

**NEW ISSUE
BOOK ENTRY ONLY**

**RATINGS:
(See "RATINGS" herein)**

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 2019 Bonds is excludable from gross income for federal income tax purposes. However, in the opinion of Bond Counsel, interest on the Series 2019 Bonds is a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that, under the laws of the State of Maine existing on the date of original delivery of the Series 2019 Bonds, interest on the Series 2019 Bonds is exempt from taxation by the State of Maine. For a more complete description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

\$42,400,000



**FINANCE AUTHORITY OF MAINE
STUDENT LOAN REVENUE BONDS, CLASS A SERIES 2019A-1
(SUPPLEMENTAL EDUCATION LOAN PROGRAM)**

Dated: Date of Issuance

Due: December 1 as shown on the inside cover

The Finance Authority of Maine (the "Authority"), a body corporate and politic and a public instrumentality of the State of Maine (the "State") organized under the Finance Authority of Maine Act, Title 10, Chapter 110 of the Maine Revised Statutes, as amended (the "Act"), will issue its Student Loan Revenue Bonds (Supplemental Education Loan Program), Class A Series 2019A-1 (the "Series 2019 Bonds"), pursuant to the provisions of the Act, the Maine Educational Loan Program Act, Title 20-A, Chapter 417-A of the Maine Revised Statutes, as amended, and an Indenture of Trust, dated as of May 1, 2009, as previously amended and supplemented, and a Twelfth Supplemental Indenture of Trust, dated as of May 1, 2019 (collectively, the "Indenture"), each between the Authority and Zions Bancorporation, National Association, as trustee (the "Trustee").

The Series 2019 Bonds will bear interest at the fixed rates per annum and mature in the amounts and on the dates set forth on the inside cover page hereof. The Series 2019 Bonds will bear interest from their date of delivery and interest will be payable on each June 1 and December 1, commencing on December 1, 2019.

The Series 2019 Bonds are issuable only as fully registered bonds and when issued will be registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2019 Bonds. Purchasers of the Series 2019 Bonds will not receive certificates representing their beneficial ownership interests in the Series 2019 Bonds. Purchases and sales by the beneficial owners of the Series 2019 Bonds will be made in book-entry form in the principal amount of \$5,000 and any integral multiple thereof. Payments of principal, redemption price and interest with respect to the Series 2019 Bonds are to be made directly to DTC by the Trustee or its successor, so long as DTC or Cede & Co. is the registered owner of such Series 2019 Bonds. Disbursement of such payments to DTC Participants (as defined herein) is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants as more fully described herein. See "DESCRIPTION OF THE SERIES 2019 BONDS—Book-Entry System."

Certain of the Series 2019 Bonds are subject to optional redemption, mandatory redemption from excess revenues under the Indenture, mandatory sinking fund redemption and mandatory redemption to the extent that certain proceeds of the Series 2019 Bonds are not used to finance eligible loans approved by the end of the origination period (unless extended as described herein). See "DESCRIPTION OF THE SERIES 2019 BONDS—Redemption."

The scheduled payment of principal of and interest on the Series 2019 Bonds when due will be guaranteed under a financial guaranty insurance policy to be issued concurrently with the delivery of the Series 2019 Bonds by Assured Guaranty Corp. ("Assured Guaranty").



See "BOND INSURANCE."

THE SERIES 2019 BONDS WILL BE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM, AND FURTHER SECURED BY, THE TRUST ESTATE PLEDGED THERETO UNDER THE INDENTURE AND FURTHER DESCRIBED HEREIN. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE AUTHORITY TO THE EXTENT PROVIDED IN THE INDENTURE) WILL BE OBLIGATED TO PAY THE PRINCIPAL OF OR THE INTEREST ON THE SERIES 2019 BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR THE INTEREST ON THE SERIES 2019 BONDS. THE ISSUANCE OF THE SERIES 2019 BONDS WILL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATSOEVER OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE SERIES 2019 BONDS. THE SERIES 2019 BONDS WILL NOT CONSTITUTE OR GIVE RISE TO A PERSONAL OR PECUNIARY LIABILITY OR CHARGE AGAINST THE OFFICERS, EMPLOYEES, AGENTS, MEMBERS OR DIRECTORS OF THE AUTHORITY OR AGAINST THE GENERAL CREDIT OR REVENUE OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

The Trust Estate includes the Capital Reserve Fund created under the Indenture. On the Date of Issuance, the Capital Reserve Fund will be funded with a cash deposit and the deposit of a reserve fund financial guaranty insurance policy issued by Assured Guaranty, all as more fully described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Pledged Funds—Capital Reserve Fund."

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. INVESTORS MUST READ THIS ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2019 Bonds are offered when, as and if issued by the Authority and received by the Underwriter, subject to the approval of legality by Kutak Rock LLP, Bond Counsel. Certain legal matters will be passed upon for the Authority by its General Counsel, Christopher Roney; for Assured Guaranty by an internal counsel to Assured Guaranty; and for the Underwriter by its counsel, Womble Bond Dickinson (US) LLP. S L Capital Strategies LLC has acted as financial advisor to the Authority. It is expected that the Series 2019 Bonds will be delivered through the facilities of DTC, New York, New York, on or about May 30, 2019.

BofA Merrill Lynch

ADDITIONAL INFORMATION CONTINUED FROM THE COVER PAGE

**\$42,400,000
FINANCE AUTHORITY OF MAINE
STUDENT LOAN REVENUE BONDS, CLASS A SERIES 2019A-1
(SUPPLEMENTAL EDUCATION LOAN PROGRAM)**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIP
NUMBERS**

\$35,025,000 Serial Bonds

Maturity Date (December 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP® No. †
2020	\$1,420,000	5.000%	2.000%	104.419%	56042T BH0
2021	1,605,000	5.000	2.060	107.135	56042T BJ6
2022	2,270,000	5.000	2.130	109.637	56042T BK3
2023	2,545,000	5.000	2.200	111.940	56042T BL1
2024	2,920,000	5.000	2.260	114.102	56042T BM9
2025	3,020,000	5.000	2.320	116.090	56042T BN7
2026	2,930,000	5.000	2.430	117.529	56042T BP2
2027	2,935,000	5.000	2.520	118.874	56042T BQ0
2028	2,905,000	5.000	2.600*	119.153	56042T BR8
2029	2,330,000	3.000	2.960*	100.314	56042T BS6
2030	2,210,000	3.000	3.060	99.421	56042T BT4
2031	2,065,000	3.000	3.170	98.256	56042T BU1
2032	2,005,000	3.125	3.290	98.212	56042T BV9
2033	2,035,000	3.250	3.330	99.085	56042T BW7
2034	1,830,000	3.250	3.360	98.679	56042T BX5

\$7,375,000 Student Loan Revenue Bonds, Class A Series 2019A-1 Term Bonds
3.500% due December 1, 2039, Yield 3.590%, Price 98.701%, CUSIP® No. 56042T BY3†**

† Copyright 2019, CUSIP Global Services. CUSIP is a registered trademark of the American Bankers Association. Data herein is provided by CUSIP Global Services which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the Series 2019 Bonds and the Authority and the Underwriter do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future.

* Yield to June 1, 2028 call date at par.

** Subject to mandatory sinking fund redemption as described herein.

Merrill Lynch, Pierce, Fenner & Smith Incorporated, or any successor thereto, is the underwriter (the “Underwriter”) for the Series 2019 Bonds. The Underwriter has provided the following statement for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

No dealer, broker, salesman or other person has been authorized by the Authority or the Underwriter 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 either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of, the Series 2019 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 Servicer (as defined herein), Assured Guaranty and other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter or its counsel. The Underwriter and its counsel have made no independent verification of the information contained herein relating to the Authority, the Servicer or Assured Guaranty. 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, the Servicer or Assured Guaranty since the date of this Official Statement. This Official Statement does not constitute a contract between the Authority, or the Underwriter, and any one or more of the Registered Owners of the Series 2019 Bonds.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

UPON ISSUANCE, THE SERIES 2019 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933 AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE, OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED ON THE ACCURACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2019 BONDS FOR SALE. THE INDENTURE WILL NOT BE QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939.

The Trustee did not participate in the preparation of this Official Statement and makes no representations concerning the Series 2019 Bonds, the collateral or any other matter stated in this Official Statement. The Trustee has no duty or obligation to pay the Series 2019 Bonds from its own funds, assets or corporate capital.

Assured Guaranty makes no representation regarding the Series 2019 Bonds or the advisability of investing in the Series 2019 Bonds. In addition, Assured Guaranty has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding Assured Guaranty supplied by Assured Guaranty and presented under the heading “BOND INSURANCE” herein, in “APPENDIX B—FORM

OF 2019 BOND INSURANCE POLICY” hereto and in “APPENDIX C—FORM OF 2019 CAPITAL RESERVE FUND INSURANCE POLICY” hereto.

