior Bonds and the Series 2000A Bonds.

Loan Servicing

The Authority services its education loans internally on a remote servicing system database provided by UNIPAC Service Corporation (*"UNIPAC"*), Aurora, Colorado. See "Appendix C — GENERAL DESCRIPTION OF THE OKLAHOMA STUDENT LOAN AUTHORITY — Loan Servicing" herein. Pursuant to the Bond Resolution, the Authority is required to perform all services and duties customary to the servicing of education loans in compliance with all standards and procedures provided for in the Higher Education Act.

The Authority also performs origination and pre-acquisition interim servicing for certain other eligible lenders that are Network Members. Pursuant to such arrangements, the Network Members are required to sell to the Authority, and the Authority is required to buy, such loans from time to time in connection with the commencement of the repayment status of such loans.

Security for the Series 2000A Bonds

The Bond Resolution creates a pledge of revenues, funds, Financed Eligible Loans and other assets to the Trustee, as a Trust Estate for the benefit of the Registered Owners of Bonds and Notes, any Credit Facility Provider and any Swap Counterparty. In addition, the Bond Resolution grants a security interest in the Trust Estate to the Trustee (as defined herein) for the benefit of the Registered Owners of the Bonds and Notes. The Bonds and Notes are limited and special revenue obligations of the Authority secured by and payable solely from such Trust Estate. See the caption "SECURITY AND SOURCES OF PAYMENT" herein.

The Series 2000A RAMS initially will bear interest at the Auction Rate for the applicable series pursuant to the Auction Procedures described below under "DESCRIPTION OF THE SERIES 2000A RAMS — Interest on the Series 2000A RAMS" and in Appendix G — "AUCTION PROCEDURES" and will be subject to mandatory tender upon conversion.

The Series 2000A-4 Bonds initially will bear interest at a Weekly Rate with certain optional tender rights and mandatory tender requirements. Dain Rauscher Incorporated is acting as the initial Remarketing Agent with respect to the Series 2000A Bonds (the *"Remarketing Agent"*) under the Bond Resolution and that certain Remarketing Agreement dated as of August 1, 2000 (the *"Remarketing Agreement"*) by and among the Authority, the Trustee (as defined herein) and the Remarketing Agent.

In addition, payment of the scheduled principal of, and interest on, the Series 2000A Bonds will be secured by a separate financial guaranty insurance policy for each series of Series 2000A Bonds (such policies, including any Alternate Credit Facility in substitution therefor, the *"Series 2000A Credit Facility"*) issued by MBIA Insurance Corporation (*"MBIA"*), Armonk, New York, (in such capacity, including the provider of any Alternate Credit Facility in substitution therefor, the *"Series 2000A Credit Facility Provider"*). See the caption "THE SERIES 2000A CREDIT FACILITY" herein.

The Series 1996A Bonds are also secured by a separate financial guaranty insurance policy (such policy, including any Alternate Credit Facility in substitution therefor, the "*Series 1996A Credit Facility*") issued by MBIA (in such capacity, including any Alternate Credit Facility Provider, the "*Series 1996A Credit Facility Provider*"). The Series 1997A Bonds are also secured by a separate financial guaranty insurance policy (such policy, including any Alternate Credit Facility in substitution therefor, the *"Series 1997A Credit Facility"*) issued by MBIA (in such capacity, including any Alternate Credit Facility Provider, the *"Series 1997A Credit Facility Provider"*). The Series 1998A Bonds are also secured by a separate financial guaranty insurance policy (such policy, including any Alternate Credit Facility in substitution therefor, the *"Series 1998A Credit Facility"*) issued by MBIA (in such capacity, including any Alternate Credit Facility Provider, the *"Series 1998A Credit Facility Provider"*).

Each Credit Facility secures only its respective series of Bonds and Notes and does not secure any other series of Bonds and Notes. No Credit Facility covers the Purchase Price of the Prior Bonds or Series 2000A Bonds upon an optional or mandatory tender; and, with certain exceptions, no Credit Facility covers amounts due on any redemption of the Prior Bonds or Series 2000A Bonds prior to their scheduled maturity or Carry-over Amount (as defined herein) or accrued interest thereon for the Series 2000A RAMS. The Authority has reserved the right to replace any Credit Facility with an Alternate Credit Facility pursuant to the requirements of the Bond Resolution.

The Bonds and Notes, including the Series 2000A Bonds, and the interest thereon, are limited and special revenue obligations of the Authority, secured by and payable solely from revenues, funds and other assets specifically pledged therefor, as more particularly described herein and in the Bond Resolution. The Bonds and Notes, including the Series 2000A Bonds, and the interest thereon, do not constitute or create an obligation (general or special), debt, liability or moral obligation of the State or of any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever; and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of, or interest on, the Bonds and Notes, including the Series 2000A Bonds. The Bonds and Notes, including the Series 2000A Bonds, and the interest thereon, are not personal obligations of the trustees of the Authority and are not a general obligation of the Authority. The Authority has no taxing power.

Upon an optional or mandatory tender of the Series 2000A-4 Bonds, if the Remarketing Agent is not able to remarket Series 2000A-4 Bonds that have been tendered, payment of their Purchase Price will be secured initially by a Standby Bond Purchase Agreement dated as of August 1, 2000 (such agreement, including any Alternate Liquidity Facility in substitution therefor, a *"Series 2000A-4 Liquidity Facility"*) by and among the Authority, Dexia Bank S.A. (in such capacity, including the provider of any Alternate Liquidity Facility in substitution therefor, the *"Series 2000A-4 Liquidity Facility Provider"*) and Bank of Oklahoma, N.A., Oklahoma City, Oklahoma, a national banking association, as tender agent (the *"Tender Agent"*). See the caption "THE SERIES 2000A-4 LIQUIDITY FACILITY" herein. No Liquidity Facility has been provided for the Series 2000A RAMS.

Series 1996A, Series 1997A and Series 1998A Liquidity Facilities

Payment of the Purchase Price of the Series 1996A Bonds upon optional or mandatory tender is secured by a separate Standby Bond Purchase Agreement dated as of November 1, 1996, as amended by an Amendment (#1) to Standby Bond Purchase Agreement dated as of May 13, 1997 (such agreement, including any Alternate Liquidity Facility in substitution therefor, a *"Series 1996A Liquidity Facility"*) by and among the Authority, Sallie Mae, Inc., Reston, Virginia, a wholly owned subsidiary of USA Education, Inc. (formerly SLM Holding Corporation) (*"Sallie Mae"* or in such capacity, including any Alternate Liquidity Facility Provider for the Series 1996A Bonds, the *"Series 1996A Liquidity Facility Provider"*), and Bank of Oklahoma, N.A., Oklahoma City, Oklahoma, a national banking association, as Tender Agent.

Payment of the Purchase Price of the Series 1997A Bonds upon optional or mandatory tender is secured by a separate Standby Bond Purchase Agreement dated as of May 1, 1997 (such agreement, including any Alternate Liquidity Facility in substitution therefor, a *"Series 1997A Liquidity Facility"*) by and among the Authority, Sallie Mae (in such capacity, including any Alternate Liquidity Facility Provider for the Series 1997A Bonds, the *"Series 1997A Liquidity Facility Provider"),* and Bank of Oklahoma, N.A., Oklahoma City, Oklahoma, a national banking association, as Tender Agent.

Payment of the Purchase Price of the Series 1998A Bonds upon optional or mandatory tender is secured by a separate Standby Bond Purchase Agreement dated as of July 1, 1998, as amended (such agreement, including any Alternate Liquidity Facility in substitution therefor, a *"Series 1998A Liquidity Facility"*) by and among the Authority, Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch (in such capacity, including any Alternate Liquidity Facility Provider for the Series 1998A Bonds, the *"Series 1998A Liquidity Facility Provider"),* and Bank of Oklahoma, N.A., Oklahoma City, Oklahoma, a national banking association, as Tender Agent.

Each Liquidity Facility secures only its respective series of Bonds and Notes and does not secure any other series of Bonds and Notes.

The Authority has reserved the right to replace any Liquidity Facility with an Alternate Liquidity Facility pursuant to the requirements of the Bond Resolution and the applicable Liquidity Facility and subject to consent of the applicable Credit Facility Provider.

Corporate Trustee

Administration of the Trust Estate created for the Bonds and Notes will be governed by a certain Series 1996A Trust Agreement dated as of November 1, 1996 (the *"Series 1996A Trust Agreement"*), a Series 1997A Trust Agreement dated as of May 1, 1997, (the *"Series 1997A Trust Agreement"*), a Series 1998A Trust Agreement dated as of July 1, 1998 (the *"Series 1998A Trust Agreement"*) and a Series 2000A-1/A-2/A-3 Trust Agreement with respect to the Series 2000A RAMS and a Series 2000A-4 Trust Agreement with respect to the Series 2000A-4 Bonds, each to be dated as of August 1, 2000 (collectively, the *"Series 2000A Trust Agreement"*) each by and between the Authority and Bank of Oklahoma, N.A., Oklahoma City, Oklahoma, a

national banking association with corporate trust powers, as trustee or its successors as trustee thereunder (the *"Trustee"*). The Series 1996A Trust Agreement, the Series 1997A Trust Agreement, the Series 1998A Trust Agreement and the Series 2000A Trust Agreement are collectively referred to herein as the *"Trust Agreement."* The Trustee also is acting as paying agent, authenticating agent and registrar pursuant to the Bond Resolution and the Trust Agreement.

Availability of Documentation

The descriptions of the Bonds and Notes, including the Series 2000A Bonds, and of the documents authorizing and securing the Bonds and Notes, including the Series 2000A Bonds, contained herein do not purport to be definitive or comprehensive. All references herein to such documents are qualified in their entirety by reference to the Bonds and Notes and such documents. Copies of such documents may be examined at the office of the Trustee located at 9250 North May Avenue, Suite 110, Oklahoma City, Oklahoma 73120, Attention: Corporate Trust Group; or, at the offices of the Authority located at 4545 North Lincoln Boulevard, Suite 66, Oklahoma City, Oklahoma 73105, Attention: President. During the offering of the Series 2000A Bonds, copies of such documents are available upon request to the offices of Dain Rauscher Incorporated located at 2398 East Camelback Road, Suite 700, Phoenix, Arizona 85016, Attention: Public Finance or Banc of America Securities LLC, 5433 Westheimer Street, Houston, Texas 77056, Attention: Public Finance.

The information contained in "THE SERIES 2000A CREDIT FACILITY" below is not guaranteed as to accuracy or completeness by the Authority, the Underwriters, their respective counsel or Bond Counsel, and is not to be construed as a representation by any of those persons. None of the Authority, the Underwriters, their respective counsel or Bond Counsel have independently verified this information and no representation is made by any of those persons as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

THE SERIES 2000A CREDIT FACILITY

The following information has been furnished by the Series 2000A Credit Facility Provider for use herein. Reference is made to Appendix B for a specimen of the Series 2000A Credit Facility Provider's Credit Facility.

Each of the Series 2000A Credit Facility Provider's policies unconditionally and irrevocably guarantees the full and complete payment required to be made by or on behalf of the Authority to the Trustee in its capacity as paying agent (the *"Paying Agent"*) or its successor of an amount equal to (i) the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, its corresponding series

of the Series 2000A Bonds as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by the Series 2000A Credit Facility Provider's policies shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner of the Series 2000A Bonds pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law (a "*Preference*").

The Series 2000A Credit Facility Provider's policies do not insure against loss of any prepayment premium which may at any time be payable with respect to any Series 2000A Bond. The Series 2000A Credit Facility Provider's policies do not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of Series 2000A Bonds upon tender by an owner thereof; and (iv) any Preference relating to (i) through (iii) above. Carry-over Amount or accrued interest thereon for the Series 2000A RAMS will not be insured by the Series 2000A Credit Provider. The Series 2000A Credit Facility Provider's policies also do not insure against nonpayment of principal of or interest on the Series 2000A Bonds resulting from the insolvency, negligence or any other act or omission of the Paying Agent or any other paying agent for the Series 2000A Bonds. The Series 2000A Credit Facility Provider's policies have been endorsed to provide for cancellation upon the delivery of an Alternate Credit Facility pursuant to the Bond Resolution. The Series 2000A Credit Facility Provider's policies will, however, remain in effect with respect to claims for Preferences resulting from payments made prior to the effective date of cancellation of the policies.

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Series 2000A Credit Facility Provider from the Paying Agent or any owner of a Series 2000A Bond the payment of an insured amount for which is then due, that such required payment has not been made, the Series 2000A Credit Facility Provider on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such insured amounts which are then due. Upon presentment and surrender of such Series 2000A Bonds or presentment of such other proof of ownership of the Series 2000A Bonds, together with any appropriate instruments of assignment to evidence the assignment of the insured amounts due on the Series 2000A Bonds as are paid by the Series 2000A Credit Facility Provider, and appropriate instruments to effect the appointment of the Series 2000A Credit Facility Provider as agent for such owners of the Series 2000A Bonds in any legal proceeding related to payment of insured amounts on the Series 2000A Bonds, such instruments being in a form satisfactory to the State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. will disburse to such owners or the Trustee payment of the insured amounts due

on such Series 2000A Bonds, less any amount held by the Trustee for the payment of such insured amounts and legally available therefor.

The Series 2000A Credit Facility Provider is the principal operating subsidiary of MBIA Inc., a New York Stock Exchange listed company (the *"Company"*). The Company is not obligated to pay the debts of or claims against the Series 2000A Credit Facility Provider. The Series 2000A Credit Facility Provider is domiciled in the State of New York and licensed to do business in and subject to regulation under the laws of all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States and the Territory of Guam. The Series 2000A Credit Facility Provider has two European branches, one in the Republic of France and the other one in the Kingdom of Spain. New York has laws prescribing minimum capital requirements, limiting classes and concentrations of investments and requiring the approval of policy rates and forms. State laws also regulate the amount of both the aggregate and individual risks that may be insured, the payment of dividends by the Series 2000A Credit Facility Provider, changes in control and transactions among affiliates. Additionally, the Series 2000A Credit Facility Provider is required to maintain contingency reserves on its liabilities in certain amounts and for certain periods of time.

As of December 31, 1999, the Series 2000A Credit Facility Provider had admitted assets of $7.0 billion (audited), total liabilities of $4.6 billion (audited), and total capital and surplus of $2.4 billion (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities**.** As of June 30, 2000, the Series 2000A Credit Facility Provider had admitted assets of $7.3 billion (unaudited), total liabilities of $4.9 billion (unaudited), and total capital and surplus of $2.4 billion (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Furthermore, copies of the Series 2000A Credit Facility Provider's year-end financial statements prepared in accordance with statutory accounting practices are available without charge from the Series 2000A Credit Facility Provider. A copy of the Annual Report on Form 10-K of the Company is available from the Series 2000A Credit Facility Provider or the Securities and Exchange Commission. The address of the Series 2000A Credit Facility Provider is 113 King Street, Armonk, New York 10504. The telephone number of the Series 2000A Credit Facility Provider is (914) 273-4545.

Moody's Investors Service, Inc. rates the financial strength of the Series 2000A Credit Facility Provider "Aaa".

Standard & Poor's Ratings Services Group, a division of The McGraw-Hill Companies, Inc., rates the financial strength of the Series 2000A Credit Facility Provider "AAA".

Fitch IBCA, Inc. rates the financial strength of the Series 2000A Credit Facility Provider "AAA".

Each rating of the Series 2000A Credit Facility Provider should be evaluated independently. The ratings reflect the respective rating agency's current assessment of the

creditworthiness of the Series 2000A Credit Facility Provider and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Series 2000A Bonds. The Series 2000A Credit Facility Provider does not guaranty the market price of the Series 2000A Bonds nor does it guaranty that the ratings on the Series 2000A Bonds will not be revised or withdrawn.

ALTERNATE CREDIT FACILITY

The Authority may, and will upon the written request of the Liquidity Facility Provider, replace an existing Credit Facility at any time with an Alternate Credit Facility, which is intended to remain in full force and effect for at least one year, to provide security for payment of the principal of and interest on the applicable series of Bonds and Notes. The Authority must give the Trustee no less than thirty (30) days' prior written notice of its intention to replace the existing Credit Facility with an Alternate Credit Facility.

On or prior to the effective date of such replacement, the Authority must furnish to the Trustee: (i) an opinion of nationally recognized bond counsel that the delivery of such Alternate Credit Facility is authorized under the Bond Resolution and that it will not adversely affect the exemption from federal income taxation of interest on the Bonds and Notes under the Code; (ii) written evidence from each Rating Agency that the substitution for the existing Credit Facility will not, by itself, result in a reduction of its Ratings of the Bonds and Notes from those applicable when the Credit Facility was last in effect or a withdrawal of its Ratings of the Bonds and Notes; and (iii) prior written consent of the Liquidity Facility Provider, if any, provided that if such Credit Facility Provider is the same entity as the Liquidity Facility Provider, or if such Liquidity Facility Provider has been replaced, such consent will not be required.

The Authority will not rescind or terminate an existing Credit Facility unless the Ratings of such existing Credit Facility Provider have been downgraded below "Aa" and "AA" or their equivalent, respectively, the Series 2000A Credit Facility Provider has been paid all amounts owed to it and such an Alternate Credit Facility is in effect.

THE SERIES 2000A-4 LIQUIDITY FACILITY

Standby Bond Purchase Agreement

The Remarketing Agent will continually offer for sale and use its best efforts to sell any Series 2000A-4 Bonds with respect to which a notice of optional tender has been received or which are subject to mandatory tender at a price equal to the principal amount thereof plus accrued interest, if any. If the Remarketing Agent is not able to remarket the Series 2000A-4 Bonds upon an optional or mandatory tender thereof, Dexia Bank S.A. (*"Dexia Bank"*) has

agreed to purchase such Series 2000A-4 Bonds pursuant to the provisions of the Series 2000A-4 Liquidity Facility. The Purchase Price thereof is equal to the unpaid principal amount thereof plus accrued interest, if any, thereon to the respective Purchase Date; provided, however, accrued interest will not be included if the Purchase Date is also an Interest Payment Date.

The following information concerning Dexia Bank S.A. has been obtained from Dexia Bank S.A. for inclusion herein. The information contained in such material is not guaranteed as to accuracy or completeness by the Authority, the Underwriters, their respective counsel or Bond Counsel, and is not to be construed as a representation by any of those persons. None of the Authority, the Underwriters, their respective counsel or Bond Counsel have independently verified this information and no representation is made by any of those persons as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

Dexia Bank S.A.

With total assets of Euros 126 billion as of December 31, 1999*, Dexia Bank S.A., formerly Crédit Communal de Belgique S.A. and renamed Dexia Bank S.A. on May 20, 2000) is one of the largest banks in Belgium. Dexia Bank recorded a 78% increase in net income from Euros 339 million in 1998 to Euros 604 million in 1999.

Founded in 1860, Dexia Bank was established to provide banking and financing services to Belgium's municipalities and provinces which, in turn, owned Dexia Bank. While providing public finance services in Belgium remains an important goal, Dexia Bank has developed into a universal bank. In 1992 Dexia Bank acquired a controlling interest in Banque Internationale a Luxembourg (*"BIL"*), the second largest bank in Luxembourg and a leader in private banking, asset management and fund administration in Europe. Through BIL's offices in London, Dublin, Barcelona, Frankfurt, Zurich, Singapore, Hong Kong and Sydney, Dexia Bank is represented in all major financial centers. In March 1996 Dexia Bank opened its branch in New York through which it accesses the U.S. financial markets and provides credit enhancement to various asset-backed securitizations.

Dexia Bank currently has a long term senior unsecured debt rating of "AA" by Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, (*"S&P"*), "Aa1" by Moody's Investors Service, Inc. (*"Moody's"*) and 'AA+' by Fitch IBCA. Its short term obligations are currently rated "A-1+" by S&P, "P-1" by Moody's and "F-1+" by Fitch IBCA, respectively.

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* The following exchange rates have been neither reviewed or approved by the Bank nor does the Bank make any representation as to whether such exchange rates are a proper basis for comparison. Such exchange rates have been included for informational purposes only. As of December 31, 1999, a Euro was the equivalent of $1.0070, as published on the website of the Federal Reserve Bank of New York. As of August 11, 2000, a Euro is the equivalent of $0.9037, as published on such website.

On October 23, 1996 Dexia Bank and Dexia Credit Local de France formed a business alliance resulting in the creation of two holding companies, Dexia Belgium and Dexia France, which jointly controlled the two operating entities with equal equity interests. During 1997 the Dexia Group launched its first European expansion initiative by acquiring a 40% interest in Italy's Crediop. In January 1998 the Dexia Group set up Dexia Project and Public Finance Bank (Dexint) to spearhead Dexia's project and public finance business outside Belgium and France. In April 1999 the Group launched a tender offer for the 38.6% of Banque Internationale a Luxembourg which it did not already own. In October 1999 the Dexia Group decided to unify its structures to create an integrated banking group. Dexia Belgium did this by means of a paper offer for Dexia France shares. In December 1999, once the results of the offer were known, the Dexia Group created a single holding company called Dexia, with four operating units: Dexia Bank, Dexia Credit Local de France, Dexia Banque Internationale a Luxembourg and Dexia Project and Public Finance Bank.

With a European market share of over 15%, Dexia is the leading provider of project and public finance and financial services to local governments. It is present, through its subsidiaries or affiliates, in substantially all countries of the European Union as well as in the United States. Through its network of one thousand branches in Belgium and Luxembourg, Dexia has a strong competitive position in one of the leading economic regions of Europe in both retail banking and bancassurance. These local services, offered to a clientele of private individuals and small and medium-sized businesses, are delivered by a network of independent agents that is unique in Europe, giving Dexia a key competitive advantage in this market. Dexia is also one of the leading players in private banking, asset management and fund administration.

On March 14, 2000 Dexia and Financial Security Assurance Holdings Ltd. (*"FSA Holdings"*), holding company for the U.S. based bond insurer Financial Security Assurance Inc., announced that they had signed a definitive agreement providing for the acquisition of FSA Holdings by Dexia. The transaction, which has been approved by the boards of both companies, is subject to FSA Holdings' shareholder and regulatory approvals. The companies expect to close the transaction in the second quarter of 2000. The Dexia Group, which as of year-end 1999 had total assets of Euros 245 billion, also announced a 26% increase in 1999 net income from Euros 605 million to Euros 761 million.

Dexia Bank will provide, without charge, a copy of the bank's annual report for the year ended December 31, 1999, or any more recent publicly available information on the bank's financial condition. Written requests should be directed to: Dexia Bank, 445 Park Avenue – 7th Floor, New York, NY 10022; Attention: General Manager.

Summary of Series 2000A-4 Liquidity Facility Provisions

The following is a summary description of certain provisions of the Series 2000A-4 Liquidity Facility. This summary does not purport to be complete or to cover all sections of the Series 2000A-4 Liquidity Facility. Reference is hereby made to the Series 2000A-4 Liquidity Facility for the complete provisions thereof.

Bond Purchase Period. Unless earlier terminated or extended pursuant to the provisions of the Series 2000A-4 Liquidity Facility, Dexia Bank's commitment to purchase Series 2000A-4 Bonds in the event they are not remarketed by the Remarketing Agent will extend from the issuance of the Series 2000A-4 Bonds through August 30, 2003 as such period may be extended from time to time (the *"Bond Purchase Period"*).

Available Commitment Amount. During the Bond Purchase Period, subject to the terms and conditions of the Series 2000A-4 Liquidity Facility, the Series 2000A-4 Liquidity Facility Provider agrees to purchase Series 2000A-4 Bonds at the principal amount thereof plus accrued but unpaid interest thereon in aggregate principal and interest amounts purchased on any business day during the Bond Purchase Period that does not exceed the Available Commitment. As used herein, "Available Commitment" means:

A. The initial principal amount of $20,945,000 as automatically adjusted, from time to time, (i) *downward* by the principal amount of Series 2000A-4 Bonds redeemed or converted to a Fixed Rate by the Authority, (ii) *downward* by the principal amount of funds made available by the Bank to purchase Series 2000A-4 Bonds that have been tendered or are deemed tendered for purchase, and (iii) *upward* by the principal amount of any Series 2000A-4 Bonds purchased by Dexia Bank that are resold by the Remarketing Agent and for which Dexia Bank has received immediately available funds equal to the principal amount thereof and accrued interest thereon; and

B. The initial interest amount of $1,273,915 (185 days interest on the Series 2000A-4 Bonds at the rate of 12% per annum) as automatically adjusted (i) *downward* by an amount that bears the same proportion as any reduction in the principal commitment bears to $20,945,000, and (ii) *upward* by an amount that bears the same proportion to such initial amount as the amount of any upward adjustment of the principal commitment bears to $20,945,000.

Dexia Bank's obligation to fund under the Available Commitment is subject to, among other things, timely receipt of notices; lack of receipt of funds by the Tender Agent from remarketing the Series 2000A-4 Bonds or from moneys available under the Bond Resolution; lack of the occurrence of certain events more fully described below and that the Tender Agent, the Remarketing Agent and the Authority shall have performed their respective obligations.

> THE SERIES 2000A-4 LIQUIDITY FACILITY IS NOT DESIGNED TO PROVIDE CREDIT ENHANCEMENT OR CREDIT SUBSTITUTION AND IS NOT APPLICABLE TO THE SERIES 2000A RAMS. AS DESCRIBED BELOW, UPON THE HAPPENING OF CERTAIN EVENTS, THE BANK'S COMMITMENT UNDER THE SERIES 2000A-4 LIQUIDITY FACILITY MAY BE SUSPENDED OR TERMINATED WITHOUT THE OWNERS OF THE SERIES 2000A BONDS HAVING A RIGHT TO TENDER THEIR SERIES 2000A BONDS.

Suspension or Termination Without Tender Rights. In the event that (i) principal or interest on the Series 2000A-4 Bonds is not paid by the Authority when due (and such amounts are not paid by the Series 2000A Credit Facility Provider as required by the Series 2000A Credit

Facility), or (ii) certain actions or proceedings relating to bankruptcy or insolvency by or in respect to the Series 2000A Credit Facility Provider are instituted, or (iii) the Series 2000A Credit Facility is canceled or terminated for any reason, or amended or modified in any material respect without the prior written consent of Dexia Bank, then the Available Commitment and the Bank's obligation to purchase Series 2000A-4 Bonds will *immediately* terminate without notice and Dexia Bank will be under no obligation to purchase Series 2000A-4 Bonds.

Dexia Bank's obligation to purchase Series 2000A-4 Bonds will be suspended without notice and the Bank will be under no obligation to purchase Series 2000A-4 Bonds (i) if the Series 2000A Credit Facility is held to be invalid by any governmental authority with jurisdiction, (ii) during any grace period during certain acts of bankruptcy or insolvency with respect to the Series 2000A Credit Facility Provider or (iii) if the Series 2000A Credit Provider contests the validity of, or repudiates the Series 2000A Credit Facility. If a final, non-appealable court order is entered regarding such lack of validity or enforceability of the Series 2000A Credit Facility (or a material provision thereof), then Dexia Bank's obligation to purchase Series 2000A-4 Bonds will *terminate* immediately; and, if the contested provisions are upheld in their entirety by such court order, Dexia Bank's obligations under the Series 2000A-4 Liquidity Facility will be reinstated automatically. If three (3) years after the effective date of the suspension of Dexia Bank's obligations, litigation is still pending and a judgment regarding the validity of the Series 2000A Credit Facility has not been obtained, Dexia Bank's obligation to purchase Series 2000A-4 Bonds shall terminate without notice or demand.

Termination with Tender Rights. In the case of (i) non-payment of the quarterly facility fee under the Series 2000A-4 Liquidity Facility by the Authority within five Business Days after the same shall become due, or (ii) reduction of the claims-paying ability or financial strength rating assigned to the Series 2000A Credit Facility Provider below "Aa2," "AA" and "AA" by Moody's, S&P and Fitch, respectively, and the continuance of such downgrade for a period of 90 consecutive days, Dexia Bank may give written notice specifying the commitment termination date (not less than 30 days from the date notice was received by the Tender Agent) on which the Available Commitment shall terminate. On such commitment termination date, the Available Commitment will terminate and Dexia Bank will be under no further obligation to fund the purchase of any Series 2000A-4 Bonds.

ALTERNATE LIQUIDITY FACILITY

The Authority may, with the consent of the Series 2000A Credit Facility Provider, replace, and will replace upon the written request by the Series 2000A Credit Facility Provider, an existing Liquidity Facility with an Alternate Liquidity Facility at any time, and shall replace an existing Liquidity Facility with an Alternate Liquidity Facility if the Ratings of the existing Liquidity Facility Provider have been downgraded below "P-1" or "A-1" or their equivalent, respectively. The Authority must give the Trustee no less than thirty (30) days' written notice of its intention to replace an existing Liquidity Facility with an Alternate Liquidity Facility. An Alternate Liquidity Facility shall be intended to remain in full force and effect for at least 364 days or to the maturity of the Series 2000A-4 Bonds, whichever is less.

On or prior to the effective date of such replacement, the Authority must furnish to the Trustee and the Series 2000A Credit Facility Provider (except as described in (iii) below): (i) an opinion of nationally recognized bond counsel that the delivery of such Alternate Liquidity Facility to the Authority is authorized under the Bond Resolution and that it will not adversely affect the exemption from federal income taxation of interest on the Bonds and Notes under the Code; (ii) written evidence from each Rating Agency that the substitution of the proposed Alternate Liquidity Facility for the existing Liquidity Facility will not, by itself, result in a reduction of its Rating of the Bonds and Notes from that which prevailed when the existing Liquidity Facility was last in effect or a withdrawal of its Ratings on the Bonds and Notes; and (iii) the prior written consent of the Credit Facility Provider, provided that if such Credit Facility Provider is the same entity as the Liquidity Facility Provider being replaced, or if such Credit Facility Provider is also being replaced, such consent will not be required.

The Authority will not otherwise rescind or terminate an existing Liquidity Facility unless such an Alternate Liquidity Facility is in effect, or all of the applicable series of Bonds and Notes have been converted to a Fixed Rate.

DESCRIPTION OF THE SERIES 2000A RAMS

The Series 2000A RAMS are being issued as Reset Auction Mode Securities (*"RAMS"*). The Auction Rate is to be established from time to time pursuant to the Auction Procedures described below under "DESCRIPTION OF THE SERIES 2000A RAMS — Interest on Series 2000A RAMS" and "Appendix G — AUCTION PROCEDURES." The Series 2000A RAMS will be dated their date of issuance and will mature on June 1, 2030. The Series 2000A RAMS are issued as fully registered bonds in denominations of $100,000 or integral multiples thereof. Interest on the Series 2000A RAMS is payable by check or draft on the dates described below. Interest on the Series 2000A RAMS will be paid by check or draft drawn upon the Trustee and mailed to registered owners (initially DTC) at the address shown on the register of the Registrar; provided that, at the written request of a registered owner of at least $1,000,000 in aggregate principal amount of any series of Series 2000A RAMS and upon compliance with certain provisions of the Bond Resolution, interest may be paid by wire transfer. The Series 2000A RAMS are subject to redemption, acceleration and mandatory tender, as described below. DTC will act as Securities Depository for the Series 2000A RAMS. Individual purchases will be made in Book-entry form only as described herein under "SECURITIES DEPOSITORY".

Redemption Provisions

The Series 2000A RAMS are subject to redemption by or on behalf of the Authority upon notice as described under the caption "DESCRIPTION OF THE SERIES 2000A RAMS — Notice of Redemption" herein. If less than all of a series of Series 2000A RAMS that are outstanding are to be redeemed, the particular obligations to be redeemed will be selected (and redeemed only in Authorized Denominations) as described under the caption "DESCRIPTION OF THE SERIES 2000A RAMS — Partial Redemption" herein.

Optional Redemption. The Series 2000A RAMS are subject to optional redemption under certain conditions as follows:

A. *Prior to the Fixed Rate Conversion Date*, the Series 2000A RAMS will be subject to redemption at the option of the Authority (with the written consent of the Series 2000A Credit Facility Provider) (i) during any Auction Rate Period, on the first day of each Auction Period and (ii) during any Variable Rate Period on any Business Day, at a redemption price equal to the principal amount thereof plus accrued interest, if any, in whole or in part, and if in part, in Authorized Denominations, from Available Moneys.

B. *After conversion to a Fixed Rate*, the Series 2000A RAMS will be subject to redemption at the option of the Authority (with the written consent of the Series 2000A Credit Facility Provider), in whole or in part, and if in part, in Authorized Denominations, from Available Moneys.

The Fixed Rate Bonds will not be subject to optional redemption for the first five (5) years after the Fixed Rate Conversion Date. On and after the fifth anniversary of the Fixed Rate Conversion Date, the Series 2000A RAMS will be subject to redemption in whole at any time or in part on any Interest Payment Date thereafter at a redemption price of 102% of the principal amount thereof, which price shall decline by 1/2 of 1% per annum on each anniversary of such Fixed Rate Conversion Date to 100% (i.e., 100% on and after the ninth anniversary of such Fixed Rate Conversion Date).

C. *Extraordinary Optional Redemption.* In addition, the Series 2000A RAMS are subject to extraordinary optional redemption, in whole or in part, in Authorized Denominations on any Business Day at the principal amount thereof, plus accrued interest to the date set for redemption, if the Authority suffers unreasonable burdens or excessive liabilities in connection with the operation of its program for originating, purchasing or financing student loans (the "*Program*") or the redemption of the Series 2000A RAMS is required or necessary under applicable law or regulations of the Secretary to enable the Authority to continue to receive various federal benefits, all as evidenced by a certificate of the Authority addressed to the Trustee and the Series 2000A Credit Facility Provider.

Mandatory Redemption. The Series 2000A RAMS are subject to mandatory redemption by the Authority, in whole or in part, on any Business Day at a redemption price equal to the principal amount thereof being redeemed, plus accrued interest to the date set for redemption, in Authorized Denominations, from moneys on deposit in the Series 2000A-1/A-2/A-3 Principal Subaccount:

A. Which are not derived from the voluntary sale or disposition of Eligible Loans and which the Authority determines (as indicated in an order given to the Trustee at least forty-five (45) days before the redemption date) are not available or are not expected to be used to acquire Eligible Loans;

B. Which represent moneys deposited in the Series 2000A-1/A-2/A-3 Loan Subaccount on the Date of Issuance of the Series 2000A RAMS which have not been used to

acquire Eligible Loans by April 1, 2001 or such later date acceptable to the Series 2000A Credit Facility Provider; or

C. Which represent Recoveries of Principal from Eligible Loans acquired directly or indirectly with the proceeds of the Series 2000A RAMS and not to be used for Recycling.

See the captions "SECURITY AND SOURCES OF PAYMENT - Flow of Funds" and "— Creation of Accounts" herein.

The Authority has the right to designate which Series 2000A RAMS shall be redeemed pursuant to mandatory redemption provided, however, if the Authority shall not make such a designation, the Series 2000A RAMS shall be redeemed on a pro-rata basis. The Series 2000A RAMS to be redeemed pursuant to mandatory redemption will be redeemed only in Authorized Denominations; provided that a Series 2000A RAMS must be left Outstanding in an Authorized Denomination or must be redeemed in whole. The Series 2000A RAMS or portions of the Series 2000A RAMS to be redeemed will be selected by lot or in such other manner as the Trustee in its discretion may deem fair.

Partial Redemption

If less than all of the Series 2000A RAMS of a series are to be redeemed, the particular series of Series 2000A RAMS or portions thereof to be redeemed will be selected, not more than fifteen (15) days prior to the date of notice of redemption, by the Trustee at random in such manner as the Trustee in its discretion may deem fair and appropriate. The Trustee shall treat each series of Series 2000A RAMS to be redeemed as representing that number of Series 2000A RAMS Bonds of the lowest Authorized Denomination as is obtained by dividing the principal amount of such Series 2000A RAMS by such Authorized Denomination, provided that after giving effect to such redemption, all Outstanding Series 2000A RAMS are in Authorized Denominations.

In case part but not all of an outstanding Series 2000A RAM is selected for redemption, upon surrender of such series of Series 2000A RAMS, the Authority will execute and the Trustee will authenticate and deliver to such Registered Owner, the cost of which will be paid as a Program Expense, a new Series 2000A RAM(s) of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the series of Series 2000A RAMS surrendered.

Notice of Redemption

The Trustee will cause notice of redemption to be given to the Credit Facility Provider and the Registered Owner of any Series 2000A RAMS designated for redemption in whole or in part, by mailing a copy of the redemption notice by first-class mail at least fifteen (15) days prior to the redemption date.

The failure of the Trustee to give notice to a Registered Owner or any defect in such notice will not affect the validity of the redemption of any other Series 2000A RAMS.

Each notice of redemption will specify the Series 2000A RAMS to be redeemed, the date fixed for redemption, the place or places of payment, that payment will be made upon presentation and surrender of the Series 2000A RAMS to be redeemed, that interest, if any, accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Series 2000A RAMS are to be redeemed, the notice of redemption shall specify the numbers of the Series 2000A RAMS or portions thereof to be redeemed.

With respect to any notice of redemption of Series 2000A RAMS in accordance with optional redemptions, such notice will state that such redemption will be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys (which shall be Available Moneys for optional redemptions), sufficient to pay the principal of, premium, if any, and interest on such Series 2000A RAMS to be redeemed, and that if such moneys will not have been so received the notice shall be of no force and effect, the Trustee will not be required to redeem such Series 2000A RAMS and all the rights of the Registered Owners prior to the redemption date shall be restored. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Trustee will, within a reasonable time but not more than 10 days after the proposed date of redemption, give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

No assurance can be given by the Authority or the Trustee that DTC will distribute to the Participants, or the Participants will distribute to the Beneficial Owners: (i) payments of principal and interest on the Series 2000A RAMS paid to DTC (or its nominee), as the Registered Owner; or (ii) any redemption or other notices; or (iii) that DTC or the Participants will serve and act on a timely basis or in the manner described herein.

Interest on Series 2000A RAMS

Interest Payments. Interest on the Series 2000A RAMS shall accrue for each Interest Period and shall be payable in arrears, on each succeeding Interest Payment Date. An "*Interest Period*" means if and for so long as Interest Payment Dates are specified to occur at the end of each Auction Period, as described below under "CHANGES IN AUCTION PERIODS OR AUCTION DATE — Changes in Auction Period or Periods", the period commencing on the date of issue through and including September 25, 2000 with respect to each of the Series 2000A-1 RAMS, (ii) October 9, 2000 with respect to the Series 2000A-2 RAMS and Series 2000A-3 RAMS, and each successive 28-day period thereafter.

An "*Interest Payment Date*" means (a) (i) September 26, 2000 with respect to the series 2000A-1 RAMS and (ii) October 10, 2000 with respect to each of the Series 2000A-2 RAMS and Series 2000A-3 RAMS and thereafter (b) for Auction Periods of 180 days or less, the first Business Day of each succeeding Auction Period until maturity or earlier redemption or for (c) Auction Periods of greater than 180 days, each June 1 and December 1 until maturity or earlier redemption. Interest Payment Dates may change in the event of a change in the length of one or more Auction Periods or in certain other events. See "CHANGES IN AUCTION PERIODS OR AUCTION DATE — Changes in Auction Period or Periods" below.

The amount of interest distributable to holders of Series 2000A RAMS in respect of each $100,000 in principal amount thereof for any Interest Period or part thereof shall be calculated by the Trustee by applying the Auction Rate for such Interest Period or part thereof, to the principal amount of $100,000, multiplying such product by the actual number of days in the Interest Period or part thereof, divided by 360, and, if necessary, truncating the resultant figure to the nearest cent. Interest on Series 2000A RAMS shall be computed by the Trustee on the basis of a 360-day year for the number of days actually elapsed. Notwithstanding the foregoing, subject to satisfaction of the conditions set forth below, upon written direction of the Authority, the interest payable on any series of Series 2000A RAMS shall be computed on the basis of a 365- or 366-day year, as appropriate and the actual days elapsed. Such change in payment computation shall only be effective with the consent of the Credit Facility Provider, and upon written notice from the Authority provided to the Trustee, the Auction Agent, the Broker-Dealers, the Trustee, the Liquidity Facility Provider and the Registered Owners of the Bonds provided not less than 15 days prior to an Auction Date for any series of Series 2000A RAMS to which such change is to apply.

In the event an Interest Payment Date occurs in any Interest Period on a day other than the first day of such Interest Period, the Auction Agent, after confirming the calculation required above, shall calculate the portion of the interest amount payable on such Interest Payment Date and the portion payable on the next succeeding Interest Payment Date. The Auction Agent shall make the calculation described above and notify the Trustee not later than the close of business on each Auction Date.

Interest payments on RAMS are to be made by the Trustee to DTC as the registered owner of the RAMS, as of the Record Date preceding each Interest Payment Date. The RAMS are to be registered in the name of Cede & Co., as nominee of DTC, which is acting as the Securities Depository for the RAMS. See "SECURITIES DEPOSITORY" for a description of how DTC, as owner, is expected to disburse such payments to the beneficial owners.