FORWARD-LOOKING STATEMENTS

Certain statements contained in or incorporated by reference into this Official Statement are “forward-looking statements” and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Matters discussed in or incorporated by reference into this Official Statement that relate to events or developments that are expected to occur in the future constitute forward-looking statements. Forward-looking statements are based on management’s beliefs, assumptions and expectations of future economic performance, taking into account the information currently available to management. These statements may be identified by the use of words like “plans,” “expects,” “aims,” “believes,” “projects,” “anticipates,” “intends,” “estimates,” “will,” “should,” “could” and other expressions that indicate future events and trends.

Forward-looking statements speak only as of the date of the document in which they are made. The Authority disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances on which the forward-looking statement is based.

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to the complete information contained elsewhere in this Official Statement. The offering of the Series 2019 Bonds to potential investors is made only by means of this entire Official Statement. No persons are authorized to detach this Summary Statement from this Official Statement or otherwise to use it without this entire Official Statement. All capitalized terms used herein and not otherwise defined are defined under “DEFINITIONS” in Appendix A hereto.

The Authority

Finance Authority of Maine (the “Authority”) is a body corporate and politic and a public instrumentality of the State of Maine (the “State”), organized under the Finance Authority of Maine Act, Title 10, Chapter 110 of the Maine Revised Statutes, as amended (the “Act”). The Authority was established in 1983. In October of 2015, the Authority became the successor to the Maine Educational Loan Authority under the Maine Educational Loan Program Act, Title 20-A, Chapter 417-A of the Maine Revised Statutes, as amended (the “Educational Loan Program Act”), and, as successor, assumed all of the liabilities of the Maine Educational Loan Authority. Under the Act and the Educational Loan Program Act, the Authority is authorized to issue revenue bonds to provide funding for education loans. See “THE AUTHORITY.”

Title of the Securities

The Authority will issue its Student Loan Revenue Bonds (Supplemental Education Loan Program), Class A Series 2019A-1 (the “Series 2019 Bonds”), pursuant to the provisions of the Act, the Educational Loan Program Act and an Indenture of Trust, dated as of May 1, 2009, as supplemented and amended, including a Twelfth Supplemental Indenture of Trust, dated as of May 1, 2019 (collectively, the “Indenture”), each between the Authority and Zions Bancorporation, National Association, as trustee (the “Trustee”). The Series 2019 Bonds, collectively with bonds previously issued under the Indenture and any additional bonds that may be issued pursuant to the Indenture in the future, are referred to herein as the “Bonds.”

Purpose

The Series 2019 Bonds are being issued to (a) refund all of the Authority’s outstanding Student Loan Revenue Bonds (Supplemental Education Loan Program), Class A Series 2009A-1, Series 2009A-2 and Series 2009A-3 (collectively, the “Refunded Bonds”), (b) finance Eligible Loans made or acquired under the Authority’s Program and (c) pay the costs incurred in connection with the issuance thereof. See “THE AUTHORITY’S STUDENT LOAN PROGRAM” and “ESTIMATED SOURCES AND USES OF FUNDS.”

Outstanding Bonds under Indenture

The Series 2019 Bonds are being issued as Additional Bonds, as hereinafter defined, and upon issuance will be on a parity with the Authority’s Student Loan Revenue Bonds (Supplemental Education Loan Program), Class A (i) Series 2010A-1, currently outstanding in the amount of \$8,510,000 (the “Series 2010 Bonds”), (ii) Series 2012A-1 currently outstanding in the amount of \$8,340,000 (the “Series 2012 Bonds”), (iii) Series 2014A-1 currently outstanding in the amount of

\$8,775,000 (the “Series 2014 Bonds”), (iv) Series 2017A-1 currently outstanding in the amount of \$10,000,000 (the “Series 2017 Bonds”) and (v) Series 2018A-1 currently outstanding in the amount of \$10,000,000 (the “Series 2018 Bonds”). The Refunded Bonds, in the principal amount of \$33,670,000, will be refunded with a portion of the proceeds of the Series 2019 Bonds and other available moneys, and will no longer be Outstanding under the Indenture upon the issuance of the Series 2019 Bonds. Upon the refunding of the Refunded Bonds, all Financed Eligible Loans financed with proceeds of, or with recycling amounts with respect to, the Refunded Bonds will be deemed to be Financed Eligible Loans financed with proceeds of, or with recycling amounts with respect to, the Series 2019 Bonds.

Source of Revenue and Security

The Bonds, including the Series 2019 Bonds, will be special, limited obligations of the Authority. The Bonds, including the Series 2019 Bonds, are payable solely from the Trust Estate, as described herein, pledged thereto under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

Financial Guaranty Insurance Policy

Assured Guaranty Corp. (the “2019 Bond Insurer” or “Assured Guaranty”) has issued a commitment for a financial guaranty insurance policy (the “2019 Bond Insurance Policy”) to be issued concurrently with the delivery of the Series 2019 Bonds to guarantee the payment of the regularly scheduled principal of and interest on the Series 2019 Bonds. See “BOND INSURANCE.” The Indenture permits the 2019 Bond Insurer to take certain actions without the consent of, or in lieu of, the Registered Owners of the Series 2019 Bonds, including actions bearing upon the enforcement of remedies under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Certain Rights of the Series 2019 Bond Insurer.” Assured Guaranty has previously issued financial guaranty insurance policies to guarantee the payment of the regularly scheduled principal of and interest on the previously issued Bonds Outstanding under the Indenture.

Priority

The Series 2019 Bonds will be issued as Class A Bonds under the Indenture payable on an equal priority, subject to the provisions of the Indenture, with any other Class A Obligations that have been or may be incurred under the Indenture, including the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds and the Series 2018 Bonds. “Class A Obligations” include all Class A Bonds now Outstanding or hereafter issued under the Indenture and all amounts owing under any Derivative Product (with exceptions for certain payments upon termination), Credit Facility or Liquidity Facility, the priority of payment of which is, subject to the provisions of the Indenture, equal with that of Class A Bonds. The Indenture also permits, subject to certain conditions, the issuance of Class B Bonds and Class C Bonds, all of which are secured on a basis subordinate to Class A Bonds. No Class B Bonds or Class C Bonds have been issued. See “ISSUANCE OF ADDITIONAL BONDS AND OTHER OBLIGATIONS.”

Capital Reserve Fund

The Trust Estate securing the Series 2019 Bonds includes the Capital Reserve Fund created under the Indenture. On the Date of Issuance, a deposit equal to the Capital Reserve Fund Requirement for the Series 2019 Bonds will be made to the Capital Reserve Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Pledged Funds—*Capital Reserve Fund*.” The “Capital Reserve Fund Requirement” means, with respect to the Series 2019 Bonds in any calendar year, the amount of principal and interest coming due on the Series 2019 Bonds in each respective calendar year. The Capital Reserve Fund will be funded to the Capital Reserve Fund Requirement with a cash deposit in the amount of \$424,000 from amounts presently on deposit in the Capital Reserve Fund allocable to the Refunded Bonds, with the remainder funded by a deposit of a reserve fund financial guaranty insurance policy (the “2019 Capital Reserve Fund Insurance Policy”) issued by Assured Guaranty (the “2019 Capital Reserve Fund Insurance Policy Provider”). Those amounts and that policy may only be used to pay principal of and interest on the Series 2019 Bonds. See “BOND INSURANCE” and “APPENDIX C—FORM OF 2019 CAPITAL RESERVE FUND INSURANCE POLICY” hereto. The Capital Reserve Fund was also funded by cash and reserve fund financial guaranty insurance policies issued by Assured Guaranty with respect to all of the previously issued Bonds Outstanding under the Indenture. Those amounts and those policies are not available to pay principal of and interest on the Series 2019 Bonds.

Series 2019 Capital Reserve Fund Agreement

Pursuant to Section 11424 of the Educational Loan Program Act and the Series 2019 Capital Reserve Fund Agreement dated as of May 1, 2019 (the “2019 Capital Reserve Fund Agreement”), between the Authority and the Trustee, certain additional funds may be made available by the State for the payment of principal of and interest on the Series 2019 Bonds or the reimbursement of the 2019 Capital Reserve Fund Insurance Policy Provider for any draws under the 2019 Capital Reserve Fund Insurance Policy. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Capital Reserve Fund Agreement for Series 2019 Bonds.”

Eligible Loans

Eligible Loans made with proceeds of the Series 2019 Bonds will be either Maine Loans or Maine Medical Loans. While the Authority also has a Maine Consolidation Loan product, no Maine Consolidation Loans are expected to be made with the proceeds of the Series 2019 Bonds. Eligible Loans must (a) be originated or acquired by the Authority pursuant to the rules adopted by the Authority in accordance with the Act, the Educational Loan Program Act and the Maine Administrative Procedure Act (collectively, the “Rules”) and the Indenture as described herein; (b) be made to an Eligible Borrower, as defined herein; (c) be used to finance education at an Eligible Institution, as defined herein; (d) be described or permitted in Section 144(b)(1)(B) of the Internal Revenue Code of 1986, as amended (the “Code”); (e) be evidenced by a promissory note or credit agreement that has been executed by an Eligible Borrower and duly endorsed to the Authority, without recourse to the endorser, or, in lieu thereof,

assigned to the same effect; (f) be a legal, valid and binding obligation of the Eligible Borrower, enforceable in accordance with its terms; and (g) in the case of (i) any Eligible Loan which is originated by the Authority under the Indenture, meet the Underwriting Standards described herein; and (ii) any Eligible Loan which has been refinanced by the Authority under the Indenture, meet the Underwriting Standards pursuant to which such loan was originally originated as described herein. See “THE AUTHORITY’S STUDENT LOAN PROGRAM.” The Financed Eligible Loans will not be guaranteed under the Higher Education Act of 1965 or any federal student loan program.

Certain information as of the statistical cut-off date of March 31, 2019 (the “Statistical Cut-Off Date”) concerning \$76,136,963 in aggregate principal amount of existing Eligible Loans currently held under the Indenture is described in this Official Statement. See “LOAN PORTFOLIO INFORMATION AND ASSUMPTIONS.” It is anticipated that approximately \$12,770,000 in aggregate principal amount of new Eligible Loans will be originated with a portion of the proceeds of the Series 2019 Bonds (including any original issue premium) during the period from the Date of Issuance of the Series 2019 Bonds to and including July 1, 2020, or such later date as may be permitted by a Rating Agency Condition and with the prior written consent of Assured Guaranty (the “Origination Period”). Additional Eligible Loans are expected to be financed with approximately \$500,000 of remaining proceeds from the Series 2018 Bonds and may also be financed with the proceeds from the sale of Additional Bonds, as hereinafter defined, or during a Recycling Period as described herein, and the additional Eligible Loans together with the current Eligible Loans will secure all Series of Bonds issued pursuant to the Indenture. As a result, the characteristics of the Eligible Loans held in the Trust Estate will change upon the issuance of the Series 2019 Bonds, the use of the remaining proceeds available from the Series 2018 Bonds and, if Additional Bonds are issued, the use of the proceeds of such Additional Bonds. The “Rating Agency Condition” means (a) a letter from each Rating Agency, other than S&P, then designated as a Rating Agency for any of the Bonds at the request of the Authority, confirming that the action proposed to be taken by the Authority will not, in and of itself, result in a downgrade of any of the Ratings then applicable to the Bonds, or cause such Rating Agency to suspend or withdraw the Ratings then applicable to the Bonds, in each case, without giving effect to any Credit Facility, including the 2019 Bond Insurance Policy, and (b) with respect to S&P, if then designated as a Rating Agency for any of the Bonds at the request of the Authority, the Authority shall provide prior written notice to S&P at least 10 calendar days prior to the action proposed to be taken by the Authority.

Interest and Maturity

The Series 2019 Bonds will bear interest at the fixed rates per annum and mature in the amounts and on the dates set forth on the inside cover page hereof. The Series 2019 Bonds will bear interest from their date of delivery and interest will be payable on each June 1 and December 1, commencing on December 1, 2019 and each Maturity (the “Interest

Payment Dates”). Interest on the Series 2019 Bonds will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Redemption

The Series 2019 Bonds maturing on or after December 1, 2028 are subject to optional redemption prior to their respective maturities on any Interest Payment Date on or after June 1, 2028. The Series 2019 Bonds maturing on and after December 1, 2029 are subject to mandatory redemption from certain excess revenues available for that purpose under the Indenture on any date on or after June 1, 2020. The Series 2019 Bonds maturing on and after December 1, 2029 are also subject to mandatory redemption to the extent that any original proceeds of the Series 2019 Bonds deposited in the Tax-Exempt Student Loan Account as described in this Official Statement under “ESTIMATED SOURCES AND USES OF FUNDS” are not used to finance Eligible Loans approved by the end of the Origination Period (July 1, 2020, unless extended as described herein). In addition, the Series 2019 Bonds maturing on December 1, 2039 are subject to mandatory sinking fund redemptions as described herein. All redemptions of the Series 2019 Bonds described herein will result in the payment to the Registered Owner of a Redemption Price equal to the principal amount of the Series 2019 Bonds being redeemed, without premium, plus accrued interest, if any, to the redemption date. See “DESCRIPTION OF THE SERIES 2019 BONDS—Redemption.”

Global Bond Securities Depository

The Series 2019 Bonds are issuable only as fully registered bonds and when issued will be registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2019 Bonds. Purchasers of the Series 2019 Bonds will not receive certificates representing their beneficial ownership interests in the Series 2019 Bonds. Purchases and sales by the beneficial owners of the Series 2019 Bonds will be made in book-entry form in the principal amount of \$5,000 and any integral multiple thereof. Payments of principal, Redemption Price and interest with respect to the Series 2019 Bonds are to be made directly to DTC by the Trustee or its successor, so long as DTC or Cede & Co. is the Registered Owner of such Series 2019 Bonds. Disbursement of such payments to DTC Participants, as defined herein, is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants as more fully described herein. See “DESCRIPTION OF THE SERIES 2019 BONDS—Book-Entry System.”

Additional Bonds and other Obligations

The Indenture authorizes the Authority to issue, upon complying with certain requirements described herein, additional Series of Bonds (“Additional Bonds”) secured by the Trust Estate pledged under the Indenture on a parity with any Class A Bonds, Class B Bonds or Class C Bonds secured under the Indenture. In addition, the Indenture permits the Authority, upon complying with certain requirements described herein, to enter into or obtain, as applicable, Derivative Products, Credit Facilities, Credit Provider Agreements, Surety Bonds or Liquidity Facilities with respect to any or all of the Bonds that may

be secured under the Indenture. The 2019 Bond Insurance Policy to be issued by the 2019 Bond Insurer will constitute a Credit Facility and the 2019 Capital Reserve Fund Insurance Policy to be issued by the 2019 Capital Reserve Fund Insurance Policy Provider will constitute a Surety Bond within the meanings of the Indenture.

Assured Guaranty also issued a bond insurance policy and capital reserve fund surety bond with respect to each Series of Bonds previously issued under the Indenture. Those policies are not available to make payments of principal of and interest on the Series 2019 Bonds. See “ISSUANCE OF ADDITIONAL BONDS AND OTHER OBLIGATIONS.”

The Administrator

The Authority will act as Administrator for the Program under the Indenture. The Authority is permitted under the Indenture to appoint a third party administrator. However, the Authority has no present intention to do so. See “THE AUTHORITY” and “THE ADMINISTRATOR.”

The Servicer

Nelnet Servicing, LLC (“Nelnet Servicing”) acts as servicing agent with respect to the Eligible Loans. See “SERVICING OF THE LOANS.” The Authority is permitted under the Indenture to use other servicing agents as long as use of such servicing agent is approved by each Credit Provider, including the 2019 Bond Insurer, and each Liquidity Provider, if any, and upon satisfaction of the Rating Agency Condition.

Ratings

The Series 2019 Bonds are expected to be rated “AA” by S&P Global Ratings (“S&P”) on the basis of the 2019 Bond Insurance Policy that is expected to be issued by the 2019 Bond Insurer as a condition to their initial delivery. See “BOND INSURANCE” for a further discussion of insured ratings and related matters. In addition, Moody’s and S&P have assigned their underlying bond ratings of “A2 (stable outlook)” and “A (stable outlook),” respectively, to the Series 2019 Bonds without regard to the 2019 Bond Insurance Policy. Such ratings reflect only the view of each respective rating agency and an explanation of the significance of such ratings can only be obtained from the respective rating agency. Such ratings are a precondition to the issuance of the Series 2019 Bonds. See “RATINGS.”

Initial Collateralization

On the Date of Issuance, the ratio expressed as a percentage of the Aggregate Market Value (as defined herein) of the assets held in the Trust Estate to the aggregate principal amount of and accrued interest, if any, on all Class A Obligations then Outstanding (which will include the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and the Series 2019 Bonds), plus accrued but unpaid Program Expenses, if any (the “Class A Parity Percentage”), after the payment of the costs of issuance, will be equal to approximately 106.6%. The Indenture does not require that this or any other level of collateralization be maintained, but imposes certain conditions (including, but not limited to, satisfaction of collateralization tests or receipt of a Rating Agency Condition and/or

consent from each Credit Provider, including the 2019 Bond Insurer, and Liquidity Provider, if any) for certain actions under the Indenture, such as, but not limited to, the release of funds and assets to the Authority, other than for Program Expenses not in excess of any limitations set forth in the Indenture, from the Trust Estate free and clear of the lien of the Indenture.

Events of and Remedies on Default

SO LONG AS THE 2019 BOND INSURER IS NOT IN DEFAULT UNDER THE 2019 BOND INSURANCE POLICY, THE 2019 BOND INSURER WILL BE DEEMED TO BE THE REGISTERED OWNER OF ALL OF THE SERIES 2019 BONDS FOR PURPOSES OF (A) EXERCISING ALL REMEDIES AND DIRECTING THE TRUSTEE TO TAKE ACTIONS OR FOR ANY OTHER PURPOSES FOLLOWING AN EVENT OF DEFAULT (AS DEFINED IN THE INDENTURE), AND (B) GRANTING ANY CONSENT, WAIVER, DIRECTION OR APPROVAL OR TAKING ANY ACTION PERMITTED BY OR REQUIRED UNDER THE INDENTURE TO BE GRANTED OR TAKEN BY THE REGISTERED OWNERS OF THE SERIES 2019 BONDS. SEE “BOND INSURANCE” AND “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—RIGHTS OF CREDIT PROVIDERS AND LIQUIDITY PROVIDERS.”