Auction Rate. The respective rates of interest for initial RAMS Auction Periods shall be the rates determined upon the initial sale thereof. Thereafter, the rate of interest on the RAMS for each subsequent Interest Period to, but not including, any Conversion Date shall be equal to the per annum rate of interest that results from implementation of the Auction Procedures described in Appendix G hereto (the *"Auction Rate"*) unless the Auction Rate exceeds the Maximum Auction Rate, in which case the rate of interest on RAMS for such Interest Period shall be the Maximum Auction Rate; *provided* that if, on any Auction Date, an Auction is not held for any reason, then the rate of interest for the next succeeding Interest Period shall be equal to the Maximum Auction Rate for such Auction Period, subject to the Maximum Rate established on such Auction Date.

Notwithstanding the foregoing, (a) if the ownership of RAMS is no longer maintained in book-entry form, the rate of interest on RAMS for any Interest Period commencing after the delivery of certificates representing RAMS as described above shall equal the Maximum Auction Rate on the Business Day immediately preceding the first day of such subsequent Interest Period; or (b) if a Payment Default occurs and is continuing, Auctions will be suspended and the Auction Rate (as defined below) for the Interest Period commencing on or after such Payment Default

and for each Interest Period thereafter to and including the Interest Period, if any, during which, or commencing less than two Business Days after, such Payment Default is cured will equal the Overdue Rate; or (c) if a proposed Conversion shall have failed, as described below under "INADEQUATE FUNDS FOR TENDERS; FAILED CONVERSION," and the next succeeding Auction Date shall be two or fewer Business Days after (or on) any such failed Conversion Date, then an Auction shall not be held on such Auction Date and the rate of interest on RAMS subject to the failed conversion for the next succeeding Interest Period shall be equal to the Maximum Auction Rate calculated as of such failed Conversion Date.

The rate per annum at which interest is payable on RAMS for any Interest Period is herein referred to as the *"Auction Rate."* Notwithstanding anything herein to the contrary, the Auction Rate cannot exceed the applicable Maximum Rate.

Notwithstanding anything herein to the contrary, if any RAMS or portion thereof has been selected for redemption during the next succeeding Interest Period, such RAMS or portion thereof, will not be included in the Auction preceding such redemption date, and will continue to bear interest until the redemption date at the rate established for the Interest Period prior to said Auction.

Carry-over Amount. If the Auction Rate for any Auction Period is greater than the Maximum Auction Rate, then the interest rate applicable to a series of Series 2000A RAMS for that Auction Period will be the Maximum Auction Rate. If the interest rate applicable to a series of Series 2000A RAMS for any Auction Period is the Maximum Auction Rate, the Trustee shall determine the Carry-over Amount, if any, for such Auction Period. Such Carry-over Amount shall bear interest calculated at a rate equal to One-Month London Inter-Bank Offered Rate (*"LIBOR"*) (as determined by the Auction Agent, provided the Trustee has received notice of One-Month LIBOR from the Auction Agent, and if the Trustee shall not have received such notice from the Auction Agent, then as determined by the Trustee) from the Interest Payment Date for the Auction Period with respect to which such Carry-over Amount was calculated, until paid or extinguished. Any payment in respect of the Carry-over Amount shall be applied, first, to any accrued interest payable thereon and, second, in reduction of such Carry-over Amount. For purposes of the Bond Resolution, any reference to "principal" or "interest" shall not include within the meaning of such words the Carry-over Amount or any interest accrued on any such Carry-over Amount. Such Carry-over Amount shall be separately calculated for each series of the Series 2000A RAMS by the Trustee during such Auction Period in sufficient time for the Trustee to give notice to each Owner of such Carry-over Amount as required in the next succeeding sentence. On the Interest Payment Date for an Interest Period with respect to which such Carry-over Amount has been calculated by the Trustee, the Trustee shall give written notice to each Registered Owner of such Series 2000A RAMS of the Carry-over Amount applicable to such Owner's Series 2000A RAMS which written notice may accompany the payment of interest by check made to each such Registered Owner on such Interest Payment Date or otherwise shall be mailed on such Interest Payment Date by first-class mail, postage prepaid, to each such Registered Owner at such Registered Owner's address as it appears on the registration records maintained by the Trustee. Such notice shall state, in addition to such Carry-over Amount, that, unless and until such Series 2000A RAMS have been redeemed or have been deemed no longer Outstanding under the Bond Resolution (after which all accrued Carry-over Amount, and all

accrued interest thereon, that remains unpaid shall be cancelled and no Carry-over Amount, or interest accrued thereon, shall be paid with respect to such Series 2000A RAMS), (i) the Carry-over Amount (and interest accrued thereon calculated at a rate equal to One-Month LIBOR) shall be paid by the Trustee on Series 2000A RAMS on the earlier of (a) the Conversion Date, if any, and if then so paid, shall be paid in full or (b) the first occurring Interest Payment Date for a subsequent Interest Period if and to the extent that (1) the Eligible Carry-over Make-Up Amount (as defined in Appendix G hereto) with respect to such Interest Period is greater than zero, and (2) moneys are available pursuant to the terms of the Bond Resolution in an amount sufficient to pay all or a portion of such Carry-over Amount (and interest accrued thereon), and (ii) interest shall accrue on the Carry-over Amount at a rate equal to One-Month LIBOR until such Carry-over Amount is paid in full or is cancelled.

The Carry-over Amount (and interest accrued thereon) for Series 2000A RAMS shall be paid by the Trustee, if ever, on the earlier of (a) the Conversion Date, if any, and if then so paid, shall be paid in full, or (b) the first occurring Interest Payment Date for a subsequent Interest Period if and to the extent that (i) the Eligible Carry-over Make-Up Amount with respect to such Interest Period is greater than zero, and (ii) on such Interest Payment Date there are sufficient moneys to pay, and available for payment of, all interest due on all Outstanding Bonds and Notes on such Interest Payment Date. Any Carry-over Amount (and any interest accrued thereon) on any of the 2000 Series A Bonds which is due and payable on an Interest Payment Date, which Series 2000A RAMS are to be redeemed (other than by optional redemption from proceeds of a refunding) or deemed no longer Outstanding under the Bond Resolution on said Interest Payment Date, shall be paid to the Registered Owner thereof on said Interest Payment Date to the extent that moneys are available therefor in accordance with the provisions of the Bond Resolution; provided, however, that any Carry-over Amount (and any interest accrued thereon) which is not yet due and payable on said Interest Payment Date shall be cancelled with respect to such Series 2000A RAMS that are to be redeemed (other than by optional redemption from proceeds of a refunding) or deemed no longer Outstanding under the Indenture on said Interest Payment Date and shall not be paid on any succeeding Interest Payment Date. To the extent that any portion of the Carry-over Amount (and any interest accrued thereon) remains unpaid after payment of a portion thereof, such unpaid portion shall be paid in whole or in part as required under the Bond Resolution until fully paid by the Trustee on the earlier of (a) the Conversion Date, if any, and if then so paid, shall be paid in full, or (b) the next occurring Interest Payment Date or Dates, as necessary, for a subsequent Interest Period or Periods, if and to the extent that the conditions in the second preceding sentence are satisfied. On any Interest Payment Date on which the Trustee pays only a portion of the Carry-over Amount (and any interest accrued thereon) on Series 2000A RAMS, the Trustee shall give written notice in the manner set forth in the immediately preceding paragraph to the Registered Owners of such Series 2000A RAMS receiving such partial payment of the Carry-over Amount remaining unpaid on such Series 2000A RAMS. The Interest Payment Date in such subsequent Interest Period on which such Carry-over Amount (or any interest accrued thereon) for Series 2000A RAMS shall be paid, shall be determined by the Trustee in accordance with the provisions of this paragraph, and the Trustee shall make payment of the Carry-over Amount (and any interest accrued thereon) in the same manner as, and from the same account from which, it pays interest on Series 2000A RAMS on an Interest Payment Date. Any Carry-over Amount which remains unpaid on the date of optional redemption of Series 2000A RAMS from proceeds of a refunding shall be paid on the date of such redemption.

ANY UNPAID CARRY-OVER AMOUNT WITH RESPECT TO SERIES 2000A RAMS NOT DUE AND PAYABLE ON THE REDEMPTION DATE WITH RESPECT TO SUCH SERIES 2000A RAMS WILL BE EXTINGUISHED UPON THE MATURITY OR REDEMPTION (OTHER THAN BY OPTIONAL REDEMPTION FROM PROCEEDS OF A REFUNDING) OF SUCH SERIES 2000A RAMS. THE CARRY-OVER AMOUNT WILL OTHERWISE CONTINUE TO ACCRUE ON OUTSTANDING SERIES 2000A RAMS. FURTHERMORE, THE BOND RESOLUTION DOES NOT REQUIRE THAT UNPAID CARRYOVER AMOUNTS BE CONSIDERED A LIABILITY FOR PURPOSES OF TESTS APPLICABLE TO REDEMPTION OF BONDS OR REMOVAL OF PLEDGED ASSETS FROM THE BOND RESOLUTION. THE SERIES 2000A CREDIT FACILITY DOES NOT INSURE CARRY-OVER AMOUNTS OR ACCRUED INTEREST THEREON.

Auction Participants

Existing Owners and Potential Owners. Participants in each Auction will include (i) "Existing Owners," which (for purposes of dealing with the Auction Agent in connection with an Auction) shall mean any Person who is a Broker-Dealer listed in the books of registry as the owner of record of RAMS prior to a Conversion Date at the close of business on the Business Day preceding each Auction; and (ii) "Potential Owners," which shall mean any Person, including any Existing Owner, who shall have executed (and not withdrawn or terminated) a Master Purchaser's Letter (in the form found in Appendix I) and who may be interested in acquiring RAMS (or, in the case of an Existing Owner, an additional principal amount of RAMS).

By purchasing RAMS, whether in an Auction or otherwise, each prospective purchaser of RAMS or its Broker-Dealer must agree and will be deemed to have agreed: (a) to participate in Auctions on the terms set forth in the Bond Resolution and as described in Appendix G hereto, (b) so long as the beneficial ownership of RAMS is maintained in book-entry form by DTC, to sell, transfer or otherwise dispose of RAMS only pursuant to a Bid or a Sell Order (each as defined in Appendix G) in an Auction, or through a Broker-Dealer; *provided* that in the case of all transfers other than those pursuant to an Auction, the Existing Owner of RAMS so transferred, its agent member or its Broker-Dealer advises the Auction Agent of such transfer, and (c) to have its beneficial ownership of RAMS maintained at all times in book-entry form by the securities depository for the account of its Participant in DTC, which in turn will maintain records of such beneficial ownership, and to authorize such Participant to disclose to the Auction Agent such information with respect to such beneficial ownership as the Auction Agent may request.

Auction Agent. The Bank of New York, New York, New York has been appointed as the initial Auction Agent for the RAMS. The Trustee is directed to enter into the initial Auction Agency Agreement with The Bank of New York. Any substitute Auction Agent shall be (a) a bank or trust company duly organized under the laws of the United States of America or any state or territory thereof having its principal place of business in the Borough of Manhattan, The City of New York, and having a combined capital stock, surplus and undivided profits of at least $15,000,000 or (b) a member of the National Association of Securities Dealers, Inc., having a capitalization of at least $15,000,000 and, in either case, authorized by law to perform all the duties imposed upon it under the Bond Resolution and under the Auction Agency Agreement. The Auction Agent may resign and be discharged of the duties and obligations created by the

Bond Resolution by giving at least 90 days' written notice to the Authority, the Trustee, the Series 2000A Credit Facility Provider and the Market Agent (45 days' written notice if the Auction Agent has not been paid its fee after notice of such fact to the Authority, the Series 2000A Credit Facility Provider and the Trustee and only if the Series 2000A Credit Facility Provides does not exercise its right to pay the Auction Agent's fees). The Auction Agent may be removed at any time by the Trustee if the Auction Agent is an entity other than the Trustee, acting at the direction of either (i) the Authority or (ii) the Registered Owners of 66-2/3% of the aggregate principal amount of the RAMS by an instrument signed by the Trustee and filed with the Auction Agent, the Authority and the Market Agent upon at least 30 days' notice; *provided* that, the Series 2000A Credit Facility Provider shall consent and if required by the Market Agent or the Series 2000A Credit Facility Provider, an agreement in substantially the form of the Auction Agency Agreement shall be entered into with a successor Auction Agent. If the Auction Agent shall resign or be removed or dissolved, or if the property or affairs of the Auction Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, the Authority shall use its best efforts to appoint a successor as Auction Agent, and the Trustee shall thereupon enter into an Auction Agency Agreement with such successor.

The Auction Agent is acting as agent for the Trustee and the Authority in connection with Auctions. In the absence of bad faith or negligence on its part, the Auction Agent shall not be liable for any action taken, suffered or omitted or for any error of judgment made by it in the performance of its duties under the Auction Agency Agreement and shall not be liable for any error of judgment made in good faith unless the Auction Agent shall have been negligent in ascertaining (or failing to ascertain) the pertinent facts.

Broker-Dealer. Existing Owners and Potential Owners may participate in Auctions only by submitting orders (in the manner described below) through a "Broker-Dealer," including Dain Rauscher Incorporated as the sole initial Broker-Dealer with respect to the Series 2000A-1 RAMS and Series 2000A-2 RAMS and Banc of America Securities LLC as the sole initial Broker-Dealer with respect to the Series 2000A-3 RAMS or any other broker or dealer (each as defined in the Securities Exchange Act of 1934, as amended), commercial bank or other entity permitted by law to perform the functions required of a Broker-Dealer, set forth in the Bond Resolution which (a) is a "Participant" (*i.e.,* a member of, or participant in, the Securities Depository) or an affiliate of a Participant, (b) has a capital surplus of at least $15,000,000, (c) has been selected by the Authority and the Series 2000A Credit Facility Provider and (d) has entered into a Broker-Dealer Agreement with the Auction Agent that remains effective, in which the Broker-Dealer agrees to participate in Auctions as described in the Auction Procedures, as from time to time amended or supplemented, with the consent of the Series 2000A Credit Facility Provider.

Market Agent. The "Market Agent," initially Dain Rauscher Incorporated, is responsible under the terms of the Market Agent Agreement for determination of the Quarterly Average T-Bill Rate and for the determination of any changes to be made in the percentages used in determining the T-Bill Cap as a component of the Maximum Auction Rate, and adjusting the percentage used in determining the All-Hold Rate and the Overdue Rate. Under the Market Agent Agreement, and in connection with the Series 2000A RAMS, the Market Agent shall act

solely as agent of the Trustee and shall not assume any obligation or relationship of agency or trust for or with any of the beneficial owners.

Auctions

Auctions to establish the Auction Rate are to be held on each Auction Date, except as described above under "INTEREST ON THE SERIES 2000A RAMS — Auction Rate," by application of the Auction Procedures described in Appendix G. *"Auction Date"* shall mean initially (a) September 25, 2000 with respect to the Series 2000A-1 RAMS, and (b) October 6, 2000 (as a result of the October 9, 2000 Columbus Day holiday) with respect to each of the Series 2000A-2 RAMS and Series 2000A-3 RAMS and thereafter, the Business Day immediately preceding the first day of each Interest Period, other than: (a) each Interest Period commencing after the ownership of a series of Series 2000A RAMS is no longer maintained in book-entry form; (b) each Interest Period commencing after the occurrence and during the continuance of a Payment Default (by the Authority and the Series 2000A Credit Provider); or (c) any Interest Period commencing less than two Business Days after the cure or waiver of a Payment Default. Notwithstanding the foregoing, the Auction Date for one or more Auction Periods may be changed as described below under "CHANGES IN AUCTION PERIODS OR AUCTION DATE — Changes in Auction Period or Periods."

The Auction Agent shall determine the Maximum Auction Rate and the All-Hold Rate on each Auction Date. Upon receipt of notice from the Trustee of a failed Conversion Date as described below under "Inadequate Funds for Tenders; Failed Conversion," and if the next succeeding Auction Date shall be two or fewer Business Days after (or on) the failed Conversion Date, the Auction Agent shall not hold an Auction on such Auction Date but shall calculate the Maximum Auction Rate as of the first Business Day of the next succeeding Interest Period and give notice thereof as provided and to the parties specified in the Auction Agency Agreement. If the ownership of a series of Series 2000A RAMS is no longer maintained in book-entry form, the Trustee shall, with the assistance of the Market Agent, calculate the Maximum Auction Rate on the Business Day immediately preceding the first day of each Interest Period commencing after delivery of certificates representing such Series 2000A RAMS. If a Payment Default shall have occurred, the Trustee shall, with the assistance of the Market Agent, calculate the Overdue Rate on the first day of (a) each Interest Period commencing after the occurrence and during the continuance of such Payment Default and (b) any Interest Period commencing less than the two Business Days after the cure of any Payment Default. The determination by the Trustee or the Auction Agent, as the case may be, of the Maximum Auction Rate shall (in the absence of manifest error) be final and binding upon the owners and all other parties. If calculated or determined by the Auction Agent, the Auction Agent shall promptly advise the Trustee of the Maximum Auction Rate.

So long as ownership of a series of Series 2000A RAMS is maintained in book-entry form, an Existing Owner may sell, transfer or otherwise dispose of such series of Series 2000A RAMS only pursuant to a Bid or Sell Order (as defined in Appendix G hereto) placed in an Auction or through a Broker-Dealer, *provided* that, in the case of all transfers other than pursuant to Auctions, such Existing Owner, its Broker-Dealer or its Participant advises the Auction Agent of such transfer. Prior to a Conversion Date, Auctions shall be conducted on each Auction Date,

if there is an Auction Agent on such Auction Date, in the manner described in Appendix G hereto. A description of the Settlement Procedures to be used with respect to Auctions for Series 2000A RAMS is contained in Appendix H hereto.

Changes in Auction Periods or Auction Date

Changes in Auction Period or Periods. While any of the Series 2000A RAMS are outstanding as RAMS, the Authority may change, upon meeting certain conditions, the length of one or more Auction Periods for any series of Series 2000A RAMS. In connection with any such change, the Market Agent may change Interest Payment Dates. Any such changed Auction Period shall not be less than 7 days nor more than 366 days.

The change in the length of one or more Auction Periods shall not be allowed unless Sufficient Clearing Bids (as defined in Appendix G hereto) existed at both the Auction before the date on which the notice of the proposed change was given and the Auction immediately preceding the proposed change. Such change shall take effect only if certain requirements are met as described in the Bond Resolution.

Changes in the Auction Date. While any of the Series 2000A RAMS are outstanding as Series 2000A RAMS, the Market Agent:

(a) in order to conform with then-current market practice with respect to similar securities, shall; or

(b) in order to accommodate economic and financial factors that may affect or be relevant to the day of the week constituting an Auction Date and with the written consent of the Authority and the Series 2000A Credit Facility Provider, may

specify an earlier Auction Date (but in no event more than five Business Days earlier) than the Auction Date that would otherwise be determined in accordance with the definition of *"Auction Date"* with respect to one or more specified future Auction Periods. The Market Agent shall provide notice of any determination to specify an earlier Auction Date for one or more Auction Periods by means of a written notice delivered at least 10 days prior to the proposed changed Auction Date to the Trustee, the Auction Agent and the Authority.

In connection with any change in the Auction terms described above, the Auction Agent shall provide such further notice to such parties as is specified in the Auction Agency Agreement.

Conversion of Bonds

The Authority may, with the consent of the Series 2000A Credit Facility Provider upon 30 days' written notice, on the first day of any Auction Period convert all of any series of Series 2000A RAMS outstanding as RAMS to bear interest at a Variable Rate other than the Auction Rate or at a Fixed Rate (a *"Conversion"*). Upon the effective date of a Conversion, Series 2000A RAMS converted (*"Converted Bonds"*) will no longer be outstanding as RAMS and will

be subject to mandatory tender for purchase at a price equal to the principal amount thereof plus accrued interest, if any, thereon to the date of purchase (the *"Conversion Date"*).

Mandatory Tender Upon Conversion

Converted Bonds shall be subject to mandatory tender for purchase on the effective date of any Conversion at a price equal to the principal amount thereof plus accrued interest, if any, thereon to the date of purchase. The Trustee is required to give notice of such mandatory tender to the Registered Owners of such Converted Bonds subject to purchase at their addresses shown on the books of registry. Such notice shall be sent by first class mail to the Registered Owners.

Converted Bonds to be purchased on any Conversion Date shall be required to be delivered to the designated office of the Trustee, or its designated agent for such purposes, at or before 12:00 noon on such date. If the Registered Owner of any Converted Bond which is subject to purchase as described herein fails to deliver such Converted Bond to the Trustee, or its designated agent for such purposes, for purchase on the purchase date, and if the Trustee, or its designated agent for such purposes, is in receipt of the purchase price therefor, such Converted Bond shall nevertheless be deemed tendered and purchased on the Conversion Date and shall be an Undelivered Bond as described below under the caption "Bonds Deemed Tendered," and registration of the ownership of such Converted Bond shall be transferred to the purchaser thereof as described under the caption "Bonds Deemed Tendered."

Bonds Deemed Tendered

Series 2000A RAMS to be purchased in accordance with a mandatory tender for purchase which are not delivered to the Tender Agent will nevertheless be deemed to have been delivered by the Registered Owners thereof, whereupon interest accruing on and after such mandatory tender date on such Series 2000A RAMS will no longer be payable to the former Registered Owners but will be paid to the new Registered Owners thereof. In such event, the Authority will execute and the Trustee will authenticate and deliver new Series 2000A RAMS. Interest payable on such date will be paid to the Registered Owners of such Series 2000A RAMS as of the Record Date next preceding such Interest Payment Date. The former Registered Owner will have recourse solely to the funds held by the Tender Agent for the purchase of such Series 2000A RAMS, which shall be paid to the former Registered Owner by the Tender Agent upon presentation and surrender of such Series 2000A RAMS endorsed for transfer with signature guaranty satisfactory to the Tender Agent. No other transfer of such Series 2000A RAMS after the mandatory tender date shall be recognized.

Failed Conversion

If a proposed Conversion from an Auction Rate shall have failed, Auctions will be conducted beginning on the first Auction Date occurring more than two Business Days after the failed Conversion and the interest rate on the Series 2000A RAMS subject to the failed Conversion shall be equal to the Maximum Auction Rate as of the failed Conversion Date until such first Auction Date. After any such failed conversion the Series 2000A RAMS subject to the failed conversion shall remain outstanding as RAMS. In the case of a failed conversion of

RAMS, auctions shall be conducted beginning on the first Auction Date occurring more than two Business days after the failed Conversion Date and interest thereon shall be determined and paid according to the Bond Resolution.

DESCRIPTION OF THE SERIES 2000A-4 BONDS

The Series 2000A-4 Bonds are available in Book Entry form only. See the caption "SECURITIES DEPOSITORY" herein. As long as Cede & Co., as nominee of DTC, New York, New York, is the Registered Owner of the Series 2000A-4 Bonds, references herein to the Registered Owners of the Series 2000A-4 Bonds mean Cede & Co. and do not mean the Beneficial Owners of the Series 2000A-4 Bonds.

General

The Series 2000A-4 Bonds will be dated their date of issuance and, subject to the redemption and mandatory tender provisions described herein, will mature on June 1, 2029.

The Series 2000A-4 Bonds will be issued only in fully registered form without coupons in principal amounts of $100,000 or any integral multiple of $5,000 in excess thereof. When issued, DTC will act as securities depository (the *"Securities Depository"*) for the Series 2000A-4 Bonds. The Series 2000A-4 Bonds will be issued initially in fully registered form registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered certificate will be issued for the Series 2000A-4 Bonds and will be deposited with DTC. Individual purchases will be made in Book Entry form only and purchasers of beneficial ownership interests (the *"Beneficial Owners"*) will not receive certificates representing their interests in the Series 2000A-4 Bonds.

Interest on the Series 2000A-4 Bonds

The Series 2000A-4 Bonds initially will bear interest at the Weekly Rate. Interest on the Series 2000A-4 Bonds will be payable semi-annually on June 1 and December 1 of each year, commencing December 1, 2000. Interest payable on the Series 2000A-4 Bonds will be computed: (i) if at a Variable Rate, on the basis of a 365 or 366-day year, as appropriate, and the actual number of days elapsed; and (ii) if at a Fixed Rate, on the assumption that each year contains 360 days and is composed of twelve 30-day months.

Interest payments on the Series 2000A-4 Bonds are to be made by the Trustee to the persons who are the Registered Owners thereof (initially, Cede & Co.) as of the Record Date. See the caption "SECURITIES DEPOSITORY" herein for a description of how the Securities Depository, as the Registered Owner of the Series 2000A-4 Bonds, is expected to disburse such payments to the Beneficial Owners.

Until the Fixed Rate Conversion Date established for the Series 2000A-4 Bonds, from time to time, the Authority may designate different Variable Rates to be applicable to the Series

2000A-4 Bonds (each a *"Conversion"*) and to be effective on any Conversion Date established for the Series 2000A-4 Bonds. Notice of such Conversion shall be given as described herein.

The Series 2000A-4 Bonds will bear interest in one of the following interest rate modes: (i) any Variable Rate (which includes a Weekly Rate, a Quarterly Rate, a Semiannual Rate and an Annual Rate); or (ii) a Fixed Rate. The Series 2000A-4 Bonds will bear interest during the first Weekly Rate Period (which shall extend from the date of closing through September 5, 2000) at a rate to be determined by the Remarketing Agent, and thereafter will bear interest as Weekly Rate Bonds until the initial Conversion Date.

Determination of Interest Rates

Interest Rates on the Series 2000A-4 Bonds will be determined as follows for Weekly Rate Bonds, Quarterly Rate Bonds, Semiannual Rate Bonds, Annual Rate Bonds and Fixed Rate Bonds.

A. *For Weekly Rate Bonds*, the Interest Rate for any Weekly Rate Period will be the rate established for such Weekly Rate Period by the Remarketing Agent no later than 12:00 p.m., New York City time, on the first day of such Weekly Rate Period as being the minimum rate of interest necessary, in the best professional judgment of the Remarketing Agent taking into account prevailing market conditions, to enable the Remarketing Agent to sell all of the Weekly Rate Bonds in the secondary market on the date such rate is set at a price equal to the principal amount thereof, plus accrued interest.

B. *For Quarterly Rate Bonds*, the Interest Rate for any Quarterly Rate Period will be the rate established for such Quarterly Rate Period by the Remarketing Agent no later than 12:00 p.m., New York City time, on the first day of such Quarterly Rate Period as being the minimum rate of interest necessary, in the best professional judgment of the Remarketing Agent taking into account prevailing market conditions, to enable the Remarketing Agent to sell all of the Quarterly Rate Bonds in the secondary market on the date such rate is set at a price equal to the principal amount thereof, plus accrued interest.

C. *For Semiannual Rate Bonds*, the Interest Rate for any Semiannual Rate Period will be the rate established for such Semiannual Rate Period by the Remarketing Agent no later than 12:00 p.m., New York City time, on the first day of such Semiannual Rate Period as being the minimum rate of interest necessary, in the best professional judgment of the Remarketing Agent taking into account prevailing market conditions, to enable the Remarketing Agent to sell all of the Semiannual Rate Bonds in the secondary market on the date such rate is set at a price equal to the principal amount thereof, plus accrued interest.

D. *For Annual Rate Bonds*, the Interest Rate for any Annual Rate Period will be the rate established for such Annual Rate Period by the Remarketing Agent no later than 12:00 p.m., New York City time, on the first day of such Annual Rate Period as being the minimum rate of interest necessary, in the best professional judgment of the Remarketing Agent taking into account prevailing market conditions, to enable the Remarketing Agent to sell all of the Annual

Rate Bonds in the secondary market on the date such rate is set at a price equal to the principal amount thereof, plus accrued interest.

E. *For Fixed Rate Bonds*, the Interest Rate will be an annual rate established by the Remarketing Agent on or prior to the first day on which the Series 2000A-4 Bonds bear the Fixed Rate as being, in the best professional judgment of the Remarketing Agent taking into account prevailing market conditions, the minimum fixed rate of interest which would be necessary to enable the Remarketing Agent to sell all of the Fixed Rate Bonds in the secondary market at a price equal to the principal amount thereof, plus accrued interest.

Series 2000A-4 Bonds while owned by a Liquidity Facility Provider will bear interest at the Bank Rate which shall be the lesser of: (i) the maximum rate permitted by applicable law; or (ii) the rates provided in the applicable Liquidity Facility. If such Bank Bonds are sold pursuant to the remarketing provisions of the Bond Resolution, such Bank Bonds will bear interest from the date of sale calculated as though such Series 2000A-4 Bonds did not bear interest at the Bank Rate. The differential interest due to the Liquidity Facility Provider on Bank Bonds sold between Interest Payment Dates will be paid to the applicable Liquidity Facility Provider on the remarketing thereof, but no more frequently than monthly.

In the event that the Remarketing Agent no longer determines, or fails to determine, an Interest Rate pursuant to paragraphs A through E above, or if for any reason such manner of determination shall be held to be invalid or unenforceable by a court of law, the interest rate or rates for the next succeeding interest period will be as follows (subject to the Maximum Rate):

A. *For Weekly Rate Bonds*, that interest rate for each Weekly Rate Period equal to The Bond Market Association Municipal Swap Index or, in the event such index is no longer in existence, 85% of the 15-day dealer taxable commercial paper rate as most recently published by the Federal Reserve Bank of New York next preceding the first day of such Weekly Rate Period, but effective as of such first day of the Weekly Rate Period; and

B. *For Quarterly Rate Bonds, Semiannual Rate Bonds and Annual Rate Bonds,* that annual rate of interest equal to 85% of the rate listed in the table most recently circulated by the United States Treasury Department known as "Table [applicable dates shown on the most recent table], Maximum Interest Rates Payable on United States Treasury Certificates of Indebtedness, Notes and Bonds-State and Local Government Series Subscribed for during [applicable dates shown on the most recent table]" or any subsequent and substantially equivalent table circulated by the United States Treasury Department for the maturity most closely approximating the duration, as the case may be, of the Quarterly Rate Period, the Semiannual Rate Period or the Annual Rate Period.

Any Weekly Rate Bond with regard to which demand is not made for optional tender or mandatory tender will be deemed to have been remarketed to the Registered Owner thereof at the Variable Rate and on the terms provided for in the Series 2000A-4 Bond Resolution. All Quarterly Rate Bonds, Semiannual Rate Bonds and Annual Rate Bonds are subject to mandatory tender on the Business Day succeeding such Quarterly Rate Period, Semiannual Rate Period and Annual Rate Period.

Any determination of an Interest Rate shall be conclusive and binding upon the Authority, the Trustee, the Tender Agent, the Remarketing Agent, the Credit Facility Provider, the Liquidity Facility Provider and the Registered Owners of the Bonds and Notes.

Interest payable on the Series 2000A-4 Bonds will never exceed the Maximum Rate, except as provided for with respect to Bank Bonds.

Conversion of Interest Rate

The interest rates on the Series 2000A-4 Bonds (except for Fixed Rate Bonds, which are not subject to Conversion) are subject to Conversion from one interest rate mode to another (including from one interest rate mode within the Variable Rates to another interest rate mode within the Variable Rates), in whole and not in part, at the option of the Authority, by mailing a notice to the Trustee, the Tender Agent, the Credit Facility Provider, the Liquidity Facility Provider and the Remarketing Agent at least thirty (30) days (twenty (20) days in the event of Conversion from one interest rate mode within the Variable Rates to another interest rate mode within the Variable Rates) before the Conversion Date accompanied by a preliminary opinion of nationally recognized municipal bond counsel stating that such Conversion is authorized and in accordance with the Bond Resolution and will not adversely affect the exemption of the interest on any of the Bonds and Notes from federal income taxation under the Code. On the Conversion Date as a necessary condition to such Conversion, the Authority will deliver to the Trustee and the Credit Facility Provider an opinion of nationally recognized municipal bond counsel confirming the preliminary opinion as of such Conversion Date.

In the event that such confirming opinion of bond counsel is not so delivered on the Conversion Date, the intended Conversion will not take place and interest on the Series 2000A-4 Bonds for which the Conversion was intended will be determined on the basis of the Weekly Rate.

If the interest rate on any Series 2000A-4 Bond is to be converted, the interest rate on all Series 2000A-4 Bonds must be converted.

The prior written consent of the Series 2000A Credit Facility Provider will be required for any such Conversion.

The Trustee will give notice by mail to the Registered Owners of the Series 2000A-4 Bonds when the interest rate is to be converted not less than twenty-five (25) days (fifteen (15) days for a Conversion from one Variable Rate mode to another) prior to the Conversion Date. Such notice will state, among other things: (i) that such Series 2000A-4 Bonds are being converted, as set forth in the notice from the Authority; (ii) the Conversion Date; (iii) that every Series 2000A-4 Bond (with an appropriate transfer of registration executed in blank in form satisfactory to the Tender Agent) must be delivered to the Tender Agent (at its designated office) not later than the Conversion Date or the next succeeding Business Day if not a Business Day and, in the absence of such delivery, will be deemed to have been delivered and purchased; and (iv) the Purchase Price the Authority will pay for the Series 2000A-4 Bonds on such Purchase Date, that no interest will accrue to the benefit of such Registered Owners after the Purchase

Date, and that every Outstanding Series 2000A-4 Bond subject to the Conversion will be purchased by the Tender Agent on the Purchase Date or the next succeeding Business Day if not a Business Day.

In the event that the intended Conversion does not take place, the Trustee will give notice immediately to the Series 2000A-4 Liquidity Facility Provider and, within a reasonable time, but not more than twenty-five (25) days after the proposed Conversion Date, give notice to the Registered Owners, in the manner in which notice of redemption was given, that such Conversion did not take place.

While the Series 2000A-4 Bonds are in a Variable Rate mode, there shall be in effect a Credit Facility or Alternate Credit Facility and Liquidity Facility or Alternate Liquidity Facility with respect to the Series 2000A-4 Bonds. The Series 2000A-4 Liquidity Facility is not required to remain in effect after conversion of the interest rates on all Series 2000A-4 Bonds to a Fixed Rate.

Purchase of Weekly Rate Bonds on Demand

So long as a Liquidity Facility for the Series 2000A-4 Bonds is in effect, any Weekly Rate Bond of such Series 2000A-4 Bonds will be purchased, on the demand of the Registered Owner or Beneficial Owner thereof, on any Business Day designated by the Registered Owner or Beneficial Owner thereof which is not less than seven (7) days after the date of such demand at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the Purchase Date, upon telephonic notice to the Tender Agent and the Remarketing Agent at their designated offices and confirmed by written notice to the Tender Agent and the Remarketing Agent (at their designated offices) not later than the third Business Day prior to the Purchase Date, which notice: (i) states the number and principal amount (or portion thereof in an Authorized Denomination provided that after giving effect to such tender, the portion of Series 2000A-4 Bonds not tendered is also in an Authorized Denomination) of such Weekly Rate Bond to be purchased; (ii) states the Purchase Date on which such Weekly Rate Bond will be purchased pursuant to the Series 2000A-4 Bond Resolution; and (iii) irrevocably requests such purchase. The Series 2000A Credit Facility does not insure the Purchase Price of such purchase of tendered Series 2000A-4 Bonds.

IF THE SERIES 2000A-4 LIQUIDITY FACILITY HAS BEEN TERMINATED OR SUSPENDED IN ACCORDANCE WITH ITS TERMS, THE SERIES 2000A-4 BONDS WILL NO LONGER BE SUBJECT TO OPTIONAL TENDER. IN ADDITION, THE SERIES 2000A-4 LIQUIDITY FACILITY MAY BE TERMINATED WITHOUT REQUIRING A MANDATORY TENDER OF THE SERIES 2000A-4 BONDS UPON THE TERMINATION OF THE SERIES 2000A CREDIT FACILITY OR THE BANKRUPTCY OF THE SERIES 2000A CREDIT FACILITY PROVIDER. SEE THE CAPTION "INVESTMENT CONSIDERATIONS — THE SERIES 2000A-4 LIQUIDITY FACILITY PROVIDER'S OBLIGATIONS ARE NOT ABSOLUTE" HEREIN.

Any Weekly Rate Bond with regard to which demand is made will be deemed to have been tendered for purchase on the Purchase Date. Delivery of such Weekly Rate Bond (with an appropriate transfer of registration executed in blank in form satisfactory to Tender Agent) at the designated office of Tender Agent at or prior to 11:30 a.m., New York City time, on the date

specified in the notice will be required for payment in same day funds of the purchase price due on such Purchase Date. No Registered Owner will be entitled to payment of the purchase price due on such Purchase Date except upon surrender of such Weekly Rate Bonds as set forth herein.

If the Purchase Date is also an Interest Payment Date, the Purchase Price will not include accrued interest.

So long as the Authority utilizes a Book Entry System for the Series 2000A-4 Bonds, evidence of ownership and an assignment sufficient to transfer the beneficial ownership of a tendered Series 2000A-4 Bond to the Tender Agent or its assignee shall be deemed to be presentation and surrender of the Series 2000A-4 Bond for purposes hereof. See the caption "SECURITIES DEPOSITORY" herein.

On the date Series 2000A-4 Bonds are to be purchased on demand pursuant to a tender option, the Series 2000A-4 Bonds will be purchased only from the funds listed below, at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase. Funds for the payment of such purchase price will be derived from the following sources in the order of priority indicated and none of the Authority, the Trustee, the Tender Agent or the Remarketing Agent will be obligated to provide funds from any other source. At the request of the Tender Agent, the Trustee and the Remarketing Agent will deliver any moneys held by them from such sources in such order to the Tender Agent: (i) proceeds of the sale of such Series 2000A-4 Bonds pursuant to remarketing; and (ii) proceeds of a payment pursuant to the Series 2000A-4 Liquidity Facility.

The Tender Agent will: (i) hold all Series 2000A-4 Bonds delivered to it in trust for the benefit of the respective Registered Owners until moneys representing the Purchase Price of such Series 2000A-4 Bonds have been delivered to or for the account of or to the order of such Registered Owners; and (ii) hold all moneys delivered to it for the purchase of such Series 2000A-4 Bonds in trust uninvested for the benefit of the person or entity which shall have so delivered such moneys until the Series 2000A-4 Bonds have been delivered to or the account of such Person.

No Purchases or Sales after Termination of Series 2000A-4 Liquidity Facility; Notice of Pending Termination. There shall be no purchases or sales of Series 2000A-4 Bonds if there shall have been a termination or suspension of the Series 2000A-4 Liquidity Facility and the Tender Agent has been informed of such termination or suspension. The Trustee shall give immediate notice of such termination by telecommunication to the Remarketing Agent, the Tender Agent (together with a copy of the notice to be sent to the Registered Owners), the Series 2000A Credit Facility Provider and the Series 2000A-4 Liquidity Facility Provider. The Trustee shall cause the Tender Agent to give notice to the Registered Owners by mail of: (i) the termination of the Series 2000A-4 Liquidity Facility and that such termination results in no purchases or sales of Series 2000A-4 Bonds being permitted pursuant to the Series 2000A-4 Bond Resolution; and (ii) substitution of an Alternate Liquidity Facility and that in consequence of such substitution purchases and sales are again permitted pursuant to the Bond Resolution.

In addition, upon the Trustee's receipt of written notice from the Authority, the Series 2000A-4 Liquidity Facility Provider or the Series 2000A Credit Facility Provider of pending termination (without substitution) of the Series 2000A-4 Liquidity Facility or Series 2000A Credit Facility, the Trustee shall, as soon thereafter as is reasonably practicable, notify the Tender Agent and the Remarketing Agent by registered mail, return receipt requested (and also by telex, telecopy or similar means), of such fact. The Trustee shall cause the Tender Agent to notify all Registered Owners of the Series 2000A-4 Bonds by registered mail, return receipt requested, of such fact. The notice shall state (i) the expected date of termination; (ii) that on such date the Registered Owners' right to request purchase of Series 2000A-4 Bonds by the Tender Agent will not exist; and (iii) that the ratings of Rating Agencies, if any, of the Series 2000A-4 Bonds in effect as of such date will cease to apply.

Mandatory Tender and Purchase

Quarterly, Semiannual and Annual Rate Periods. So long as a Liquidity Facility for the Series 2000A-4 Bonds is in effect, all Quarterly Rate Bonds, Semiannual Rate Bonds and Annual Rate Bonds of such Series 2000A-4 Bonds shall be delivered to the Tender Agent on the Business Day succeeding each Quarterly Rate Period, Semiannual Rate Period and Annual Rate Period for purchase (with all necessary endorsements) at a price equal to the principal amount thereof plus accrued interest, if any.

Conversion. So long as a Series 2000A-4 Liquidity Facility is in effect, on any Conversion Date with respect to any Series 2000A-4 Bonds, all such Series 2000A-4 Bonds (other than Bank Bonds) shall be delivered to the Tender Agent for purchase (with all necessary endorsements) and purchased at a price equal to the principal amount thereof plus accrued interest, if any.

Facility Substitution or Expiration. So long as a Series 2000A-4 Liquidity Facility is in effect, on any Facility Substitution Date or Expiration Date, all Series 2000A-4 Bonds shall be delivered to the Tender Agent for purchase (with all necessary endorsements) and purchased at a price equal to the principal amount thereof plus accrued interest, if any. Notice of a Facility Substitution or Expiration shall be given in accordance with the Series 2000A-4 Bond Resolution.

Source of Funds. The Purchase Price of the Series 2000A-4 Bonds purchased pursuant to mandatory tender will be paid from the following sources in the order of priority indicated and none of the Authority, the Trustee, the Tender Agent or the Remarketing Agent will be obligated to provide funds from any other source. At the request of the Tender Agent, the Trustee and the Remarketing Agent shall deliver any moneys held by them from such sources in such order to the Tender Agent: (i) proceeds of the sale of such Series 2000A-4 Bonds pursuant to a remarketing; and (ii) proceeds of a payment pursuant to the Series 2000A-4 Liquidity Facility. The Series 2000A Credit Facility does not insure the Purchase Price of such purchase of tendered Series 2000A-4 Bonds. IF THE SERIES 2000A-4 LIQUIDITY FACILITY HAS BEEN TERMINATED IN ACCORDANCE WITH ITS TERMS, THE SERIES 2000A-4 BONDS WILL NO LONGER BE SUBJECT TO MANDATORY TENDER FOR PURCHASE. IN ADDITION, THE SERIES 2000A-4 LIQUIDITY FACILITY MAY BE TERMINATED WITHOUT REQUIRING A MANDATORY TENDER OF THE SERIES 2000A-4 BONDS

UPON THE TERMINATION OF THE SERIES 2000A Credit FACILITY OR THE BANKRUPTCY OF THE SERIES 2000A CREDIT FACILITY PROVIDER. SEE THE CAPTION "INVESTMENT CONSIDERATIONS - THE SERIES 2000A-4 LIQUIDITY FACILITY" HEREIN.

Deemed Tender. Series 2000A-4 Bonds to be purchased in accordance with a mandatory tender for purchase which are not delivered to the Tender Agent will nevertheless be deemed to have been delivered by the Registered Owners thereof, whereupon interest accruing on and after such mandatory tender date on such Series 2000A-4 Bonds will no longer be payable to the former Registered Owners but will be paid to the new Registered Owners thereof. In such event, the Authority will execute and the Trustee will authenticate and deliver new Series 2000A-4 Bonds. Interest payable on such date will be paid to the Registered Owners of such Series 2000A-4 Bonds as of the Record Date next preceding such Interest Payment Date. The former Registered Owner will have recourse solely to the funds held by the Tender Agent for the purchase of such Series 2000A-4 Bonds, which shall be paid to the former Registered Owner by the Tender Agent upon presentation and surrender of such Series 2000A-4 Bonds endorsed for transfer with signature guaranty satisfactory to the Tender Agent. No other transfer of such Series 2000A-4 Bonds after the mandatory tender date shall be recognized.

Failed Conversion. If for any reason an intended Conversion does not take effect on a Conversion Date: (i) from and after the proposed Conversion Date until any subsequent Conversion, the Series 2000A-4 Bonds will bear interest at the Weekly Rate; and (ii) the mandatory purchase of Series 2000A-4 Bonds will nevertheless remain effective and will occur as if the Conversion had taken effect if the Trustee has notified the Registered Owners of the proposed Conversion.

Substitution. If for any reason an intended substitution of a Series 2000A-4 Liquidity Facility or Series 2000A Credit Facility does not take effect on the specified date, the mandatory purchase of Series 2000A-4 Bonds will nevertheless remain effective and will occur as if the substitution had taken effect if the Trustee has notified the Registered Owners of the proposed Conversion. The Series 2000A-4 Liquidity Facility will not be released until all principal, interest and Purchase Price of the Series 2000A-4 Bonds payable therefrom have been paid.

Book Entry System. So long as the Authority utilizes a Book Entry System for the Series 2000A-4 Bonds, evidence of ownership and an assignment sufficient to transfer the Beneficial Ownership of a tendered Series 2000A-4 Bond to the Tender Agent or its assignee will be deemed to be presentation and surrender of the Series 2000A-4 Bond. See the caption "SECURITIES DEPOSITORY" herein.

Redemption Provisions

The Series 2000A-4 Bonds are subject to redemption by or on behalf of the Authority upon notice as described under the caption "DESCRIPTION OF THE SERIES 2000A-4 BONDS - Notice of Redemption" herein. If less than all Series 2000A-4 Bonds that are outstanding are to be redeemed, the particular obligations to be redeemed will be selected (and redeemed only in Authorized Denominations) as described under the caption "DESCRIPTION OF THE SERIES 2000A-4 BONDS - Partial Redemption" herein.

Optional Redemption. The Series 2000A-4 Bonds are subject to optional redemption under certain conditions as follows:

A. *Prior to the Fixed Rate Conversion Date*, the Series 2000A-4 Bonds will be subject to redemption at the option of the Authority (with the written consent of the Series 2000A Credit Facility Provider) on any Business Day at a redemption price equal to the principal amount thereof plus accrued interest, if any, in whole or in part, and if in part, in Authorized Denominations, from Available Moneys.

B. *After conversion to a Fixed Rate*, the Series 2000A-4 Bonds will be subject to redemption at the option of the Authority (with the written consent of the Series 2000A Credit Facility Provider), in whole or in part, and if in part, in Authorized Denominations, from Available Moneys.

The Fixed Rate Bonds will not be subject to optional redemption for the first five (5) years after the Fixed Rate Conversion Date. On and after the fifth anniversary of the Fixed Rate Conversion Date, the Series 2000A-4 Bonds will be subject to redemption in whole at any time or in part on any Interest Payment Date thereafter at a redemption price of 102% of the principal amount thereof, which price shall decline by 1/2 of 1% per annum on each anniversary of such Fixed Rate Conversion Date to 100% (i.e., 100% on and after the ninth anniversary of such Fixed Rate Conversion Date).

C. *Extraordinary Optional Redemption.* In addition, the Series 2000A-4 Bonds are subject to extraordinary optional redemption, in whole or in part, in Authorized Denominations on any Business Day at the principal amount thereof, plus accrued interest to the date set for redemption, if the Authority suffers unreasonable burdens or excessive liabilities in connection with the operation of its program for originating, purchasing or financing student loans (the "*Program*") or the redemption of the Series 2000A-4 Bonds is required or necessary under applicable law or regulations of the Secretary to enable the Authority to continue to receive various federal benefits, all as evidenced by a certificate of the Authority addressed to the Trustee and the Series 2000A Credit Facility Provider.

The Trustee will redeem all Outstanding Bank Bonds prior to optional redemption or extraordinary optional redemption of any other Series 2000A-4 Bonds.

Mandatory Redemption. The Series 2000A-4 Bonds are subject to mandatory redemption by the Authority, in whole or in part, on any Business Day at a redemption price equal to the principal amount thereof being redeemed, plus accrued interest to the date set for redemption, in Authorized Denominations, from moneys on deposit in the Series 2000A-4 Principal Subaccount:

A. Which are not derived from the voluntary sale or disposition of Eligible Loans and which the Authority determines (as indicated in an order given to the Trustee at least forty-five (45) days before the redemption date) are not available or are not expected to be used to acquire Eligible Loans;

B. Which represent moneys deposited in the Series 2000A-4 Loan Subaccount on the Date of Issuance of the Series 2000A-4 Bonds which have not been used to acquire Eligible Loans by April 1, 2001 or such later date acceptable to the Series 2000A-4 Credit Facility Provider; or

C. Which represent Recoveries of Principal from Eligible Loans acquired directly or indirectly with the proceeds of the Series 2000A-4 Bonds and not to be used for Recycling.

See the captions "SECURITY AND SOURCES OF PAYMENT - Flow of Funds" and "— Creation of Accounts" herein.

All Series 2000A-4 Bonds constituting Bank Bonds are subject to mandatory redemption on each anniversary of the expiration date of the Series 2000A-4 Liquidity Facility in an amount equal to one-fifth (1/5) of the principal amount of the Bank Bonds Outstanding on the expiration date of the Series 2000A-4 Liquidity Facility at their Redemption Price, plus accrued interest at the Bank Rate to the redemption date.

The Series 2000A-4 Bonds to be redeemed pursuant to mandatory redemption will be redeemed only in Authorized Denominations; provided that a Series 2000A-4 Bond must be left Outstanding in an Authorized Denomination or must be redeemed in whole. The Series 2000A-4 Bonds or portions of the Series 2000A-4 Bonds to be redeemed will be selected by lot or in such other manner as the Trustee in its discretion may deem fair, except that Bank Bonds will be redeemed prior to any other Series 2000A-4 Bonds.

Partial Redemption

If less than all of the Series 2000A-4 Bonds are to be redeemed, the particular Series 2000A-4 Bonds or portions thereof to be redeemed will be selected, not more than fifteen (15) days prior to the date of notice of redemption, by the Trustee at random in such manner as the Trustee in its discretion may deem fair and appropriate. The Trustee shall treat each Series 2000A-4 Bond to be redeemed as representing that number of Series 2000A-4 Bonds of the lowest Authorized Denomination as is obtained by dividing the principal amount of such Series 2000A-4 Bond by such Authorized Denomination, provided that after giving effect to such redemption, all Outstanding Series 2000A-4 Bonds are in Authorized Denominations.

In case part but not all of an outstanding Series 2000A-4 Bond is selected for redemption, upon surrender of such Series 2000A-4 Bond, the Authority will execute and the Trustee will authenticate and deliver to such Registered Owner, the cost of which will be paid as a Program Expense, a new Series 2000A-4 Bond(s) of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Series 2000A-4 Bond surrendered.

Notice of Redemption

The Trustee will cause notice of redemption to be given to the Tender Agent, the Remarketing Agent, the Series 2000A Credit Facility Provider and the Registered Owner of any Series 2000A-4 Bonds designated for redemption in whole or in part, by:

A. In the case of redemptions of Series 2000A-4 Bonds (other than Bank Bonds) mailing a copy of the redemption notice by first-class mail at least fifteen (15) days prior to the redemption date; and

B. In the case of redemptions of Bank Bonds, sending a copy of the redemption notice to the Series 2000A-4 Liquidity Facility Provider at least three (3) Business Days prior to the redemption date by first-class express mail, telex or telecopy with confirmation by first-class mail.

The failure of the Trustee to give notice to a Registered Owner or any defect in such notice will not affect the validity of the redemption of any other Series 2000A-4 Bonds.

Each notice of redemption will specify the Series 2000A-4 Bonds to be redeemed, the date fixed for redemption, the place or places of payment, that payment will be made upon presentation and surrender of the Series 2000A-4 Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Series 2000A-4 Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Series 2000A-4 Bonds or portions thereof to be redeemed.

With respect to any notice of redemption of Series 2000A-4 Bonds in accordance with optional redemptions, such notice will state that such redemption will be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys (which shall be Available Moneys for optional redemptions), sufficient to pay the principal of, premium, if any, and interest on such Series 2000A-4 Bonds to be redeemed, and that if such moneys will not have been so received the notice shall be of no force and effect, the Trustee will not be required to redeem such Series 2000A-4 Bonds and all the rights of the Registered Owners prior to the redemption date shall be restored. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Trustee will, within a reasonable time but not more than 10 days after the proposed date of redemption, give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

No assurance can be given by the Authority or the Trustee that DTC will distribute to the Participants, or the Participants will distribute to the Beneficial Owners: (i) payments of principal and interest on the Series 2000A-4 Bonds paid to DTC (or its nominee), as the Registered Owner; or (ii) any redemption or other notices; or (iii) that DTC or the Participants will serve and act on a timely basis or in the manner described herein.

Transfer and Exchange

Notwithstanding the following, for so long as the Series 2000A-4 Bonds are available only in the Book Entry System of DTC as the Securities Depository, transfers and exchanges of the Series 2000A-4 Bonds by the Beneficial Owners thereof will occur as described under the caption "SECURITIES DEPOSITORY" herein.

Each Series 2000A-4 Bond will be transferable only upon the books of the Authority, which will be kept for such purpose at the corporate trust office of the Trustee, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or his duly authorized attorney. Upon surrender for transfer of any such Series 2000A-4 Bond, the Authority will execute and the Trustee will authenticate and deliver, in the name of the transferee, one or more new fully registered Series 2000A-4 Bonds of the same aggregate principal amount as the surrendered Series 2000A-4 Bonds.

Series 2000A-4 Bonds, upon surrender thereof at the corporate trust office of the Trustee (or any duly designated agent thereof) with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner or his duly authorized attorney, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Series 2000A-4 Bonds in Authorized Denominations, interest rate and maturity.

The Authority, the Tender Agent and the Trustee will deem and treat the person in whose name any Outstanding Series 2000A-4 Bond is registered upon the books of the Authority as the absolute owner thereof, whether such Series 2000A-4 Bond is overdue or not, for the purpose of receiving payment of (or on account of) the principal, Purchase Price or Redemption Price of and interest on such Series 2000A-4 Bond and for all other purposes. Payment of the principal, Purchase Price or Redemption Price and interest will be made only to (or upon the order of) such Registered Owner. All such payments to such Registered Owner will be valid and effectual to satisfy and discharge the liability upon such Series 2000A-4 Bond to the extent of the sum or sums so paid, and none of the Authority, the Tender Agent and the Trustee will be affected by any notice to the contrary.

For every such exchange or transfer of Series 2000A-4 Bonds, the Authority, the Tender Agent and the Trustee may make a charge sufficient for reimbursement of any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Such sum or sums will be paid by the Registered Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. None of the Authority, the Tender Agent or the Trustee will be obligated to: (i) issue, exchange or transfer any Series 2000A-4 Bond after the Record Date next preceding a Bond Payment Date; (ii) issue, exchange or transfer any Series 2000A-4 Bond during a period beginning at the opening of business fifteen (15) days next preceding any selection of Series 2000A-4 Bonds to be redeemed and ending at the close of business on the date of the first mailing of notice of such redemption; or (iii) transfer or exchange any Series 2000A-4 Bonds called or being called for redemption in whole or in part.

Mutilated, Destroyed, Lost and Stolen Series 2000A-4 Bonds

If any mutilated Series 2000A-4 Bond is surrendered to the Trustee, or the Trustee and the Authority receive evidence to their satisfaction of the destruction, loss or theft of any Series 2000A-4 Bond, and there is delivered to the Trustee and the Authority such security or indemnity as may be required by them to save each of them harmless, then the Authority will execute, and, upon request by the Authority, the Trustee will authenticate and deliver, in exchange for any

such mutilated Series 2000A-4 Bond, or in lieu of any such destroyed, lost or stolen Series 2000A-4 Bond, a new Series 2000A-4 Bond of like tenor and principal amount, bearing a number not contemporaneously Outstanding. The Trustee will thereupon cancel any such mutilated Series 2000A-4 Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Series 2000A-4 Bond has become or is about to become due and payable, the Authority in its discretion may pay such Series 2000A-4 Bond instead of issuing a new Series 2000A-4 Bond.

Upon the issuance of any new Series 2000A-4 Bond, the Authority may require the payment by the Registered Owner thereof of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the Authority, the Tender Agent or the Trustee, connected therewith.

SECURITIES DEPOSITORY

The information in this section concerning DTC and DTC's Book Entry system has been obtained from DTC and from other sources which the Authority believes to be reliable, but the Authority, the Underwriters their respective counsel, Bond Counsel and the Trustee take no responsibility for the accuracy thereof. No representation is made by any of those as to the absence of material changes in such information subsequent to the date hereof.

DTC will act as Securities Depository for the Series 2000A Bonds. The Series 2000A Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered certificate will be issued for each maturity of each series of the Series 2000A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). The rules applicable to DTC and its Direct Participants are on file with the Securities and Exchange Commission.

Purchases of Series 2000A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2000A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2000A Bond is in turn to be recorded on the Direct or Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2000A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2000A Bonds, except in the event that use of the Book Entry system for the Series 2000A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2000A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Series 2000A Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2000A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2000A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Series 2000A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Series 2000A Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2000A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2000A Bonds will be made to DTC or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable dates. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC or

such other nominee as may be requested by an authorized representative of DTC is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

A Beneficial Owner of a Series 2000A-4 Bonds must give notice to elect to have its Series 2000A-4 Bonds purchased or tendered through its Participant to the Tender Agent, and will effect delivery of such Series 2000A-4 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2000A-4 Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Series 2000A-4 Bonds in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2000A-4 Bonds are transferred by Direct Participants on DTC's records.

DTC may discontinue providing its services as securities depository with respect to the Series 2000A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2000A Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of Book Entry transfers through DTC (or a successor securities depository). In that event, Series 2000A Bond certificates will be printed and delivered.

THE AUTHORITY, THE UNDERWRITERS, THEIR RESPECTIVE COUNSEL, BOND COUNSEL AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DTC PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2000A BONDS: (I) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2000A BONDS; (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2000A BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2000A BONDS; OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR ITS PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NONE OF THE AUTHORITY, THE UNDERWRITERS, THEIR RESPECTIVE COUNSEL, BOND COUNSEL OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS (DIRECT OR INDIRECT) OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO: (I) THE SERIES 2000A BONDS; (II) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (III) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE SERIES 2000A BONDS; (IV) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE SERIES 2000A BOND RESOLUTION TO BE GIVEN TO REGISTERED OWNERS; (V) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2000A BONDS; OR (VI) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER.

In reading this Official Statement, it should be understood that while the Series 2000A Bonds are in the Book Entry system, references in other sections of this Official Statement to Registered Owner should be read to include the Beneficial Owners of the Series 2000A Bonds, but: (i) all rights of ownership must be exercised through DTC and the Book Entry system; and (ii) notices that are to be given to Registered Owners by the Authority or the Trustee will be given only to DTC.

SECURITY AND SOURCES OF PAYMENT

Trust Estate

The Bond Resolution provides that all Bonds and Notes issued thereunder, including the Series 2000A Bonds and the principal of and interest thereon, as well as any Swap Agreement, are limited and special revenue obligations of the Authority secured by and payable solely from revenues, funds and other assets specifically pledged therefor, including among other things, all rights, title, interest and privileges of the Authority with respect to:

A. The Revenues (other than Revenues deposited in the Rebate Fund) and Recoveries of Principal in and payable into the Funds and Accounts created by the Bond Resolution;

B. All moneys and Investment Securities held in the Funds and Accounts created by the Bond Resolution;

C. The Financed Eligible Loans (including the education loan promissory notes evidencing such indebtedness and related loan documentation);

D. The rights of the Authority in and to the Authority Guarantee Agreements, the Custodian Agreement, the Servicing Agreements, and any Student Loan Purchase Agreement as such documents relate to Financed Eligible Loans;

E. The rights of the Authority in and to any Swap Agreement and any Swap Counterparty Guarantee, provided, however, that the security interest described in this paragraph E will not be for the benefit of a Swap Counterparty with respect to its Swap Agreement; and

F. Any and all other property, rights and interests of every kind granted, transferred or delivered from time to time to the Trustee as additional security, whether now owned or hereafter acquired.

The above property, assets and rights are collectively referred to herein as the "Trust Estate".

The Bonds and Notes, including the Series 2000A Bonds, and the interest thereon, do not constitute or create an obligation (general or special), debt, liability or moral obligation of the State or of any political subdivision thereof within the meaning of any

constitutional or statutory provision whatsoever; and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of, or interest on, the Bonds and Notes, including the Series 2000A Bonds. The Bonds and Notes, including the Series 2000A Bonds, and the interest thereon, are not personal obligations of the trustees of the Authority and are not a general obligation of the Authority. The Authority has no taxing power.

Outstanding Parity Obligations

The Series 2000A Bonds are issued as Additional Bonds on a parity with the Prior Bonds. The Prior Bonds were issued as variable rate demand obligations in original principal amounts in 1996, 1997 and 1998 of $32,580,000, $33,000,000 and $33,100,000, respectively. The Prior Bonds remain outstanding in such amounts and currently bear interest at weekly rates, but may be converted to bear interest at quarterly, semi-annual, annual and fixed rates. The Prior Bonds and any series of the Series 2000A need not bear interest at the same rates or in the same interest rate modes. In addition, each of the Prior Bonds and Series 2000A Bonds is currently supported by a separate Liquidity Facility and Credit Facility (other than the Series 2000A RAMS which are not supported by a Liquidity Facility), each of which supports only its respective series of Bonds and Notes. See "INTRODUCTION-Security for the Series 2000A Bonds," herein.

Other Obligations

Except as otherwise provided in the Bond Resolution, the Authority: (i) will not create or voluntarily permit to be created any debt, lien, or charge which would be on a parity with, junior to, or prior to the lien of the Bond Resolution; (ii) will not do or omit to do or suffer to be done or omitted to be done any matter or things whatsoever whereby the lien of the Bond Resolution or the priority of such lien for the Obligations thereby secured might or could be lost or impaired, and (iii) will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence to or any equality with the Bond Resolution as a lien or charge upon the Financed Eligible Loans; provided, however, that nothing in the Bond Resolution will require the Authority to pay, discharge, or make provision for any such lien, charge, claim or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of the Trustee, the same will endanger the security for the Obligations; and provided further that any subordinate lien thereon will be entitled to no payment from the Trust Estate, nor may any remedy be exercised with respect to such subordinate lien against the Trust Estate until all Obligations have been paid or deemed paid pursuant to the Bond Resolution. The Authority reserves the right to issue other bonds or obligations which do not constitute or create a lien on the Trust Estate.

Cash Flow Projections

The Authority anticipates that it will not issue its Series 2000A Bonds unless it believes, based on its analysis of cash flow projections which will include various cash flow scenarios, including cash flow scenarios based upon the assumptions described herein, that Revenues and Recoveries of Principal to be received pursuant to the Bond Resolution will be sufficient to pay

principal of and interest on the Prior Bonds and Series 2000A Bonds when due, and also to pay when due all Servicing Fees, Program Expenses and Administrative Expenses until the final maturity or redemption of the Prior Bonds and Series 2000A Bonds. Such cash flow projections related to the issuance of the Series 2000A Bonds have been prepared for the Authority by Dain Rauscher Incorporated, Phoenix, Arizona.

The cash flow projections utilize assumptions, which the Authority believes are reasonable, regarding the current and future composition of and yield on the Eligible Loans, the rate of return on moneys to be invested in various Funds and Accounts under the Bond Resolution and the occurrence of future events and conditions. They also take into account various limitations or requirements under the Bond Resolution and the anticipated Recycling into new Eligible Loans during the time period allowed for Recycling. While such assumptions are and will be derived from the Authority's experience in the administration of the Program, actual circumstances can and most likely will differ from the assumptions.

See "Appendix D — LOAN PORTFOLIO COMPOSITION" hereto for certain information and certain assumptions about the Eligible Loans expected to be financed under the Bond Resolution.

There can be no assurance that interest and principal payments from the Financed Eligible Loans will be received as anticipated, that the reinvestment rates assumed on the amounts in various Funds and Accounts will be realized, or that Interest Benefit or Special Allowance Payments will be received in the amounts and at the times anticipated. Furthermore, future events over which the Authority has no control may adversely affect the Authority's actual receipt of Revenues and Recoveries of Principal pursuant to the Bond Resolution. See the caption "INVESTMENT CONSIDERATIONS — Factors Outside the Authority's Control may Adversely Affect Cash Flow Sufficiency" and "— Future Changes in Higher Education Act or Other Relevant Law" herein.

Flow of Funds

The Student Loan Act established a Student Loan Fund and a Student Loan Sinking Fund. The Bond Resolution will maintain these Funds as well as a "Repayment Account" established within the Student Loan Sinking Fund.

The Repayment Account will be used for the deposit of all Revenues and Recoveries of Principal derived from Financed Eligible Loans, all other Revenue derived from the Trust Estate, all Swap Payments, if any, with respect to Bonds and Notes, and any other amounts deposited thereto upon receipt of an Authority Order.

All Recoveries of Principal deposited in the Repayment Account to be used to finance additional Eligible Loans will be transferred, as soon as practicable, to the corresponding series Recycling Subaccount of the Loan Account of the Student Loan Fund (each, a *"Recycling Subaccount"*, if any, and collectively, the *"Recycling Subaccounts"*) corresponding to the series Loan Account from which such Recoveries of Principal were derived or as otherwise provided in a Supplemental Bond Resolution. Recoveries of Principal deposited to the Repayment Account and not required to be transferred to the Loan Account shall be deposited to the Series Principal

Subaccounts corresponding to the series of Bond and Notes which financed the Eligible Loans from which such Recoveries of Principal were derived or as otherwise provided in a Supplemental Bond Resolution. The Authority may, by Authority Order on any Bond Payment Date, require that amounts representing Capitalized Interest Payments on the Series 1996A, Series 1997A or Series 1998A or Series 2000A Financed Eligible Loans, as applicable, be deducted from any subsequently received Recoveries of Principal corresponding to the Series 1996A, Series 1997A, Series 1998A, Series 2000 A-1/A-2/A-3 or Series 2000A-4 Financed Eligible Loans, as applicable, deposited to the Repayment Account and treated as Revenues for purposes of the Repayment Account. The amount of the Recoveries of Principal corresponding to the Series 1996A, Series 1997A, Series 1998A, Series 2000 A-1/A-2/A-3 or Series 2000A-4 Financed Eligible Loans, as applicable, which may be redesignated as Revenues shall not exceed, together with all previous redesignations of such Recoveries of Principal on Series 1996A, Series 1997A, Series 1998A, Series 2000 A-1/A-2/A-3 or Series 2000A-4 Financed Eligible Loans, as applicable, the amount of all Capitalized Interest Payments on the Series 1996A, Series 1997A, Series 1998A, Series 2000 A-1/A-2/A-3 or Series 2000A-4 Financed Eligible Loans, as applicable, as of such date.

Revenues deposited to the Repayment Account are to be used in the following order of priority (including reimbursement of such amounts to the Authority):

A. To pay to the Rebate Fund on any date any rebate or excess interest payments to comply with any Investment Instructions or any Tax Regulatory Agreement;

B. To pay any current Servicing Fees (with respect to the Financed Eligible Loans) which are due and payable;

C. To pay any current fees and expenses of the Trustee, the Credit Facility Provider, the Liquidity Facility Provider (if applicable) or the provider of any Reserve Account Surety Bond with respect to the Bonds and Notes which are due and payable;

D. To pay on each Bond Payment Date (or fund the corresponding Account of the Sinking Fund to provide for) interest on all Bonds and Notes and the amount of any Authority Swap Payment;

E. To pay on each Bond Payment Date, on a parity basis, (or fund the corresponding Account of the Sinking Fund to provide for) the principal on any Bonds and Notes;

F. To fund any deficiency in the Debt Service Reserve Account;

G. To pay any other Program Expenses (with respect to the Bonds and Notes) which are due and payable;

H. To pay Administrative Expenses (with respect to the Bonds and Notes) which are due and payable to the Authority;

I. On June 1 and December 1 of each year, at the option of the Authority, any remaining amounts on deposit in the Repayment Account may be re-designated as Recoveries of Principal; and

J. On June 1 and December 1 of each year, upon satisfying certain collateral ratios described under the caption "SECURITY AND SOURCES OF PAYMENT - Releases to the Authority" herein, transferred to the Authority free and clear of lien of the Bond Resolution.

In addition, unless earlier terminated by the Credit Facility Provider, on and prior to September 1, 2003 (or such later date acceptable to the Credit Facility Provider) all Recoveries of Principal on Financed Eligible Loans may be used for Recycling.

If there are not sufficient moneys in the Repayment Account and the Debt Service Reserve Account to make the transfers and payments required by paragraphs A through H, the Trustee shall transfer an amount equal to such deficiency from any series Recycling subaccount or any series Loan Subaccount of the Loan Account of the Student Loan Fund to the Repayment Account to make such transfers or payments.

Creation of Accounts

The Bond Resolution has established with the Trustee the following Accounts and Subaccounts with respect to the Bonds and Notes, including the Prior Bonds and Series 2000A Bonds:

A. Within the Loan Account of the Student Loan Fund, the "Series 1996A Loan Subaccount", the "Series 1997A Loan Subaccount", the "Series 1998A Loan Subaccount", "Series 2000A-1/A-2/A-3 Loan Subaccount" and the "Series 2000A-4 Loan Subaccount" to be used to account for,

1. Original proceeds of the applicable series of the Prior Bonds and the Series 2000A Bonds, respectively, deposited thereto, and

2. Eligible Loans Financed by the proceeds of the applicable series of the Prior Bonds and the Series 2000A Bonds, respectively.

Unless otherwise agreed to in writing by the Credit Facility Provider, the Eligible Loans acquired with the proceeds of the Prior Bonds and Series 2000A Bonds, respectively, as a whole shall have characteristics of interest yield (except with respect to loans originated on or after July 1, 1998), unpaid principal balance and type of eligible institution attended that fairly represent the characteristics of the total of Eligible Loans acquired by the Authority for its other portfolios.

B. Within the Loan Account, the Series 1996A, Series 1997A, Series 1998A, Series 2000A-1/A-2/A-3 and Series 2000A-4 Recycling Subaccounts to be used to account for Recoveries of Principal on the applicable series of the Prior Bonds and the Series 2000A Bonds, respectively, that are to be used to finance additional Eligible Loans. Unless otherwise agreed to

in writing by the Credit Facility Provider, the Eligible Loans acquired with Recoveries of Principal deposited to the Recycling Subaccounts as a whole shall have characteristics of interest yield (except with respect to loans originated on or after July 1, 1998), unpaid principal balance and type of eligible institution attended that fairly represent the characteristics of the total of Eligible Loans acquired with the original proceeds of the applicable series of the Prior Bonds and the Series 2000A Bonds, respectively.

Recoveries of Principal which have remained on deposit in a Recycling Subaccount for a period of one hundred eighty (180) days (or such later time period consented to in writing by the Credit Facility Provider) shall be transferred to the Series 1996A, the Series 1997A, the Series 1998A, the Series 2000A-1/A-2/A-3 or the Series 2000A-4 Principal Subaccounts, as applicable, and used to redeem Bonds and Notes pursuant to the Bond Resolution.

C. Within the Repayment Account, the "Series 1996A Principal Subaccount", the "Series 1997A Principal Subaccount", the "Series 1998A Principal Subaccount", the "Series 2000A-1/A-2/A-3 Principal Subaccount" or the "Series 2000A-4 Principal Subaccount" to be used to account for all moneys to be used to pay the principal of or Redemption Price of any applicable series of the Prior Bonds and the Series 2000A Bonds, respectively.

D. Within the Repayment Account, the "Interest Subaccount" to be used to account for moneys to be used to pay the interest on the Bonds and Notes, including the Series 1996A Bonds, Series 1997A Bonds, Series 1998A Bonds, Series 2000A RAMS and Series 2000A-4 Bonds.

E. The Debt Service Reserve Account of the Student Loan Sinking Fund for the Bonds and Notes, including the Series 1996A Bonds, Series 1997A Bonds, Series 1998A Bonds, Series 2000A RAMS and Series 2000A-4 Bonds; and

F. A "Rebate Fund" for deposit of computed amounts of rebate or excess interest, in which fund the Registered Owners will not have any right, title or interest.

Debt Service Reserve Account

The Bond Resolution establishes a "Debt Service Reserve Account" within the Student Loan Sinking Fund for the benefit of the Registered Owners of the Bonds and Notes, including the Prior Bonds and Series 2000A Bonds. Pursuant to the Bond Resolution, the Authority is required to maintain the Debt Service Reserve Account from the other assets in the Trust Estate at an amount equal to the Debt Service Reserve Account Requirement.

The "Debt Service Reserve Account Requirement" for the Prior Bonds and Series 2000A Bonds is an amount equal to the greater of two percent (2%) of the principal amount of the Prior Bonds and Series 2000A Bonds outstanding under the Bond Resolution or $500,000. To the extent there are insufficient moneys in the Repayment Account to make the transfers described in paragraphs A through H, inclusive, under the caption "SECURITY AND SOURCES OF PAYMENT — Flow of Funds" herein, then, after any required transfer from the Student Loan Fund, the amount of such deficiency will be paid directly from the Debt Service Reserve Account; provided,

however, that if the Debt Service Reserve Account contains one or more Reserve Account Surety Bonds, draws upon such Reserve Account Surety Bonds shall only be used to defer the deficiencies in the transfers required by paragraphs D and E under the caption "SECURITY AND SOURCES OF PAYMENT — Flow of Funds," unless the provider of such Reserve Account Surety Bond permits a drawing for such other transfers pursuant to its Reserve Account Surety Bond.

In connection with the issuance of the Series 1998A Bonds, the Authority deposited with the Trustee a Reserve Account Surety Bond (the *"1998A Surety Bond"*) from MBIA Insurance Corporation (the *"Surety Provider"*) in an amount equal to the Debt Service Reserve Account Requirement for the Prior Bonds. The Authority has obtained a commitment from the Surety Provider to provide a new surety bond to replace the 1998A Surety Bond (the *"2000A Surety Bond"*) which will provide aggregate coverage of $4,392,500 which will be the Debt Service Reserve Account Requirement for the Prior Bonds and the Series 2000A Bonds (the *"Surety Bond Coverage"*). The Surety Bond Coverage will automatically be reduced to the extent the Debt Service Reserve Account Requirement for the Prior Bonds and the Series 2000A Bonds is reduced.

If the Debt Service Reserve Account is used for the purposes described in the preceding paragraph, the Trustee will restore the Debt Service Reserve Account Requirement on the next Bond Payment Date by transfers from the Repayment Account. If, on any date, the Debt Service Reserve Account Requirement is exceeded for any reason, the Trustee, at the direction of the Authority, will transfer the excess to the Repayment Account.

The Bond Resolution permits the Authority to utilize in the Debt Service Reserve Account a letter or line of credit, surety bond, insurance policy or similar instrument issued by an insurance company originally rated in the highest rating category by Standard & Poor's and Moody's and, if rated by A.M. Best & Company, also rated in the highest rating category by A.M. Best & Company (a *"Reserve Account Surety Bond"*) in lieu of or in addition to cash or Investment Securities in satisfaction in whole or in part of the Debt Service Reserve Requirement. The Authority must also provide written confirmation from each Rating Agency that its then applicable Ratings on the Bonds and Notes will not be lowered or withdrawn because of such substitution.

The 2000A Surety Bond will provide that upon notice from the Trustee to the Surety Provider to the effect that insufficient amounts are on deposit in the Repayment Account to pay the principal of (at maturity or pursuant to mandatory redemption requirements) and interest on the Prior Bonds and the Series 2000A Bonds, the Surety Provider will promptly deposit with the Trustee an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2000A Bonds or the available amount of the Surety Bond, whichever is less. Upon the later of: (i) three (3) days after receipt by the Surety Provider of a Demand for Payment in the form attached to the Surety Bond, duly executed by the Trustee; or (ii) the payment date of the Bonds and Notes as specified in the Demand for Payment presented by the Trustee to the Surety Provider, the Surety Provider will make a deposit of funds in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment to the Trustee, of amounts which are then due to the Trustee (as specified in the Demand for Payment) subject to the Surety Bond Coverage.

The available amount of the Surety Bond is the initial face amount of the Surety Bond less the amount of any previous deposits by the Surety Provider with the Trustee which have not been reimbursed by the Authority. The Authority and the Surety Provider will enter into a Financial Guaranty Agreement with respect to the 2000A Surety Bond, dated as of August 1, 2000 (the *"2000A Agreement"*). Pursuant to the 2000A Agreement, the Authority is required to reimburse the Surety Provider, within one year of any deposit, the amount of such deposit made by the Surety Provider with the Trustee under the 2000A Surety Bond. Such reimbursement shall be made from Revenues to be deposited to the Debt Service Reserve Fund only after all required deposits described in paragraphs A through E inclusive, under the caption "SECURITY AND SOURCES OF PAYMENT — Flow of Funds," have been made.

Under the terms of the 2000A Agreement, the Trustee is required to reimburse the Surety Provider, with interest, until the face amount of the 2000A Surety Bond is reinstated before any Revenues are used to pay certain Program Expenses and Administrative Expenses. No optional redemption of Bonds or Notes may be made until the Surety Bond is reinstated. The 2000A Surety Bond will be held by the Trustee in the Debt Service Reserve Account. The premium for the 2000A Surety Bond will be paid on an annual basis by the Authority.

Any draws on a Reserve Account Surety Bond are to be made only after all cash and Investment Securities in the Debt Service Reserve Account have been expended. In the event that the amount on deposit in, or credit to, the Debt Service Reserve Account includes amounts available under more than one Reserve Account Surety Bond, draws on the Reserve Account Surety Bonds shall be made on a pro rata basis to fund the insufficiency. In the event money is withdrawn from the Debt Service Reserve Account (including draws on a Reserve Account Surety Bond) to pay principal of or interest on the Bonds or Notes secured thereby, (or in the event the amounts on deposit in the Debt Service Reserve Account Requirement are, for any other reason, less than the Debt Service Reserve Account Requirement), the Authority shall restore the amount so withdrawn (or replenish such deficiency) from the first Revenues deposited to the Debt Service Reserve Fund as required by the Bond Resolution, provided that such Revenues shall be used first to reinstate, on a pro rata basis, any Reserve Account Surety Bond to the required level (and pay interest on any draws thereunder, after taking into account the amounts available under the Reserve Account Surety Bond. If the Debt Service Reserve Account contains Reserve Account Surety Bonds issued by two or more different providers, any provider of a Reserve Account Surety Bond may request that the Trustee establish separate Subaccounts within the Debt Service Reserve Account to provide that each Reserve Account Surety Bond only secures the repayment of the principal of and interest on one or more specified Series of the Bonds and Notes.

Issuance of Additional Bonds and Notes

The Bond Resolution provides that the Authority may issue Additional Bonds and Notes pursuant to a Supplemental Bond Resolution (the *"Additional Bonds and Notes"*) only upon satisfying certain conditions, including the delivery to the Trustee of written verification from each Rating Agency that the Ratings on such Additional Bonds and Notes is not lower than the Ratings of the Bonds and Notes Outstanding; and confirming that the Ratings on the Outstanding Bonds and Notes will not be lowered or withdrawn due to the issuance of such Additional Bonds

or Notes. In addition, the written consent of the Credit Facility Provider to the issuance of such Additional Bonds and Notes is required.

Swap Agreements

The Authority in the Bond Resolution, authorizes and directs the Trustee to acknowledge and agree to any Swap Agreement approved in writing by the Credit Facility Provider and entered into by the Authority and a Swap Counterparty under which: (i) the Authority may be required to make, from time to time, Authority Swap Payments; and (ii) the Trustee may receive from time to time, Counterparty Swap Payments for the account of the Trust Estate.

The Swap Agreement will provide that the Authority will have the right to terminate the Swap Agreement without payment by the Authority of any Swap Value or termination payment or other compensation for any loss or damage to the Swap Counterparty resulting from such termination if the Swap Counterparty's Rating by a Rating Agency is suspended, withdrawn or falls below "A2" with respect to Moody's, and within ten (10) days thereafter, the Swap Counterparty fails to provide collateral (consisting of direct obligations of the United States Government or obligations of federal agencies which are fully guaranteed as to principal and interest by the United States Government) securing its obligations under the Swap Agreement and to be held by the Trustee (or third party designated by the Authority) in an amount (valued in accordance with the provisions of the Swap Agreement) which is not less than 103% of the maximum aggregate remaining payment obligation of the Swap Counterparty over the remaining term of the Swap Agreement.

In connection with the execution of a Swap Agreement, the Trustee, on behalf of the Swap Counterparty, will waive in a Supplemental Bond Resolution executed in connection with a Swap Agreement any and all rights which the Swap Counterparty may have to receive any amounts realized by the Trustee from foreclosure upon the Trust Estate consisting of any Counterparty Swap Payment from the Swap Counterparty.

In addition, no voluntary termination payment required to be made by the Authority under a Swap Agreement will be paid from moneys in the Trust Estate unless the Trustee receives the written consent of the Credit Facility Provider and written confirmation from each Rating Agency that its then applicable Ratings on the Bonds and Notes will not be lowered or withdrawn due to such payment.

Servicing Fees, Program Expenses and Administrative Expenses

The amount used to pay Servicing Fees, Program Expenses and Administrative Expenses from the Student Loan Sinking Fund and, if necessary, from the Student Loan Fund, and the schedule of such payments will be determined by the Authority, but the amounts so paid in any one Fiscal Year will not exceed the amount budgeted by the Authority as Servicing Fees, Program Expenses and Administrative Expenses for such Fiscal Year with respect to the Bonds and Notes and as may be limited by a Supplemental Bond Resolution, and will not exceed the amount designated therefor in the cash flow projections provided to the Credit Facility Provider on the date of issuance of any Outstanding Bonds and Notes, unless the Authority, after

furnishing the Credit Facility Provider with revised cash flow projections, shall have received the written consent of the Credit Facility Provider to the payment of such additional Servicing Fees, Program Expenses and/or Administrative Expenses.