Certain Investment Considerations

Investment in the Series 2019 Bonds entails certain investment risks, some of which are summarized in this Official Statement under the heading “INVESTMENT CONSIDERATIONS.”

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OFFICIAL STATEMENT

\$42,400,000

**Finance Authority of Maine
Student Loan Revenue Bonds, Class A Series 2019A-1
(Supplemental Education Loan Program)**

INTRODUCTION

This Official Statement sets forth information concerning the issuance by the Finance Authority of Maine (the “Authority”) of its Student Loan Revenue Bonds (Supplemental Education Loan Program), Class A Series 2019A-1 (the “Series 2019 Bonds”). Information descriptive of the Series 2019 Bonds summarized on the cover page, in the Summary Statement and in the Appendices is part of this Official Statement. The Series 2019 Bonds will be issued pursuant to the Act and the Educational Loan Program Act (as hereinafter defined) and an Indenture of Trust, dated as of May 1, 2009, as previously supplemented and amended, and a Twelfth Supplemental Indenture of Trust, dated as of May 1, 2019 (collectively, the “Indenture”), each between the Authority and Zions Bancorporation, National Association, as trustee (the “Trustee”), with its principal corporate trust office in Denver, Colorado. All capitalized terms used herein and not otherwise defined are defined under “DEFINITIONS” in Appendix A hereto.

The Authority is a body corporate and politic and a public instrumentality of the State of Maine (the “State”), organized and existing under the Finance Authority of Maine Act, Title 10, Chapter 110 of the Maine Revised Statutes, as amended (the “Act”). The Authority was established in 1983. In October of 2015, the Authority became the successor to the Maine Educational Loan Authority (“MELA”) under the Maine Educational Loan Program Act, Title 20-A, Chapter 417-A of the Maine Revised Statutes, as amended (the “Educational Loan Program Act”). Under the Act and the Educational Loan Program Act, the Authority is authorized to issue revenue bonds to provide funding for education loans. As successor to MELA and pursuant to State statute, the Authority assumed all of the liabilities of MELA, including without limitation MELA’s obligations under the Indenture and with respect to all bonds previously issued under the Indenture.

The Series 2019 Bonds are being issued as Additional Bonds on a parity with the Authority’s Student Loan Revenue Bonds (Supplemental Education Loan Program), Class A (i) Series 2010A-1, currently outstanding in the amount of \$8,510,000 (the “Series 2010 Bonds”), (ii) Series 2012A-1, currently outstanding in the amount of \$8,340,000 (the “Series 2012 Bonds”), (iii) Series 2014A-1, currently outstanding in the amount of \$8,775,000 (the Series 2014 Bonds”), (iv) Series 2017A-1, currently outstanding in the amount of \$10,000,000 (the “Series 2017 Bonds”) and (v) Series 2018A-1, currently outstanding in the amount of \$10,000,000 (the “Series 2018 Bonds”). The scheduled payment of principal of and interest on the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds and the Series 2018 Bonds when due is guaranteed by separate financial guaranty insurance policies previously issued by Assured Guaranty Corp. (“Assured Guaranty”) with respect to each such Series issued (the “2010 Bond Insurance Policy,” the “2012 Bond Insurance Policy,” the “2014 Bond Insurance Policy,” the “2017 Bond Insurance Policy” and the “2018 Bond Insurance Policy,” respectively).

The Series 2019 Bonds, collectively with the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and any additional bonds that may be issued pursuant to the Indenture in the future, are referred to herein as the “Bonds.”

Proceeds of the Series 2019 Bonds will be used to (a) refund all of the Authority's Outstanding Student Loan Revenue Bonds (Supplemental Education Loan Program), Class A Series 2009A-1, Series 2009A-2 and Series 2009A-3 (collectively, the "Refunded Bonds"), (b) finance Eligible Loans made or acquired under the Authority's Program and (c) pay the costs incurred in connection with the issuance thereof. See "THE AUTHORITY'S STUDENT LOAN PROGRAM" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2019 Bonds, together with the other Bonds, will be special, limited obligations of the Authority secured by and payable solely from the Trust Estate pledged thereto under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." The scheduled payment of principal of and interest on the Series 2019 Bonds when due will also be guaranteed under a financial guaranty insurance policy (the "2019 Bond Insurance Policy") to be issued concurrently with the delivery of the Series 2019 Bonds by Assured Guaranty (the "2019 Bond Insurer"). See "BOND INSURANCE."

THE SERIES 2019 BONDS, TOGETHER WITH THE OTHER BONDS ISSUED PURSUANT TO THE INDENTURE, WILL BE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM, AND FURTHER SECURED BY, THE TRUST ESTATE PLEDGED THERETO UNDER THE INDENTURE. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE AUTHORITY TO THE EXTENT PROVIDED IN THE INDENTURE) WILL BE OBLIGATED TO PAY THE PRINCIPAL OF OR THE INTEREST ON THE SERIES 2019 BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR THE INTEREST ON SUCH SERIES 2019 BONDS. THE ISSUANCE OF THE SERIES 2019 BONDS WILL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATSOEVER OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE SERIES 2019 BONDS. THE SERIES 2019 BONDS WILL NOT CONSTITUTE OR GIVE RISE TO A PERSONAL OR PECUNIARY LIABILITY OR CHARGE AGAINST THE OFFICERS, EMPLOYEES, AGENTS, MEMBERS OR DIRECTORS OF THE AUTHORITY OR AGAINST THE GENERAL CREDIT OR REVENUE OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

The Trust Estate includes the Capital Reserve Fund created under the Indenture. On the Date of Issuance, a subaccount of the Capital Reserve Fund will be funded with a portion of amounts currently on deposit in a subaccount of the Capital Reserve Fund established with respect to the Refunded Bonds (which subaccount will no longer be maintained) and the deposit of a reserve fund financial guaranty insurance policy (the "2019 Capital Reserve Fund Insurance Policy") issued by Assured Guaranty ("2019 Capital Reserve Fund Insurance Policy Provider"), all as more fully described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Capital Reserve Fund for Series 2019 Bonds." In connection with the issuance of the previously issued Bonds under the Indenture, the Capital Reserve Fund was previously funded by cash or a combination of cash and reserve fund financial guaranty insurance policies issued by Assured Guaranty. Those amounts and those policies are not available to make payments of principal of and interest on the Series 2019 Bonds, and amounts in the subaccount of the Capital Reserve Fund established with respect to the Series 2019 Bonds and the 2019 Capital Reserve Fund Insurance Policy are not available to make payments of principal of and interest on other Bonds issued under the Indenture.

The Series 2019 Bonds described in this Official Statement are Class A Bonds. The Series 2019 Bonds offered by this Official Statement will be on a parity (except with respect to the different subaccounts of the Capital Reserve Fund) with the Series 2010 Bonds, the Series 2012 Bonds, the

Series 2014 Bonds, the Series 2017 Bonds and the Series 2018 Bonds, all of which are Class A Bonds. The Indenture authorizes the Authority to issue, upon complying with certain requirements described herein, additional Series of Bonds (“Additional Bonds”) secured by the Trust Estate under the Indenture on a parity with any Class A Bonds, Class B Bonds or Class C Bonds secured under the Indenture. See “ISSUANCE OF ADDITIONAL BONDS AND OTHER OBLIGATIONS.”

This Official Statement contains brief descriptions of the Series 2019 Bonds, the Servicing Agreement, the 2019 Capital Reserve Fund Agreement, the 2019 Bond Insurance Policy, the 2019 Capital Reserve Fund Insurance Policy and the Indenture. The descriptions and summaries herein do not purport to be comprehensive or definitive and all statements herein are qualified in their entirety by reference to each such document.

DESCRIPTION OF THE SERIES 2019 BONDS

Authorization

On March 21, 2019, the Authority adopted a resolution authorizing the issuance and sale of the Series 2019 Bonds and the execution and delivery of documents related thereto.

General Provisions

The Series 2019 Bonds will be issued as fully registered Bonds without coupons. The Series 2019 Bonds will be dated as of and bear interest from their date of issuance and delivery. The Series 2019 Bonds are originally issuable in denominations of \$5,000 and integral multiples thereof.

The Series 2019 Bonds will be issued initially solely in book-entry form. See “—Book-Entry System” below.

The Series 2019 Bonds offered by this Official Statement will be secured on a parity with the previously issued Series 2010 Bonds, Series 2012 Bonds, Series 2014 Bonds, Series 2017 Bonds, Series 2018 Bonds and any other Additional Bonds issued by the Authority from time to time in the future which are designated to be on a parity with the Outstanding Class A Bonds. See “ISSUANCE OF ADDITIONAL BONDS AND OTHER OBLIGATIONS.”