Investment of Funds

The Trustee will invest money held for the credit of any Fund, Account or Subaccount held by the Trustee under the Bond Resolution as directed in writing (or orally, confirmed in writing) by an Authorized Officer of the Authority or a designee appointed in writing by an Authorized Officer of the Authority, to the fullest extent practicable and reasonable, in Investment Securities which shall mature or be redeemed at the option of the holder prior to the respective dates when the money held for the credit of such Fund, Account or Subaccount will be required for the purposes intended. In the absence of any such direction the Trustee will invest such amounts in Governmental Obligations. Earnings with respect to, and any net gain on the disposition of, any such investments, except on investments contained in the Rebate Fund, will be deposited into the corresponding Account of the Student Loan Sinking Fund. Earnings on amounts contained in the Rebate Fund shall remain in the Rebate Fund. Investments are valued monthly at their Value.

Supplemental Resolutions

The Bond Resolution provides that, subject to various conditions, resolutions supplemental to and amendatory of the Bond Resolution may be adopted by the trustees of the Authority, some of which may be adopted without the consent of the Registered Owners of the Bonds and Notes. Reference is made to the Bond Resolution, a copy of which is available upon request to the Authority, for the complete provisions thereof.

*Supplemental Resolutions **Not** Requiring Consent of Registered Owners. The* Authority may, with the consent of the Trustee, the Credit Facility Provider and in certain instances the Liquidity Facility Provider, but without the consent of or notice to any of the Registered Owners, adopt any resolution supplemental to the Bond Resolution for any one or more of the following purposes:

A. To enter into a Supplemental Bond Resolution for the purposes of issuing Additional Bonds and Notes;

B. To make the terms and provisions of the Bond Resolution, including the lien and security interest granted therein, applicable to a Swap Agreement;

C. To evidence the appointment of a separate or co-Trustee or the succession of a new Trustee, or any additional or substitute Guarantee Agency or Servicer;

D. To add to or amend such provisions of the Bond Resolution as may be necessary or desirable to assure implementation of the Program in conformance with the Higher Education Act, to make any change as shall be necessary in order to obtain an investment-grade rating for the Bonds and Notes from a nationally recognized rating service (which changes, in the opinion

of the Trustee, are not to the prejudice of the Registered Owners), or to make any change as shall be necessary in order to maintain the exclusion of interest on the Bonds and Notes from gross income of the Registered Owners thereof for federal income tax purposes;

E. To cure any ambiguity or formal defect or omission in the Bond Resolution, to grant to or confer upon the Trustee (for the benefit of the Registered Owners) any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Registered Owners or the Trustee, or to subject to the Bond Resolution additional revenues, properties or collateral, or to create any additional Funds or Accounts or Subaccounts under the Bond Resolution;

F. To make any change which affects the Bonds and Notes only when they bear a type of interest rate other than the one borne at the time of delivery of the Bond Resolution or a Supplemental Bond Resolution upon receipt by the Authority and the Trustee of written confirmation from each Rating Agency that its then-applicable Ratings on the Bonds and Notes will not be lowered or withdrawn because of such change;

G. To modify, amend or supplement the Bond Resolution or any resolution supplemental thereto in such manner as to permit the qualification of such resolutions under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds and Notes for sale under the securities laws of the United States of America or of any of the states thereof, and, to add to the Bond Resolution or any Supplemental Bond Resolution such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute; or

H. To make any other change, except for any change which requires the consent of all the Registered Owners, upon receipt by the Authority and the Trustee of written confirmation from each Rating Agency that its then applicable Ratings on the Bonds and Notes will not be lowered or withdrawn because of such change.

Supplemental Resolutions Requiring Consent of Registered Owners. Except as provided for with respect to Supplemental Resolutions *not* requiring the consent of Registered Owners, the Credit Facility Provider, the Liquidity Facility Provider and the Registered Owners of not less than a majority of the collective aggregate principal amount of the Obligations then Outstanding (which in the opinion of the Trustee are affected) shall have the right to consent to and approve the adoption by the Authority of such Supplemental Bond Resolution as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Bond Resolution or in any Supplemental Bond Resolution; provided, however, that nothing shall permit, or be construed as permitting, without the consent of the Registered Owners of *all* then Outstanding Bonds and Notes affected thereby: (i) an extension of the maturity date of the principal of or the interest on any Bond or Note; or (ii) a reduction in the principal amount of any Bond or Note or the rate of interest thereon; or (iii) a privilege or priority of any Bond or Note or Bonds or Notes over any other Bond or Note or Bonds or Notes except as otherwise provided in the Bond Resolution; or (iv) a reduction in the aggregate principal amount of the Bonds and Notes required for consent to such Supplemental Bond Resolution; or (v) the creation of any lien

other than a lien ratably securing all of the Bonds and Notes at any time Outstanding except as otherwise provided in the Bond Resolution.

*Amendments to the Credit or Liquidity Facilities **Not** Requiring Consent of Registered Owners.* The Authority and the Trustee may, without the consent of or notice to the Registered Owners, but only with the prior written consent of the Credit Facility Provider and the Liquidity Facility Provider, consent to any amendment, change or modification of the Credit Facility, the Liquidity Facility, any Alternate Credit Facility or any Alternate Liquidity Facility that may be required: (i) by the provisions of the Credit Facility, the Liquidity Facility, an Alternate Credit Facility, an Alternate Liquidity Facility or the Bond Resolution, (ii) for the purpose of curing any ambiguity, formal defect or omission; (iii) to add additional rights acquired in accordance with the provisions of the Credit Facility, the Liquidity Facility, an Alternate Credit Facility or an Alternate Liquidity Facility; (iv) in order to obtain for the applicable series of Bonds and Notes an investment grade rating from a nationally recognized rating service; or (v) in connection with any other change therein which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Registered Owners of the applicable series of Bonds and Notes.

Amendments to Credit or Liquidity Facilities Requiring Consent of Registered Owners. Except as provided for Credit or Liquidity Facility amendments *not* requiring the consent of Registered Owners, neither the Authority nor the Trustee shall consent to any amendment, change or modification of the Credit Facility, the Liquidity Facility, any Alternate Credit Facility or any Alternate Liquidity Facility without notice and the written approval or consent of the Registered Owners of not less than two-thirds (2/3) in aggregate principal amount of the applicable series of Bonds and Notes at the time Outstanding and the prior written consent of the Credit Facility Provider and the Liquidity Facility Provider. Nothing shall permit, or be construed as permitting, a reduction of the aggregate principal amount of a series of Bonds and Notes the Registered Owners of which are required to consent to any such amendment, change or modification or a reduction in, or a postponement of the payments under the Credit Facility or the Liquidity Facility without the consent of the Registered Owners of *all* of the applicable series of Bonds and Notes then Outstanding.

Events of Default and Remedies

The Bond Resolution provides various remedies to, and limitations on the exercise of remedies by, the Registered Owners of the Bonds and Notes. Reference is made to the Bond Resolution, a copy of which is available upon request to the Authority, for the complete provisions thereof.

Events of Default. The following events are defined in the Bond Resolution as "Events of Default": (i) default in the payment of the principal of or interest on any of the Bonds and Notes when due, or failure to make any payment due under any of the Obligations when due; (ii) default in the performance or observance of any other of the Authority covenants to be kept and performed and continuation of such default for a period of ninety (90) days after written notice thereof by the Trustee to the Authority; (iii) the occurrence of an "event of default" under a Tax Regulatory Agreement with respect to any series of tax-exempt Bonds and Notes; and

(iv) default in the payment of any amount due pursuant to the tender demand for purchase or mandatory purchase under the Bond Resolution.

While the failure to perform any of the covenants or agreements contained in the Bond Resolution will be deemed to be a "default", the remedies contained therein are exercisable solely upon the happening of "Events of Default" listed above.

Right to Enforce in Trustee. No Registered Owner will have any right to institute any suit, action or proceeding for the enforcement of the provisions of the Bond Resolution or for any other remedy thereunder. All such rights of action are vested exclusively in the Trustee, unless and until such Registered Owner: (i) shall have obtained the written consent of the Credit Facility Provider for such action; (ii) shall have previously given the Trustee written notice of a default and of the continuance thereof; and (iii) shall have made written request upon the Trustee and the Trustee shall have been afforded reasonable opportunity to institute such action and the Trustee shall have been offered reasonable indemnity and security satisfactory to it against the expenses and liabilities to be incurred therein and shall have failed to institute any such action for thirty (30) days after receipt of such notification and offer of indemnity.

Remedies on Default. The remedies in the Bond Resolution available to the Trustee, the Credit Facility Provider or the Registered Owners are not intended to be exclusive of any other remedy, but each remedy will be cumulative and will be in addition to every other remedy given thereunder or now or hereafter existing. No delay or omission of the Trustee, the Credit Facility Provider or any Registered Owner to exercise any power or right arising from any default will impair any such right or power or will be construed to be a waiver of any such default or to be acquiescence herein.

A. *Accelerated Maturity Remedy*. If an Event of Default shall have occurred and be continuing, the Trustee (with the written consent of the Credit Facility Provider) may declare - or upon the written direction of the Credit Facility Provider or by the Registered Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Bonds and Notes then Outstanding and with the written consent of the Credit Facility Provider, shall declare the principal of all Obligations then Outstanding, and the interest thereon, immediately due and payable; provided, however, that a declaration of acceleration upon a default pursuant to (ii) or (iii) under the heading "Events of Default" above shall require the written consent of the Credit Facility Provider or 100% of the Registered Owners of the aggregate principal amount of the Bonds and Notes then Outstanding with the written consent of the Credit Facility Provider.

B. *Possession of Trust Estate Remedy.* Subject to provisions in the Bond Resolution regarding acceleration of Obligations, upon the happening and continuance of any Event of Default, the Trustee may take possession of such portion of the Trust Estate as shall be in the custody of others, and manage and control the same as it shall deem best, and collect and receive all Revenues and Recoveries of Principal thereof, and after deducting therefrom all expenses incurred and all other proper outlays, the Trustee shall apply the remainder of the money received by it, including proceeds of sale of the Trust Estate, as provided in the Bond Resolution.

C. *Sale of Trust Estate Remedy*. Upon the happening of any Event of Default and if the principal of all of the Outstanding Obligations shall have been declared due and payable, then the Trustee may (with the written consent of the Credit Facility Provider) and shall, upon the written direction of the Credit Facility Provider, sell the Trust Estate, and all right, title, interest, claim and demand thereto and the right of redemption thereof, to the highest bidder at any such place, time, notice and terms as may be required by law. Upon such sale the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same.

Restoration of Position. In case the Trustee shall have proceeded to enforce any rights under the Bond Resolution by sale or otherwise, and such proceedings shall have been waived, discontinued, or determined adversely to the Trustee, then the Authority, the Trustee, the Registered Owners and the Credit Facility Provider will be restored to their former respective positions and rights in respect to the Trust Estate.

Releases to the Authority

The Bond Resolution permits the Authority to instruct the Trustee to transfer certain excess assets of the Trust Estate to the Authority free and clear of the lien of the Bond Resolution; provided that no such transfer of assets to the Authority will be made unless:

A. There is on deposit in the Debt Service Reserve Account an amount at least equal to the Debt Service Reserve Account Requirement;

B. The Trustee has received a Cash Flow Certificate and an opinion of nationally recognized municipal bond counsel that certain conditions have been met and that such transfer will not affect adversely the exclusion from federal income taxation of interest on any Bonds and Notes;

C. The Trustee has received an Authority certificate to the effect that all rebate liability as calculated pursuant to the Tax Regulatory Agreement and Investment Instructions through the date of such transfer has been paid or deposited in the Rebate Fund; and

D. Immediately after taking into account any such transfer, the Aggregate Market Value of the assets in the Trust Estate will be at least equal to 103% of the unpaid principal amount of the Bonds and Notes Outstanding.

INVESTMENT CONSIDERATIONS

You should consider the following factors together with all of the information contained in this Official Statement in deciding whether to purchase any of the Series 2000A Bonds. The Authority has obtained the Series 2000A Credit Facility to pay scheduled payments of principal of and interest on the Series 2000A Bonds in the event we are unable to do so with assets in the Trust Estate. References below to loss of principal should be considered as applicable if the

Series 2000A Credit Provider is unable or unwilling to honor its obligations under the Series 2000A Credit Facility.

The Series 2000A RAMS are not Supported by a Liquidity Facility

The Authority is not obligated to purchase Series 2000A RAMS, nor have we made arrangements with any third party to do so (such as that available for the Series 2000A-4 Bonds) if the Broker-Dealer is unable to locate a new purchaser on any Auction Date or between Auction Dates. The Broker-Dealers may sometimes purchase Series 2000A RAMS for their own respective accounts, but neither Broker-Dealer is legally obligated to do so.

The Series 2000A-4 Liquidity Facility Provider's Obligations are not Absolute

The Series 2000A-4 Liquidity Provider is not obligated to pay the tender price of Series 2000A-4 Bonds if the Series 2000A Credit Facility is no longer in effect, after expiration of the Series 2000A-4 Liquidity Facility or if we or the Series 2000A Credit Facility Provider are involved in bankruptcy proceedings.

The Series 2000A Bonds are Limited Obligations of the Authority

The Authority is only obligated to make payments on the Series 2000A Bonds from assets in the Trust Estate. We cannot compel the State of Oklahoma to make any payments on the Series 2000A Bonds from any source whatsoever. In the event there are not sufficient assets in the Trust Estate to make a payment, you may suffer a loss of principal or interest, the amount of which will depend upon the return we have received on the Eligible Loans we have been able to acquire and our ability to control expenses.

Factors Outside the Authority's Control may Adversely Affect Cash Flow Sufficiency

We established the terms of the Series 2000A Bonds based on our experience in acquiring portfolios of Eligible Loans and the expenses we incur in operating the Program. We may not be able to acquire Eligible Loans in the amount or when expected for several reasons, including competition from Sallie Mae or other lenders participating in the FFEL Program or potential borrowers obtaining loans originated under the Federal Direct Student Loan Program.

To the extent we are able to use proceeds of the Series 2000A Bonds or Additional Bonds and Notes to acquire Eligible Loans, we may not realize the return we expect for several reasons. First, the Eligible Loans are generally 98% reinsured by a Guarantee Agency. To the extent a borrower defaults, the Trust Estate will suffer a loss of generally 2% of the outstanding principal and accrued interest. Second, borrowers may prepay their loans faster than we expect, either as a result of economic conditions or because they refinanced our loan through a consolidation loan with another lender. Third, the FFEL Program is subject to frequent amendments, which could affect when and how much interest subsidy and special allowance payments we receive from the Department of Education and reimbursement from Guarantee Agencies. In addition, we may not

receive loan payments when we expect if borrowers enter into deferment periods longer than we anticipate or are granted forbearance in larger numbers than we anticipate.

Compliance with the Higher Education Act

If the Authority originates an Eligible Loan and does not comply with the Higher Education Act and applicable regulations, we may lose the guaranty if the borrower defaults. While we have promised to repurchase from the Trust Estate any loans which lose their guaranty resulting from our error in origination, we are only required to do so if the value of the assets in the Trust Estate would be less than 100% of the aggregate liability as a result of the loss of the loan. If a third party makes the error, we reserve the right to sell the defective loan to the party from whom we purchased it, but we cannot guarantee that that entity will be willing or able to honor its repurchase obligation. Similarly, we service our own loans using the remote servicing system under contract with UNIPAC Service Corporation. If we make a servicing mistake under the Higher Education Act and applicable regulations that causes us to lose the benefit of a guaranty, we will not be able to recover the loss from a third party.

Financial Status of Guarantee Agencies

The Eligible Loans will be unsecured, and the Authority will depend on the ability of the Guarantee Agencies, and the State Guarantee Agency in particular, to honor guaranty claims for defaulted loans. The permitted reserves, reinsurance percentages, default (trigger) rates at which the reinsurance percentage is reduced and other income generating activities of the Guarantee Agencies have been reduced on numerous occasions in recent legislation. These changes may impact the ability of Guarantee Agencies to honor their guaranty obligations in the future. While the Higher Education Act provides a loan holder may submit a guarantee claim directly to the Department of Education if a Guarantee Agency is unable to honor its commitment, it is possible that there would be a delay in our ability to realize claim payments on this procedure if any of the Guarantee Agencies become insolvent.

Future Changes in Higher Education Act or Other Relevant Law

The Higher Education Act and applicable regulations are the subject of frequent amendments. Many of the recent amendments have reduced the return available to us on Eligible Loans. It is possible that future amendments may further reduce the return on Eligible Loans, which may hurt the Authority's ability to pay debt service on the Series 2000A Bonds when due.

THE AUTHORITY

For a brief overview of the Authority, and financial information and operating data regarding the Authority, see "Appendix C — GENERAL DESCRIPTION OF THE OKLAHOMA STUDENT LOAN AUTHORITY."

GUARANTEE AGENCIES

The material in this Section of the Official Statement is a brief overview and does not purport to be complete information on the Guarantee Agencies, including the State Guarantee Agency which is the primary guarantor of education loans held by the Authority. Appendix E herein provides descriptive, statistical and financial information on the State Guarantee Agency. Reference is made to "Appendix E — THE STATE GUARANTEE AGENCY, DESCRIPTIVE, STATISTICAL AND FINANCIAL INFORMATION" herein for such information.

Guarantee and Reinsurance of Loans

The Eligible Loans in the Trust Estate will be guaranteed: (i) by the State Regents acting as the State Guarantee Agency; or (ii) by other Guarantee Agencies qualified under the Bond Resolution to act in such capacity; or (iii) in certain circumstances by the Secretary.

Pursuant to a contract of guarantee between a guarantor and an eligible lender, such as the Authority, the lender is entitled to a claim payment from the Guarantee Agencies for 98% to 100% of any proven loss resulting from default, death, permanent and total disability, or discharge in bankruptcy of the borrower. In servicing a portfolio of education loans, an eligible lender, including the Authority, is required under the Higher Education Act and the rules and regulations of the Guarantee Agencies to use due diligence in the servicing and collection of loans and to use collection practices no less extensive and forceful than those generally in use among financial institutions in order to maintain the guarantee on the loan.

Under the Higher Education Act, a guarantor deems default to mean the 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, such as the Authority, may reasonably conclude that the borrower no longer intends to honor the repayment obligation and in which the failure persists for 180 days (270 days for delinquencies first occurring after October 7, 1998) in the case of a loan payable in monthly installments or for 240 days (330 days for delinquencies first occurring on or after October 7, 1998) in the case of a loan payable in less frequent installments. When a loan becomes 60-90 days past due, the holder is required to request preclaims assistance from the applicable Guarantee Agencies in order to attempt to bring the delinquency current. When a loan becomes 120 days (or 240 days, as applicable) past due, it becomes subject to supplemental preclaims assistance. When a loan becomes 151-180 days (or 241-270 days, as applicable) past due, the holder is required to make a final demand for payment of the loan by the borrower and to submit a claim for reimbursement within 90 days thereafter to the guarantor. The holder, such as the Authority, is required to continue collection efforts until the loan is 180 days (or 270 days, as applicable) past due. At the time of payment of guarantee benefits, the holder, such as the Authority, must assign to such guarantor all rights accruing to the holder under the notes evidencing the loan.

Pursuant to the Higher Education Act, each respective Guarantee Agency has entered into a guarantee agreement (the *"Federal Guarantee Agreement"*) and a supplemental guarantee agreement (the *"Supplemental Guarantee Agreement"*), pertaining to the Secretary's

reimbursement to each respective Guarantee Agency for amounts expended by such Guarantee Agency in discharge of its guarantee obligation with respect to losses resulting from the default by the borrower in the payment of principal or interest on loans guaranteed by such Guarantee Agency. The Supplemental Guarantee Agreement is subject to annual renegotiation and to termination for cause by the Secretary.

Consolidation of Guarantee Agencies

There are approximately 36 guarantee agencies participating in the FFEL Program nationally. In view of the planned reduction of the FFEL Program loan volume, USDE has advocated the merger or consolidation of such guarantors into regional combinations with a significantly reduced number continuing to operate as guarantors of FFEL Program loans. Some state guarantee agencies have ceased operating and others have reported mergers or other reorganizations or are reported to be discussing mergers or other reorganizations. The Authority is not able to predict the outcome of such consolidation activities or the effect thereof on the Authority.

Federal Payment of Claims

Pursuant to the Higher Education Act, if the Secretary has determined that a Guarantee Agency is unable to meet its insurance obligations, the holder of loans insured by the Guarantee Agency may submit insurance claims directly to the Secretary and the Secretary will pay to the holder the full insurance obligation of the Guarantee Agency. Such arrangements will continue until the Secretary is satisfied that the insurance obligations have been transferred to another Guarantee Agency who can meet those obligations or a successor will assume the outstanding insurance obligations. There can be no assurance, however, that the Secretary will make such a determination or will do so in a timely manner. The Higher Education Act also provides that the Secretary is authorized, on terms and conditions satisfactory to the Secretary, to make advances to a Guarantee Agency in order to assist the Guarantee Agency in meeting its immediate cash needs and to ensure uninterrupted payment of default claims by lenders.

Oklahoma Guaranteed Student Loan Program

Substantially all of the FFEL Program activities conducted by the Authority are operated under the guidelines of the State Guarantee Agency. Numerous other lenders also make education loans guaranteed by the State Guarantee Agency utilizing the Guarantee Fund. The State Guarantee Agency is operated by the State Regents, a Constitutional agency of the State, acting as the State Guarantee Agency and administering and utilizing the Guarantee Fund established in the State Treasury by Title 70 Oklahoma Statutes 1991, Sections 622 and 623, as amended, to guarantee education loans made by various eligible lenders, including the Authority, to applicants who attend approved universities, colleges, vocational education or trade schools.

The State Guarantee Agency has been in operation in the State since November 1965. Except for the Authority, eligible lenders have primarily consisted of banks, savings and loan associations and credit unions. According to the State Guarantee Agency, as of September 30,

1999 and 1998, loans made by various eligible lenders and guaranteed by the State Guarantee Agency were outstanding in the total principal amount of approximately $2.08 billion and $1.90 billion, respectively. The reserve ratio of the State Guaranty Agency, on the accrual basis of accounting, at June 30, 1999 and 1998, was approximately 1.18% and 1.21%, respectively. This ratio exceeds the current requirements of the Higher Education Act.

The State Guarantee Agency is a separate legal entity from the Authority, and the members of the State Regents and the trustees of the Authority do not overlap. In addition, the administrative management of the State Guarantee Agency and the Authority are separate.

For a description of the State Guarantee Agency, including statistical and financial statement information, see "Appendix E - THE STATE GUARANTEE AGENCY, DESCRIPTIVE, STATISTICAL AND FINANCIAL INFORMATION" herein.

ABSENCE OF LITIGATION

There is no litigation of any nature now pending or threatened, or in any way contesting or affecting the validity of the Series 2000A Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Bonds and Notes, including the Series 2000A Bonds, or the existence or powers of the Authority.

LEGALITY OF INVESTMENT

The Student Loan Act provides in pertinent part in Section 695.3 as follows:

All bonds issued under the Oklahoma Student Loan Act are legal and authorized investments for banks, savings banks, trust companies, savings and loan associations, insurance companies, fiduciaries, trustees and guardians, and for the State of Oklahoma and any of its political subdivisions, departments, institutions and agencies. When accompanied by all unmatured coupons appurtenant thereto, the bonds are sufficient security for all deposits of state funds and of all funds of any board in control at the par value of the bonds.

LEGAL MATTERS

The issuance of the Series 2000A Bonds is subject to approval of validity by Kutak Rock LLP, Oklahoma City, Oklahoma, Bond Counsel, whose approving opinion will be addressed to the Authority and the Underwriters and will state, among other things, that under existing law:

A. The Authority is an express trust duly created and established for public purposes, and has full power and authority to issue the Series 2000A Bonds and to adopt the Bond Resolution and enter into the Trust Agreement, the Tax Regulatory Agreement and the other documents contemplated thereby and perform its obligations thereunder;

B. The Bond Resolution, the Trust Agreement and the Tax Regulatory Agreement have been duly authorized, executed and delivered, are in full force and effect and constitute legal, valid and binding agreements of the Authority enforceable in accordance with their terms;

C. The Series 2000A Bonds have been duly authorized and issued by the Authority, are entitled to the benefits of the Bond Resolution and are valid and binding limited and special revenue obligations of the Authority secured by and payable solely from the revenues, funds and accounts of the Authority pledged as the trust estate therefor pursuant to the Bond Resolution.

Bond Counsel has not passed upon any matters relating to the business, properties, affairs or condition, financial or otherwise, of the Authority and no inference should be drawn that they have expressed an opinion on matters relating to the financial ability of the Authority to perform its obligations under the Series 2000A Bonds and the documents described herein.

The opinions expressed above by Bond Counsel with respect to the enforceability of the Series 2000A Bonds and the documents described herein are qualified to the extent that the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, by the application of general principles of equity, and by the exercise of judicial discretion in appropriate cases.

The fee and expenses of Bond Counsel are contingent upon the sale and delivery of the Series 2000A Bonds.

In addition, Bond Counsel will deliver a supplemental opinion to the Authority, the Underwriters and the Series 2000A Credit Facility Provider regarding the fair and accurate description of certain provisions in the Official Statement, the exemption from securities registration of the Series 2000A Bonds and the creation of a first perfected security interest in the Trust Estate which secures the Series 2000A Bonds, subject to certain standard exceptions.

Certain legal matters will be passed on for the Authority by its special counsel, Roderick W. Durrell, Esq.; for the Underwriters by its counsel, Chapman and Cutler, Phoenix, Arizona; for the Series 2000A Credit Facility Provider by Kutak Rock LLP, Omaha, Nebraska; and for the Bank by Chapman and Cutler, Chicago, Illinois and by its internal Belgian counsel. Certain legal matters also will be passed on by the Attorney General of the State of Oklahoma in approving the transcript of legal proceedings. See also, the caption "TAX MATTERS" below.

TAX MATTERS

Series 2000A RAMS

General. The following summary of certain United States federal income tax consequences with respect to the Series 2000A RAMS is based on current law and is for general information only. This summary is generally limited to owners who have acquired the Series 2000A RAMS in the original offering as "capital assets" (generally, property held for investment). The tax treatment of an owner of Series 2000A RAMS may vary depending upon

such owner's particular situation. Certain owners of Series 2000A RAMS (including insurance companies, tax-exempt organizations, financial institutions, brokers, dealers, foreign corporations or other entities and persons who are not citizens or residents of the United States) may be subject to special rules not discussed below. Prospective Registered Owners should consult their tax advisors to determine the federal, state, local and other tax consequences of the purchase, ownership and disposition of the Series 2000A RAMS.

The Authority and the Registered Owners express in the Bond Resolution their intent that, for applicable tax purposes, the Series 2000A RAMS will be indebtedness of the Authority secured by the Financed Eligible Loans. The Authority and the Registered Owners, by accepting the Series 2000A RAMS, have agreed to treat the Series 2000A RAMS as indebtedness of the Authority for federal income tax purposes. The Authority intends to treat this transaction as a financing reflecting the Series 2000A RAMS as its indebtedness for tax and financial accounting purposes. Bond Counsel is of the opinion that the Series 2000A RAMS should be treated as indebtedness of the Authority and that interest on the Series 2000A RAMS is includible in gross income, each for federal income tax purposes.

In general, the characterization of a transaction as a sale of property rather than a secured loan, for federal income tax purposes, is a question of fact, the resolution of which is based upon the economic substance of the transaction, rather than its form or the manner in which it is characterized. While the Internal Revenue Service (the *"Service"*) and the courts have set forth several factors to be taken into account in determining whether the substance of a transaction is a sale of property or a secured indebtedness, the primary factor in making this determination is whether the transferee has assumed the risk of loss or other economic burdens relating to the property and has obtained the benefits of ownership thereof. Notwithstanding the foregoing, in some instances, courts have held that a taxpayer is bound by the particular form it has chosen for a transaction, even if the substance of the transaction does not accord with its form.

The Authority believes that it has retained the preponderance of the benefits and burdens associated with the Financed Eligible Loans. Therefore, the Authority believes that it should be treated as the owner of the Financed Eligible Loans for federal income tax purposes and the Series 2000A RAMS should be treated as its indebtedness for federal income tax purposes. If, however, the Service were to successfully assert that this transaction should not be treated as a loan secured by the Financed Eligible Loans, the Service could further assert that the Bond Resolution created a separate entity for federal income tax purposes which would be the owner of the Financed Eligible Loans and would be deemed engaged in a business. Such entity, the Service could assert, should be characterized as an association or publicly traded partnership taxable as a corporation. In such event, the separate entity would be subject to corporate tax on income from the Financed Eligible Loans, reduced by interest on the Series 2000A RAMS. Any such tax could materially reduce cash available to make payment on the Series 2000A RAMS.

Stated Interest. In general, all interest payments on Series 2000A RAMS that are payable at the Auction Rate will be includible in the Registered Owner's gross income as ordinary interest income in accordance with such Registered Owner's regular method of accounting for tax purposes. For cash basis Registered Owners, such payments will be includible in income when received (or when made available for receipt, if earlier). For accrual basis Registered

Owners, such payments have occurred. In the event that the Auction Rate exceeds the Maximum Auction Rate, the Carry-over Amount may also be includible in gross income in the year which the Carry-over Amount begins to accrue. In such event, an owner should consult its own tax advisor to determine the proper treatment of such Carry-over Amount. The interest on the Carry-over Amount will be includible in a Registered Owner's gross income as ordinary interest income in the same manner as interest at the Auction Rate.

Backup Withholding. Under Section 3406 of the Code, an owner of the Series 2000A RAMS may under certain circumstances, be subject to "backup withholding" on payments of current or accrued interest on the Series 2000A RAMS. This withholding applies if the Registered Owner of the Series 2000A RAMS (a) fails to furnish to the Trustee such Registered Owner's social security number or other taxpayer identification number (*"TIN"*); (b) furnishes the Trustee an incorrect TIN; (c) fails to properly report interest or dividends; or (d) under certain circumstances, fails to provide the Trustee or such Registered Owner's securities broker with a certified statement signed under penalty of perjury that the TIN provided to the Trustee is correct and that such owner is not subject to backup withholding. The withholding rate is 31% of the reportable payments, which include interest payments.

Backup withholding will not apply, however, with respect to payments made, to certain Registered Owners of the Series 2000A RAMS. REGISTERED OWNERS OF THE SERIES 2000A RAMS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THEIR QUALIFICATION FOR EXEMPTION FROM WITHHOLDING AND THE PROCEDURE FOR OBTAINING SUCH AN EXEMPTION.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under Section 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the rate of 30% on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States business. Assuming the interest received by the beneficial owner of the Series 2000A RAMS (the *"Owner"*) is not treated as effectively connected income within the meaning of Section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as portfolio interest. Assuming the Series 2000A RAMS are indebtedness of the Authority, interest will be treated as portfolio interest if (a) the Owner provides a statement to the Trustee certifying, under penalty of perjury, that such Owner is not a United States person and providing the name and address of the Owner, (b) such interest is treated as not effectively connected with the Owner's United States trade or business, (c) interest payments are not made to a person within a foreign country which the Internal Revenue Service has included on a list of countries having provisions inadequate to prevent United States tax evasion, (d) interest payable with respect to the Series 2000A RAMS is not deemed contingent interest within the meaning of the portfolio debt provision, and (e) the Owner claiming the portfolio interest exemption is not deemed to be a foreign bank that acquired the Series 2000A RAMS pursuant to an extension of credit entered into in the ordinary course of its banking business.

Assuming payments on the Series 2000A RAMS are treated as portfolio interest within the meaning of Section 871 and 881 of the Code, then no backup withholding is required with

respect to owners who have furnished Form W-8 (or a substitute form), provided neither the Authority nor the Trustee has actual knowledge that such person is a United States person.

New Withholding Regulation. In 1997, the Treasury Department issued new regulations (the "*New Regulations*") that make certain modifications to the withholding rules described in the preceding two sections as they generally relate to non-U.S. Registered Owners. The New Regulations attempt to unify certain requirements of payees and withholding agents and modify certain reliance standards. The New Regulations generally will be effective for payments made after December 31, 2000, subject to certain transition rules. Prospective non-U.S. Registered Owners should consult their tax advisors to determine the effect the New Regulations may have on their particular circumstance.

Unrelated Business Taxable Income. Entities otherwise exempt from federal income tax under Section 501 of the Code will be subject to tax on their income derived from an unrelated trade or business. Under Section 512(b) of the Code, in general, interest may be excluded from the calculation of unrelated business taxable income. Based upon the foregoing and assuming that a Registered Owner does not incur acquisition indebtedness within the meaning of Section 514(c) of the Code in connection with its purchase of the Series 2000A RAMS, the interest on such Series 2000A RAMS may be excluded from the calculation of unrelated business taxable income by tax-exempt Registered Owners.

State Tax Treatment. Bond Counsel is also of the opinion that, pursuant to the Act, the Series 2000A RAMS and the income therefrom are exempt from taxation in the State.

THE FOREGOING DISCUSSION OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. ACCORDINGLY, EACH PROSPECTIVE OWNER OF SERIES 2000A RAMS SHOULD CONSULT SUCH PROSPECTIVE OWNER'S OWN TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES TO SUCH PROSPECTIVE OWNER, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS, OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF SERIES 2000A RAMS.

Series 2000A-4 Bonds

In the opinion of Kutak Rock LLP, Oklahoma City, Oklahoma, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2000A-4 Bonds is excluded from gross income for federal income tax purposes. Bond Counsel is further of the opinion that interest on the Series 2000A-4 Bonds is a specific preference item for purposes of the federal alternative minimum tax.

The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the Authority with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2000A-4 Bonds. Failure to comply with such requirements could cause interest on the Series 2000A-4 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2000A-4 Bonds. The Authority has covenanted to comply with the

requirements of the Code in order to maintain the exclusion from gross income of interest on the Series 2000A-4 Bonds for federal income tax purposes.

The accrual or receipt of interest on the Series 2000A-4 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2000A-4 Bonds. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion reading any such consequences. Purchasers of the Series 2000A-4 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions or certain recipients of Social Security and Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit or taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, are advised to consult their tax advisors as to the tax consequences of purchasing or holding the Series 2000A-4 Bonds.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Series 2000A-4 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to bonds issued prior to enactment. Purchasers of the Series 2000A-4 Bonds should consult their own tax advisors regarding any pending or proposed tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Series 2000A-4 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed legislation.

Bond Counsel is further of the opinion that, pursuant to the Act, the Series 2000A-4 Bonds and the income therefrom are exempt from taxation in the State.

RATINGS

The Underwriters' obligation to purchase the Series 2000A Bonds is subject to the condition that Moody's has assigned its municipal bond ratings of "Aaa" to the Series 2000A RAMS and "Aaa/VMIG-1" to the Series 2000A-4 Bonds, and that S&P has assigned its municipal bond ratings of "AAA" to the Series 2000A RAMS and "AAA/A-1+" to the Series 2000A-4 Bonds. Each Rating Agency has based its Ratings upon (i) the issuance by the Series 2000A Credit Facility Provider of its financial guaranty insurance policy insuring the payment when due of the principal of and interest on the Series 2000A Bonds, and (ii) the Series 2000A-4 Liquidity Facility to be issued by the Bank with respect to the Series 2000A-4 Bonds. While Fitch IBCA, Inc. rates the claims paying ability of the Series 2000A Credit Facility Provider, the Authority has not requested Fitch IBCA, Inc. to assign a rating to the Series 2000A Bonds.

The Ratings were applied for by the Authority. The Authority, the Series 2000A Credit Facility Provider and the Bank have furnished certain information and materials to the Rating Agencies concerning the Series 2000A Bonds and regarding the Authority, the Series 2000A Credit Facility Provider and the Series 2000A-4 Liquidity Facility Provider, respectively, some of which is not included in this Official Statement. Generally, a rating agency bases its rating on

such information and materials and also on such investigations, studies and assumptions as it may undertake or establish independently. The Ratings are not a recommendation to buy, sell or hold the Series 2000A Bonds and an explanation of the significance of the ratings may be obtained from Moody's and S&P, respectively.

The Ratings are subject to change or withdrawal at any time and any such change or withdrawal may affect the market price or marketability of the Series 2000A Bonds. Neither the Authority nor the Underwriters has undertaken any responsibility either to bring to the attention of the Registered Owners of the Series 2000A Bonds any proposed change in, or proposed withdrawal of, the Ratings on the Series 2000A Bonds or to oppose any such change or withdrawal.

UNDERWRITING

The Series 2000A Bonds are to be purchased by the Underwriters pursuant to the terms and conditions of the Bond Purchase Agreement (the *"Bond Purchase Agreement"*) entered into by and between the Authority and the Underwriter which requires the Underwriter to pay a purchase price of $120,945,000 (representing the par amount of the Series 2000A Bonds).

The Bond Purchase Agreement provides that the Underwriters' obligation is subject to certain conditions and that the Underwriters will purchase all of the Series 2000A Bonds, if any are purchased. Upon delivery of, and payment for the Series 2000A Bonds, the Underwriters will be paid a fee of $393,071.25, which is equal to .325% of the aggregate principal amount of the Series 2000A Bonds, for their services.

The initial public offering prices (as shown on the cover page hereof) may be changed from time to time by the Underwriters without notice. The Underwriters may offer and sell the Series 2000A Bonds to certain dealers (including dealers depositing Series 2000A Bonds into investment trusts) and others at prices lower than the public offering price shown on the cover page hereof.

CONTINUING DISCLOSURE OF INFORMATION

The Authority will enter in a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit of the Beneficial Owners of the Series 2000A Bonds to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) Rule 15c2-12 (the *"Rule"*) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The specific nature of the information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, are set forth below under "THE UNDERTAKING."

The Authority has represented that it is in compliance in all material respects with its existing undertaking pursuant to the Rule. A failure by the Authority to comply with the Undertaking will not constitute a default under the Bond Resolution and Beneficial Owners of

the Series 2000A RAMS are limited to the remedies described in the Undertaking. See "THE UNDERTAKING – Consequences of Failure of the Authority to Provide Information." A failure by the Authority to comply with the Undertaking must be reported in accordance with the Rule and must be considered by an broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2000A RAMS in the secondary market. Consequently, such a failure may adversely affect the market price, transferability and liquidity of the Series 2000A RAMS.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the Authority and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the Authority.

Annual Financial Information Disclosure

The Authority covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, (as described below) to each Nationally Recognized Municipal Securities Information Repository (a *"NRMSIR"*) then recognized by the Securities and Exchange Commission for purposes of the Rule and to the repository, if any, designated by the State of Oklahoma as the state depository (the *"SID"*) and recognized as such by the Commission for purposes of the Rule. The Authority is required to deliver such information so that such entities receive the information by the dates specified in the Undertaking.

"Annual Financial Information" means the information and operating data of the type contained under the caption "INTRODUCTION — Initial Collateralization" and in Appendix D – "LOAN PORTFOLIO COMPOSITION" (actual data for the most recently completed fiscal year only).

"Audited Financial Statements" means the audited financial statements of the Authority.

Material Events Disclosure

The Authority covenants that it will disseminate to each NRMSIR or to the Municipal Securities Rulemaking Board (the *"MSRB"*) and to the SID, if any, in a timely manner the disclosure of the occurrence of an Event (as described below) with respect to the Series 2000A Bonds that is material, as materiality is interpreted under the Securities Exchange Act of 1934, as amended. The "*Events*" are:

- Principal and interest payment delinquencies
- Non-payment related defaults
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions or events affecting the tax-exempt status of the security

- Modifications to the rights of security holders
- Bond calls
- Defeasances
- Release, substitution or sale of property securing repayment of the securities
- Rating changes

Consequences of Failure of the Authority to Provide Information

The Authority shall give notice in a timely manner to each NRMSIR or to the MSRB and to the SID, if any, of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the Authority to comply with any provision of the Undertaking, the beneficial owner of any Series 2000A Bond may seek mandamus or specific performance by court order, to cause the Authority to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed an Event of Default under the Series 2000A Bond Resolution or Series 2000A Trust Agreement, and the sole remedy under the Undertaking in the event of any failure of the Authority to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the Authority may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Authority, or type of business conducted;

(b) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Series 2000A Bonds, as determined either by parties unaffiliated with the Authority (such as the Trustee) or by an approving vote of the owners of the Series 2000A Bonds pursuant to the terms of the at the time of the amendment.

Termination of Undertaking

The Undertaking shall be terminated if the Authority shall no longer have any legal liability for any obligation on or relating to repayment of the Series 2000A Bonds under the Series 2000A Bond Resolution. The Authority shall give notice to each NRMSIR or to the MSRB and to the SID, if any, in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a material Event, in addition to that which is required by the Undertaking. If the Authority chooses to include any information from any document or notice of occurrence of a material Event in addition to that which is specifically required by the Undertaking, the Authority shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a material Event.

Dissemination Agent

The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

This Official Statement has been approved by the Authority for distribution by the Underwriters to the prospective purchasers and the Registered and Beneficial Owners of the Series 2000A Bonds.