SO LONG AS THE 2019 BOND INSURER IS NOT IN DEFAULT UNDER THE 2019 BOND INSURANCE POLICY, THE 2019 BOND INSURER SHALL BE DEEMED TO BE THE REGISTERED OWNER OF ALL OF THE SERIES 2019 BONDS FOR PURPOSES OF (A) EXERCISING ALL REMEDIES AND DIRECTING THE TRUSTEE TO TAKE ACTIONS OR FOR ANY OTHER PURPOSES FOLLOWING AN EVENT OF DEFAULT, AS DEFINED IN THE INDENTURE; AND (B) GRANTING ANY CONSENT, WAIVER, DIRECTION OR APPROVAL OR TAKING ANY ACTION PERMITTED BY OR REQUIRED UNDER THE INDENTURE TO BE GRANTED OR TAKEN BY THE REGISTERED OWNERS OF THE SERIES 2019 BONDS. SEE “BOND INSURANCE” AND “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—RIGHTS OF CREDIT PROVIDERS AND LIQUIDITY PROVIDERS.”

Interest on the Series 2019 Bonds

The Series 2019 Bonds will bear interest from their date of delivery and interest will be payable on each Interest Payment Date. The Series 2019 Bonds will bear interest at the fixed rates per annum and mature in the amounts and on the dates set forth on the inside cover page hereof. Interest on the Series 2019 Bonds will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Unpaid interest accrued during an Interest Accrual Period on any Series 2019 Bond will be paid on the succeeding Interest Payment Date to the Registered Owner thereof on the Record Date. Each Interest Accrual Period will commence on, and include, the last Interest Payment Date for which interest has been paid (or, if no interest has been paid, from the Date of Issuance of the Series 2019 Bonds) and will end on the day preceding the succeeding Interest Payment Date. The Record Date with respect to the Series 2019 Bonds will be the fifteenth calendar day of the month preceding an Interest Payment Date.

If the specified date for payment of principal or interest is other than a Business Day, payment may be made on the next succeeding Business Day with the same force and effect as if made on the date specified for such payment, without additional interest. All payments on the Series 2019 Bonds will be made in lawful money of the United States of America. A Business Day with respect to the Series 2019 Bonds means any day on which banks located in the city in which the principal corporate trust office of the Trustee is located are not authorized or required to close.

Redemption

General. All redemptions of Series 2019 Bonds made under the Indenture and described below will result in the payment to the Registered Owner of a Redemption Price equal to the principal amount of the Series 2019 Bonds being redeemed, without premium, plus accrued interest, if any, to the redemption date.

Optional Redemption. The Series 2019 Bonds maturing on or after December 1, 2028, are callable for redemption at the option of the Authority on any Interest Payment Date on or after June 1, 2028, on a pro rata by maturity basis, rounded to nearest \$5,000, and by lot within a maturity, at a Redemption Price of par plus accrued interest to the redemption date.

Mandatory Redemption From Unexpended Bond Proceeds. Series 2019 Bonds maturing on and after December 1, 2029 are subject to mandatory redemption on any date to the extent that any original proceeds of the Series 2019 Bonds deposited in the 2019 Subaccount of the Tax-Exempt Student Loan Account as described in this Official Statement under “ESTIMATED SOURCES AND USES OF FUNDS” are not used to finance Eligible Loans approved by the end of the Origination Period (July 1, 2020) or such later date as may be permitted by a Rating Agency Condition and with the prior consent of Assured Guaranty (the “Origination Period”). Any such mandatory redemption will occur on the earliest practicable date for which the required notice of redemption may be given as described below under “—Notice of Redemption” and will be at a Redemption Price of par plus accrued interest to the redemption date. In the case of any such mandatory redemption, the Series 2019 Bonds subject to such redemption will be redeemed on a pro rata by maturity basis, rounded to the nearest \$5,000, and by lot within a maturity.

Mandatory Redemption From Excess Revenues in Revenue Fund. The Series 2019 Bonds maturing on and after December 1, 2029, are subject to mandatory redemption by the Authority, in whole or in part, on any date on or after June 1, 2020, at a Redemption Price equal to the principal amount thereof plus interest accrued, if any, to the date of redemption thereof, from any excess revenues on deposit in the Tax-Exempt Revenue Account of the Revenue Fund under the Indenture that are available for that purpose as described in this Official Statement in clauses (n) and (o) under “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—Revenue Fund—Tax-Exempt Revenue Account” to the extent that:

- (a) the Class A Parity Percentage is less than 107%, with such mandatory redemptions being made in the minimum principal amount such that after giving effect to such redemptions, the Class A Parity Percentage would be equal to at least 107%; or

(b) the Value of the Trust Estate is less than \$500,000 greater than the principal amount of the Bonds Outstanding plus accrued interest thereon and Program Expenses accrued but unpaid; or

(c) the ratio, expressed as a percentage, of (a) the aggregate principal amount of all Financed Eligible Loans that are Delinquent divided by (b) the aggregate principal amount of all Financed Eligible Loans in repayment status, with respect to the interest thereon, for the preceding nine full calendar months, calculated on the basis of the average ratio in effect as of the last day of each such preceding nine months (the “Loan Delinquency Percentage”) exceeds 12%; or

(d) less than 80% in aggregate principal amount of Financed Eligible Loans are in repayment status with respect to the interest thereon; or

(e) the date is on or after June 1, 2020; or

(f) such mandatory redemption is otherwise required in any Supplemental Indenture or Credit Provider Agreement.

The Authority may, upon receipt of a Rating Agency Condition and with the prior consent of each Credit Provider (including the 2019 Bond Insurer) and any Liquidity Provider, eliminate or modify any of the conditions described in (a) through (e) above with respect to mandatory cash flow redemptions from excess revenues in the Revenue Fund.

In the case of any such mandatory redemption, the redemption date will occur on the earliest practicable date for which the required notice of redemption may be given as described below under “— Notice of Redemption.” The Series 2019 Bonds subject to such mandatory redemption will be redeemed on a pro rata basis with the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and any other Additional Bonds issued in the future as and to the extent as may be provided in a Supplemental Indenture, then on a pro rata by maturity basis, rounded to the nearest \$5,000, and, finally, by lot within a maturity.

Mandatory Sinking Fund Redemptions. The Series 2019 Bonds maturing on December 1, 2039 are subject to mandatory sinking fund redemption by lot on the dates and in the principal amounts specified below, at a Redemption Price equal to 100% of the principal amount of the Series 2019 Bonds to be redeemed, together with accrued interest thereon to the redemption date.

<u>Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>
2035	\$2,015,000
2036	1,640,000
2037	1,770,000
2038	960,000
2039 (Maturity)	990,000

Under the terms of the Indenture, the Authority will receive a credit against its mandatory sinking fund obligations for the Series 2019 Bonds maturing on December 1, 2039 described above pro rata as to each such mandatory sinking fund date for the Series 2019 Bonds maturing on December 1, 2039 in an amount equal to the principal amount of such Series 2019 Bonds maturing on December 1, 2039 which

have been previously cancelled or retired or redeemed other than by mandatory sinking fund redemption (and not previously applied as a credit).

Purchase of Bonds. The Indenture authorizes the Authority from time to time to purchase any Bonds from any source of funds available therefor, including funds available under the Indenture, and to select Bonds for purchase in such manner as the Authority may determine. Any Bonds so purchased will be purchased at a price of not more than par plus accrued interest to the purchase date and will be cancelled upon the date of purchase under the Indenture.

Notice of Redemption. Redemptions of the Series 2019 Bonds will be made in whole or in part in multiples of \$5,000. The Trustee will cause notice of any redemption to be given by mailing a copy of the redemption notice to the Registered Owner of any Series 2019 Bonds designated for redemption in whole or in part, at their address as the same will last appear upon the registration books, in each case not more than 60 nor less than 30 days prior to the redemption date.

No assurance can be given by the Authority or the Trustee that DTC will distribute to the DTC Participants or that the DTC Participants will distribute to the beneficial owners of the Series 2019 Bonds any notice of redemption or any other notices, or that DTC or the DTC Participants will serve and act on a timely basis or in the manner described in this Official Statement.

Recycling Period

During any Recycling Period under the Indenture, certain excess revenues that otherwise could be used for mandatory redemptions of the Bonds as described above under “—Redemption—Mandatory Redemption from Excess Revenues in Revenue Fund,” may instead, if directed by the Authority, be transferred to the Student Loan Fund under the Indenture and used to finance additional Eligible Loans under the Authority’s Program. See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund*” and “—*Student Loan Fund*.” The Recycling Period with respect to the Series 2019 Bonds means a period from the date of issuance of the Series 2019 Bonds to and including October 1, 2020. That Recycling Period may be extended upon satisfaction of the Rating Agency Condition and with the prior consent of Assured Guaranty. No additional Eligible Loans may be financed with proceeds of the Series 2019 Bonds or recycling proceeds of those loans after the expiration of that Recycling Period; provided that those proceeds may be used to finance disbursements of Eligible Loans approved prior to the expiration of that Recycling Period. In addition, unless waived by the 2019 Bond Insurer, that Recycling Period will be suspended upon the occurrence of a Recycling Suspension Event until a Recycling Resumption Date. The Recycling Period with respect to the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds and the Series 2018 Bonds will end on October 1, 2019, and is expected to be extended again for a period to and including October 1, 2020 (subject to further extension as described herein); provided that recycling proceeds of those loans may be used to finance disbursements of Eligible Loans approved prior to the expiration of the respective Recycling Period.

Under the Indenture, a “Recycling Suspension Event” with respect to the Series 2019 Bonds means any of the following: (a) the Authority has failed to provide a quarterly balance sheet of the Trust Estate to the 2019 Bond Insurer with evidence that the Class A Parity Percentage is at least 101%; (b) there occurs and is continuing an Event of Default under the Indenture; (c) the Loan Default Percentage exceeds 5% in the aggregate; (d) there have occurred continuing material errors in the reasonable opinion of the 2019 Bond Insurer in the origination of Financed Eligible Loans in an amount exceeding the greater of 2% of the average outstanding Financed Eligible Loan balance for the previous 12 months or \$100,000; (e) there occurs a material deficiency in the servicing of the Financed Eligible Loans that materially and adversely affects, in the reasonable opinion of the 2019 Bond Insurer, the

collectability of principal of and interest on the Financed Eligible Loans; (f) any material deterioration in the economic or legal status of the Authority or Servicer that could materially adversely affect, in the reasonable opinion of the 2019 Bond Insurer, the payment of principal or interest on the Series 2019 Bonds; (g) the Loan Delinquency Percentage exceeds 12%; or (h) there has been a draw on the 2019 Capital Reserve Fund Insurance Policy or any other such policy issued in connection with the previously issued Bonds under the Indenture. Assured Guaranty in its sole discretion may waive any Recycling Suspension Event and its consequences. A “Recycling Resumption Date” with respect to the Series 2019 Bonds means the date on which the acquisition and origination of Eligible Loans resumes after a Recycling Suspension Event, which date will be the day immediately following (i) with respect to Recycling Suspension Events described above in items (a), (c), (d) and (g), delivery of a cash flow certificate by the Authority to the 2019 Bond Insurer satisfactory to the 2019 Bond Insurer and showing that all Program Expenses and debt service on the Series 2019 Bonds are expected to be paid when due over the life of the Series 2019 Bonds; and (ii) with respect to all other Recycling Suspension Events described above, the receipt by the Authority of the consent of the 2019 Bond Insurer. Similar provisions apply to recycling of Financed Eligible Loans under the Indenture relating to previously issued Bonds under the Indenture.

Book-Entry System

The Depository Trust Company (“DTC”), New York, New York will act as securities depository (the “Securities Depository”) for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each maturity of the Series 2019 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, 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 and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). Direct Participants and Indirect Participants are collectively referred to as “Participants.” DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com (it being understood that information available at this website is not incorporated herein by reference).

Purchases of the Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC’s records. The ownership

interest of each actual purchaser of each Series 2019 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, 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 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2019 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. Beneficial Owners of the Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, defaults and proposed amendments with respect to the Series 2019 Bonds. For example, Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds within a Series 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 any other DTC nominee) will consent or vote with respect to the Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. 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 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC’s records. 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 redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee or the Authority; disbursement of such

payments to Direct Participants will be the responsibility of DTC; and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable; but the Authority, the Underwriter, their respective counsel, and Bond Counsel do not take any responsibility for the accuracy thereof.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT, (2) THE TIMELY OR ULTIMATE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2019 BONDS, (3) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO THE REGISTERED OWNERS, (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF SERIES 2019 BONDS, OR (5) ANY OTHER ACTION TAKEN BY DTC AS THE REGISTERED OWNER.

In reading this Official Statement, it should be understood that while the Series 2019 Bonds are in the Book-Entry System, references in other sections of this Official Statement to "Registered Owner" should be read to include the person for whom the Participant acquires an interest in the Series 2019 Bonds, but (a) all rights of ownership must be exercised through DTC and the Book-Entry System, and (b) notices that are to be given to bondholders by the Authority or the Trustee will be given only to DTC.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds, including the Series 2019 Bonds, will be special, limited obligations of the Authority and are payable solely from the Trust Estate pledged thereto under the Indenture. The Series 2019 Bonds will not constitute an indebtedness or a liability of the State or of any agency or political subdivision thereof (other than the Authority to the extent provided in the Indenture), or a loan of the credit of the State or a pledge of the full faith and credit of the State or any such political subdivision, for any purpose whatsoever, but will be payable solely as provided in the Indenture from the Trust Estate. The scheduled payment of principal of and interest on the Series 2019 Bonds when due will be guaranteed under the 2019 Bond Insurance Policy to be issued concurrently with the delivery of the Series 2019 Bonds by the 2019 Bond Insurer. See "BOND INSURANCE."

In addition, pursuant to Section 11424 of the Educational Loan Program Act and the 2019 Capital Reserve Fund Agreement between the Authority and the Trustee, certain additional funds may be made

available by the State for the payment of principal and interest on the Series 2019 Bonds or to reimburse the 2019 Capital Reserve Fund Insurance Policy Provider under the 2019 Capital Reserve Fund Insurance Policy for any reimbursement obligations of the Authority as described herein.

The Series 2019 Bonds will not constitute or give rise to a personal or pecuniary liability or charge against the officers, employees, agents, members or directors of the Authority or against the general credit or revenues of the Authority. The Authority has no taxing power.

The Trust Estate

The Bonds (including any subrogation rights of a Credit Provider), and any obligations of the Authority under any Liquidity Facilities, Credit Provider Agreements, Surety Bond Reimbursement Agreements and any Derivative Products will be secured by the assets pledged under the Indenture, which include (a) all Recoveries of Principal, payments, proceeds, charges and other income received by a Servicer, the Trustee or the Authority from or on account of any Financed Eligible Loan and all interest earned or gain realized from the investment of amounts in any Fund or Account (except the Operating Fund and the Rebate Fund) and all payments received by the Authority pursuant to any Derivative Product (collectively, the “Revenues”); (b) all moneys and investments held in certain Funds created under the Indenture, including the Student Loan Fund, the Revenue Fund, the Debt Service Fund, the Guarantee Fund and the Capital Reserve Fund, but excluding amounts in the Rebate Fund, the Operating Fund and the Bond Purchase Fund; (c) any Financed Eligible Loans and any other student loans made or acquired with amounts in the Trust Estate or otherwise deposited in the Student Loan Fund that are not or cease to be Eligible Loans except to the extent released from the Trust Estate pursuant to the Indenture; (d) the rights of the Authority in and to all Servicing Agreements, any Administrative Agreement and all Student Loan Purchase Agreements, as the same relate to Financed Eligible Loans; (e) the rights of the Authority in and to any applicable Capital Reserve Fund Agreement and any capital reserve funds established thereunder, including the 2019 Capital Reserve Fund Agreement and the 2019 Capital Reserve Fund described below; (f) the rights of the Authority in and to any Derivative Product, any Reciprocal Payments or any guarantee with respect to the obligation of a Reciprocal Payor to make Reciprocal Payments; provided, however, that such amounts described in this clause (f) will not be for the benefit of a Reciprocal Payor with respect to its Derivative Product; and (g) any and all other property, rights and interests of every kind or description from time to time granted, conveyed, pledged, transferred, assigned or delivered to the Trustee as additional security under the Indenture and any proceeds of the same and any proceeds of any of the foregoing items (collectively, the “Trust Estate”).

The scheduled payments of principal of and interest on the Series 2019 Bonds when due will also be guaranteed under the 2019 Bond Insurance Policy. See “BOND INSURANCE.” The scheduled payments of principal of and interest on the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds and the Series 2018 Bonds, when due, are guaranteed under separate bond insurance policies previously issued by Assured Guaranty with respect to each such Series of Bonds.

Priority

The Series 2019 Bonds will be issued as Class A Bonds under the Indenture payable on an equal priority, subject to the provisions of the Indenture, with any other Outstanding Class A Obligations of the Authority, including the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds and the Series 2018 Bonds. “Class A Obligations” mean all Class A Bonds now Outstanding or hereafter issued under the Indenture and all amounts owing under any Derivative Product (with exceptions for certain payments upon termination), Credit Facility or Liquidity Facility, the priority of payment of which is, subject to the provisions of the Indenture, equal with that of Class A Bonds. The Indenture also permits, subject to certain conditions, the issuance of Class B Bonds and Class C Bonds,

all of which are secured on a basis subordinate to Class A Bonds. Under the Indenture, any Class A Bonds will be secured on a senior priority to any Class B Obligations and Class C Obligations, any Class B Bonds will be secured on a priority subordinate to any Class A Obligations and on a priority senior to any Class C Obligations and any Class C Bonds will be secured on a priority subordinate to any Class A Obligations and any Class B Obligations. See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Parity of Lien.”