OKLAHOMA STUDENT LOAN AUTHORITY

_/s/ Patrick Rooney_____
Chairman

[SEAL]

ATTEST:

_/s/ Sylvia Weedman_____
Secretary

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APPENDIX A

OKLAHOMA STUDENT LOAN AUTHORITY
OKLAHOMA STUDENT LOAN BONDS AND NOTES, SERIES 2000A

DEFINITION OF CERTAIN TERMS

Set forth below are certain definitions of terms used in this Official Statement. Such definitions are extracted from the various definitions included in the Bond Resolution. Additional defined terms relating to Auction Procedures are contained in Appendix G — "AUCTION PROCEDURES." Reference is hereby made to the Bond Resolution, copies of which are on file with the Authority and the Trustee. A copy of the Bond Resolution is available upon request to the Authority.

"*Administrative Expenses*" shall mean all of the Authority's expenses in administering its Program (including the acquisition and origination of Eligible Loans) under the Bond Resolution and shall include, without limiting the generality of the foregoing, salaries, acquisition, origination and servicing fees, supplies, utilities, mailing, labor, materials, office rent or mortgage payment, maintenance, furnishings, equipment, machinery and apparatus, telephone, insurance premiums, legal, accounting, management, consulting and banking services and expenses, credit and liquidity facility fees and expenses, travel, and payments for pension, retirement, health and hospitalization and life and disability insurance benefits, in each case as such fees and expenses are related to the Bond Resolution.

"*Aggregate Market Value*" shall mean on any calculation date the sum of the Values of all assets of the Trust Estate.

"*Alternate Credit Facility*" shall mean a substitute Credit Facility described under the caption "THE SERIES 2000A CREDIT FACILITY - Alternate Credit Facility" in the main body of this Official Statement.

"*Alternate Liquidity Facility*" shall mean a substitute Liquidity Facility described under the caption "THE SERIES 2000A-4 LIQUIDITY FACILITY - Alternate Liquidity Facility" in the main body of this Official Statement.

"*Annual Rate*" shall mean the Interest Rate determined annually in accordance with the Bond Resolution. See the captions "DESCRIPTION OF THE SERIES 2000A-4 BONDS — Interest on the Series 2000A-4 Bonds" and "— Determination of Interest Rates" in the main body of this Official Statement.

"*Annual Rate Bonds*" shall mean the Series 2000A-4 Bonds bearing interest at the Annual Rate.

"Annual Rate Period" shall mean the period beginning on, and including, any June 1 (or, if not a Business Day, on the next succeeding Business Day) and ending on, and including, the next May 31, except that in the event of Conversion to Annual Rate Bonds, the first "Annual Rate Period" means the period beginning on, and including, the Conversion Date and ending on, and including, the next succeeding May 31.

"Authority Guarantee Agreements" shall mean: (i) the Agreement to Endorse Loans, dated October 3, 1994, between the Authority and the State Guarantee Agency, including any amendment thereof entered into in accordance with the provisions thereof; (ii) the Agreement to Guarantee Loans, dated September 30, 1986, between the Authority and United Student Aid Funds, Inc., including any amendment thereof entered into in accordance with the provisions thereof; and (iii) any similar guarantee or agreement issued by the Secretary or any Guarantee Agency to the Authority and consented to by the Credit Facility Provider in writing, including any amendment thereof entered into in accordance with the provisions thereof and of the Bond Resolution and consented to by the Credit Facility Provider in writing.

"Authority Request," "Authority Order," "Authority Certificate" and *"Authority Consent"* shall mean, respectively, a written request, order, certificate or consent signed in the name of the Authority by an Authorized Officer and delivered by overnight or same-day mail or courier, telex, telegram or other electronic means or by hand delivery, or in the case of an Authority Request or an Authority Order, an oral request by an Authorized Officer promptly confirmed in writing by such an Authorized Officer in any manner specified above in this definition.

"Authority Swap Payment" shall mean a payment required to be made by or on behalf of the Authority due to a Swap Counterparty pursuant to a Swap Agreement other than a termination payment (unless the Credit Facility Provider consents to the payment of such termination payment).

"Authorized Denominations" shall mean: (i) with respect to the Series 1996A, Series 1997A, Series 1998A or Series 2000A-4 Bonds bearing interest at a Fixed Rate, $5,000 and any integral multiple thereof; (ii) with respect to the Series 1996A, Series 1997A, Series 1998A or Series 2000A-4 Bonds bearing interest at a Variable Rate, $100,000 and any integral multiple of $5,000 in excess thereof; (iii) with respect to Series 2000A RAMS bearing interest at an Auction Rate, $100,000 or any integral in excess thereof and (iv) with respect to any Additional Bonds or Notes, the Authorized Denomination provided in the Supplemental Bond Resolution authorizing the issuance of such Additional Bonds and Notes.

"Authorized Officer," when used with reference to the Authority, shall mean the Chairman, the Vice Chairman, the President, the Secretary or an Assistant Secretary of the Authority or any other person designated in writing from time to time by the trustees of the Authority.

"Available Moneys" shall mean: (i) while a Credit Facility is in effect, moneys which are (a) continuously on deposit with the Trustee in trust for the benefit of the Registered Owners in a separate and segregated account in which only Available Moneys are held and (b) proceeds

of (1) the Bonds and Notes received contemporaneously with the issuance and sale of the Bonds and Notes, (2) payments made under the Credit Facility or the Liquidity Facility, (3) payments made by the Authority if at the time of the deposit of such payments and for a period of at least 123 days thereafter no petition in bankruptcy under the United States Bankruptcy Code or similar law is pending with respect to the Authority unless such petition shall have been dismissed and such dismissal shall be final and not subject to appeal, (4) any moneys for which the Trustee has received a written opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to the Trustee, the Rating Agencies and the Credit Facility Provider to the effect that payment of such moneys to the Registered Owners would not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code in the event the Authority were to become a debtor under the United States Bankruptcy Code, or (5) income derived from the investment of the foregoing; and (ii) if a Credit Facility is not in effect, any moneys available under the Bond Resolution

"*Bank Bonds"* shall mean those Bonds and Notes purchased pursuant to a purchase drawing, if applicable, under the Liquidity Facility, or purchased by any Liquidity Facility Provider pursuant to a related Liquidity Facility.

"*Bank Rate"* shall mean the Interest Rate determined in accordance with the Bond Resolution. "Bank Rate" shall be the lesser of the maximum rate permitted by applicable law or the rate of interest charged under the Liquidity Facility and subject to a maximum rate approved by the Credit Facility Provider.

"*Bond Payment Date*" shall mean any date on which principal or interest is due and payable on such Bond or Note, or any date on which an Authority Swap Payment is due and payable.

"*Bonds and Notes"* shall mean the Series 1996A Bonds, Series 1997A Bonds, Series 1998A Bonds, Series 2000A Bonds and any Additional Bonds and Notes issued and secured pursuant to the Bond Resolution.

"*Business Day"* shall mean, with respect to Bonds and Notes other than the Series 2000A RAMS, a day of the year other than: (i) a day on which commercial banks located in the cities in which the principal office of any of the Trustee, the Remarketing Agent, the Tender Agent, the Credit Facility Provider or the Liquidity Facility is located are required or authorized by law to close; (ii) a day on which The New York Stock Exchange, Inc. is closed; and (iii) a day on which the office of the Credit Facility Provider or the Liquidity Facility Provider at which a payment under the Credit Facility or Liquidity Facility, respectively, is required to be made is closed; provided that with respect to Auction Dates, such term shall exclude December 30 and 31 and April 14 and 15. The Credit Facility Provider and the Liquidity Facility Provider will promptly notify the Authority, the Trustee, the Remarketing Agent and the Tender Agent if any such day is not also a day otherwise meeting this definition of "Business Day," such notice to be given at least three Business Days in advance if possible.

"*Cash Flow Certificate*" shall mean a report prepared by the Cash Flow Consultant and acceptable to the Credit Facility Provider based upon assumptions used with respect to relevant

variables that are consistent with criteria approved by the Credit Facility Provider showing, with respect to the period extending from the date of the Cash Flow Certificate to each Maturity of the Bonds and Notes: (i) all Revenues and Recoveries of Principal anticipated to be received during such period, taking into account any rebates expected to be payable to student borrowers; (ii) the application of all Revenues and Recoveries of Principal in accordance with the provisions of the Bond Resolution, taking into account investment earnings, if any; and (iii) resulting balances; provided that the Cash Flow Certificate must show that anticipated Revenues and Recoveries of Principal will be at least sufficient and available to pay all Servicing Fees, Program Expenses and Administrative Expenses payable under the Bond Resolution and the debt service on all Obligations during such period.

"*Cash Flow Consultant*" shall mean any Person appointed by the Authority and acceptable to the Credit Facility Provider to prepare the Cash Flow Certificate and other cash flow projections.

"*Claim Adjustment*" shall mean: (i) amounts payable to a Guarantee Agency as a result of a determination that the status of any Eligible Loan was "current" subsequent to the submission of a default claim with respect to such Eligible Loan; and (ii) amounts payable to a Eligible Lender as a reimbursement for amounts paid by the Eligible Lender to repurchase such Eligible Loan pursuant to its loan purchase agreement as a result of a determination that such Eligible Loan was not required to be repurchased.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations, including temporary and proposed regulations, relating to such sections which are applicable to the Bonds and Notes or the use of the proceeds thereof. A reference to any specific section of the Code shall be deemed also to be a reference to the comparable provisions of any enactment which supersedes or replaces the Code thereunder from time to time.

"*Conversion*" shall mean the conversion from time to time in accordance with the terms and provisions of the Bond Resolution from one interest rate mode to another interest rate mode.

"*Conversion Date*" shall mean the effective date of any Conversion and shall mean the Business Day succeeding any Quarterly Rate Period, any Semiannual Rate Period and any Annual Rate Period.

"*Counterparty Swap Payments*" shall mean any payment to be made to, or for the benefit of, the Authority under a Swap Agreement.

"*Credit Facility*" shall mean any credit instruments (whether a letter of credit, insurance policy, surety bond or other agreement) which assure payment of the principal of (whether upon acceleration, maturity, redemption or otherwise) and all or a specified amount of interest on the Series 1996A Bonds, the Series 1997A Bonds, the Series 1998A Bonds or Series 2000A Bonds, including any Alternate Credit Facility with respect to either series of Bonds and Notes.

"*Credit Facility Agreement*" shall mean any agreements pursuant to which a Credit Facility or an Alternate Credit Facility is issued.

"*Credit Facility Provider*" shall mean the Person or Persons which issue a Credit Facility and are liable thereon and any issuer of an Alternate Credit Facility. The initial Credit Facility Provider is MBIA Insurance Corporation, and its successors and assigns.

"*Eligible Lender*" shall mean any "*eligible lender*", as defined in the Higher Education Act, and which has received an eligible lender designation from the Secretary with respect to Eligible Loans.

"*Eligible Loan*" shall mean (unless determined otherwise in a Supplemental Bond Resolution pursuant to which particular Bonds or Notes were issued) a Student Loan which: (i) except with respect to the Series 2000A RAMS, has been or will be made to an eligible borrower to finance the post-secondary education of (a) a resident of the State attending a post-secondary school within or without the State, or (b) a resident of a state other than the State attending a post-secondary school located within the State; (ii) is Guaranteed or Insured; (iii) is an "eligible loan" as defined in Section 438 of the Higher Education Act for purposes of receiving special allowance payments and is eligible to receive special allowance payments; (iv) bears interest at a rate of interest not less than or in excess of the applicable maximum rate of interest set forth in the Act for that loan except for loans made pursuant to an Authority program approved by the Credit Facility Provider which reduces the interest rate on the loan; or (v) is otherwise permitted to be acquired by the Authority pursuant to its Program (provided a favorable opinion is received with respect thereto, and provided further that the Trustee and the Authority shall have received the written consent of the Credit Facility Provider to such acquisition); provided that if the Authority has received notice from the Credit Facility Provider that an amendment to the Higher Education Act or any other law of the United States has been enacted after the date of the Series 1996A Bond Resolution that changes the percentage added to the Treasury bill rate or the commercial paper rate in calculating Special Allowance Payments in a manner which would cause the Authority to obtain a Rate of Return on a Student Loan disbursed pursuant to the Higher Education Act which would be lower, by more than thirty-hundredths of one percent (.30%), than the Rate of Return on such Student Loan under the Higher Education Act as in effect on the date of the Series 1996A Bond Resolution (such lower rate of return being referred to herein as a "Materially Lower Rate of Return"), no Student Loan disbursed after the effective date of such amendment and affected by such amendment shall, without the express written consent of the Credit Facility Provider, be an Eligible Loan.

"*Expiration Date*" shall mean the date on which an outstanding Credit Facility or Liquidity Facility is to terminate pursuant to the terms thereof, including any extension of such date but not including any early termination because of the occurrence of an event of default (other than a nonpayment of fees thereunder) under the related Liquidity Facility Agreement or Credit Facility Agreement.

"*Facility Substitution*" shall mean the delivery of an Alternate Credit Facility or Alternate Liquidity Facility.

"*Financed*" when used with respect to Eligible Loans, shall mean or refer to Eligible Loans: (i) acquired by the Authority with balances in the Student Loan Fund or otherwise deposited in or accounted for in the Student Loan Fund or otherwise constituting a part of the Trust Estate; and (ii) Eligible Loans substituted or exchanged for Financed Eligible Loans, but does not include Eligible Loans released from the lien of the Bond Resolution and sold or transferred, to the extent permitted by the Bond Resolution.

"*Fixed Rate*" shall mean, with respect to any Series 2000A Bonds, the rate of interest fixed to the stated maturity of the Series 2000A Bonds and not subject to adjustment.

"*Fixed Rate Bonds*" shall mean any Series 2000A Bonds bearing interest at a Fixed Rate.

"*Fixed Rate Conversion Date*" shall mean, with respect to each Series of the Series 2000A Bonds, the date on which a Fixed Rate becomes effective for such Series 2000A Bonds.

"*Funds*" or "*Funds and Accounts*" shall mean the funds, accounts or subaccounts created by the Bond Resolution. See the caption "SECURITY AND SOURCES OF PAYMENT — Flow of Funds" and " — Creation of Accounts" in the main body of this Official Statement.

"*Governmental Obligations*" shall mean any of the following: direct general obligations of, or obligations the full and timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America).

"*Guarantee*" or "*Guaranteed*" shall mean with respect to an Eligible Loan, the insurance or guarantee by the Guarantee Agency pursuant to such Guarantee Agency's Guarantee Agreement of the maximum percentage of the principal of and accrued interest on such Eligible Loan allowed by the terms of the Higher Education Act with respect to such Eligible Loan at the time it was originated and the coverage of such Eligible Loan by the federal reimbursement contracts, providing, among other things, for reimbursement to the Guarantee Agency for payments made by it on defaulted Eligible Loans insured or guaranteed by the Guarantee Agency of at least the minimum reimbursement allowed by the Higher Education Act with respect to a particular Eligible Loan.

"*Guarantee Agency*" shall mean the State Guarantee Agency, United Student Aid Funds, Inc., Texas Guaranteed Student Loan Corporation, Student Loan Guarantee Foundation of Arkansas, Colorado Department of Education, Student Loans Division and/or any other guarantee agency, provided that the Authority and the Trustee receive the written consent of the Credit Facility Provider to such additional or substitute Guarantee Agency.

"*Insurance*" or "*Insured*" or "*Insuring*" shall mean, with respect to a student loan, the insuring by the Secretary under the provisions of the Higher Education Act of the maximum allowable percentage of the principal of and accrued interest on such student loan.

"*Interest Benefit Payment*" shall mean an interest payment on Eligible Loans received pursuant to the Higher Education Act and an agreement with the federal government, or any similar payments.

"*Interest Payment Date*" shall mean, (a) with respect to the Series 1996A Bonds, the Series 1997A Bonds, Series 1998A Bonds and the Series 2000A-4 Bonds, each June 1 and December 1, (b) with respect to the Series 2000A RAMS outstanding as RAMS, the first Business Day of each Auction Period succeeding the initial Auction Period and, (c) with respect to any Additional Bonds and Notes, the Interest Payment Dates established for such Additional Bonds and Notes.

"*Investment Instructions*" shall mean the investment instructions delivered to the Authority and the Trustee by Bond Counsel on the date of issuance for each series of Bonds and Notes and any amendments or supplements thereto.

"*Investment Securities"* shall mean any of the following which are at the time of investment legal investments for the funds of the Authority under the laws of the State, including the Act, for the moneys proposed to be invested (provided that the Authority may direct the Trustee in writing to exclude or limit any of the following).

(a) Governmental Obligations.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) Farmers Home Administration (FmHA) Certificates of beneficial ownership; (ii) Federal Housing Administration (FHA) Debentures; (iii) General Services Administration Participation certificates; (iv) Government National Mortgage Association (GNMA or "*Ginnie Mae"*) guaranteed mortgage-backed bonds or guaranteed pass-through obligations; (v) U.S. Maritime Administration Guaranteed Title XI financing; (vi) U.S. Department of Housing and Urban Development (HUD) Project Notes or Local Authority Bonds; (vii) U.S. Export-Import Bank (EXIM Bank) direct obligations or fully guaranteed certificates of beneficial ownership; and (viii) Federal Financing Bank.

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself): (i) Federal Home Loan Bank System Senior debt obligations; (ii) Federal Home Loan Mortgage Corporation (FHLMC or "*Freddie Mac"*) Participation Certificates or Senior debt obligations; (iii) Federal National Mortgage Association (FNMA or "*Fannie Mae"*) Mortgage-backed securities and senior debt obligations; (iv) Student Loan Marketing Association (SLMA or "*Sallie Mae"*) Senior debt obligations; (v) Resolution Funding Corp. (REFCORP) obligations; and (vi) Farm Credit System consolidated systemwide bonds and notes.

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by

S&P of “AAAm-G”, “AAAm”, or “AAm”; and if rated by Moody’s are rated “Aaa”, “Aa1” or “Aa2”.

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

(g) Investment Agreements, including GIC's, acceptable to the Credit Facility Provider and S&P.

(h) Commercial paper rated, at the time of purchase, “Prime - 1” by Moody's or “A-1” or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated by Moody's or S&P in one of the two highest rating categories assigned by such agencies.

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime - 1” or “A3” or better by Moody's and “A-1” or “A” or better by S&P.

(k) Repurchase agreements for thirty (30) days or less must follow the criteria provided in the Bond Resolution. Repurchase agreements which exceed thirty (30) days must be acceptable to the Credit Facility Provider.

“Liquidity Facility” shall mean any agreements (whether a letter of credit, standby bond purchase agreement, or other agreement) which assures payment of the purchase price of the Series 1996A Bonds, the Series 1997A Bonds, Series 1998A Bonds or the Series 2000A-4 Bonds, including any Alternate Liquidity Facility with respect to either series of Bonds and Notes.

“Liquidity Facility Agreement” shall mean any agreements pursuant to which a Liquidity Facility or Alternate Liquidity Facility is issued and which is approved in writing by the Credit Facility Provider.

“Liquidity Facility Provider” shall mean the Person or Persons which issue a Liquidity Facility and are liable thereon. The initial Liquidity Facility Provider for the Series 1996A Bonds and the Series 1997A Bonds is Student Loan Marketing Association. The initial Liquidity Facility Provider for the Series 1998A Bonds is Landesbank Hessen-Thüringen Gironzentrale, acting through its New York Branch. The initial Liquidity Provider for the Series 2000A-4 Bonds is Dexia Bank S.A.

"*Maximum Rate*" shall mean with respect to the Series 1996A Bonds, the Series 1997A Bonds, the Series 1998A Bonds and the Series 2000A-4 Bonds, the lesser of: (i) 12% per annum; or (ii) the maximum rate of interest permitted under State law and, with respect to the Series 2000A RAMS, the lesser of (i) 17% per annum, or (ii) the maximum rate of interest permitted under State law.

"*Moody's*" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

"*Obligations*" shall mean, collectively, the Bonds and Notes, any Authority Swap Payment and any amounts payable to the Credit Facility Provider or the Liquidity Facility Provider pursuant to the Credit Facility and the Liquidity Facility, respectively.

"*Outstanding*" shall mean, when used in connection with any Bond or Note, a Bond or Note which has been executed and delivered pursuant to the Bond Resolution which at such time remains unpaid as to principal or interest, and when used in connection with a Swap Agreement, a Swap Agreement which has not expired or been terminated, unless in each case provision has been made for such payment, excluding Bonds or Notes which have been replaced pursuant to the Bond Resolution.

"*Person*" shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"*Program Expenses*" shall mean the fees and expenses of the Trustee, any Tender Agent, any Auction Agent, any Market Agent, any Broker-Dealer, any Remarketing Agent, any paying agent, any registrar, any authenticating agent, any securities depository, and any co-registrar or transfer agent appointed under the Bond Resolution and fees, payments and expenses payable with respect to the Rating Agencies, the Liquidity Facility, the Credit Facility, legal counsel, any rebate consultant, Accountant's fees and the Cash Flow Consultant's fees, in each case as such fees and expenses are related to the Bond Resolution, but excluding Administrative Expenses and Servicing Fees.

"*Purchase Date*" shall mean: (i) in the case of Weekly Rate Bonds, the Business Day such Weekly Rate Bonds are to be purchased; and (ii) in the case of Series 2000A Bonds, any Business Day on which such Series 2000A Bonds are subject to mandatory purchase. "Purchase Date" shall also mean a Facility Substitution Date and, in the case of conversion of a series of the Series 2000A Bonds, the Conversion Date or next succeeding Business Day if not a Business Day.

"*Purchase Price*" shall mean, with respect to any Series 2000A Bond, the principal amount thereof plus accrued interest, if any, thereon to the respective Purchase Date, provided,

however, that if the Purchase Date is also an Interest Payment Date, the Purchase Price shall not include accrued interest.

"*Quarterly Rate*" shall mean the Interest Rate determined in accordance with the Bond Resolution. See the captions, "DESCRIPTION OF THE SERIES 2000A-4 BONDS — Interest on the Series 2000A-4 Bonds" and " — Determination of Interest Rates" in the main body of this Official Statement.

"*Quarterly Rate Bonds*" shall mean Series 2000A-4 Bonds bearing interest at the Quarterly Rate.

"*Quarterly Rate Period*" shall mean the period beginning on the day following the end of the last period of the preceding interest rate mode and extending to, but not including, the first Business Day of the third calendar month after the calendar month in which such period commenced.

"*Rating*" shall mean one of the rating categories of Moody's or S&P or any other Rating Agency, provided Moody's, S&P or any other Rating Agency, as the case may be, is currently rating the Bonds or Notes.

"*Rating Agencies*" shall mean Moody's and S&P, if and to the extent such entity is then rating the Bonds or Notes at the request of the Authority, and any other rating service requested by the Authority to rate any Bonds or Notes.

"*Rebate Amount*" shall mean the amount computed in accordance with the corresponding Tax Regulatory Agreement.

"*Record Date*" shall mean: (i) with respect to the Series 1996A Bonds, the Series 1997A Bonds, the Series 1998A Bonds and Series 2000A-4 Bonds bearing interest at a Weekly Rate or a Quarterly Rate, the Business Day preceding each Interest Payment Date for the Series 1996A Bonds, the Series 1997A Bonds, the Series 1998A Bonds and Series 2000A-4 Bonds, respectively; (ii) with respect to any Series 1996A Bonds, any Series 1997A Bonds, any Series 1998A Bonds and any Series 2000A-4 Bonds bearing interest at a Semiannual Rate, an Annual Rate or a Fixed Rate, the fifteenth day of the calendar month preceding each Interest Payment Date; (iii) with respect to Series 2000A RAMS, the Business Day prior to each Interest Payment Date; and (iv) with respect to any Additional Bond and Notes, the Record Date established for such Additional Bonds and Notes by the Supplemental Bond Resolution authorizing the issuance of such Additional Bonds and Notes.

"*Recoveries of Principal*" shall mean, among other things, all amounts received by or on behalf of the Authority or by the Trustee for the account of the Authority, from or on account of any Financed Eligible Loan as a recovery of the principal amount thereof, including scheduled, delinquent and advance payments, payouts or prepayments, proceeds from the sale, assignment, transfer, reallocation or other disposition of such loans, and any payments representing principal from claim payments on the guarantee or insurance of any such loan, but excludes any Claim

Adjustments relating to principal on an Eligible Loan and any Recoveries of Principal released from the lien of the Trust Estate as provided in the Bond Resolution.

"*Redemption Price*" shall mean, with respect to the Series 1996A Bonds, the Series 1997A Bonds, the Series 1998A Bonds and the Series 2000A Bonds, the principal amount of the Series 1996A Bonds, the Series 1997A Bonds, the Series 1998A Bonds and the Series 2000A Bonds being redeemed, respectively, and, with respect to any Additional Bonds and Notes, the Redemption Price established for such Additional Bonds and Notes by the Supplemental Bond Resolution authorizing the issuance of such Additional Bonds and Notes.

"*Registered Owner*" shall mean the Person in whose name a Bond or Note is registered on the registration books maintained by the Trustee, and shall also mean with respect to a Swap Agreement, any Swap Counterparty unless the context otherwise requires.

"*Revenues*" shall mean, among other things:

(a) All payments, proceeds, charges and other income received by or on behalf of the Authority, or by the Trustee for the account of the Authority, including, (i) scheduled, delinquent and advance payments of interest, (ii) payouts or prepayments of interest, (iii) Interest Benefit or Special Allowance Payments from the Secretary, (iv) any guarantee or insurance proceeds with respect to interest, from any Financed Eligible Loan held as a part of the Trust Estate or as a result of the sale or alienation thereof;

(b) All interest earned or gain realized from the investment of amounts in any Fund or Account (other than amounts credited or required to be deposited to the Rebate Fund), and

(c) All payments received by the Authority pursuant to a Swap Agreement, but *excludes* Recoveries of Principal, Claim Adjustments relating to interest on an Eligible Loan and any Revenues released from the lien of the Trust Estate as provided in the Bond Resolution.

"*Semiannual Rate*" shall mean the Interest Rate determined semiannually in accordance with the Bond Resolution. See the captions, "DESCRIPTION OF THE SERIES 2000A-4 BONDS — Interest on the Series 2000A-4 Bonds" and "— Determination of Interest Rates" in the main body of this Official Statement.

"*Semiannual Rate Bonds*" shall mean Series 2000A-4 Bonds bearing interest at the Semiannual Rate.

"*Semiannual Rate Period*" shall mean the period beginning on, and including, any June 1 or December 1 (or, if not a Business Day, the next succeeding Business Day) and ending on, and including, the next May 31 or November 30, as the case may be, except that in the event of Conversion to Semiannual Rate Bonds, the first "Semiannual Rate Period" means the period beginning on, and including, the Conversion Date and ending on, and including, the next succeeding May 31 or November 30.

"*Servicer*" shall mean the Authority, acting as the servicer of the Financed Eligible Loans and any other entity appointed by the Authority as a servicer with respect to Financed Eligible Loans upon the receipt by the Authority and the Trustee of the written consent of the Credit Facility Provider to the appointment of such Servicer.

"*Servicing Agreement*" shall mean, collectively, each servicing agreement between the Authority and a Servicer consented to in writing by the Credit Facility Provider under which the Servicer agrees to act as the Authority's agent in administering and collecting Financed Eligible Loans in accordance with the Bond Resolution, and any amendments thereto consented to in writing by the Credit Facility Provider.

"*Servicing Fees*" shall mean any fees payable by the Authority to a Servicer (including the Authority) in respect of Financed Eligible Loans.

"*Special Allowance Payments*" shall mean special allowance payments authorized to be made by the Secretary by Section 438 of the Higher Education Act, or similar allowances, if any, authorized from time to time by federal law or regulation.

"*S&P*" shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

"*Student Loan Purchase Agreement*" shall mean a loan purchase agreement entered into for the purchase of Eligible Loans.

"*Supplemental Bond Resolution*" shall mean any Supplemental Bond Resolution adopted by the Authority amending and/or supplementing the Bond Resolution.

"*Swap Agreement*" shall mean a written contract or agreement between the Authority and a Swap Counterparty and approved by the Credit Facility Provider, which provides that the Authority's obligations thereunder will be conditioned on the absence of (i) a failure by the Swap Counterparty to make any payment required thereunder when due and payable, or (ii) a default thereunder with respect to the financial status of the Swap Counterparty, and:

(a) under which the Authority is obligated to pay (whether on a net payment basis or otherwise) on one or more scheduled and specified Swap Payment Dates, the Authority Swap Payments in exchange for the Swap Counterparty's obligation to pay (whether on a net payment basis or otherwise), or to cause to be paid, to the Authority, Swap Payments on one or more scheduled and specified Swap Payment Dates in the amounts set forth in the Swap Agreement;

(b) for which the Authority's obligation to make Authority Swap Payments is secured by a pledge of and lien on the Trust Estate on an equal and ratable basis with the Authority's Outstanding Bonds and Notes and which Authority Swap Payments are equal in priority with the Authority's Outstanding Bonds and Notes; and

(c) under which Counterparty Swap Payments are to be made directly to the Trustee for deposit into the Student Loan Sinking Fund.

"*Swap Counterparty*" shall mean a third party approved by the Credit Facility Provider which, at the time of entering into a Swap Agreement, has at least an "Aa2/P-1" rating, or its equivalent, from Moody's, and which is obligated to make Counterparty Swap Payments under a Swap Agreement.

"*Swap Payment Date*" shall mean, with respect to a Swap Agreement, any date specified in the Swap Agreement on which both or either of the Authority Swap Payment and/or a Counterparty Swap Payment is due and payable under the Swap Agreement.

"*Tax Regulatory Agreement*" shall mean, collectively, the Tax Regulatory Agreements entered into between the Authority and the Trustee with respect to each series of tax-exempt Bonds and Notes, as each are amended or supplemented.

"*The Bond Market Association*" shall mean The Bond Market Association, as successor to the Public Securities Association, and its successors and assigns.

"*The Bond Market Association Municipal Swap Index*" shall mean on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by The Bond Market Association or any Person acting in cooperation with or under the sponsorship of The Bond Market Association, and acceptable to the Remarketing Agent, and effective from such date.

"*Value*" on any calculation date when required under the Bond Resolution shall mean the value of the Trust Estate calculated by the Authority as to (a) below and by the Trustee as to (b) through (e), inclusive, below, as follows:

(a) with respect to any Eligible Loan, the unpaid principal amount thereof plus any accrued but unpaid interest, Interest Benefit Payments and Special Allowance Payments, subject to adjustment if the Credit Facility Provider has given notice to the Authority that an amendment of any law of the United States will result in a materially lower rate of return on such Eligible Loan;

(b) with respect to any funds of the Authority held under the Bond Resolution and on deposit in any commercial bank or as to any banker's acceptance or repurchase agreement or investment contract, the amount thereof plus accrued but unpaid interest;

(c) with respect to any Investment Securities of an investment company, the bid price of the shares as reported by the investment company;

(d) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*), the average of the bid

and asked prices for such investments so published on or most recently prior to such time of determination; and

(e) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*, (i) the lower of the bid prices at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Authority in its absolute discretion) at the time making a market in such investments, or (ii) the bid price published by a nationally recognized pricing service.

"*Variable Rate Bonds*" shall mean Weekly Rate Bonds, Quarterly Rate Bonds, Semiannual Rate Bonds and Annual Rate Bonds.

"*Variable Rates*" shall mean the Weekly Rate, the Quarterly Rate, the Semiannual Rate and the Annual Rate.

"*Weekly Rate*" shall mean the Interest Rate determined in accordance with the Bond Resolution. See the captions "DESCRIPTION OF THE SERIES 2000A-4 BONDS — Interest on the Series 2000A-4 Bonds" and " — Determination of Interest Rates" in the main body of this Official Statement.

"*Weekly Rate Bonds*" shall mean Series 2000A-4 Bonds bearing interest at the Weekly Rate.

"*Weekly Rate Period*" shall mean the period beginning on, and including, any Wednesday (or, if not a Business Day, on the next succeeding Business Day) and ending on, and including, the then next Tuesday (or the day immediately preceding the first day of the next Weekly Rate Period for Weekly Rate Bonds), except that in the event of a Conversion to Weekly Rate Bonds, the first "Weekly Rate Period" means the period beginning on, and including, the Conversion Date and ending on, and including, the second succeeding Tuesday (or the day immediately preceding the first day of the next Weekly Rate Period for Weekly Rate Bonds) unless the Conversion Date is a Tuesday or Wednesday, in which case it shall end on the first succeeding Tuesday.

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APPENDIX B

OKLAHOMA STUDENT LOAN AUTHORITY
STUDENT LOAN BONDS AND NOTES, SERIES 2000A-___

FINANCIAL GUARANTY INSURANCE POLICY

MBIA Insurance Corporation
Armonk, New York 10504

Policy No. [NUMBER]

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to [PAYING AGENT/TRUSTEE] or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

[PAR]
[LEGAL NAME OF ISSUE]

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding

related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term ”owner” shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this [DAY] day of [MONTH, YEAR].

MBIA Insurance Corporation

_____
President

Attest: _____
Assistant Secretary

ENDORSEMENT

Attached to Policy No. [_____] (the "Policy") issued by the MBIA Insurance Corporation (the "Insurer"), to the Paying Agent, as defined in the Policy issued with respect to the Obligations:

$[ ]
Oklahoma Student Loan Authority
Oklahoma Student Loan Bonds and Notes
Taxable Auction Rate Obligations
Series 2000A-___

Notwithstanding the terms and conditions contained in the Policy, it is understood that the Policy will be canceled upon delivery of an Altemate Series [ ] Credit Facility pursuant to the Bond Resolution (hereinafter defined) provided, however, that the Policy shall remain in effect with respect to any claims of Insured Amounts as described in clause (ii) of the first paragraph of the Policy

This Endorsement forms a part of the Policy, effective on the inception date of the Policy.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be executed in facsimile on its behalf by its President and its Assistant Secretary, this [___] day of August, 2000.

MBIA INSURANCE CORPORATION

By _____
President

Attest:

By _____
Assistant Secretary

ENDORSEMENT

Attached to Policy No. [_____] (the "Policy") issued by the MBIA Insurance Corporation (the "Insurer"), to the Paying Agent, as defined in the Policy issued with respect to the Obligations:

$[ ]
Oklahoma Student Loan Authority
Oklahoma Student Loan Bonds and Notes
Variable Rate Demand Obligations
Series 2000A-4

Notwithstanding the terms and conditions contained in the Policy, it is understood that (a) the Policy will be canceled upon delivery of an Altemate Credit Facility pursuant to the Bond Resolution (hereinafter defined) provided, however, that the Policy shall remain in effect with respect to any claims of Insured Amounts as described in clause (ii) of the first paragraph of the Policy resulting from payments made by or on behalf of the Issuer prior to the effective date of the cancellation of the Policy; (b) the Policy shall guarantee the full and complete payment required to be made by or on behalf of the Authority to the Trustee of an amount equal to principal of and interest accrued on the Series 2000A-4 Bank Bonds (as such terms are defined in the Series 2000A – 4 Supplemental Bond Resolution adopted by the Authority on August [ ] , 2000, (the "Bond Resolution")) which are mandatorily redeemed in accordance with Section 3.02(b) of the Bond Resolution; and (c) the Policy shall guarantee the payment of Differential Interest Amount (as defined in the Bond Resolution) on the Series 2000A-4 Bank Bonds no more frequently than once a month.

This Endorsement forms a part of the Policy, effective on the inception date of the Policy.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be executed in facsimile on its behalf by its President and its Assistant Secretary, this [___] day of August, 2000.

MBIA INSURANCE CORPORATION

By _____
President

Attest:

By _____
Assistant Secretary

APPENDIX C

OKLAHOMA STUDENT LOAN AUTHORITY
RESET AUCTION MODE SECURITIES, SERIES 2000A-1, SERIES 2000A-2, SERIES 2000A-3
AND
VARIABLE RATE DEMAND OBLIGATIONS, SERIES 2000A-4

GENERAL DESCRIPTION OF THE
OKLAHOMA STUDENT LOAN AUTHORITY
CUSIP BASE NUMBER: 679110

The presentation of the Authority's general information, financial and operating data in this Appendix is intended to show recent historical information and is not intended to indicate future or continuing trends with respect to the Authority's education loan portfolios or the Series 2000A Bonds. The information herein is *not* information that is required for purposes of continuing disclosure of financial and operating data for the Series 2000A Bonds.

The information provided herein is subject to change without notice, and the delivery hereof shall not, under any circumstances, create any implication that there has been no change after the date hereof. In addition, the delivery hereof shall not, under any circumstances, create any implication that there have been no other changes in the affairs of the Authority after the date of this Official Statement.

BACKGROUND

The Oklahoma Student Loan Authority (the "*Authority*") is an express public trust created in 1972 for the benefit of the State of Oklahoma (the "*State*"). It participates in the guaranteed Federal Family Education Loan ("*FFEL*") Program administered under the Higher Education Act of 1965, as amended (the "*Higher Education Act*") by the United States Department of Education ("*USDE*").

The Authority is a loan servicer and acts as a secondary market purchasing guaranteed education loans from other eligible lenders. The Authority is an eligible lender and also is a Lender of Last Resort ("*LLR*") for the Oklahoma State Regents for Higher Education (the "*State Regents*") acting as the "*State Guarantee Agency*". See the topic "*Loan Finance Programs*" herein.

The Authority also performs origination and pre-acquisition interim servicing for approximately 29 other eligible lenders which are members of the OSLA Student Lending Network (the "*OSLA Network*"). Under secondary market arrangements with the respective OSLA Network members, each lender is required to sell to the Authority, and the Authority is required to buy, the loans from time to time before repayment of the loans begins. See the topic "*Acquisition Programs*" herein.

The Authority services its own education loans and those of the OSLA Network eligible lenders utilizing a remote servicing system database pursuant to an agreement with UNIPAC Service Corporation ("*UNIPAC*") of Aurora, Colorado. Loan application processing, disbursement and pre-acquisition servicing functions are performed by the Authority under the registered tradename "OSLA Student Loan Servicing™". See the topic "*Loan Servicing*" herein.

At June 30, 2000, the Authority held FFEL Program loans with a current principal balance of approximately $325,033,058 (compared to approximately $231,087,099 at June 30, 1999). At June 30, 2000, the Authority serviced FFEL Program loans, including education loans serviced for other eligible lenders, with a current principal balance of approximately $369,161,966 (compared to approximately $281,881,625 at June 30, 1999).

The Authority receives no appropriated funds from the State for its operating expenses. All expenses of the Authority are paid from revenues derived from trust operations in administration of its various education loan programs.

The Fiscal Year of the Authority is presently from July 1 of each year through June 30 of the next year. The information presented herein is for the fiscal year ended June 30, 1999, unless otherwise noted.

The bonds and notes issued by the Authority to fund its loan financing activities, and the interest thereon, are not general obligations of the Authority, but rather are limited and special revenue obligations of the Authority secured by, and payable solely from, the assets of the respective Trust Estates created for particular financings by various Bond Resolutions and Supplements thereto.

The offices of the Authority are located at 4545 North Lincoln Boulevard, Suite 66, Oklahoma City, OK 73105. Its administrative telephone number is (405) 556-9210; its facsimile transmission number is (405) 556-9255; and its general Internet e-mail address is *info@oslat.org*.

ORGANIZATION AND POWERS

The Authority was created by an express Trust Indenture dated August 2, 1972 in accordance with the provisions of:

- Title 70, Oklahoma Statutes 1991, Sections 695.1 *et seq.*, as amended (the "*Student Loan Act*"); and

- Title 60, Oklahoma Statutes 1991, Sections 176 to 183.3, inclusive, as amended (the "*Public Trust Act*").

Together, the Student Loan Act and the Public Trust Act are referred to herein as the "*Act*". The Student Loan Act authorized the Governor of the State to accept the beneficial interest in the trust. That beneficial interest was accepted on August 2, 1972, making the State the beneficiary of the trust.

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

Name	Office	Term Expiration	Principal Occupation
Patrick Rooney	Chairman	April 6, 2005	Community Bank President, UMB Bank N.A.[1]; Oklahoma City, OK
Tom McCasland, III	Vice Chairman	April 6, 2001	President, Mack Energy Company; Duncan, OK
Sylvia Weedman	Secretary	April 6, 2002	Retired – Former Instructor, Gordon Cooper Area Vo-Tech School; Shawnee, OK
Steven Bramlett	Assistant Secretary	April 6, 2004	Owner, McClure Insurance Agency; Alva, OK
Dr. T. Sterling Wetzel	Trustee	April 6, 2003	Professor, Oklahoma State University; Stillwater, OK

[1] UMB Bank, N. A. is an eligible lender in the OSLA Network and participates on similar terms and conditions available to OSLA Network lenders similarly situated.