Under the Indenture, amounts on deposit in the Revenue Fund are required to be used and transferred to provide for the payment of Program Expenses, interest and principal on Bonds and other required payments and transfers in the order and priority described in “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund*.” However, following the occurrence of an Event of Default under the Indenture and the exercise by the Trustee of remedies under the Indenture, moneys under the Indenture will be used and transferred in the order and priority described in “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Events of Default—*Remedy on Default; Possession of Trust Estate*.”

Failure of the Authority to pay principal of or interest on any Class B Obligations or Class C Obligations will not be an Event of Default under the Indenture if any Class A Obligations are outstanding on which no payment default has occurred and is continuing. See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Events of Default.”

Pledged Funds

The Indenture creates and establishes the following Funds to be held and maintained by the Trustee for the benefit of the Registered Owners as part of the Trust Estate: (a) the Student Loan Fund, including (i) a Tax-Exempt Student Loan Account and (ii) a Taxable Student Loan Account therein; (b) the Revenue Fund, including (i) a Tax-Exempt Revenue Account, (ii) a Taxable Revenue Account, (iii) a Tax-Exempt Capitalized Interest Account and (iv) a Taxable Capitalized Interest Account therein; (c) the Debt Service Fund, including (i) a Principal Account, and within the Principal Account a Tax-Exempt Principal Subaccount and a Taxable Principal Subaccount, (ii) an Interest Account, and within the Interest Account a Tax-Exempt Interest Subaccount and a Taxable Interest Subaccount, and (iii) a Retirement Account, and within the Retirement Account a Tax-Exempt Retirement Subaccount and a Taxable Retirement Subaccount; (d) the Capital Reserve Fund, including (i) a Tax-Exempt Capital Reserve Account, and within the Tax-Exempt Capital Reserve Account, a Cash Subaccount and a Surety Bond Subaccount for each Class of Bonds, and (ii) a Taxable Capital Reserve Account, and within the Taxable Capital Reserve Account, a Cash Subaccount and a Surety Bond Subaccount for each Class of Bonds; and (e) the Guarantee Fund, including (i) a Tax-Exempt Guarantee Account and (ii) a Taxable Guarantee Account therein. See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts.”

The Indenture also creates and establishes the Rebate Fund and the Operating Fund, to be held and maintained by the Trustee, in which the Registered Owners have no right, title or interest.

Student Loan Fund. The Indenture established and the Trustee will maintain the Student Loan Fund under the Indenture. The Trustee will make a deposit from the proceeds from the sale of the Series 2019 Bonds into the 2019 Subaccount of the Tax-Exempt Student Loan Account of the Student Loan Fund on the Date of Issuance as described in this Official Statement. See “ESTIMATED SOURCES AND USES OF FUNDS.” In addition, during the Recycling Period, certain excess revenues that otherwise would be required to be used for mandatory redemption of Bonds as described herein under “DESCRIPTION OF THE SERIES 2019 BONDS—Redemption—Mandatory Redemption from Excess

Revenues in Revenue Fund,” may instead, if directed by the Authority, be transferred to the Student Loan Fund under the Indenture and used to finance additional Eligible Loans. See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund*.” Moneys on deposit in the Student Loan Fund will be used, as directed by the Authority, solely to pay costs of issuance of the Bonds and during any Origination Period and any Recycling Period, to originate Eligible Loans or to acquire Eligible Loans at a price, including transfer fees, purchase premiums, default fees and any other loan origination fees, not in excess of 100% of the principal amount thereof plus accrued interest (or a greater amount upon receipt of a Rating Agency Condition and the prior written consent of each Credit Provider). See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Student Loan Fund*.”

Tax-Exempt Revenue Account. The Indenture established and the Trustee will maintain the Tax-Exempt Revenue Account of the Revenue Fund under the Indenture. The Trustee is required to deposit into the Tax-Exempt Revenue Account all Revenues derived from Eligible Loans financed by the Authority under the Indenture from moneys on deposit in the Tax-Exempt Student Loan Account, and all other Revenue derived from other pledged Funds and Accounts held under the Indenture. Pursuant to the Indenture, on the last Business Day of each calendar month, or more frequently or on other dates if required by a Supplemental Indenture or if directed by the Authority, money under the Indenture in the Tax-Exempt Revenue Account will be used and transferred to provide for the payment of Program Expenses, required payments of interest and principal on Bonds and for other required payments and transfers in the order and priority described in “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund*.”

Capital Reserve Fund. The Indenture established and the Trustee will maintain the Capital Reserve Fund under the Indenture, including a Tax-Exempt Capital Reserve Account, and within the Tax-Exempt Capital Reserve Account, a Cash Subaccount and a Surety Bond Subaccount for each Class of Bonds, and a Taxable Capital Reserve Account, and within the Taxable Capital Reserve Account, a Cash Subaccount and a Surety Bond Subaccount for each Class of Bonds.

Under the Indenture, the Trustee will deposit to the applicable Subaccounts of the Capital Reserve Fund the amounts, if any, specified as a Capital Reserve Fund Requirement established for any Series of Bonds. The Capital Reserve Fund may be funded to any established Capital Reserve Fund Requirement with a deposit of cash and/or Investment Securities, or additionally, in whole or in part, with a deposit of a reserve fund surety bond, insurance policy, letter of credit or other similar obligation (a “Surety Bond”) issued by the provider of a Surety Bond which, at the time that a Surety Bond is issued, is rated in one of the two highest rating categories (without regard to any numerical or other modifier) by each Rating Agency, or has such other qualifications as may be set forth in a Supplemental Indenture authorizing the issuance of a Series of Bonds (a “Surety Bond Provider”). Cash and/or Investment Securities relating to Bonds will be deposited and accounted for in the related Cash Subaccount of the applicable Account of the Capital Reserve Fund. Amounts that may be drawn upon a Surety Bond will be accounted for and deemed a part of the related Surety Bond Subaccount of the applicable Account of the Capital Reserve Fund.

A Capital Reserve Fund Requirement has been established under the Indenture with respect to the Series 2019 Bonds equal to, in any calendar year, the amount of principal and interest coming due on the Series 2019 Bonds in each respective calendar year. The Capital Reserve Fund will be funded on the Date of Issuance to the Capital Reserve Fund Requirement in the amount of \$424,000 with a portion of amounts remaining in the Cash Subaccount of the Tax-Exempt Capital Reserve Account with respect to the Refunded Bonds, and the remainder will be funded with a Surety Bond in the form of the 2019

Capital Reserve Fund Insurance Policy issued by the 2019 Capital Reserve Fund Insurance Policy Provider. These amounts and that policy may only be used to pay principal of and interest on the Series 2019 Bonds. See “BOND INSURANCE” herein and “APPENDIX C—FORM OF 2019 CAPITAL RESERVE FUND INSURANCE POLICY” hereto. To the extent that the amount of the Capital Reserve Fund Requirement with respect to the Series 2019 Bonds changes from one calendar year to the next, the amount required to be on deposit in the 2019 Subaccount of the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund will remain at \$424,000 and any change to the Capital Reserve Fund Requirement with respect to the Series 2019 Bonds will be made by a reduction or increase to the amounts available under the 2019 Capital Reserve Fund Insurance Policy but never in an amount to exceed the “2019 Capital Reserve Fund Insurance Policy Limit”, which is equal to the maximum annual debt service on the Series 2019 Bonds less the deposit of \$424,000 to the 2019 Subaccount of the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund. The Capital Reserve Fund was also funded with \$2,100,000 of the proceeds of the Refunded Bonds (which amount and the accompanying Capital Reserve Fund Insurance Policy for the Refunded Bonds will no longer be maintained in the Capital Reserve Fund upon the issuance of the Series 2019 Bonds and the refunding of the Refunded Bonds), \$154,600 of the proceeds of the Series 2010 Bonds, \$126,850 of the proceeds of the Series 2012 Bonds, \$100,000 of the proceeds of the Series 2014 Bonds, \$100,000 of the proceeds of the Series 2017 Bonds, \$100,000 of the proceeds of the Series 2018 Bonds, the Capital Reserve Fund Insurance Policy for the Refunded Bonds (no longer to be in effect upon the issuance of the Series 2019 Bonds and the refunding of the Refunded Bonds), the 2010 Capital Reserve Fund Insurance Policy, the 2012 Capital Reserve Fund Insurance Policy, the 2014 Capital Reserve Fund Insurance Policy, the 2017 Capital Reserve Fund Insurance Policy and the 2018 Capital Reserve Fund Insurance Policy. Those amounts and those policies are not available to pay principal of and interest on the Series 2019 Bonds.