The Trust Indenture creating the Authority, and the Act, empower the trustees of the Authority, among other things, to incur indebtedness by the issuance of revenue notes, bonds or other evidences of indebtedness, and to secure such obligations by lien, pledge or otherwise. In addition, the trustees of the Authority are authorized to make and perform contracts of every kind, to do all acts in their judgment necessary or desirable for the proper and advantageous management, investment and distribution of the trust estate and the income therefrom. The trustees of the Authority may bring any suit or action, which in their judgment is necessary or proper to protect the interests of the trust estate, or to enforce any claim, demand or contract for the Authority.

Under the Public Trust Act and the Trust Indenture, 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

The day-to-day management of the Authority is vested in a President and Executive Staff appointed by the trustees of the Authority. The present executive officers of the Authority are listed below.

James T. Farha, Esq., President. Mr. Farha became President and Chief Executive Officer of the Authority 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 also serves as Director of Guaranty Reassurance Corporation (GRC), Jacksonville, Florida; and has served 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 for the University of Oklahoma College of Law in 1966.

Roderick W. Durrell, Esq., Vice President — Finance. Mr. Durrell has been employed by the Authority in his current position since July 1, 1990. Prior to joining the Authority, Mr. Durrell was in private practice specializing in public finance law in Oklahoma City and an officer of municipal securities broker-dealer firms in Oklahoma City. Mr. Durrell is a member of the Oklahoma Bar Association.

Mr. Durrell received his Bachelor of Science degree from the University of Vermont in 1967, his Master of Business Administration degree from the University of Hartford in 1972, and his Juris Doctor degree from the University of Oklahoma College of Law in 1975.

Graden Perry, Vice President — Loan Management. Mr. Perry has been employed by the Authority since July 8, 1991. Mr. Perry was employed by Continental Federal Savings & Loan Association, Oklahoma City, Oklahoma, from 1976 to June, 1991. He was Retail Banking Division Manager, Senior Vice President from 1984 to 1991; Chief Loan Officer, Senior Vice President from 1983 to 1984; Personal Lending Division Manager, Senior Vice President 1980 to 1983; and Branch Manager, Vice President from 1976 to 1980. While at Continental Federal, Mr. Perry's responsibilities included developing and managing its guaranteed student loan activities.

From 1959 to 1976, Mr. Perry was employed by Transamerica Financial Corporation in Oklahoma City. Mr. Perry attended the University of Tulsa and the University of Central Oklahoma.

William A. Rogers, C.P.A., Controller and Vice President — Operations. Mr. Rogers has been employed by the Authority as Controller since October 1, 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 the Authority's loan servicing and information technology 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.

Employment

At June 30, 2000, the Authority had approximately 44 full time equivalent employees, including the individuals listed above. At the date hereof, full time employment was approximately 47.

LOAN FINANCE PROGRAMS

Activity Summary

During the Fiscal Years ended June 30, as indicated below, total loan financing activity by the Authority in the FFEL Program was approximately as shown in the following table:

Authority Function	June 30, 2000 Amount	Total Percent	June 30, 1999 Amount	Total Percent
Origination of Basic Loans[1]	$ 17,706,927	14.2%	$ 22,470,925	31.5%
Origination of Consolidation Loans[2]	16,452,422	13.2	17,258,226	24.2
Acquisition of Loans	90,337,592	72.6	31,692,869	44.3
Total Loans Financed	$124,496,941	100.0%	$ 71,422,020	100.0%
Commitments to Acquire Loans	44,128,908		50,794,526	
Total Program Activity	$168,625,849		$122,216,546	

[1]In April 1998, the Authority announced a policy of not soliciting new borrowers, while continuing to originate loans for existing borrowers. New borrowers were intended to be served by the OSLA Network.

[2]Of these amounts, approximately 66% in 2000 (60% in 1999) paid off loans owned by the Authority and approximately 34% in 2000 (40% in 1999) paid off loans held by other eligible lenders.

The current principal balance of the Authority's Eligible Loan principal (exclusive of uninsured status loans) receivable from borrowers and average borrower indebtedness was approximately as shown in the following table at the respective dates shown.

Holder	Eligible Loan Principal	Average Account Size*
Authority Total at 6-30-00	$324,437,586	$6,532
Authority Total at 6-30-99	$230,494,574	$6,043
Authority Total at 6-30-98	$185,290,081	$5,442

*At June 30, 2000, Stafford Loans were an average account size of approximately $5,860 ($5,319 in 1999 and $4,530 in 1998); PLUS/SLS loans approximately $4,123 ($4,101 in 1999 and $4,000 in 1998); and Consolidation Loans approximately $16,715 ($15,639 in 1999 and $13,265 in 1998.)

Guarantee of Loans

Pursuant to a contract of guarantee between a guarantee agency and an eligible FFEL Program lender/holder, such as the Authority, the lender/holder is entitled to a claim payment from the guarantee agency for 98% to 100% of any proven loss resulting from default, death, permanent and total disability, or discharge in bankruptcy of the borrower. However, in order to maintain the guarantee on the loan, the eligible lender, such as the Authority, is required to use due diligence in the origination, servicing and collection of loans.

Loans financed by the Authority are guaranteed to the extent provided for in the Higher Education Act: (i) by the State Regents, a Constitutional agency of the State acting as the State Guarantee Agency in administering the Student Educational Assistance Fund; or, (ii) by other guarantors of Education Loans qualified to act in such capacity. The respective Guarantee Agencies are reinsured, subject to various terms and conditions, by the Secretary of USDE for

reimbursement from 75% to 100% of the amounts expended in payment of claims by eligible lenders (including the Authority) regarding education loans guaranteed by them.

At June 30, 2000 the current principal balance of the Authority's loans managed, including loans owned by OSLA Network members and required to be sold to the Authority, were guaranteed and had loan guarantee eligibility (percentage of the principal amount of a default claim) approximately as shown in the following table.

Guarantor	Principal Location	100% Guaranteed[1]	98% Guaranteed[2]	Total
Oklahoma State Regents Guaranteed Student Loan Program (OGSLP)	Oklahoma City, OK	6.1%	91.9%	98.0%
USAF Incorporated	Indianapolis, IN	0.1	0.9	1.0
Student Loan Foundation of Arkansas (SLGFA)	Little Rock, AR	N/A	0.7	0.7
Texas Guaranteed Student Loan Corporation (TGSLC)	Austin, TX	N/A	0.3	0.3
Total		6.2%	93.8%	100.0%

[1]Includes Lender of Last Resort Loans and a nominal amount of FISL loans insured by the Secretary of USDE.

[2]Unless the claim is as a result of death, permanent and total disability or discharge in bankruptcy.

Acquisition Programs

In June 1993, the Authority began acquiring guaranteed education loans from other eligible lenders which had originated and serviced such loans. Under the provisions of the purchase agreements for such loan acquisitions, the seller agrees to repurchase any loans that have a claim rejected by the guarantor thereof or are not collectible for certain other reasons because of circumstances or events that occurred prior to the acquisition and servicing of the loan by the Authority.

In connection with its acquisition of education loans, the Authority established the OSLA Network of eligible lenders. The Authority performs loan application processing, disbursement and pre-acquisition servicing of education loans for the OSLA Network lenders pursuant to separate Education Loan Servicing Agreements between the Authority and each participating lender.

In addition, the Authority maintains separate Forward Purchase Commitment Agreements with each participating lender requiring the lender to sell and the Authority to purchase education loans held by such lender from time to time before repayment of the loans begins. These purchases are made at agreed upon prices.

Lending Programs

The lending programs offered by the Authority provide loans for students enrolled in the following types of post-secondary educational institutions: (i) four year universities and colleges; (ii) two year junior, community and technical colleges; (iii) proprietary vocational and trade schools; and (iv) public vocational-technical schools.

The FFEL lending programs presently offered by the Authority include: the Federal Stafford Loan (*"Stafford"* or *"Subsidized Stafford"*) Program; the Unsubsidized Stafford Loans for Middle Income Borrowers (*"Unsubsidized Stafford"*) Program; the Federal Parent Loans to Undergraduate Students (*"PLUS"*) Program; and the Federal Consolidation Loan (*"Consolidation"*) Program

The following table illustrates the approximate dollar amount and type of FFEL Program loan principal disbursed (net of canceled disbursements) by the Authority for the respective Fiscal Years ended June 30:

Fiscal Year	Stafford Loans[1]	Unsubsidized Stafford[1]	PLUS Loans[1]	Consolidation Loans	Total
2000	$10,130,332	$6,552,734	$1,023,861	$16,452,422	$34,159,349
1999	$13,247,986	$7,423,169	$1,799,770	$17,258,226	$39,729,151
1998	$17,498,657	$9,753,794	$3,109,847	$11,786,049	$42,148,347
1997	$17,236,024	$8,994,899	$2,365,752	$10,237,889	$38,834,564
1996	$17,415,355	$7,709,176	$2,081,100	$10,175,447	$37,381,078

[1]In April 1998, the Authority announced policy of not soliciting new borrowers, while continuing to originate loans for existing borrowers. New borrowers were intended to served by the OSLA Network.

Lender of Last Resort

In February 1994, the Authority began offering loans to certain students, primarily those attending high default rate schools, under certain conditions pursuant to the State Guarantee Agency's Lender of Last Resort Loan Program. At June 30, 2000 the Authority held approximately $556,105 principal amount of such loans.

Students requesting Lender of Last Resort loans generally must have two (2) denial letters from other eligible lenders that will not agree to make the loan to that student. Lender of Last Resort loans that default are guaranteed 100% as to principal and interest by the State Guarantee Agency, even if disbursed on or after October 1, 1993.

SHELF™ Program

In April 2000, the Authority initiated its Supplemental Higher Education Loan Finance™ Program (SHELF™) on a limited market basis. SHELF™ is a private loan program that is self insured and is *not* guaranteed by the federal government or a third party. SHELF™ Program loans are serviced for the Authority by UNIPAC Private Loan Servicing.

SHELF™ Program loans are underwritten based on the credit score of a borrower. A co-borrower may be required for credit underwriting purposes. SHELF™ Program loans are funded by the Authority's General Funds and not by bond or note proceeds.

As of the date hereof, the principal amount of SHELF Program loans is not material to the Authority.

LOAN PORTFOLIO DATA

Loan Type

At June 30, as indicated below, the current principal balance of the Authority's Eligible Loans by loan type was approximately as shown in the following table:

	PERCENT OF TOTAL PORTFOLIO		
Loan Type	June 30, 2000	June 30, 1999	June 30, 1998
Federal Stafford			
Subsidized	48.1%	49.3%	54.6%
Unsubsidized	25.5	21.4	19.1
Total Stafford	73.6%	70.7%	73.7%
Federal SLS	0.6	1.1	1.7
Federal PLUS	5.8	6.6	6.5
Federal Consolidation	20.0	21.6	18.1
Loan Principal Receivable[(1)]	100.0%	100.0%	100.0%

(1) At June 30, 2000, approximately 47% of this category were subsidized Consolidation loans where the borrower is entitled to government interest during a Deferment status.

Loan Status

At June 30, as indicated below, the current principal balance of the Authority's Eligible Loans by loan status was approximately as shown in the following table:

	Percent of Total Portfolio		
Loan Status	June 30, 2000	June 30, 1999	June 30, 1998
Interim Loans:			
In-School	23.6%	20.8%	23.0%
Grace	9.4	7.0	8.5
Deferment*	7.5	8.9	7.9
Sub Total - Interim	40.5%	36.7%	39.4%
Repayment Loans:			
Current	39.3%	41.7%	40.7%
Delinquent 30 – 270 (180 in 1998) days	9.6	9.3	8.0
Forbearance	10.1	12.2	10.9
Sub Total - Repayment	59.0%	63.2%	59.6%
Claim Loans:	0.5	0.1	1.0
Total	100.0%	100.0%	100.0%

*At June 30, 2000, approximately 46% of this category (51% in 1999 and 56% in 1998) were subsidized Stafford loans on which the USDE pays interest during deferment; interest accrues as the responsibility of the borrower on most of the remainder. In addition, certain Consolidation loans (approximately 47% of the total at June 30, 2000) were entitled to government interest during a Deferment status.

Repayment Loan Delinquency

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

	Percent of Total Portfolio		
Delinquency	June 30, 2000	June 30, 1999	June 30, 1998
30 - 59 Days	5.0%	4.8%	5.1%
60 - 89 Days	3.2	3.1	3.7
90 - 119 Days	2.2	2.1	2.3
120 - 149 Days	1.7	1.6	1.5
150 - 179 Days	1.3	1.0	0.9
180 - 209 Days	1.4	1.1	N/A
210 - 239 Days	0.8	0.6	N/A
240 - 269 Days	0.6	0.3	N/A
Total Delinquency	16.2%	14.6%	13.5%

School Type

At June 30, as indicated below, the current principal balance of the Authority's Eligible Loans by school type, exclusive of Federal Consolidation Loans which are not generally reported by school type, was approximately as shown in the following table:

	Percent of Total Portfolio*		
School Type	June 30, 2000	June 30, 1999	June 30, 1998
University - 4 Year	74.5%	74.4%	74.5%
College - 2 Year	7.2	7.5	7.6
Vocational/Proprietary	18.3	18.1	17.9
Total	100.0%	100.0%	100.0%

*Excludes Federal Consolidation Loans which are not generally reported by school type.

LOAN SERVICING

The Authority is required under the Higher Education Act, the rules and regulations of the guarantee agencies and its various Bond Resolutions to use due diligence in the origination, servicing and collection of financed eligible loans. In addition, it is required to use collection practices no less extensive and forceful than those generally in use among financial institutions with respect to other consumer debt. If the Authority does not comply with the due diligence standards in such servicing, the Authority's ability to realize the benefits of guarantee payments and the guarantee agencies' ability to realize the benefits of federal reinsurance payments may be adversely affected.

At June 30, 2000, the Authority serviced loans, including education loans serviced for other eligible lenders, with a current principal balance of approximately $369,161,966 compared to approximately $281,881,625 at June 30, 1999. The Authority originates and services loans at its facilities on a remote servicing system database provided by UNIPAC pursuant to an Electronic Data Processing Service Agreement dated as of November 1, 1993, as renewed and amended for a term ending October 31, 2001.

Education loan servicing functions performed by Authority employees include, among other things, application processing and funds disbursement by check, master check or electronic funds transfer in originating loans, customer service, loan account maintenance, including production of notices and forms to borrowers and the processing thereof, billings to USDE for Interest Benefits and Special Allowance Payments, collections of principal and interest from borrowers, and filing claims to collect guarantee payments on defaulted loans and accounting. The Authority is paid servicing fees from the revenues of the various Trust Estates for such servicing functions.

The remote servicing software is operated from terminals and a gateway computer file server controlled by the Authority and connected to the UNIPAC data processing facilities by a data channel on a dedicated telecommunications line. UNIPAC provides the Authority with a mainframe computer data base for storage of loan account data, the use of education loan servicing software and support thereof for the Authority to perform its servicing functions, maintenance of the education loan servicing software, daily mainframe computer batch processing and reporting of loan data and information to the Authority.

Based on information provided by UNIPAC and not independently verified by the Authority, UNIPAC began it education loan servicing operations on January 1, 1978, and provides education loan servicing, time-sharing, administration and other services to lenders, secondary market purchasers and guarantee agencies throughout the United States. UNIPAC is a privately held corporation with it principal office located in Aurora, Colorado.

UNIPAC's corporate headquarters is located in Aurora, Colorado, where UNIPAC employed approximately 762 people at June 30, 2000. In December 1989, UNIPAC opened a second servicing center in Lincoln, Nebraska, which, as of June 30, 2000, employed approximately 204 people. In November 1997, UNIPAC opened a third servicing center in St. Paul, Minnesota, which, as of June 30, 2000, employed approximately 134 people.

As of June 30, 2000, UNIPAC's servicing volume was approximately $9.7 billion for its full service and secondary market clients, including FFEL Program loans held and serviced by the Authority on its separate remote servicing system database at UNIPAC.

PROGRAM REVIEWS

The USDE routinely conducts site program reviews or audits of secondary markets, such as the Authority, for compliance with various aspects of the Higher Education Act. In addition, the State Guarantee Agency routinely conducts site program reviews, or audits, of lenders, such as the Authority, for compliance with various aspects of the Higher Education Act. The

Authority underwent a site program compliance review in June 1999. In October 1999, the Authority received the report on the compliance review presenting the State Guarantee Agency's findings and responded in November 1999, within the allotted time. The State Guarantee Agency closed the compliance review on June 23, 2000 after concluding that the Authority had satisfactorily responded to all items of the report on the compliance review.

SUMMARY DEBT STATEMENT

The Authority has issued various debt obligations for funding its FFEL Program loan finance activities. At June 30, 2000, the Authority had total outstanding debt of $301,570,000 in its various financing systems, compared to $218,505,000 at June 30, 1999 and $207,265,000 at June 30, 1998.

The various outstanding debt obligations at June 30, 2000 are itemized in the following table:

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Summary Debt Statement - June 30, 2000

Debt Obligation	Principal Amount Outstanding	
Revolving Line of Credit		
Taxable Variable Rate Revenue Note, Series 1993L		$91,000,000
1991 General Bond Resolution		
Student Loan Refunding Revenue Bonds, Series 1992A (Fixed Rate)	$16,680,000	
Student Loan Revenue Bonds, Series 1994A-1 (35-day Auction)	25,200,000	
Student Loan Revenue Bonds, Series 1994A-2 (Annual Auction)	7,000,000	
Total		48,880,000
1995 Master Bond Resolution		
Senior Notes, Series 1995A-1 (35-day Auction)	$21,600,000	
Senior Notes, Series 1995A-2 (Annual Auction)	7,000,000	
Subordinate Bonds, Series 1995B-1 (Fixed Rate)	2,000,000	
Subordinate Bonds, Series 1995B-2 (Fixed Rate)	3,980,000	
Subordinate Bonds, Series 1996B-1 (Fixed Rate)	5,975,000	
Subordinate Bonds, Series 1996B-2 (Fixed Rate)	6,230,000	
Total		46,785,000
1996 Third Party Insured Resolution		
Variable Rate Demand Obligations, Series 1996A (Weekly Rate)	$32,580,000	
Variable Rate Demand Obligations, Series 1997A (Weekly Rate)	33,000,000	
Variable Rate Demand Obligations Series 1998A (Weekly Rate)	33,100,000	
Total		98,680,000
Promissory Notes		
1999A-1 Promissory Note	$10,455,000	
1999A-2 Promissory Note	5,770,000	
Total		16,225,000
Total Outstanding Debt Obligations		$301,570,000

On July 25, 2000, the Authority issued its $3,665,000 2000N tax-exempt Promissory Note in a private placement to current refund a part of the Authority's Series 1992A Bonds. On July 26, 2000, the Authority increased the commitment amount of its Series 1993L Revolving Line of Credit from $100,000,000 to $125,000,000.

The various bond and note debt issuances are not general obligations of the Authority, but are limited and special revenue obligations of the Authority, payable solely from the assets of the respective Trust Estates created for particular financings by various Bond Resolutions and Supplements thereto.

FUTURE PROGRAMS

The Authority may develop and offer other student financial assistance programs from time to time in the future. Such financial assistance programs may not be FFEL Program loans. Such programs may be financed under existing Bond Resolutions (if permitted), or otherwise.

FINANCIAL STATEMENTS

The financial statements of the Authority are prepared on the basis of generally accepted accounting principles. The financial statements of the Authority for the Fiscal Years ended June 30, 1999 and 1998 were audited and reported on by KPMG Peat Marwick LLP, Oklahoma City, Oklahoma, independent certified public accountants.

Such audited financial statements speak only as of their respective dates and KPMG Peat Marwick has not been requested, nor has it undertaken, to conduct any post-audit review.

A copy of such audited financial statements has been filed with the various Nationally Recognized Municipal Securities Information Repositories.

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APPENDIX D

OKLAHOMA STUDENT LOAN AUTHORITY
RESET AUCTION MODE SECURITIES, SERIES 2000A-1, SERIES 2000A-2, SERIES 2000A-3
AND
VARIABLE RATE DEMAND OBLIGATIONS, SERIES 2000A-4

LOAN PORTFOLIO COMPOSITION

Set forth herein is a description of the Authority's portfolio of Eligible Loans financed with proceeds of the Prior Bonds and expected to be financed with the proceeds of the Series 2000A Bonds. See also, the captions "SECURITY AND SOURCES OF PAYMENT — Cash Flow Projections" and "INVESTMENT CONSIDERATIONS — Factors Affecting Cash Flow Sufficiency" in the main body of the Official Statement.

Existing Loan Portfolio

A. *Existing Portfolio Principal Balance by Loan Type*. The Authority has fully expended the proceeds of the Prior Bonds, which were designated to acquire Eligible Loans, and has been recycling Recoveries of Principal in each series. As of June 30, 2000, $97,613,745 in principal balance of such loans was outstanding with the following loan types:

Loan Type	Amount	% of Total
Subsidized Stafford	$49,615,289	50.8%
Unsubsidized Stafford	27,298,518	28.0
Consolidation	20,699,938	21.2
	$97,613,745	100.0%

B. *Existing Portfolio Duration by Borrower Status.* The Eligible Loans financed with proceeds of the Prior Bonds and held in the Trust Estate as of June 30, 2000 are assumed to have an average term to maturity as follows:

	Term to Maturity, in months	
Borrower Status as of June 30, 2000	Stafford	Consolidation
School	143	n/a
Grace	124	n/a
Deferment	124	194
Forbearance	111	186
Repayment	108	183

Portfolio to be Acquired

A. *Acquisition Portfolio by Loan Type and Duration*. The Authority expects to apply approximately $117.8 million of the proceeds of the Series 2000A Bonds to acquire Eligible Loans. Such Eligible Loans are assumed to have an average term to maturity as follows:

	Term to Maturity, in months		
Status at Acquisition	Stafford	Consolidation	PLUS
School	138	n/a	n/a
Grace	124	n/a	n/a
Deferment	130	192	130
Forbearance	130	192	130
Repayment	118	180	118

B. *Acquisition Dates and Loan Types*. The Eligible Loans to be financed with the proceeds of the Series 2000A Bonds are expected to be acquired in the Trust Estate according to the following schedule:

Date	Par Value	Comment
9/1/00	$10,455,000	Refund 1999A-1 Note
9/1/00	10,000,000	Consolidation Loans
10/1/00	86,970,652	Stafford, PLUS and Consolidation Loans from Line of Credit
1/1/01	10,385,275	Stafford Loans
Total	$117,810,927	

The Authority estimates that approximately 62% of the Stafford loans to be acquired with proceeds of the Series 2000A Bonds will consist of Subsidized Stafford loans and that the remaining 38% of such loans will consist of Unsubsidized Stafford loans.

Existing and Acquired Portfolio Combined

The amounts and percentages set forth below represent the expected characteristics of the Eligible Loans to be held in the Trust Estate upon the full expenditure of the proceeds of the Series 2000A Bonds

A. *Combined Portfolio by Loan Status.* The Eligible Loans acquired with proceeds of the Prior Bonds have, and the Eligible Loans initially financed with the Series 2000A Bond proceeds are expected to have, approximately the status composition as shown below:

Loan Status	Percent of Prior Bonds Portfolio	Percent of Series 2000A Portfolio
In-School	16.3%	49.7%
Grace	7.0	18.2
Deferment	9.8	2.6
Forbearance	13.3	3.8
Repayment	53.0	25.7
Claim	0.6	0.0
Total	100.0%	100.0%

B. *Combined Portfolio by Delinquency Status*. The Financed Eligible Loans that are in Repayment status are expected to have the following delinquency rates:

Delinquency	Percent of Repayment Loans
30 - 59 days	5.3%
60 - 89 days	3.7
90 - 119 days	2.4
120 - 149 days	1.8
150 - 179 days	1.7
180 – 209 days	2.0
210 –239 days	1.1
240-269 days	0.6
Total	18.6%

C. *Combined Portfolio by Loan Type.* The Eligible Loans acquired with proceeds of the Prior Bonds have, and the Eligible Loans financed with the Series 2000A Bond proceeds are expected to have, the loan type composition shown below:

Loan Type	Percent of Prior Bonds Portfolio	Percent of Series 2000A Bonds Portfolio	Average Account Size	Interest Rate
Federal Stafford				
Subsidized	50.8%	51.2%	$5,000	7.59/8.19%
Unsubsidized	28.0	31.4	5,000	7.59/8.19%
Total Stafford	78.8%	82.6%		
Federal Consolidation	21.2	13.1	15,000	8.167%
PLUS	0.0	4.3	5,000	8.99%
Total	100.0%	100.0%		

D. *Portfolios by School Type*. The Eligible Loans acquired with proceeds of the Prior Bonds have, and the Eligible Loans financed with the Series 2000A Bond proceeds are expected to have, the school type compositions shown below:

School Type	Percent of Prior Bonds Portfolio *	Percent of Series 2000A Bonds Portfolio *
University - 4 Year	75.4%	70.9%
College - 2 Year	8.9	6.7
Vocational/Proprietary	15.7	22.4
Total	100.0%	100.0%

*Excludes Federal Consolidation Loans which are not generally reported by school type.

E. *Guarantee Eligibility.* The Eligible Loans acquired with proceeds of the Prior Bonds are, and the Eligible Loans financed with the Series 2000A Bond proceeds are expected to be, eligible for a 98% guarantee of principal plus accrued interest payable on a default claim.

Other Financed Eligible Loan Characteristics

A. *Borrower Incentive Loan Discount*. Approximately fifty percent (50%) of Eligible Loans (except Consolidation Loans) financed with the Series 1996A Bond proceeds and one hundred percent (100%) of Eligible Loans (except Consolidation Loans) financed with the proceeds of the Series 1997A, Series 1998A and Series 2000A Bonds are expected to be eligible for the Authority's TOP™ program (*"TOP"*). It is also anticipated that one-half of such eligible borrowers will qualify for (i.e., achieve) the TOP discount.

TOP is the identifying trademark name of the Authority's behavioral incentive loan program for borrowers that make timely payments and qualify for a subsequent interest rate discount of 1.50% on their education loans held by the Authority. In order to be eligible for TOP, (i) an education loan must have been, with certain exceptions, first disbursed on or after July 1, 1996 and (ii) an eligible borrower must make their first twelve (12) consecutive timely payments of principal and interest. Once achieved, the TOP loan discount is permanent.

Recycling is available for moneys received until September 1, 2003 with respect to Eligible Loans acquired with proceeds of the Prior Bonds and the Series 2000A Bonds, unless these Recycling periods are reduced or extended by the Credit Facility Provider. It is expected that 100% of all Eligible Loans (except Consolidation Loans) financed with Recycling proceeds will be eligible for TOP.

B. *Guarantee Fee Payment Program.* The Authority, together with the members of the OSLA Student Lending Network, (the *"OSLA Network"*) through which the Authority acquires substantially all of its Eligible OSLA Loans, instituted a 1% loan insurance fee payment program for borrowers beginning July 1, 1998. Any borrower who obtains a Stafford or PLUS loan from the Authority or any of the OSLA Network members will have the 1% fee paid for them (if the

fee is not waived by the loan guarantor). The fee payment is reflected as an increased amount disbursed to a borrower. Presently, the fee payment program is in effect at least until June 30, 2001.

C. *OSLA EZ-Pay*. The Authority reduces borrowers' interest rates by 1/3 of 1% if they arrange to make their loan payments through an automatic debit of their checking or savings accounts.

See "Appendix F — SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" herein for a description of various terms and provisions relating to the guaranteed education loans that comprise the Eligible Loans expected to be held under the Bond Resolution following the application of the proceeds of the Series 2000A Bonds.

A portion of the foregoing information relates to the characteristics of Eligible Loans expected to be financed with the proceeds of the Series 2000A Bonds. It should not be assumed that such expectations also apply to Eligible Loans that may be financed or acquired in the future by the Authority with the Revenues and Recoveries Principal on Financed Eligible Loans.

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APPENDIX E

OKLAHOMA STUDENT LOAN AUTHORITY
RESET AUCTION MODE SECURITIES, SERIES 2000A-1, SERIES 2000A-2, SERIES 2000A-3
AND
VARIABLE RATE DEMAND OBLIGATIONS, SERIES 2000A-4

The following information concerning the State Guarantee Agency not otherwise attributed to another source has been obtained from the State Guarantee Agency for inclusion herein. The information contained in such material is not guaranteed as to accuracy or completeness by the Authority, the Underwriters, their respective counsel or Bond Counsel, and is not to be construed as a representation by any of those persons. None of the Authority, the Underwriters, their respective counsel or Bond Counsel have independently verified this information and no representation is made by any of those persons as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date thereof.

Numerous eligible lenders, including the Authority, make education loans guaranteed by the State Guarantee Agency. The Guarantee Fund administered by the State Regents is not a reserve for the Authority's bonds or notes or the education loans of the Authority only, but is an insurance reserve established in respect to any claims that might be submitted by any participating eligible lender with regard to any education loans guaranteed by the State Guarantee Agency.

THE STATE GUARANTEE AGENCY
DESCRIPTIVE, STATISTICAL AND FINANCIAL INFORMATION

General

The State Regents, acting as the "State Guarantee Agency" and administering and utilizing the Guarantee Fund, operate the Oklahoma Guaranteed Student Loan Program (*"OGSLP"*). The State Guarantee Agency has been in operation in Oklahoma since November 1965. As of June 30, 2000, loans made by various eligible lenders to applicants who attend approved universities, colleges, vocational education or trade schools and guaranteed by the State Guarantee Agency were outstanding in the total principal amount of approximately $2,161,094,249.

Pursuant to various Agreements to Endorse Loans by and between the State Regents and participating eligible lenders, each eligible lender, under certain conditions, is entitled to payment of 100% of its claim amount (with certain exceptions, 95% for loans first disbursed on or after October 1, 1998) by the State Guarantee Agency.

Guarantee claims paid by the State Guarantee Agency are reimbursed from 75% to 100% of the amount paid, subject to certain conditions, pursuant to an Agreement for

Federal Reinsurance of Loans (the *"Federal Reinsurance Agreement"*) dated October 20, 1977, as amended, and a Supplemental Guarantee Agreement for Federal Reinsurance of Loans (the *"Supplemental Guarantee Agreement"*) dated May 4, 1984, as amended, both between the Secretary and the State Regents and pertaining to the Secretary's reimbursement for amounts expended by the State Guarantee Agency in discharge of its guarantee obligations. The Supplemental Guarantee Agreement is subject to annual renegotiation and to termination for cause by the Secretary.

The Oklahoma State Regents For Higher Education

The State Regents were established pursuant to Article XIII-A, Oklahoma Constitution, Sections 1 through 4 adopted in 1941 as a nine member governing board. Members of the State Regents are appointed by the Governor of the State, confirmed by the State Senate, and are removable only for cause. The term of office of the State Regents is nine years. The terms are overlapping. State Regents serve until their successors are appointed and qualified.

The State Regents appoint a chief executive officer, the Chancellor of Higher Education, and approve appointments of other administrative personnel necessary to administer the affairs of the State Regents. The present Chancellor is Dr. Hans Brisch. Gary Smith is the Executive Vice-Chancellor and Chief Operating Officer of the State Regents responsible for the administration of OGSLP.

State Guarantee Agency Administration

The State Guarantee Agency operations are performed by OGSLP as a function within the State Regents. The State Guarantee Agency employs approximately 150 full time equivalent employees under the direction of Chancellor Hans Brisch. Mr. Brisch is assisted in this capacity by Dr. Glendon Forgey, C.P.A., as Director of the State Guarantee Agency.

The offices of the State Guarantee Agency are located at 999 N.W. Grand Boulevard, Suite 300, Oklahoma City, Oklahoma 73118; Telephone (405) 858-4300. The State Guarantee Agency's web site is located at the Internet address of: www.ogslp.org

Service Area

There are approximately 87 schools in Oklahoma actively participating in the State Guarantee Agency program.

The State Guarantee Agency provides for the eligibility of all lenders described in Section 435(d)(1) of the Higher Education Act. There are approximately 72 eligible lenders actively participating in the State Guarantee Agency program.

Electronic Data Processing Support

The State Guarantee Agency uses an integrated software system and data processing facilities for administering education loans that is provided by United Student Aid Funds, Inc. pursuant to an agreement between the State Regents and United Student Aid Funds, Inc. dated September 7, 1989, as amended and extended. This software system is operated from terminals controlled by the State Guarantee Agency and connected to the United Student Aid Funds, Inc.'s system. The system provides for loan application processing, guarantee fee billings to lenders, loan status management, preclaims assistance, claims processing, post claims operations (including reinsurance claims to the USDE) and reporting.

Guarantee Fees Charged

For guaranteeing an education loan made under the Higher Education Act, the State Guarantee Agency presently charges a one percent (1%) fee on the principal amount of the loan disbursed by the eligible lender to the borrower. The one percent (1%) fee charge has been in effect by the State Guarantee Agency since July 1, 1994 pursuant to amendments in the Higher Education Act. From July 1, 1987 through June 30, 1994, the State Guarantee Agency charged a guarantee fee of three percent (3%) of the guaranteed principal amount, but was required to pay USDE one-half percent (0.5%) as a reinsurance premium, resulting in a net guarantee fee of two and one-half percent (2.5%).

In the Fiscal Year ended June 30, 2000, net guarantee fee income received (cash basis) by the State Guarantee Agency was approximately $2,799,491 compared to net guarantee fee income of approximately $2,810,116 in the Fiscal Year Ended June 30, 1999, approximately $2,759,617 in the Fiscal Year ended June 30, 1998 and $2,538,864 (fee income less reinsurance premiums paid) in the Fiscal Year ended June 30, 1997.

Annual Guaranteed Loan Volume

During the past five federal fiscal years, the loan principal volume guaranteed by the State Guarantee Agency was as shown on the following table:

ANNUAL EDUCATION LOAN GUARANTEES

	Federal Fiscal Year Ended 9/30/99	Federal Fiscal Year Ended 9/30/98	Federal Fiscal Year Ended 9/30/97	Federal Fiscal Year Ended 9/30/96	Federal Fiscal Year Ended 9/30/95
Principal Amount Guaranteed	$374,676,177	$358,881,261	$346,938,725	$382,247,232	$435,169,812
Loan Type					
Stafford (Sub.)	47.9%	53.2%	53.9%	47.3%	39.5%
Unsubsidized Stafford	33.1	33.5	31.0	24.8	19.3
PLUS	5.4	5.6	4.2	3.3	2.5
SLS	0.0	0.0	0.0	0.0	0.0
Consolidation	13.6	7.7	10.9	24.6	38.7
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Principal Amount Guaranteed	$374,676,177*	$358,881,261*	$309,261,767*	$288,396,740*	$266,603,146*
School Type					
4 Year Univ	79.8%	80.8%	78.5%	74.3%	77.3%
2 Year College	13.7	13.1	13.9	14.5	14.7
Proprietary	6.5	6.1	7.6	11.2	8.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%

*The State Guarantee Agency's system does not track Consolidation Loan approvals by institution type.

Outstanding Portfolio Composition

The composition of the State Guarantee Agency's outstanding loan principal guaranteed during the last five federal fiscal years has been as shown in the following table:

COMPOSITION OF OUTSTANDING EDUCATION LOAN GUARANTEES

	Federal Fiscal Year Ended 9/30/99	Federal Fiscal Year Ended 9/30/98	Federal Fiscal Year Ended 9/30/97	Federal Fiscal Year Ended 9/30/96	Federal Fiscal Year Ended 9/30/95
Principal Amount Guaranteed	$2,077,044,048	$1,895,980,815	$1,729,145,094	$1,532,386,802	$1,291,974,305
Loan Status					
Interim	34.4%	34.7%	34.6%	34.5%	34.4%
Deferred	3.6	3.8	3.9	2.9	3.3
Repayment	62.0	61.5	61.5	62.6	62.3
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Institution Type					
4 Year University	85.5%	85.3%	85.1%	84.3%	83.3%
2 Year College	10.2	10.1	10.0	9.9	9.9
Proprietary	4.3	4.6	4.9	5.8	6.8
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Trigger Rate

Reimbursements by the USDE to the State Guarantee Agency are subject to a sliding scale based on the trigger rate, as follows:

Federal Fiscal Year Default Rate	Loans Prior to 10/1/93 Reimbursement Rate	Loans After 9/30/93 and Prior to 10/1/98 Reimbursement Rate	Loans After 9/30/98 Reimbursement Rate
Up to 5.0%	100%	98%	95%
5.0% up to 9.0%	90%	88%	85%
9.0% and over	80%	78%	75%

During the past five federal fiscal years, the trigger rate for the State Guarantee Agency has been as shown on the following table:

TRIGGER RATE OF THE STATE GUARANTEE AGENCY

Federal Fiscal Year Ended 9/30	Trigger Numerator	Trigger Denominator	Rate
1999	$35,776,314	$1,228,540,686	2.86%
1998	38,709,038	1,100,056,555	3.52
1997	47,912,897	988,630,075	4.85
1996	38,704,273	828,498,066	4.67
1995	29,071,030	596,599,934	4.87
1994	28,952,615	476,558,459	6.07
1993	27,277,618	432,019,693	6.31

The guarantor, such as the State Guarantee Agency, is responsible as a co-insurer in each federal fiscal year for the difference between the claim amount paid to eligible lenders and the Secretary's reimbursement under the trigger rate formula.

Federal Administrative Allowances

The USDE paid guarantors 0.65% of loan volume for the federal fiscal year ended September 30, 1999 as a loan processing and insurance fee and .12% on outstanding loan volume as of September 30, 1998 as an account maintenance fee.

Pursuant to the Budget for the federal fiscal year ended September 30, 1998, USDE paid administrative cost allowances to guarantee agencies, quarterly, calculated on the basis of 0.65% of the total principal amount of loans which were guaranteed or insured on or after October 1, 1998 by such guarantee agencies; and for the federal fiscal year ended September 30, 1999 the amount paid to the State Guaranty Agency by USDE was $2,317,496. Account maintenance fees received for the federal fiscal year ended September 30, 1999 were $1,697,291.

Guarantee Fund Reserve Balance

On an accrual basis of accounting, based on the balance sheet items of allowance for default claims, deferred guarantee fees and restricted fund balance, at Fiscal Year end June 30, 1999 and 1998 and the outstanding loan principal guaranteed at those dates, the reserve ratio for the State Guarantee Agency at Fiscal Year end June 30, 1999 and 1998 was approximately 1.18% and 1.21%, respectively. This ratio exceeds the current requirements of the Higher Education Act. Based upon the Higher Education Amendments of 1992 to the Higher Education Act, the State Guarantee Agency was required to maintain a Reserve Ratio of 0.9% for the Fiscal Year ended June 30, 1996, with the requirement increasing to 1.10% for the Fiscal Year ending June 30, 1997. The new requirement effective October 1, 1998 is 0.25%.

The Guarantee Fund is maintained in the State Treasury and invested in short-term obligations of, or guaranteed by, the U.S. Government and otherwise pursuant to the investment powers and policies of the State Treasurer. There is no assurance that the investment income, guarantee fees, federal reimbursements and other monies will continue to be deposited in the Guarantee Fund in amounts consistent with past experience.

Default Rates and Collections

DEFAULT RATES REGARDING THE STATE GUARANTEE AGENCY

	Federal Fisca Year Ended 9/30/99	Federal Fisca Year Ended 9/30/98	Federal Fisca Year Ended 9/30/97	Federal Fisca Year Ended 9/30/96	Federal Fiscal Year Ended 9/30/95
Gross Default Rate (OGSLP)	19.0%	20.2%	21.1%	20.8%	20.3%
National Average	15.0%	15.3%	15.4%	15.8%	15.1%
Net Default Rate (OGSLP) after collections	9.7%	11.3%	12.5%	12.3%	12.4%
National Average	6.8%	8.0%	8.5%	9.0%	9.0%

The Higher Education Amendments of 1998 reduced guarantee agencies' retention rate on collection recoveries from 27% to 24%. 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 is 18.5%.

Pending State Legislation and Litigation

There is no State legislative action pending or proposed with respect to the State Guarantee Agency or the Guarantee Fund.

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

Status of Federal "Reserves"

New regulations have been implemented that require a guarantee agency, after paying a claim by the 60th day after submission, could not file with USDE for reinsurance until 270 days after the claim was submitted. During this period, the guarantee agency would have to pay down or use its reserve funds, up to one-half of its reserve fund balance. The new regulations have had no effect on the reserve fund status of the State Guarantee Agency.

The USDE routinely conducts site program reviews or audits of guarantee agencies, such as OGSLP, for compliance with various aspects of the Higher Education Act. OGSLP underwent such a site program review in April, 2000. The USDE has not concluded action on the review.

Consolidation of Guarantee Agencies

USDE has advocated the merger or consolidation of guarantors into regional combinations with a significantly reduced number continuing to operate as guarantors of FFEL Program loans. Since July 1, 1994, some state guarantee agencies have ceased operating and others have reported mergers or other reorganizations or are reported to be discussing mergers or other reorganizations. The State Guarantee Agency has not discussed the possibility of merger or other reorganization with any other guarantor or with USDE. The State Guarantee Agency is not able to predict the outcome of such consolidation activities or the effect thereof on the State Guarantee Agency.

Changes in Federal Law

For a description of recent changes in federal law and their impact on Guarantee Agencies in general, see Appendix F — "SUMMARY OF CERTAIN PROVISIONS OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM — Guaranty Agencies." There can be no assurance that the Higher Education Act, or other relevant law, will not be changed in a manner that could adversely impact the State Guarantee Agency's operation in the FFEL Program.

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APPENDIX F

OKLAHOMA STUDENT LOAN AUTHORITY
RESET AUCTION MODE SECURITIES, SERIES 2000A-1, SERIES 2000A-2, SERIES 2000A-3
AND
VARIABLE RATE DEMAND OBLIGATIONS, SERIES 2000A-4

SUMMARY OF CERTAIN PROVISIONS OF THE
FEDERAL FAMILY EDUCATION LOAN PROGRAM

The summary set forth below regarding the guaranteed Federal Family Education Loan Program as established by the Higher Education Act does not purport to be comprehensive or definitive. The summary is qualified in its entirety by reference to the Higher Education Act and the regulations promulgated thereunder. Certain of the information summarized herein may or may not be applicable to the Authority's FFEL Program.

The Higher Education Act provides for a program of (i) direct federal insurance of student loans and (ii) reinsurance of student loans guaranteed or insured by a state agency or private nonprofit corporation (collectively, *"Federal Family Education Loans"* and the *"Federal Family Education Loan Program"*). Several types of loans are currently authorized as Federal Family Education Loans pursuant to this program. These include: (i) loans to students with respect to which the federal government makes interest payments available to reduce student interest cost (*"Subsidized Federal Stafford Loans"*); (ii) loans to students with respect to which the federal government does not make such interest payments (*"Unsubsidized Federal Stafford Loans"*); (iii) supplemental loans to parents of dependent students (*"PLUS Loans"*); and (iv) loans to fund payment and consolidation of certain of the borrower's obligations (*"Consolidation Loans"—and collectively with Subsidized Federal Stafford Loans, Unsubsidized Federal Stafford Loans and PLUS Loans, "Student Loans"*).

The Higher Education Act and the regulations promulgated thereunder have been extensively amended in recent years. There can be no assurance that further amendments or budgetary action will not materially change the provisions described herein or the effect thereof. From time to time, legislation is introduced in the United States Congress to amend the Higher Education Act.

The Higher Education Act was the subject of significant amendments as part of the 1993 Student Loan Reform Act, the Higher Education Amendments of 1998 (with certain temporary legislation enacted prior thereto, the *"1998 Amendments"*) and the Ticket to Work and Work Incentives Improvement Act of 1998 (the *"CP Index Amendments"*). The 1993 Student Loan Reform Act established a Federal Direct Student Loan Program (*"FDSLP"*) that was intended to effectuate a transition from the Federal Family Educational Loan Program to a direct student loan program whereby educational loans are obtained by a student from the institution of higher education the student is attending. The 1998 Amendments deleted all references to a "transition"

to full implementation of the FDSLP. The Federal Direct Student Loan Program is described below.

Other provisions of the 1993 Student Loan Reform Act and the 1998 Amendments imposed higher costs and created lower yields on Student Loans, other than PLUS Loans, by decreasing interest rates on loans and reducing the amount of federal reinsurance payments on claims. Specific provisions of the Recent Amendments are discussed below in further detail as part of the discussion of various aspects of the overall Federal Family Education Loan Program.

This summary of the Federal Family Education Loan 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.

SUBSIDIZED FEDERAL STAFFORD LOANS

The Higher Education Act provides for federal (i) insurance or reinsurance of eligible Subsidized Federal Stafford Loans, (ii) interest subsidy payments (*"Interest Subsidy Payments"*) to eligible lenders with respect to certain eligible Subsidized Federal Stafford Loans, and (iii) special allowance payments (*"Special Allowance Payments"*) representing an additional subsidy paid by the Secretary to the holders of eligible Subsidized Federal Stafford Loans.

REQUIREMENTS FOR ELIGIBLE LOANS

Qualified Student. Generally, in order to be an eligible Subsidized Federal Student Loan, the loan may be made only to a United States citizen or national or otherwise eligible individual under federal regulations who (a) has been accepted for enrollment or is enrolled and is maintaining satisfactory progress at an eligible institution, (b) is carrying at least one-half of the normal full-time academic workload for the course of study the student is pursuing, as determined by such institution, (c) has agreed to notify promptly the owner of the loan of any address change, and (d) meets the applicable "need" requirements. Eligible institutions include higher educational institutions and vocational schools that comply with certain federal regulations. Each loan is to be evidenced by an unsecured note.

Interest Rates. Subsidized Federal Stafford Loans may bear interest at a rate not in excess of 7% per annum if made to a borrower to cover costs of instruction for any period beginning prior to January 1, 1981 or, subsequent to such date, if made to a borrower who, upon entering into a note for a loan, has outstanding student loans under the Federal Family Education Loan Program for which the interest rates do not exceed 7%. Such Loans made to new borrowers for periods of instruction between January 1, 1981 and September 13, 1983 bear interest at a rate of 9% per annum and for periods of instruction beginning on or after September 13, 1983 the rate is 8% per annum. Further, loans made to first time borrowers for periods of enrollment beginning on or after July 1, 1988 but made prior to July 23, 1992 pursuant to Section 427A of the Higher Education Act (*"427A Loans"*), bear interest at rates of 8% per annum beginning on disbursement and ending four years after commencement of repayment and 10% per annum thereafter. Such 427A Loans are subject to a provision requiring an annual credit of

the excess interest to the reduction of principal to the extent that at the close of any calendar quarter, the sum of the average of the bond equivalent rates of 91-day T-Bills auctioned for that quarter and 3.25 % is less than 10%. For all new loans made to all existing borrowers after July 23, 1992, the provision that requires annual adjustment of principal for excess interest is effective immediately instead of after four years. The adjustment for excess interest on such a loan shall be made for any quarter during which the sum of the average of the bond equivalent 91-day T-Bill rate plus 3.10% is less than the applicable interest rate. Any excess with respect to a loan for a period during which the Secretary is making interest subsidy payments is credited to the Secretary, otherwise, the excess is credited to the reduction of principal.

Subsidized Federal Stafford Loans first disbursed on or after October 1, 1992 and prior to July 1, 1998, to new borrowers as of that date and subsequent loans to such borrowers, bear a rate of interest during any 12-month period beginning on July 1 and ending on June 30, determined on the preceding June 1, equal to the bond equivalent rate of 91-day T-Bills auctioned at the final auction held prior to such June 1 plus 3.10% not to exceed 9% . The annual interest rate on any Subsidized Federal Stafford Loans first disbursed to all borrowers on or after July 1, 1994 is determined in the same manner but may not exceed 8.25%. The annual interest rate on such loans first disbursed on or after July 1, 1995 prior to repayment and during any grace period or deferment period will be the bond equivalent 91-day T-Bill rate plus 2.5% (3.10% during repayment) not to exceed 8.25%. For loans first disbursed on or after July 1, 1998 and prior to July 1, 2003, prior to repayment and during any grace period or deferment period, the annual interest rate will be the bond equivalent 91-day T-Bill rate plus 1.70% (2.30% during repayment), not to exceed 8.25%.

Limitations on Principal Amount. The Higher Education Act requires that loans in excess of $1,000 made to cover enrollment periods longer than six months be disbursed by eligible lenders in at least two separate disbursements. Prior to January 1, 1987, the maximum amount of the loan for an academic year could not exceed $2,500 for undergraduate study and $5,000 for graduate or professional study, subject to an aggregate limit of $12,500 for undergraduate study and up to $25,000 for graduate and professional study, inclusive of loans for undergraduate study. Subsidized Federal Stafford Loans, for which the first disbursement was made after January 1, 1987, but prior to July 1, 1993, were subject to annual limits of $2,625 for the first two years of study and $4,000 for the remainder of undergraduate study, with an aggregate limit of $17,250 for undergraduate study. Graduate or professional students were authorized to borrow up to $7,500 annually, subject to an aggregate limit of $54,750, inclusive of loans for undergraduate study. After July 1, 1993 the maximum amount of a Subsidized Federal Stafford Loan for an academic year cannot exceed $2,625 for the first year of undergraduate study, $3,500 for the second academic year of undergraduate study, and $5,500 for the remainder of undergraduate study with lower annual limits established for periods of enrollment less than a full academic year with an aggregate limit for undergraduate study of $23,000 excluding PLUS loans. The maximum amount of the loans for periods of enrollment beginning on or after October 1, 1993, for an academic year, for graduate students is $8,500 and $65,500 in the aggregate including any such loans for undergraduate study, but excluding PLUS loans. In either case, the Secretary has discretion to raise these limits by regulation to accommodate highly specialized or exceptionally expensive courses of study.

Subject to these limits, Subsidized Federal Stafford Loans are available to borrowers in amounts not exceeding their unmet need determined as provided in the Higher Education Act. Provisions addressing the implementation of need analysis and the relationship between unmet need for financing and the availability of Subsidized Federal Stafford Loan program funding have been the subject of frequent and extensive amendment in recent years. There can be no assurance that further amendment to such provisions will not materially affect the availability of Subsidized Federal Stafford Loan funding to borrowers or the availability of Subsidized Federal Stafford Loans for secondary market acquisition.

Repayment. Repayment of principal on a Subsidized Federal Stafford Loan does not commence while a student remains a qualified student, but generally begins upon expiration of the applicable Grace Period, as described below. Such Grace Periods may be waived by borrowers. In general, each such loan must be scheduled for repayment over a period of not more than ten 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 per year. Effective July 1, 1993, lenders were required to offer graduated or income-sensitive repayment schedules to new borrowers in accordance with regulations of the Secretary.

The 1998 Amendments provide several changes to repayment provisions. First, graduated and income-sensitive repayment plans are exempt from minimum annual repayment requirements, but no plan may provide for payment amounts less than interest. Second, borrowers may change repayment plans annually. Third, first time Federal Stafford Loan borrowers on or after October 7, 1998, with loans outstanding in a principal amount of $30,000 or more can elect to repay their loans over a period of not more than twenty-five (25) years after commencement of repayment.

Grace Period, Deferment Periods, Forbearance. Repayment of principal of an insured student loan must generally commence following a period of (a) not less than 9 months or more than 12 months (with respect to loans for which the applicable interest rate is 7% per annum) and (b) not more than 6 months (with respect to all other loans for which the applicable interest rate is 9% per annum or 8% per annum and for loans to first time borrowers on or after July 1, 1988) after the student borrower ceases to pursue at least a half-time course of study (a *"Grace Period"*).

However, during certain other periods and subject to certain conditions, no principal repayments need be made (*"Deferment Periods"*), but interest accrues and must be paid. For loans first disbursed prior to July 1, l993, Deferment Periods include periods when the student has returned to an eligible educational institution on a half-time basis and received a new loan for the same period or is pursuing studies pursuant to an approved graduate fellowship program or a rehabilitation program for individuals with disabilities, or when the student is a member of the Armed Forces or a volunteer under the Peace Corps Act or the Domestic Volunteer Service Act of 1973, when the borrower is temporarily totally disabled or during which the borrower is unable to secure employment by reason of the care required by a dependent who is so disabled. Other Deferment Periods for such loans include periods of unemployment and qualified internships. For loans to new borrowers disbursed on or after July 1, 1993, repayment of

principal may be deferred while the borrower is at least a half time student or is pursuing a course of study pursuant to an approved graduate fellowship program or an approved rehabilitation training program. A maximum three year deferment is available to such borrowers when the borrower is seeking but unable to find full-time employment, or when for any reason the lender determines that payment of principal will cause the borrower economic hardship. The Higher Education Act also requires mandatory forbearance of a loan for 12-month intervals for a period not to exceed three years, by a lender at the request of a borrower if the borrower's student loan debt burden equals or exceeds 20% of the borrower's gross income.

INTEREST SUBSIDY PAYMENTS

The Secretary pays interest on Subsidized Federal Stafford Loans while the student is a qualified student, during a grace period and during certain periods of deferment. Deferment of principal payments is available to borrowers under conditions established by the Higher Education Act. The Secretary makes interest subsidy payments to the holder of Subsidized Federal 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 Federal Stafford Loan shall be deemed to have a contractual right against the United States to receive interest subsidy 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). The effective formulas for quarterly Special Allowance Payment rates for Subsidized Federal Stafford Loans which are funded with taxable bond proceeds are set forth in the following table:

First Disbursement Date	**SAP Formula**
01/01/00 to 07/01/03	In school, grace and deferment status: (3 Month Commercial Paper — Student Pay Rate + 1.74%) ÷ 4 In repayment status: (3 Month Commercial Paper — Student Pay Rate + 2.34%) ÷ 4
7/01/98 to 12/31/99	In school, grace and deferment status: (91-day T-bill - Student Pay Rate + 2.20%) ÷ 4 In repayment status: (91-day T-bill - Student Pay Rate + 2.80%) ÷ 4

7/01/95 to 6/30/98	In school, grace and deferment status: (91-day T-bill - Student Pay Rate + 2.50%) ÷ 4 In repayment status: (91-day T-bill - Student Pay Rate + 3.10%) ÷ 4
10/01/92 to 6/30/95	(91-day T-bill - Student Pay Rate + 3.10%) ÷ 4
11/16/86 to 9/30/92	(91-day T-bill - Student Pay Rate + 3.25%) ÷ 4

For Federal Stafford Loans financed with tax-exempt funds obtained from bonds originally issued on or after October 1, 1993, the Special Allowance Payments are equal to those set forth above for student loans financed with taxable funds.

For Federal Stafford loans which are funded with tax-exempt bonds issued prior to October 1, 1993 Special Allowance Payments are generally payable at one half the rate it is paid for taxable funding sources subject to an aggregate 9.5% minimum total loan yield (Student Pay Rate plus SAP), referred to as "9.5% floor."

Student Pay Rate	**SAP Formula for Tax-Exempt Securities Issued Prior to October 1, 1993**
Variable Rate	[(91-day T-bill - Student Pay Rate + 3.50%) ÷ 2] ÷ 4, with a 9.5% floor.
8%/10%	[(91-day T-bill - Student Pay Rate + 3.50%) ÷ 2] ÷ 4, with a 9.5% floor while Student Pay Rate is 8%*.
7%, 8% and 9%	[(91-day T-bill - Student Pay Rate + 3.50%) ÷ 2] ÷ 4, with a 9.5% floor.

*No floor return when Student Pay Rate is other than 8%.

The SAP formulas also apply, with certain exceptions and modifications, to PLUS, SLS and Consolidation Loans. For example, the CP Index Amendments provide that the SAP rate for PLUS Loans and Consolidation Loans disbursed on or after January 1, 2000 and before July 1, 2003 is equal to the average of bond equivalent rates of the quotes of the 3-month commercial paper (financial) rates in effect for the quarter as reported by the Federal Reserve (*"3-Month Commercial Paper"*) minus the Student Pay Rate plus 2.64%. In addition, for Consolidation Loans first disbursed on or after January 1, 2000 and before July 1, 2003, no SAP is payable during any 12-month period from July 1 to June 30 if the bond equivalent rate of 91-day Treasury bills auctioned at the final auction preceding June 1 plus 3.1% exceeds 9.0%.

The 1998 Amendments eliminated the requirement that the Authority have a Plan for Doing Business as a prerequisite to receipt of Special Allowance Payments. However, the Corporation may not engage in any pattern or practice which results in denial of a borrower's access to loans.

UNSUBSIDIZED FEDERAL STAFFORD LOANS

The Unsubsidized Federal Stafford Loan Program is designed for students who do not qualify for Subsidized Federal Stafford Loans due to parental and/or student income and assets in excess of permitted amounts and became effective for periods of enrollment beginning on or after October 1, 1992. In other respects, the general eligibility requirements for Unsubsidized Federal Stafford Loans are essentially the same as those for Subsidized Federal Stafford Loans. The interest rate, special allowance payment provisions and the loan fee requirements of the Subsidized Federal Stafford Loans are applicable to Unsubsidized Federal Stafford Loans.

The 1993 Student Loan Reform Act increased the loan limits for Unsubsidized Federal Stafford Loans to include amounts formerly disbursed under the SLS program. However, the terms of the Unsubsidized Federal Stafford Loans differ materially from Subsidized Federal Stafford Loans in that the federal government will not make interest subsidy payments and the loan limitations are determined without respect to the expected family contribution. The borrower is required to pay interest from the time such loan is disbursed or capitalize the interest until repayment begins.

Effective July 1, 1994, the amount of periodic payment and repayment schedule for an Unsubsidized Federal Stafford Loan is established by assuming an interest rate equal to the applicable rate of interest at the time the repayment of the loan principal commences. Effective July 1, 1995, at the option of the lender, the note or other written evidence of the loan may require that the amount of the periodic payment be adjusted annually or the period of repayment of principal be lengthened or shortened in order to reflect adjustments in interest rates. Additionally, the 10-year repayment period for such loans commences when the first payment of principal is due from the borrower. The 1998 Amendments provide that first time borrowers on or after October 7, 1998 with loans outstanding in a principal amount of $30,000 or more can elect to repay loans over a period of not more than twenty-five (25) years.

PLUS AND SLS LOAN PROGRAMS

The Higher Education Act authorizes Parental Loans for Undergraduate Students (*"PLUS Loans"*) to be made to parents of eligible dependent students. Only parents who do not have an adverse credit history are eligible for PLUS Loans that have a first disbursement date on or after July 1, 1993. Supplemental Loans to Students (*"SLS Loans"*) were available to certain categories of students until June 30, 1994. The 1993 Student Loan Reform Act repealed the SLS Program effective July 1, 1994 and consolidated it with the Unsubsidized Federal Stafford Loan Program. The basic provisions applicable to PLUS and SLS Loans are similar to those of Subsidized Federal Stafford Loans with respect to the involvement of guarantors and the Secretary providing federal reinsurance on the loans. However, PLUS and SLS Loans differ

significantly from Subsidized Federal Stafford Loans, particularly because federal interest subsidy payments are not available under the PLUS and SLS Programs and Special Allowance Payments are more restricted.

INTEREST RATES

The applicable interest rate depends upon the date of issuance of the loan and the period of enrollment for which the loan is to apply. For PLUS loans issued on or after October 1, 1981, but for periods of educational enrollment beginning prior to July 1, 1987, the applicable rate of interest is either 12 or 14% per annum. A variable interest rate reset annually applies to PLUS and SLS Loans made and disbursed on or after July 1, 1987 but prior to October 1, 1992 and is determined on the basis of any 12-month period beginning on July 1 and ending on the following June 30, such that the rate shall be the bond equivalent rate of 52-week T-Bills auctioned at the final auction held prior to the June 1 preceding the applicable 12-month period, plus 3.25%, with a maximum rate of 12% per annum. The variable interest rate for PLUS and SLS Loans first disbursed on or after October 1, 1992 is based on the same 12-month period as PLUS and SLS Loans disbursed prior to October 1, 1992 except that 3.10% is added to the bond equivalent rate of the 52-week T-Bills with a maximum of 10% per annum for PLUS Loans and a maximum of 11% per annum for SLS Loans. For PLUS Loans first disbursed on or after July 1, 1994, the interest rate is determined by the method applicable to PLUS Loans disbursed on or after October 1, 1992 subject to a maximum of 9% per annum. The Recent Amendments provide that PLUS Loans made on or after July 1, 1998 and prior to July 1, 2003 are to bear an interest rate equal to the bond equivalent rate of 91-day T-Bills at the final auction held prior to the June 1 preceding the applicable 12-month period plus 3.1%, subject to a maximum of 9.0%.

SPECIAL ALLOWANCE PAYMENTS

Special Allowance Payments are available on variable rate PLUS and SLS Loans disbursed on or after July 1, 1987 but prior to October 1, 1992 and before July 1, 1998 only if the rate determined by the formula above applicable to such Loans would exceed 12%. Special Allowance Payments are available on variable rate PLUS and SLS Loans disbursed on or after October 1, 1992 only, if the rate determined by the formula above applicable to such Loans exceeds 10% and 11%, respectively. Special Allowance Payments are also available on variable rate PLUS Loans disbursed on or after July 1, 1998 only if the interest rate determined by the formula applicable to PLUS Loans disbursed on or after July 1, 1998 exceeds 9%.

LIMITATIONS ON PRINCIPAL AMOUNTS

The annual loan limit for SLS Loans first disbursed on or after July 1, 1993 ranged from $4,000 for first and second year undergraduate borrowers to $10,000 for graduate borrowers, with a maximum aggregate amount of $23,000 for undergraduate borrowers and $73,000 for graduate and professional borrowers. The only limit on the annual and aggregate amount of PLUS Loans first disbursed on or after July 1, 1993 is the student's unmet financial need. PLUS and SLS Loans disbursed prior to July 1, 1993 are limited to $4,000 per academic year with a maximum aggregate amount of $20,000. Prior to October 17, 1986, the applicable loan limits

were $3,000 per academic year with a maximum aggregate amount of $15,000. PLUS and SLS loans are also limited, generally, to the cost of attendance minus other financial aid for which the student is eligible.

REPAYMENT

SLS borrowers have the option to defer commencement of repayment of principal until the commencement of repayment of Subsidized Federal Stafford Loans. Otherwise, repayment of principal of PLUS and SLS Loans is required to commence no later than 60 days after the date of disbursement of such loan, subject to certain deferral provisions. In addition, a parent borrower who became such prior to July 1, 1993 may defer principal payments for periods during which the borrower has a dependent student for whom the parent borrowed a PLUS Loan, if such student is engaged in a qualifying educational program, graduate fellowship program or rehabilitation training program.

Repayment of interest, however, may be deferred only during certain periods of educational enrollments specified under the Higher Education Act. Further, whereas federal interest subsidy payments are not available for such deferments, the Higher Education Act provides an opportunity for the capitalization of interest during such periods upon agreement of the lender and borrower. The annual loan limit is not violated by any decision to capitalize interest.

A borrower may refinance all outstanding PLUS Loans under a single repayment schedule for principal and interest. The interest rate of such refinanced loan shall be the weighted average of the rates of all loans being refinanced. A second type of refinancing enables an eligible lender to reissue a PLUS Loan which was initially originated at a fixed rate prior to July 1, 1987 in order to permit the borrower to obtain the variable interest rate available on PLUS Loans on and after July 1, 1987. If a lender is unwilling to refinance the original PLUS Loan, the borrower may obtain a loan from another lender for the purpose of discharging the loan and obtaining a variable interest rate.

THE CONSOLIDATION LOAN PROGRAM

The Higher Education Act authorizes a program under which certain borrowers may consolidate their various student loans into a single loan insured and reinsured on a basis similar to Subsidized Federal Stafford Loans. Consolidation Loans may generally be made in an amount sufficient to pay outstanding principal, unpaid interest and late charges on all federally insured or reinsured student loans incurred under and pursuant to the Family Education Loan Program selected by the borrower, as well as Perkins loans (formally *"National Direct Student Loans"*), Health Professional Student Loans, Health Education Assistance Loans and during the period which commenced on November 13, 1997 and ended on October 1, 1998, loans made pursuant to the William D. Ford Federal Direct Loan Program (the *"Direct Loan Program"*). Pursuant to the Emergency Student Loan Consolidation Act of 1997, borrowers under the Direct Loan Program have the option of consolidating such loans into a Federal Family Education Loan Program Consolidation Loan.

BORROWER ELIGIBILITY REQUIREMENTS

Consolidation Loans for applications received between January 1, 1993 and July 1, 1994, are available only to borrowers who have aggregate outstanding student loan balances of at least $7,500 and, for applications received before January 1, 1993, are available only to borrowers who have aggregate outstanding student loan balances of at least $5,000. The 1993 Student Loan Reform Act eliminated the minimum loan balance for Consolidation Loans effective July 1, 1994. The borrower must be either in repayment status or in a grace period, or is a delinquent or defaulted borrower who will re-enter repayment through loan consolidation. Borrowers may add additional loans to a Consolidation Loan during the 180-day period following origination of the Consolidation Loan. Further, a married couple who agrees to be jointly and severally liable is treated as one borrower for purposes of loan consolidation eligibility. A Consolidation Loan will be federally insured only if such loan is made in compliance with requirements of the Higher Education Act.

INTEREST RATES

Consolidation Loans made prior to July 1, 1994 bear interest at an annual rate which equals the weighted average of interest rates on the unpaid principal balance of outstanding loans, rounded to the nearest whole percent, with a minimum rate of 9%. For Consolidation Loans made on or after July 1, 1994 to which the variable rate described below does not apply, the minimum rate of 9% is eliminated, and the weighted average is rounded upward to the nearest whole percent. For Consolidation Loans applied for during the period which commenced November 13, 1997 and ends July 1, 2003, the applicable rate of interest from November 13, 1997 through June 30, 1998 is 8.25%, and thereafter for each July 1 through June 30, a variable annual rate which will be equal to the bond equivalent rate of 91-day T-bills auctioned at the final auction held prior to the preceding June 1 plus 3.10% not to exceed 8.25%. Pursuant to the 1998 Amendments, the rate applicable to Consolidation Loans applied for on or after October 1, 1998 and prior to July 1, 2003 is fixed at the weighted average of interest rates on the unpaid principal balance of outstanding loans, rounded up to the nearest one-eighth of one percent, not to exceed 8.25%.

REPAYMENT

Repayment of Consolidation Loans begins 60 days after discharge of all prior loans which are consolidated. Federal interest subsidy payments are not available with respect to Consolidation Loans except as described below. Repayment schedules structured by the lender must include, for applications received on or after January 1, 1994, the establishment of graduated and income sensitive repayment plans, subject to certain limits applicable to the sum of the Consolidation Loan and the amount of the borrower's other eligible student loans outstanding. Generally, depending on the total of loans outstanding, repayment may be scheduled over periods no shorter than ten (10) but not more than twenty-five (25) years in length. For applications received on or after January 1, 1993, the maximum maturity schedule is thirty years for Consolidation Loans of $60,000 or more.

DEFERMENT PERIODS

Borrowers may defer periodic payments of principal under the same circumstances authorized for deferments and for periods similar to those for Subsidized Federal Stafford Loans. Interest on Consolidation Loans accrues and, for applications received prior to January 1, 1993, is to be paid by the borrower without deferral. For applications received on or after January 1, 1993 the Secretary pays the interest during the deferral period. However, the Student Loan Reform Act provides that, effective upon enactment, during periods of deferral, interest shall accrue and must be paid by the Secretary in the case of a Consolidation Loan that consolidated only Subsidized Federal Stafford Loans. The Secretary must also pay the interest during periods of deferral with respect to the portion of a Consolidation Loan made between November 13, 1997 and October 1, 1998 which repays Subsidized Federal Stafford Loans or Subsidized Federal Direct Stafford Loans. Borrowers may elect to accelerate principal payments without penalty.

CONSOLIDATION LOAN FEES

No insurance premium may be charged to a borrower and no insurance premium may be charged to a lender in connection with a Consolidation Loan. However, a fee in an amount not to exceed $50.00 may be charged to the lender by the guarantor to cover the costs of increased or extended liability with respect to a Consolidation Loan. In addition, any holder of a Consolidation Loan first disbursed on or after October 1, 1993 is to pay to the Secretary an annual rebate fee (calculated and paid monthly) equal to 1.05% of the principal plus accrued unpaid interest on such loan (except for Consolidation Loans applied for from October 1, 1998 through January 31, 1999 for which the applicable percentage is 0.62%).

DIRECT LOANS

On or after July 1, 1994, if a borrower is unable to obtain a Consolidation Loan with income sensitive repayment terms acceptable to the borrower from the holders of the borrower's outstanding loans (that are selected for consolidation), or from any other lender, the Student Loan Reform Act authorizes the Secretary to offer the borrower a Federal Direct Consolidation Loan with income contingent terms under the FDSLP. Such Federal Direct Consolidation Loans shall be repaid either pursuant to income contingent repayment or any other repayment provisions under the Consolidation Loan provisions. If the Secretary determines that the Department of Education does not have the necessary origination and servicing arrangements in place for such loans, the Secretary shall not offer such loans.

The rate applicable to Federal Direct Consolidation Loans applied for on or after July 1, 1998 and before February 1, 1999 is the bond equivalent yield of 91-day T-bills auctioned at the final auction held prior to the preceding June 1 plus 2.30% during repayment (as opposed to the margin of 3.10% applied to FFELP Consolidation Loans during this period). For Federal Direct Consolidation Loans applied for after February 1, 1999 and prior to July 1, 2003, the applicable rate is the same as the rate applicable to FFELP Consolidation Loans.

Federal Insurance and Reimbursement of Guarantors

For loans made prior to October 1, 1993, the eligible lender is reimbursed by the guarantor for 100% of the unpaid principal balance of the loan plus accrued unpaid interest on any loan defaulted so long as the eligible lender has properly serviced such loan. However, any holder of a loan in default that was first disbursed on or after October 1, 1993 is entitled to receive no more than 98% of the unpaid principal balance of the loan plus accrued and unpaid interest on such loan from the guarantor, except for a loan made by a lender-of-last resort or under any agreement resulting from a guarantor insolvency.

Under the Higher Education Act, the Secretary enters into a guaranty agreement with each guarantor which provides for federal reinsurance for amounts paid to eligible lenders by the guarantor with respect to defaulted loans. Pursuant to such agreements, the Secretary is to reimburse a guarantor for 100% of the amounts owed on a loan made prior to October 1, 1993 and 98% of the amounts owed on a loan made on or after October 1, 1993 for losses upon notice and determination of such amounts subject to reduction based on the guarantor's claims rate. The Secretary is also authorized to acquire the loans of borrowers who are at high risk of default and who request an alternative repayment option from the Secretary. The percentage paid to eligible lenders was not affected by the reduction in the reimbursement percentage paid to guarantors as a result of the 1998 Amendments, as set forth in the chart below.

The amount of such insurance or reinsurance payments is subject to reduction based upon the annual claims rate of the guarantor calculated to equal the amount of federal reinsurance received as a percentage of the original principal amount of guaranteed loans in repayment on the last day of the prior fiscal year. The original principal amount of loans guaranteed by a guarantor which are in repayment for purposes of computing reimbursement payments to a guarantor means the original principal amount of all loans guaranteed by a guarantor less: (1) guarantee payments on such loans, (2) the original principal amount of such loans that have been fully repaid, and (3) the original amount of such loans for which the first principal installment payment has not become due. Claims resulting from the death, bankruptcy, total and permanent disability of a borrower, the death of a student whose parent is the borrower of a PLUS Loan, or claims by borrowers who received loans on or after January 1, 1996 and who are unable to complete the programs in which they are enrolled due to school closure or borrowers whose borrowing eligibility was falsely certified by the eligible institution are not included in calculating a guarantor's claims rate experience for federal reinsurance purposes.

The claims experience is not accumulated from year to year, but is determined solely on the basis of claims paid 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 reinsurance amounts is summarized below:

Claims Rate	Guarantor Reinsurance Rate for Loans Made prior to October 1, 1993	Guarantor Reinsurance Rate for Loans Made between October 1, 1993 and September 30, 1998*	Guarantor Reinsurance Rate for Loans Made on or after October 1, 1998*
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

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 such reinsurance is not subject to reduction. It further provides that guarantors shall be deemed to have a contractual right against the United States to receive reinsurance in accordance with its provisions.

In addition, if a guarantor is unable to meet its insurance obligations, holders of insured loans may submit insurance claims directly to the Secretary, who is obligated to pay the full insurance obligation of a guarantor until such time as the obligations are transferred to a new guarantor capable of meeting such obligations or until a successor guarantor assumes such obligations. Federal reinsurance 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.

A Federal Family Education Loan is generally considered to be in default upon the 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 borrower no longer intends to honor the repayment obligation and for which the failure persists for 180 days (270 days for delinquencies first occurring on or after October 7, 1998) in the case of a loan payable in monthly installments or for 240 days (330 days for delinquencies first occurring on or after October 7, 1998) in the case of a loan payable in less frequent installments. When a loan becomes 60 to 90 days past due, the holder is required to request preclaims assistance from the applicable guarantor in order to attempt to bring the delinquency current. When a loan becomes 120 days (or 240 days, as applicable) past due, it becomes subject to supplemental preclaims assistance. When a loan becomes 150 days (or 240 days, as applicable) past due, the holder is required to make a final demand for payment of the loan by the student and to continue collection efforts until the loan is 180 days (or 270 days, as applicable) past due at which time the holder may submit a claim for reimbursement to the applicable guarantor. At the time of payment of insurance benefits, the holder must assign to the

applicable guarantor all rights accruing to the holder under the note evidencing the loan. The Higher Education Act prohibits a guarantor from filing a claim for reimbursement with respect to losses prior to 270 (360 days for delinquencies first occurring on or after October 7, 1998) days after the loan becomes delinquent with respect to any installment thereon or later than 45 days after the guarantor's discharge of its insurance obligation on the loan.

A holder of a loan is required to exercise due care and diligence in the making, servicing and collecting of the loan as specified in federal regulations 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 guarantor has probable cause to believe that the holder has made misrepresentations or failed to comply with the terms of its agreement for guarantee, the guarantor may take reasonable action including withholding of payments or requiring reimbursement of funds. The guarantor may also terminate the agreement for cause upon notice and hearing.

The Secretary may withhold reimbursement payments if a guaranty 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 termination for cause by the Secretary. All guaranty agencies are required to comply with certain due diligence requirements established pursuant to the Secretary's regulations regarding collection procedures to be exercised on loans for which the guaranty agency pays a default claim. The loan must thereafter be submitted to the Secretary for reinsurance. Since July 1, 1997, guaranty agencies have been prohibited from instituting civil litigation against borrowers.

REIMBURSEMENT

The original principal amount of loans guaranteed by a guaranty agency which are in repayment for purposes of computing reimbursement payments to a guaranty agency means the original principal amount of all loans guaranteed by a guaranty agency less: (1) guarantee payments on such loans, (2) the original principal amount of such loans that have been fully repaid, and (3) 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 guaranty agency makes a material misrepresentation or fails to comply with the terms of its agreements with the Secretary or applicable federal law. A supplemental Guaranty Agreement is subject to annual negotiations and to termination for cause by the Secretary.

Under the Guaranty Agreements and the supplemental guaranty agreements, if a payment on an Eligible Loan guaranteed by a guaranty agency is received after reimbursement by the Secretary, the guaranty agency is entitled to receive an equitable share of the payment. Guaranty agency retention on such collections on consolidations of defaulted loans was reduced to 18.5% from 27% effective July 1, 1997 and for other loans was reduced from 27% to 24% (23% effective October 1, 2003).

FEDERAL ADMINISTRATIVE COST ALLOWANCES, INSURANCE FEES AND REINSURANCE FEES

Under the 1998 Amendments, two new payments to guarantors will replace an administrative cost allowance up to 1% of the total principal amount of loans insured during the fiscal year. For fiscal years beginning on or after October 1, 1998 and before October 1, 2003, the Secretary is authorized to pay to guarantors a quarterly loan processing and issuance fee equal to 0.65% of the principal amount of loans originated each quarter. For fiscal years beginning after October 1, 2003, the percentage is reduced to 0.40%. The Secretary is also authorized to pay a quarterly account maintenance fee for fiscal years 1999 and 2000 equal to 0.12% of the total principal amount of outstanding loans. The percentage for fiscal years 2001, 2002 and 2003 is reduced to 0.10%.

Effective October 1, 1993, the 1993 Student Loan Reform Act repealed the requirement that guarantors with default rates below 5% pay the Secretary annual reinsurance fees equivalent to 0.25% of new loans guaranteed and all other guarantors pay a reinsurance fee of 0.50%.

Any originator of any student loan guaranteed by a guarantor is required to discount from the proceeds of the loan at the time of disbursement, and pay to the guarantor, an insurance premium which may not exceed that permitted under the Higher Education Act.

GUARANTY AGENCIES

The 1998 Amendments contain significant provisions applicable to guaranty agencies. Each guaranty agency is required to establish a Federal Student Loan Reserve Fund (the "*Federal Fund*") which, together with any earnings thereon, are deemed to be property of the United States. Each guaranty agency is required to deposit into the Federal Fund any reserve funds plus reinsurance payments received from the Secretary, default collections, insurance premiums, 70% of payments received as administrative cost allowance and other receipts as specified in regulations. A guaranty 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 described below) 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 guaranty agency is also required to establish an operating fund (the "*Operating Fund*") which, except for funds transferred from the Federal Fund, is the property of the guaranty agency. A guaranty agency may deposit into the Operating Fund loan processing and issuance fees equal to 0.65% of the total principal amount of loans insured during the fiscal year, 30% of payments received after October 7, 1998 for the administrative cost allowance for loans insured prior to that date and the 24% retention of collections on defaulted loans and other receipts as specified in regulations. An Operating Fund must be used for application processing, loan disbursement, enrollment and repayment status management, default aversion, collection activities, compliance monitoring, and other student financial aid related activities.

The 1998 Amendments provide for additional recall of reserves from each Federal Fund, but also provide for certain minimum reserve levels which are protected from recall. The Secretary is authorized to enter into voluntary, flexible agreements with guaranty agencies under which various statutory and regulatory provisions can be waived. In addition, under the Higher

Education Act, the Secretary is prohibited from requiring the return of all of a guaranty 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 the FDSLP, or to ensure the proper maintenance of such agency's funds or assets or the orderly termination of the guaranty agency's operations and the liquidation of its assets. The Higher Education Act also authorizes the Secretary to direct a guaranty agency to: (1) return to the Secretary all or a portion of its reserve fund that the Secretary determines is not needed to pay for the agency's program expenses and contingent liabilities; and (2) cease any activities involving the expenditure, use or transfer of the guaranty agency's reserve funds or assets which the Secretary determines is a misapplication, misuse or improper expenditure. Under current law, but commencing September 30, 2002, the Secretary will also be authorized to direct a guarantor to return to the Secretary all or a portion of its reserve fund which the Secretary determines is not needed to pay for the guarantor's program expenses and contingent liabilities.

The Secretary may terminate a guaranty agency's agreement 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 agreement, 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.

If the Secretary has terminated or is seeking to terminate a guaranty agency's agreement, or has assumed a guaranty agency's functions, notwithstanding any other provision of law: (1) no state court may issue an order affecting the Secretary's actions with respect to that guaranty agency; (2) any contract entered into by the guaranty agency with respect to the administration of the agency's reserve funds or assets 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 funds or assets or is inconsistent with the terms or purposes of this law; and (3) 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 Part B of Title IV of 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.

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APPENDIX G

OKLAHOMA STUDENT LOAN AUTHORITY
RESET AUCTION MODE SECURITIES, SERIES 2000A-1, SERIES 2000A-2, SERIES 2000A-3
AND
VARIABLE RATE DEMAND OBLIGATIONS, SERIES 2000A-4

AUCTION PROCEDURES

The Auction Procedures for Series 2000A RAMS are as set forth below. All of the terms used in this Appendix G are defined herein or in other parts of this Official Statement.

DEFINITIONS

"AA Composite Commercial Paper Rate", on any date of determination, shall mean (i) the interest equivalent of the 30-day rate on commercial paper placed on behalf of issuers whose corporate bonds are rated "AA" by S&P or the equivalent of such rating by a nationally recognized rating agency, as such 30-day rate is made available on a discount basis or otherwise by the Federal Reserve Bank of New York for the Business Day immediately preceding such date of determination; or (ii) if the Federal Reserve Bank of New York does not make available any such rate, then the arithmetic average of the interest equivalent of the 30-day rate on commercial paper placed on behalf of such issuers, as quoted to the Auction Agent on a discount basis or otherwise, by at least three dealers of commercial paper, or such fewer entities as may then be dealers of commercial paper, as of the close of business on the Business Day immediately preceding such date of determination. For purposes of this definition, the "interest equivalent" of a rate stated on a discount basis (a *"discount rate"*) for commercial paper of a given day's maturity shall be equal to the product of (A) 100 times (B) the quotient (rounded upwards to the next higher one-thousandth (.001) of 1%) of (x) the discount rate (expressed in decimals) divided by (y) the difference between (1) 1.00 and (2) a fraction the numerator of which shall be the product of the discount rate (expressed in decimals) times the number of days in which such commercial paper matures and the denominator of which shall be 360.

"All-Hold Rate" on any date of determination, shall mean the interest rate per annum equal to 90% of the Applicable LIBOR Rate and rounded to the nearest one thousandth of 1% (.001); provided that in no event shall the All-Hold Rate be more than the Maximum Rate or less than zero.

"Applicable LIBOR Rate" means, (i) for Auction Periods of 28 days or less, One-Month LIBOR, (ii) for Auction Periods of more than 28 days but less than 91 days, Three-Month LIBOR, (iii) for Auction Periods of more than 90 days but less than 181 days, Six-Month LIBOR, and (iv) for Auction Periods of more than 180 days, One-Year LIBOR. As used in this definition and otherwise herein, the terms *"One-Month LIBOR," "Three-Month LIBOR," "Six-Month LIBOR"* or *"One-Year LIBOR"* mean the rate of interest per annum equal to the rate per annum at which United States dollar deposits having a maturity of one-month, three months, six

months or one year, respectively, are offered to prime banks in the London interbank market which appear on the Reuters Screen LIBOR Page as of approximately 11:00 a.m., London time, on the Auction Date. If at least two such quotations appear, One-Month LIBOR, Three-Month LIBOR, Six-Month LIBOR or One-Year LIBOR, respectively, will be the arithmetic mean (rounded upwards, if necessary, to the nearest one-hundredth of one percent) of such offered rates. If fewer than two such quotes appear, One-Month LIBOR, Three-Month LIBOR, Six-Month LIBOR or One-Year LIBOR, respectively, with respect to such Auction Period will be determined at approximately 11:00 a.m., London time, on such Auction Date on the basis of the rate at which deposits in United States dollars having a maturity of one month, three months, six months or one year, respectively, are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Auction Agent or the Trustee, as applicable, and in a principal amount of not less than U.S. $1,000,000 and that is representative for a single transaction in such market at such time. The Auction Agent or the Trustee, as applicable, will request the principal London office of each of such banks to provide a quotation of its rate. If at least two quotations are provided, One-Month LIBOR, Three-Month LIBOR, Six-Month LIBOR or One-Year LIBOR, respectively, will be the arithmetic mean (rounded upwards, if necessary, to the nearest one-hundredth of one percent) of such offered rates. If fewer than two quotations are provided, One-Month LIBOR, Three-Month LIBOR, Six-Month LIBOR or One-Year LIBOR, respectively, with respect to such Auction Period will be the arithmetic mean (rounded upwards, if necessary, to the nearest one-hundredth of one percent) of the rates quoted at approximately 11:00 a.m., New York City time on such Auction Date by three major banks in New York, New York selected by the Auction Agent or the Trustee, as applicable, for loans in United States dollars to leading European banks having a maturity of one month, three months, six months or one year, respectively, and in a principal amount equal to an amount of not less than U.S. $1,000,000 and that is representative for a single transaction in such market at such time; provided, however, that if the banks selected as aforesaid are not quoting as mentioned in this sentence, One-Month LIBOR, Three-Month LIBOR, Six-Month LIBOR or One-Year LIBOR, respectively, in effect for the applicable Auction Period will be One-Month LIBOR, Three-Month LIBOR, Six-Month LIBOR or One-Year LIBOR, respectively, in effect for the immediately preceding Auction Period.

"Applicable Spread" shall mean with respect to each series of the Series 2000A RAMS, on any date of determination, the following percentages, based on the lowest rating assigned to such series of the Series 2000A RAMS:

CREDIT RATING			
Standard & Poor's	**Moody's Investors Service**	**Fitch IBCA, Inc.**	**Applicable Spread**
"AAA"	"Aaa"	"AAA"	1.25
"AA-" to "AA+"	"Aa3" to "Aa1"	"AA-" to "AA+"	1.25
"A-" to "A+"	"A3" to "A1"	"A-" to "A+"	1.25
"BBB-" to "BBB+"	"Baa3" to "Baa1"	"BBB-" to "BBB+"	1.50
Below "BBB-"	Below "Baa3"	Below "BBB-"	2.00

"Auction Agency Agreement" shall mean the Auction Agency Agreement dated as of August 1, 2000 between the Trustee and the initial Auction Agent and any similar agreement with a successor Auction Agent, in each case as from time to time amended or supplemented, with the consent of the Credit Facility Provider.

"Auction Date" shall mean initially the date specified in the Bond Resolution, and thereafter, the Business Day immediately preceding the first day of each Auction Period, other than;

(a) an Auction Period which commences on a Conversion Date;

(b) each Auction Period commencing after the ownership of the related series of Series 2000A RAMS is no longer maintained in book-entry form by the Securities Depository;

(c) each Auction Period commencing after the occurrence and during the continuance of a Payment Default; or

(d) any Auction Period commencing less than two Business Days after the cure or waiver of a Payment Default.

Notwithstanding the foregoing, the Auction Date for one or more Auction Periods may be changed pursuant to the Bond Resolution.

"Auction Period" shall mean, with respect to any RAMS, the respective Auction Period applicable as the same may be changed pursuant to the Bond Resolution.

"Bond Equivalent Yield" shall mean, with respect to any security with a maturity of six months or less the rate for which is quoted in *The Wall Street Journal* on a bank discount basis, the yield calculated in accordance with the following formula and rounded up to the nearest one one-hundredth of one percent:

$$\frac{R \times N}{360 - (N \times D)} \times 100$$

where "R" refers to the interest rate per annum for the security quoted on a bank discount basis expressed as a decimal, "N" refers to 365 or 366 days, as applicable, and "D" refers to the number of days to maturity.

"Broker-Dealer" means, initially, Dain Rauscher Incorporated (with respect to the Series 2000A-1 RAMS and Series 2000A-2 RAMS) and Banc of America Securities LLC (with respect to the Series 2000A-3 RAMS), and any other broker or dealer (as defined in the Securities Exchange Act), commercial bank or other entity permitted by law to perform the functions required of a Broker-Dealer set forth in the Auction Procedures that is a Participant (or an affiliate of a Participant), has been selected by the Authority pursuant to the Bond Resolution and has, with consent of the Credit Facility Provider entered into a Broker-Dealer Agreement that remains effective.

"*Broker-Dealer Agreement*" means each agreement between the Auction Agent and a Broker-Dealer pursuant to which the Broker-Dealer agrees to participate in Auctions as set forth in the Auction Procedures, as from time to time amended or supplemented, with consent of the Credit Facility Provider. Each Broker-Dealer Agreement shall be substantially in the form of the Broker-Dealer Agreement between Bank of New York, New York, as Auction Agent, and Dain Rauscher Incorporated, as the sole initial Broker-Dealer with respect to the Series 2000A-1 RAMS and Series 2000A-2 RAMS and the form of the Broker-Dealer Agreement between Bank of New York, New York, as Auction Agent and Banc of America Securities LLC as the sole Broker-Dealer with respect to the Series 2000A-3 RAMS.

"*Business Day*" means any day other than a Saturday, Sunday, or other day on which banks located in the City of New York, New York, or the New York Stock Exchange, the Trustee or the Auction Agent, are authorized or permitted by law or executive order to close; provided that with respect to Auction Dates, such term shall also exclude December 30, December 31, April 14 and April 15.

"*Carry-over Amount*" means the excess, if any, of (a) the amount of interest on any of the Series 2000A RAMS that would have accrued with respect to the related Auction Period at the Auction Rate over (b) the amount of interest on such Series 2000A RAMS actually accrued with respect to any of the 2000 Series A Bonds with respect to such Auction Period based on the Maximum Auction Rate, together with the unpaid portion of any such excess from prior Auction Periods; provided that any reference to "principal" or "interest" herein and in the Bond Resolution shall not include within the meanings of such words any Carry-over Amount or any interest accrued on any Carry-over Amount. Any such amount shall not be treated as a liability under the Series 2000A-1/A-2/A-3 Bond Resolution. No Carry-over Amount is secured by any Credit Facility.

"*Conversion*" shall mean the conversion of any series of the Series 2000A RAMS from one interest rate mode to another interest rate mode, with the consent of the Credit Facility Provider.

"*Conversion Date*" shall mean the effective date of any Conversion.

"*Eligible Carry-over Make-Up Amount*" means, with respect to each Auction Period relating to a series of the Series 2000A RAMS as to which, as of the first day of such Auction Period, there is any unpaid Carry-over Amount, an amount equal to the lesser of (a) interest computed on the principal balance of Series 2000A RAMS in respect to such Auction Period at a per annum rate equal to the excess, if any, of the Maximum Auction Rate over the Auction Rate, together with the unreduced portion of any such excess from prior Auction Periods and (b) the aggregate Carry-over Amount remaining unpaid as of the first day of such Auction Period together with interest accrued and unpaid thereon through the end of such Auction Period.

"*Existing Owner*" shall mean (i) with respect to and for the purpose of dealing with the Auction Agent in connection with an Auction, a Person who is a Broker-Dealer listed in the books of registry at the close of business on the Business Day immediately preceding such

Auction and (ii) with respect to and for the purpose of dealing with the Broker-Dealer in connection with an Auction, a Person who is a beneficial owner of Series 2000A RAMS.

"*Market Agent Agreement*" shall mean the Market Agent Agreement dated as of August 1, 2000 between the Trustee and the initial Market Agent, and any similar agreement with a successor Market Agent, in each case as from time to time amended or supplemented.

"*Maximum Rate*", on any date of determination, shall mean the interest rate per annum equal to the lesser of:

(i) 17% per annum, and (ii) the maximum rate of interest permitted under State law.

"*Maximum Auction Rate*", on any date of determination, shall mean the lesser of:

(i) the Applicable LIBOR Rate plus 1.00%; or

(ii) the Maximum Rate; or

(iii) for Auctions after the initial Auction Date, the T-Bill Cap.

"*Overdue Rate*" on any date of determination, shall mean the interest rate per annum equal to the lesser of: (i) 200% of the greater of (A) One-Month LIBOR and (B) the AA Composite Commercial Paper Rate or (ii) the Maximum Rate; and

"*Participant*" means a member of, or participant in, the Securities Depository.

"*Payment Default*" means (i) a default by the Series 2000A Credit Facility Provider in the due and punctual payment of any installment of interest of any Bonds or Notes or (ii) a default by the Series 2000A Credit Facility Provider in the due and punctual payment of the principal of any Bonds or Notes whether at maturity or upon redemption or acceleration.

"*Quarterly Average Auction Rate*" shall mean the simple average of the Auction Rates for the applicable Series 2000 Bonds for Auction Dates preceding the current Auction Date by 91 days or less, including the current Auction Date.

"*Quarterly Average T-Bill Rate*" shall mean the simple average of the Bond Equivalent Yield of 91-day Treasury bills auctioned in the 91 days preceding (but not including) the current Auction Date.

"*Record Date*" shall mean, with respect to Series 2000A RAMS outstanding as RAMS, the Business Day prior to each Interest Payment Date.

"*Remarketing Agent*" shall mean Dain Rauscher Incorporated, or such other remarketing agent appointed by the Authority pursuant to the Bond Resolution.

"*Reuters Screen LIBOR Page*" means the display designated as page "LIBOR" on the Reuters Monitor Money Rates Service (or such other page as may replace the LIBOR page for the purposes of displaying London interbank offered rates of major banks).

"*Securities Depository*" means The Depository Trust Company and its successors and assigns, or if (i) the then Securities Depository resigns from its functions as depository of RAMS or (ii) the Authority discontinues use of the Securities Depository, any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with RAMS and which is selected by the Authority with the consent of the Trustee, the Auction Agent and the Market Agent.

"*Submission Deadline*" shall mean 1:00 p.m., New York City time or such other time established pursuant to the Auction Procedures.

"*T-Bill Cap*" shall mean, for any Auction Date, the rate (for the then current auction) at which the Quarterly Average Auction Rate equals the Quarterly Average T-Bill Rate plus the Applicable Spread, such rate to be determined by the formula:

$$N \times (T + S) - R,$$

where N is the number of Auction Dates which precede the current Auction date by 91 days or less, including the current Auction Date; T is the Quarterly Average T-Bill Rate; S is the Applicable Spread; and R is the sum of the Auction Rates for Auction Dates preceding the current Auction Date by 91 days or less, excluding the current Auction.

"*Variable Rate*" shall mean an Auction Rate or any other rate of interest which may change from time to time.

"*Winning Bid Rate*" shall have the meaning set forth below in subparagraph (c)(1)(C).

Auctions shall be conducted on each Auction Date (other than the Auction Date immediately preceding (i) each Auction Period commencing after the ownership of RAMS is no longer maintained in book-entry form; (ii) each Auction Period commencing after the occurrence and during the continuance of a Payment Default; or (iii) any Auction Period commencing less than two Business Days after the cure of a Payment Default). If there is an Auction Agent on such Auction Date, Auctions shall be conducted in the following manner.

(a) *Orders By Existing Owners and Potential Owners.*

(i) Prior to the Submission Deadline on each Auction Date:

(A) each Existing Owner of RAMS may submit to a Broker-Dealer information as to: (1) the principal amount of Outstanding RAMS, if any, held by such Existing Owner which such Existing Owner desires to continue to hold without regard to the Auction Rate for the next succeeding Auction Period; (2) the principal amount of Outstanding RAMS, if any, which such Existing Owner

offers to sell if the Auction Rate for the next succeeding Auction Period shall be less than the rate per annum specified by such Existing Owner; and/or (3) the principal amount of Outstanding RAMS, if any, held by such Existing Owner which such Existing Owner offers to sell without regard to the Auction Rate for the next succeeding Auction Period; and

(B) one or more Broker-Dealers may contact Potential Owners to determine the principal amount of RAMS which each such Potential Owner offers to purchase if the Auction Rate for the next succeeding Auction Period shall not be less than the rate per annum specified by the such Potential Owner.

The communication to a Broker-Dealer of information referred to in clause (A) or (B) is hereinafter referred to as an *"Order"*. Each Existing Owner and each Potential Owner placing an Order is hereinafter referred to as a *"Bidder*". An Order containing the information referred to in clause (A)(1) above is hereinafter referred to as a *"Hold Order"*. An Order containing the information referred to in clause (A)(2) or (B) above is hereinafter referred to as a *"Bid"*. An order containing the information referred to in clause (A)(3) above is hereinafter referred to as a *"Sell Order"*.

(ii) (A) Subject to the provisions of subsection (b) below, a Bid by an Existing Owner shall constitute an irrevocable offer to sell: (1) the principal amount of Outstanding RAMS specified in such Bid if the Auction Rate determined shall be less than the rate specified in such Bid; or (2) such principal amount or a lesser principal amount of Outstanding RAMS to be determined as set forth in clause (D) of paragraph (i) of subsection (d) below, if the Auction Rate determined shall be equal to the rate specified in such Bid; or (3) such principal amount or a lesser principal amount of Outstanding RAMS to be determined as set forth in clause (C) of paragraph (ii) of subsection (d) below if the rate specified shall be higher than the Auction Rate and Sufficient Clearing Bids have not been made.

(B) Subject to the provisions of subsection (b) below, a Sell Order by an Existing Owner shall constitute an irrevocable offer to sell: (1) the principal amount of Outstanding RAMS specified in such Sell Order; or (2) such principal amount or a lesser principal amount of Outstanding RAMS as set forth in clause (C) of paragraph (ii) of subsection (d) below if Sufficient Clearing Bids have not been made.

(C) Subject to the provisions of subsection (b) below, a Bid by a Potential Owner shall constitute an irrevocable offer to purchase: (1) the principal amount of Outstanding RAMS specified in such Bid if the Auction Rate determined shall be higher than the rate specified in such Bid; or (2) such principal amount or a lesser principal amount of Outstanding RAMS as set forth in clause (E) of paragraph (i) of subsection (d) below if the Auction Rate determined shall be equal to the rate specified in such Bid.

(b) *Submission by Broker-Dealers to the Auction Agent.*

(i) Each Broker-Dealer shall submit in writing to the Auction Agent prior to the Submission Deadline on each Auction Date all Orders obtained by such Broker-Dealer and shall specify with respect to each such Order:

(A) the name of the Bidder placing such Order,

(B) the aggregate principal amount of RAMS that are the subject of such Order,

(C) to the extent that such Bidder is an Existing Owner: (1) the principal amount of RAMS, if any, subject to any Hold Order placed by such Existing Owner; (2) the principal amount of RAMS, if any, subject to any Bid placed by such Existing Owner and the rate specified in such Bid; and (3) the principal amount of RAMS, if any, subject to any Sell Order placed by such Existing Owner; and

(D) to the extent such Bidder is a Potential Owner, the rate and amount specified in such Potential Owner's Bid.

(ii) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next highest one-thousandth (.001) of 1%.

(iii) If an Order or Orders covering all Outstanding RAMS held by an Existing Owner is not submitted to the Auction Agent prior to the Submission Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Owner covering the principal amount of Outstanding RAMS held by such Existing Owner and not subject to an Order submitted to the Auction Agent.

(iv) None of the Authority, the Trustee nor the Auction Agent shall be responsible for any failure of a Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Owner or Potential Owner.

(v) If any Existing Owner submits through a Broker-Dealer to the Auction Agent one or more Orders covering in the aggregate more than the principal amount of Outstanding RAMS held by such Existing Owner, such Order shall be considered valid as follows and in the following order of priority:

(A) all Hold Orders shall be considered valid, but only up to and including the aggregate principal amount of RAMS held by such Existing Owner, and if the aggregate principal amount of RAMS subject to such Hold Orders exceeds the aggregate principal amount of RAMS held by such Existing Owner, the aggregate principal amount of RAMS subject to each such Hold Order shall

be reduced pro rata to cover the aggregate principal amount of Outstanding RAMS held by such Existing Owner.

(B) (1) any Bid shall be considered valid up to and including the excess of the principal amount of Outstanding RAMS held by such Existing Owner over the aggregate principal amount of RAMS subject to any Hold Orders referred to in clause (A) of this paragraph (v); (2) subject to subclause (1) of this clause (B), if more than one Bid with the same rate is submitted on behalf of such Existing Owner, and the aggregate principal amount of Outstanding RAMS subject to such Bids is greater than such excess, such Bids shall be considered valid up to and including the amount of such excess, and the stated amount of RAMS subject to each Bid with the same rate shall be reduced pro rata to cover the stated amount of RAMS equal to such excess; (3) subject to subclauses (1) and (2) of this clause (B), if more than one Bid with different rates is submitted on behalf of such Existing Owner, such Bids shall be considered valid first in the ascending order of their respective rates until the highest rate is reached at which such excess exists and then at such rate up to and including the amount of such excess; and (4) in any such event, the aggregate principal amount of Outstanding RAMS, if any, subject to Bids not valid under this clause (B) shall be treated as the subject of a Bid by a Potential Owner at the rate therein specified; and

(C) all Sell Orders shall be considered valid up to and including the excess of the principal amount of Outstanding RAMS held by such Existing Owner over the aggregate principal amount of RAMS subject to valid Hold Orders referred to in clause (A) of this paragraph (v) and valid Bids referred to in clause (B) of this paragraph (v).

(vi) If more than one Bid for RAMS is submitted on behalf of any Potential Owner, each Bid submitted shall be a separate Bid with the rate and principal amount therein specified.

(vii) An Existing Owner that offers to purchase additional RAMS is, for purposes of such offer, treated as a Potential Owner.

(viii) Any Bid or Sell Order submitted by an Existing Owner covering an aggregate principal amount of RAMS not equal to an Authorized Denomination shall be rejected and shall be deemed a Hold Order. Any Bid submitted by a Potential Owner covering an aggregate principal amount of RAMS not equal to an Authorized Denomination shall be rejected.

(ix) Any Bid specifying a rate higher than the Maximum Auction Rate will (A) be treated as a Sell Order if submitted by an Existing Owner and (B) not be accepted if submitted by a Potential Owner.

(x) Any Bid submitted by an Existing Owner or a Potential Owner specifying a rate lower than the All-Hold Rate shall be treated as a bid specifying the All-Hold Rate

and any such bid shall be considered as valid and shall be selected in the ascending order of their respective rates in the Submitted Bids.

(xi) Any Order submitted in an Auction by a Broker-Dealer to the Auction Agent before the Submission Deadline on any Auction Date shall be irrevocable.

(c) *Determination of Sufficient Clearing Bids, Auction Rate and Winning Bid Rate.*

(i) Not earlier than the Submission Deadline on each Auction Date, the Auction Agent shall assemble all valid Orders submitted or deemed submitted to it by the Broker-Dealers (each such Order as submitted or deemed submitted by a Broker-Dealer being hereinafter referred to individually as a *"Submitted Hold Order,"* a *"Submitted Bid"* or *"Submitted Sell Order,"* as the case may be, or as a *"Submitted Order"* and a collectively as *"Submitted Hold Orders," "Submitted Bids"* or *"Submitted Sell Orders,"* as the case may be, or as *"Submitted Orders"*) and shall determine:

(A) the excess of the total principal amount of Outstanding RAMS over the sum of the aggregate principal amount of Outstanding RAMS subject to Submitted Hold Orders (such excess being hereinafter referred to as the *"Available RAMS"*); and

(B) from such Submitted Orders whether (1) the aggregate principal amount of Outstanding RAMS subject to Submitted Bids by Potential Owners specifying one or more rates equal to or lower than the Maximum Rate; exceeds or is equal to the sum of: (2) the aggregate principal amount of Outstanding RAMS subject to the Submitted Bids by Existing Owners specifying one or more rates higher than the Maximum Auction Rate; and (3) the aggregate principal amount of Outstanding RAMS subject to Submitted Sell Orders; (in the event such excess or such equality exists, other than because all of the Outstanding RAMS are subject to Submitted Hold Orders, such Submitted Bids in subclause (1) above being hereinafter referred to collectively as *"Sufficient Clearing Bids"*); and

(C) if Sufficient Clearing Bids have been made, the lowest rate specified in such Submitted Bids (which shall be the *"Winning Bid Rate"*) such that if: (1)(aa) each such Submitted Bid from Existing Owners specifying such lowest rate and (bb) all other Submitted Bids from Existing Owners specifying lower rates, were rejected, thus entitling such Existing Owners to continue to hold the principal amount of RAMS subject to such Submitted Bids; and (2)(aa) each such Submitted Bid from Potential Owners specifying such lowest rate and (bb) all other Submitted Bids from Potential Owners specifying lower rates were accepted,

the result would be that such Existing Owners described in subclause (1) above would continue to hold an aggregate principal amount of Outstanding RAMS which, when added to the aggregate principal amount of Outstanding RAMS to be purchased by such

Potential Owners described in subclause (2) above, would equal not less than the Available RAMS.

(ii) Promptly after the Auction Agent has made the determinations pursuant to paragraph (i) of this subsection (c), the Auction Agent shall determine the Auction Rate for the next succeeding Auction Period as follows:

(A) if Sufficient Clearing Bids have been made, that the Auction Rate for the next succeeding Auction Period shall be equal to the Winning Bid Rate so determined;

(B) if Sufficient Clearing Bids have not been made (other than because of all the Outstanding RAMS are subject to Submitted Hold Orders), that the Auction Rate for the next succeeding Auction Period shall be equal to the Maximum Auction Rate; or

(C) if all Outstanding RAMS are subject to Submitted Hold Orders, that the Auction Rate for the next succeeding Auction Period shall be equal to the All-Hold Rate.

(iii) Promptly after the Auction Agent has determined the Auction Rate, the Auction Agent shall determine and advise the Trustee of the Auction Rate; provided, however, that in no event shall the Auction Rate exceed the Maximum Auction Rate, subject to the Maximum Rate.

(d) *Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of RAMS.* Existing Owners shall continue to hold the principal amount of RAMS that are subject to Submitted Hold Orders and based on determination made as described in paragraph (c)(i) above, Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Agent shall take such other action as set forth below:

(i) If Sufficient Clearing Bids have been made and the Maximum Auction Rate is equal to or greater than the Winning Bid Rate (in which case the Auction Rate shall be the Winning Bid Rate), all Submitted Sell Orders shall be accepted and, subject to the provisions of paragraphs (iv) and (v) of this subsection (d), Submitted Bids and Submitted Sell Orders shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) Existing Owners' Submitted Bids specifying any rate that is higher than the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to sell the aggregate principal amount of RAMS subject to such Submitted Bids;

(B) Existing Owners' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be rejected, thus entitling each such Existing

Owner to continue to hold the aggregate principal amount of RAMS subject to such Submitted Bids;

(C) Potential Owners' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring such Potential Owner to purchase the aggregate principal amount of RAMS subject to such Submitted Bids;

(D) each Existing Owners' Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be rejected, thus entitling such Existing Owner to continue to hold the aggregate principal amount of RAMS subject to such Submitted Bid, unless the aggregate principal amount of Outstanding RAMS subject to all such Submitted Bids shall be greater than the principal amount of RAMS (the "*remaining principal amount*") equal to the excess of the Available RAMS over the aggregate principal amount of RAMS subject to Submitted Bids described in clauses (B) and (C) of this paragraph (i), in which event such Submitted Bid of such Existing Owner shall be rejected in part, and such Existing Owner shall be entitled to continue to own the principal amount of RAMS subject to such Submitted Bid, but only in an amount equal to the aggregate principal amount of RAMS obtained by multiplying the remaining principal amount by a fraction the numerator of which shall be the principal amount of Outstanding RAMS held by such Existing Owner subject to such Submitted Bid and the denominator of which shall be the sum of the principal amount of Outstanding RAMS subject to such Submitted Bids made by all such Existing Owners that specified a rate equal to the Winning Bid Rate; and

(E) each Potential Owner's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be accepted but only in an amount equal to the principal amount of RAMS obtained by multiplying the excess of the aggregate principal amount of Available RAMS over the aggregate principal amount of RAMS subject to Submitted Bids described in clauses (B), (C) and (D) of this paragraph (i) by a fraction the numerator of which shall be the aggregate principal amount of Outstanding RAMS subject to such Submitted Bid and the denominator of which shall be the sum of the principal amounts of Outstanding RAMS subject to Submitted Bids made by all such Potential Owners that specified a rate equal to the Winning Bid Rate.

(ii) If Sufficient Clearing Bids have not been made (other than because all of the Outstanding RAMS are subject to Submitted Hold Orders), or if the Maximum Auction Rate is less than the Winning Bid Rate (in which case the Auction Rate shall be Maximum Auction Rate), or if the Maximum Rate applies, subject to the provisions of paragraph (iv) of this subsection (d), Submitted Orders shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) Existing Owners' Submitted Bids specifying any rate that is equal to or lower than the Maximum Auction Rate shall be rejected, thus entitling such

Existing Owners to continue to hold the aggregate principal amount of RAMS subject to such Submitted Bids;

(B) Potential Owners' Submitted Bids specifying (1) any rate that is equal to or lower than the Maximum Auction Rate shall be accepted, thus requiring each Potential Owner to purchase the aggregate principal amount of RAMS subject to such Submitted Bids and (2) any rate that is higher than the Maximum Auction Rate shall be rejected; and

(C) Each Existing Owner's Submitted Bid specifying any rate that is higher than the Maximum Auction Rate and the Submitted Sell Order of each Existing Owner shall be accepted, thus entitling each Existing Owner that submitted any such Submitted Bid or Submitted Sell Order to sell the RAMS subject to such Submitted Bid or Submitted Sell Order, but in both cases only in an amount equal to the aggregate principal amount of RAMS obtained by multiplying the aggregate principal amount of RAMS subject to Submitted Bids described in clause (B)(1) of this paragraph (ii) by a fraction the numerator of which shall be the aggregate principal amount of Outstanding RAMS held by such Existing Owner subject to such Submitted Bid or Submitted Sell Order and the denominator of which shall be the aggregate principal amount of Outstanding RAMS subject to all such Submitted Bids and Submitted Sell Orders.

(iii) If all Outstanding RAMS are subject to Submitted Hold Orders, all Submitted Bids shall be rejected.

(iv) If, as a result of the procedures described in paragraph (i) or (ii) of this subsection (d), any Existing Owner would be entitled or required to sell, or any Potential Owner would be entitled or required to purchase, a principal amount of RAMS that is not equal to an Authorized Denomination the Auction Agent shall, in such manner as it shall, in its sole discretion, determine, round up or down the principal amount of RAMS to be purchased or sold by any Existing Owner or Potential Owner so that the principal amount of RAMS purchased or sold by each Existing Owner or Potential Owner shall be equal to an Authorized Denomination, even if such allocation results in one or more of such Potential Owners not purchasing any RAMS.

(v) If, as a result of the procedures described in paragraph (i) or (ii) of this subsection (d), any Potential Owner would be entitled or required to purchase less than an Authorized Denomination of RAMS, the Auction Agent shall, in such manner as in its sole discretion it shall determine, allocate RAMS for purchase among Potential Owners so that only RAMS in Authorized Denominations are purchased by any Potential Owner, even if such allocation results in one or more of such Potential Owners not purchasing any RAMS.

(e) Based on the results of each Auction, the Auction Agent shall determine the aggregate principal amount of RAMS to be purchased and the aggregate principal amount of RAMS to be sold by Potential Owners and Existing Owners on whose behalf each Broker-Dealer submitted Bids or Sell Orders and, with respect to each Broker-Dealer, to the extent that such

aggregate principal amount of RAMS to be sold differs from such aggregate principal amount of RAMS to be purchased, determine to which other Broker-Dealer or Broker-Dealers acting for one or more purchasers such Broker-Dealer shall deliver, or from which other Broker-Dealer or Broker-Dealers acting for one or more sellers such Broker-Dealer shall receive, as the case may be, RAMS.

(f) Any calculation by the Auction Agent or the Trustee, as applicable, of the Auction Rate, Maximum Auction Rate, All Hold Rate and Overdue Rate shall, in the absence of manifest error, be binding on all other parties.

(g) Notwithstanding anything to the contrary, if any RAMS or portion thereof have been selected for redemption during the next succeeding Auction Period, such RAMS or portion thereof will not be included in the Auction preceding such Redemption Date, and will continue to bear interest until the Redemption Date at the rate established for the Auction Period prior to said Auction.

APPENDIX H

OKLAHOMA STUDENT LOAN AUTHORITY
RESET AUCTION MODE SECURITIES, SERIES 2000A-1, SERIES 2000A-2 AND SERIES 2000A-3

SETTLEMENT PROCEDURES

Unless defined herein, capitalized terms used herein shall have the respective meanings specified in Appendix G of this Official Statement.

(a) Not later than 3:00 p.m. on each Auction Date, the Auction Agent is required to notify by telephone the Broker-Dealers that participated in the Auction held on such Auction Date and submitted an Order on behalf of any Existing Owner or Potential Owner of:

(i) the Auction Rate fixed for the next Interest Period;

(ii) whether there were Sufficient Clearing Bids in such Auction;

(iii) if such Broker-Dealer (a *"Seller's Broker-Dealer"*) submitted a Bid or a Sell Order on behalf of an Existing Owner, whether such Bid or Sell Order was accepted or rejected, in whole or in part, and the principal amount of RAMS, if any, to be sold by such Existing Owner;

(iv) if such Broker-Dealer (a *"Buyer's Broker-Dealer"*) submitted a Bid on behalf of a Potential Owner, whether such Bid was accepted or rejected, in whole or in part, and the principal amount of RAMS, if any, to be purchased by such Potential Owner;

(v) if the aggregate principal amount of RAMS to be sold by all Existing Owners on whose behalf such Broker-Dealer submitted Bids or Sell Orders if different than the aggregate principal amount of RAMS to be purchased by all Potential Owners on whose behalf such Broker-Dealer submitted a Bid, the name or names of one or more other Buyer's Broker-Dealers (and the Participant, if any, of each such other Buyer's Broker-Dealer) acting for one or more purchasers of such excess principal amount of RAMS and the principal amount of RAMS to be purchased from one or more Existing Owners on whose behalf such Broker-Dealers acted by one or more Potential Owners on whose behalf each of such other Buyer's Broker-Dealers acted;

(vi) if the principal amount of RAMS to be purchased by all Potential Owners on whose behalf such Broker-Dealer submitted a Bid exceeds the amount of RAMS to be sold by all Existing Owners on whose behalf such Broker-Dealer submitted a Bid or a Sell Order, the name or names of one or more Seller's Broker-Dealers (and the name of the Participant, if any, of each such Seller's Broker-Dealer) acting for one or more sellers of such excess principal amount of RAMS and the principal amount of RAMS to be sold

to one or more Potential Owners on whose behalf such Broker-Dealer acted by one or more Existing Owners on whose behalf of each of such Seller's Broker-Dealers acted;

(vii) unless previously provided, a list of all Auction Rates and related Interest Periods (or portions thereof) since the last Interest Payment Date; and

(viii) the Auction Date for the next succeeding Auction.

(b) On each Auction Date, each Broker-Dealer that submitted an Order on behalf of any Existing Owner or Potential Owner shall:

(i) advise each Existing Owner and Potential Owner on whose behalf such Broker-Dealer submitted a Bid or Sell Order in the Auction on such Auction Date whether such Bid or Sell Order was accepted or rejected, in whole or in part;

(ii) instruct each Potential Owner on whose behalf such Broker-Dealer submitted a Bid that was accepted, in whole or in part, to instruct such Bidder's Participant to pay to such Broker-Dealer (or its Participant) through the Securities Depository the amount necessary, including accrued interest, if any, to purchase the principal amount of RAMS to be purchased pursuant to such Bid against receipt of such principal amount of RAMS;

(iii) in the case of a Broker-Dealer that is a Seller's Broker-Dealer, instruct each Existing Owner on whose behalf such Broker-Dealer submitted a Sell Order that was accepted, in whole or in part, or a Bid that was accepted, in whole or in part, to instruct such Existing Owner's Participant to deliver to such Broker-Dealer (or its Participant) through the Securities Depository the principal amount of RAMS to be sold pursuant to such Bid or Sell Order against payment therefor;

(iv) advise each Existing Owner on whose behalf such Broker-Dealer submitted an Order and each Potential Owner on whose behalf such Broker-Dealer submitted a Bid of the Auction Rate for the next Interest Period;

(v) advise each Existing Owner on whose behalf such Broker-Dealer submitted an Order of the next Auction Date; and

(vi) advise each Potential Owner on whose behalf such Broker-Dealer submitted a Bid that was accepted, in whole or in part, of the next Auction Date.

(c) On the basis of the information provided to it pursuant to paragraph (a) above, each Broker-Dealer that submitted a Bid or Sell Order in an Auction is required to allocate any funds received by it pursuant to paragraph (b)(ii) above, and any RAMS received by it pursuant paragraph (b)(iii) above, among the Potential Owners, if any, on whose behalf such Broker-Dealer submitted Bids, the Existing Owners, if any, on whose behalf such Broker-Dealer submitted Bids or Sell Orders in such Auction, and any Broker-Dealers identified to it by the Auction Agent following such Auction pursuant to paragraph (a)(v) or (a)(vi) above.

(d) On each Auction Date:

(i) each Potential Owner and Existing Owner with an Order in the Auction on such Auction Date shall instruct its Participant as provided in (b)(ii) or (b)(iii) above, as the case may be;

(ii) each Seller's Broker-Dealer that is not a Participant in the Securities Depository shall instruct its Participant to (A) pay through the Securities Depository to the Participant of the Existing Owner delivering RAMS to such Broker-Dealer following such Auction pursuant to (b)(iii) above the amount necessary, including accrued interest, if any, to purchase such RAMS against receipt of such RAMS, and (B) deliver such RAMS through the Securities Depository to a Buyer's Broker-Dealer (or its Participant) identified to such Seller's Broker-Dealer pursuant to (a)(v) above against payment therefor; and

(iii) each Buyer's Broker-Dealer that is not a Participant in the Securities Depository shall instruct its Participant to (A) pay through the Securities Depository to a Seller's Broker-Dealer (or its Participant) identified following such Auction pursuant to (a)(vi) above the amount necessary, including accrued interest, if any, to purchase the RAMS to be purchased pursuant to (b)(ii) above against receipt of such RAMS, and (B) deliver such RAMS through the Securities Depository to the Participant of the purchaser thereof against payment therefor.

(e) On the first Business Day of the Interest Period next succeeding each Auction Date:

(i) each Participant for a Bidder in a Auction on such Auction Date referred to in (d)(i) above shall instruct the Securities Depository to execute the transactions described under (b)(ii) or (b)(iii) above for such Auction, and the Securities Depository shall execute such transactions;

(ii) each Seller's Broker-Dealer or its Participant shall instruct the Securities Depository to execute the transactions described in (d)(ii) above for such Auction, and the Securities Depository shall execute such transactions; and

(iii) each Buyer's Broker-Dealer or its Participant shall instruct the Securities Depository to execute the transactions described in (d)(iii) above for such Auction, and the Securities Depository shall execute such transactions.

(f) If an Existing Owner selling RAMS in an Auction fails to deliver such RAMS (by authorized book-entry), a Broker-Dealer may deliver to the Potential Owner on behalf of which it submitted a Bid that was accepted a principal amount of RAMS that is less than the principal amount of RAMS that otherwise was to be purchased by such Potential Owner. In such event, the principal amount of RAMS to be so delivered shall be determined solely by such Broker-Dealer. Delivery of such lesser principal amount of RAMS shall constitute good delivery. Notwithstanding the foregoing terms of this paragraph (f), any delivery or nondelivery of RAMS which shall represent any departure from the results of an Auction, as determined by the Auction Agent, shall be of no effect unless and until the Auction Agent shall have been notified of such delivery or nondelivery in accordance with the provisions of the Auction Agent and the Broker-Dealer Agreement.

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APPENDIX I

OKLAHOMA STUDENT LOAN AUTHORITY
RESET AUCTION MODE SECURITIES, SERIES 2000A-1, SERIES 2000A-2
AND SERIES 2000A-3

FORM OF MASTER PURCHASER'S LETTER

Relating to Reset Auction Mode Securities — RAMS™

To: The Company
The Auction Agent
A Broker-Dealer
A Participant
Other Persons

1. This letter is designed to apply to auctions for publicly or privately offered Reset Auction Mode Securities — RAMS™ (*"RAMS"*) of any issuer (the *"Company"*) which securities are described in any final prospectus or other offering materials relating to such RAMS as the same may be amended or supplemented (collectively, with respect to the particular RAMS concerned, the *"Prospectus"*) and which involve periodic rate settings through auctions (*"Auctions"*). This letter shall be for the benefit of the Company and any trust company or auction agent (collectively, *"trust company"*), broker-dealer, agent member, securities depository or other interested person in connection with RAMS and related Auctions (it being understood that such persons may be required to execute specified agreements and nothing herein shall alter such requirements). The terminology used herein is intended to be general in its application and not to exclude any RAMS in respect of which (in the Prospectus or otherwise) alternative terminology is used.

2. We may from time to time offer to purchase, purchase, offer to sell and/or sell RAMS of the Company as described in the Prospectus relating thereto. We agree that this letter shall apply to all such purchases, sales and offers and to RAMS owned by us. We understand that the interest rate on RAMS may be based from time to time on the results of Auctions as set forth in the Prospectus.

3. We agree that any bid or sell order placed by us shall constitute an irrevocable offer by us to purchase or sell RAMS subject to such bid or sell order, or such lesser amount of RAMS as we shall be required to sell or purchase as a result of such Auction, at the applicable price, all as set forth in the Prospectus, and that if we fail to place a bid or sell order with respect to RAMS owned by us with a broker-dealer on any auction date, or a broker-dealer to which we communicate a bid or sell order fails to submit such bid or sell order to the trust company concerned, we shall be deemed to have placed a hold order with respect to such RAMS as described in the Prospectus. We authorize any broker-dealer that submits a bid or sell order as our agent in Auctions to execute contracts for the sale of RAMS covered by such bid or sell

order. We recognize that the payment by such broker-dealer for RAMS purchased on our behalf shall not relieve us of any liability to such broker-dealer for payment for such RAMS.

4. We agree that, during the applicable period as described in the Prospectus, dispositions of RAMS can be made only in the denominations set forth in the Prospectus and we will sell, transfer or otherwise dispose of any RAMS held by us from time to time only pursuant to a bid or sell order placed in an Auction, to or through a broker-dealer or, when permitted in the Prospectus, to a person that has signed and delivered, or caused to be delivered on its behalf, to the applicable trust company a letter substantially in the form of this letter (or other applicable purchaser's letter), *provided* that in the case of all transfers, other than pursuant to Auctions, we or our broker-dealer or our agent member shall advise such trust company of such transfer. We understand that a restrictive legend will be placed on certificates representing the RAMS and stop-transfer instructions will be issued to the transfer agent and/or registrar, all as set forth in the Prospectus. We agree to comply with any other transfer restrictions or other related procedures as described in the Prospectus.

5. We agree that, during the applicable period as described in the Prospectus, ownership of RAMS shall be represented by a global certificate registered in the name of the applicable securities depository or its nominee, that we will not be entitled to receive any certificate representing RAMS and that our ownership of any RAMS will be maintained in book-entry form by the securities depository for the account of our agent member which in turn will maintain records of our beneficial ownership. We authorize and instruct our agent member to disclose to the applicable trust company such information concerning our beneficial ownership of any RAMS as such trust company shall request.

6. We acknowledge that partial deliveries of RAMS purchased in Auctions may be made to us and such deliveries shall constitute good delivery as set forth in the Prospectus.

7. This letter is not a commitment by us to purchase any RAMS.

8. This letter supersedes any prior-dated version of this master purchaser's letter and supplements any prior or post-dated purchaser's letter specific to particular RAMS; any recipient of this letter may rely upon it until such recipient has received a signed writing amending or revoking this letter.

9. The descriptions of Auction procedures set forth in each applicable Prospectus are incorporated by reference herein and, in case of any conflict between this letter and any such description, such description shall control.

10. Any photocopy or other reproduction of this letter shall be deemed of equal effect as a signed original.

11. Our agent member of the securities depository currently is _____.

12. Our personnel authorized to place orders with broker-dealers for the purposes set forth in the Prospectus in Auctions currently is/are _____.


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