On each Bond Payment Date, to the extent that there are otherwise insufficient moneys under the Indenture after transfers from the Tax-Exempt Revenue Account, the Taxable Revenue Account, the Tax-Exempt Capitalized Interest Account, the Student Loan Fund and the Tax-Exempt Guarantee Account (but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Tax-Exempt Guarantee Account Floor Amount), to make the payments due on a Class of the Tax-Exempt Bonds, the amount of such deficiency will be paid to the extent of available moneys directly from the applicable Cash Subaccount of the Tax-Exempt Capital Reserve Account established for that Class of Bonds. See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Capital Reserve Fund*.” In addition, on each Bond Payment Date, to the extent that there are otherwise insufficient moneys under the Indenture after transfers from the Tax-Exempt Revenue Account, the Taxable Revenue Account, the Tax-Exempt Capitalized Interest Account, the Student Loan Fund, the Tax-Exempt Guarantee Account (but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Tax-Exempt Guarantee Account Floor Amount), the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account and the Tax-Exempt Guarantee Account (any remaining amounts therein), to make the payments due on Tax-Exempt Bonds, including the Series 2019 Bonds, then the Trustee will draw on the 2019 Capital Reserve Fund Insurance Policy in the amount of such insufficiency.

Notwithstanding the foregoing or any other provision of the Indenture, if on any Bond Payment Date the Class A Parity Percentage is less than 90%, then amounts on deposit in the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account are required to be applied under the terms of the Indenture first to the payment of interest on the Tax-Exempt Class A Bonds coming due on such Bond Payment Date and then to the payment of the principal of (whether at maturity or upon mandatory sinking fund redemption) the Tax-Exempt Class A Bonds coming due on such date, regardless of other amounts available therefor in any other Fund or Account under the Indenture; and in such case any moneys then on deposit in the Tax-Exempt Interest Subaccount or the Tax-Exempt Principal Subaccount of the Debt

Service Fund not needed on such Bond Payment Date for payment of such principal and interest, after giving effect to the use of moneys in the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account, will be transferred to the Tax-Exempt Revenue Account and applied on such Bond Payment Date to mandatorily redeem Tax-Exempt Bonds in accordance with clause (n) described under “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund—Tax-Exempt Revenue Account.*”

If moneys derived from a draw on the 2019 Capital Reserve Fund Insurance Policy are used for the purposes described above, the Trustee is required under the Indenture to make reimbursement payments to the 2019 Capital Reserve Fund Insurance Policy Provider, including interest thereon as provided in the Reimbursement Agreement by and between the Authority and the 2019 Capital Reserve Fund Insurance Policy Provider (the “2019 Capital Reserve Fund Insurance Policy Reimbursement Agreement”), from moneys available for that purpose in the Revenue Fund as described herein. See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund.*” To the extent that the 2019 Capital Reserve Fund Insurance Policy Provider is reimbursed, then, simultaneously therewith, the amount available to be drawn under the 2019 Capital Reserve Fund Insurance Policy will be reinstated up to the amount of such reimbursement, excluding interest thereon, but not in excess of the Capital Reserve Fund Requirement for the non-cash portion of the Capital Reserve Fund Requirement. In addition, if moneys in the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account relating to the Series 2019 Bonds are used for the purposes described above, the Trustee is required under the Indenture to restore such Subaccount to the minimum cash balance described above from moneys available for that purpose in the Revenue Fund as described herein. See also “—Capital Reserve Fund Agreement for Series 2019 Bonds” below and “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund.*”

Guarantee Fund. The Indenture established and the Trustee will maintain the Guarantee Fund under the Indenture, including a Tax-Exempt Guarantee Account and a Taxable Guarantee Account therein. Guarantee Fees described herein that are charged in connection with the origination of an Eligible Loan under the Program will be transferred by the Authority to the Trustee for deposit in the applicable Account of the Guarantee Fund when new Eligible Loans are financed under the Indenture. While, prior to June 30, 2017, the Authority charged the borrowers a three percent Guarantee Fee on certain of the Eligible Loans the Authority originated, it has not been charging a Guarantee Fee since the issuance of the Series 2017 Bonds and it will not be, and has not been, charging a Guarantee Fee with respect to Eligible Loans originated with proceeds of the Series 2018 Bonds or the Series 2019 Bonds or with any recycling proceeds, unless the Authority shall otherwise determine. However, the Series 2019 Bonds will, like other Bonds Outstanding under the Indenture, be entitled to the security provided by the Guarantee Fund. See “THE AUTHORITY’S STUDENT LOAN PROGRAM.”

If any Eligible Loan financed with proceeds of any Tax-Exempt Bonds, including the Series 2019 Bonds, becomes a Defaulted Loan under the Indenture, the Authority is required to direct the Trustee to withdraw from the Tax-Exempt Guarantee Account, to the extent amounts are available therein, an amount equal to the outstanding principal amount of such Defaulted Loan plus interest accrued and unpaid thereon to the date of withdrawal and deposit such moneys in the Tax-Exempt Revenue Account; provided, however, that no such transfer is permitted to result in there being on deposit in the Tax-Exempt Guarantee Account an amount less than the greater of (i) 1.43% of the aggregate principal balance of the Financed Eligible Loans pledged at the time of calculation to the Trust Estate under the Indenture and (ii) \$500,000 (the “Tax-Exempt Guarantee Account Floor Amount”). A “Defaulted Loan” under the Program means a Financed Eligible Loan on which an Eligible Borrower has failed to make a monthly principal and/or interest payment when due, provided such failure persists for a period of 180 days, filed a

petition in bankruptcy, died, unless otherwise insured, or becomes totally and permanently disabled, as certified by two qualified physicians.

On each Bond Payment Date, to the extent that there are otherwise insufficient moneys under the Indenture after transfers from the Tax-Exempt Revenue Account, the Taxable Revenue Account, the Tax-Exempt Capitalized Interest Account and the Student Loan Fund, to make the payments due on any Class of Tax-Exempt Bonds, including the Series 2019 Bonds, the amount of such deficiency will be paid directly from the Tax-Exempt Guarantee Account (but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Tax-Exempt Guarantee Account Floor Amount). In addition, on each Bond Payment Date, to the extent that there are otherwise insufficient moneys under the Indenture after transfers from the Tax-Exempt Revenue Account, the Taxable Revenue Account, the Tax-Exempt Capitalized Interest Account, the Student Loan Fund, the Tax-Exempt Guarantee Account (but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Tax-Exempt Guarantee Account Floor Amount) and the Cash Subaccounts of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund, to make the payments due on any Class of Tax-Exempt Bonds, including the Series 2019 Bonds, the amount of such deficiency will be paid directly from the Tax-Exempt Guarantee Account (without regard to the Tax-Exempt Guarantee Account Floor Amount). See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Guarantee Fund*.”

If amounts in the Guarantee Fund are used for the purposes described above, the Trustee is required under the Indenture to replenish the Guarantee Fund in an amount equal to any such used amounts from moneys available for that purpose in the Revenue Fund as described herein. See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund*.”

Capital Reserve Fund Agreement for Series 2019 Bonds

Section 11424 of the Educational Loan Program Act provides that the Authority may create and establish one or more capital reserve funds and may pay into any such funds (a) moneys appropriated and made available by the State for the purposes of any such fund, (b) any proceeds of the sale of bonds by the Authority, to the extent determined by the Authority; and (c) any other moneys available to the Authority. Money held in any capital reserve fund (other than amounts in excess of any capital reserve fund requirement) will be used solely with respect to bonds, the repayment of which is secured by such fund, and solely for the payment of principal of such bonds, for the purchase or redemption of such bonds, including any fees or premiums, and the payment of interest on such bonds. If the Authority obtains a Surety Bond to fund all or a portion of a capital reserve fund, money held in such capital reserve fund also may be used under the Educational Loan Program Act to pay, as and when due, all reimbursement obligations of the Authority under such Surety Bond.

Pursuant to the Indenture, the Authority has established with the Trustee, for the benefit of the Registered Owners of the Series 2019 Bonds, the 2019 Subaccount of the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund and the 2019 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund. See “—Pledged Funds—*Capital Reserve Fund*” above. These established Subaccounts under the Indenture within the Capital Reserve Fund will constitute a capital reserve fund under the Educational Loan Program Act and are collectively referred to as the “2019 Subaccounts of the Capital Reserve Fund.” The 2019 Subaccounts of the Capital Reserve Fund will be funded on the Date of Issuance with \$424,000 from amounts in the Subaccount of the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund for the Refunded Bonds (which amount and the

accompanying Capital Reserve Fund Insurance Policy for the Refunded Bonds will no longer be maintained in the Capital Reserve Fund upon the issuance of the Series 2019 Bonds and the refunding of the Refunded Bonds), and by the deposit of the 2019 Capital Reserve Fund Insurance Policy issued by the 2019 Capital Reserve Fund Insurance Policy Provider as described above under “—Pledged Funds—*Capital Reserve Fund*.” The Series 2019 Bonds, together with any related reimbursement amounts owed to the 2019 Capital Reserve Fund Insurance Policy Provider for draws on the 2019 Capital Reserve Fund Insurance Policy, will be entitled to the benefits of the 2019 Capital Reserve Fund Agreement.

Any amounts in the 2019 Subaccounts of the Capital Reserve Fund will be held by the Trustee under the Indenture in trust for the benefit of the Registered Owners of the Series 2019 Bonds.

The 2019 Capital Reserve Fund Agreement provides that on December 1, annually, after payment of debt service due on the Series 2019 Bonds on that date, or which is payable on the next Business Day, as defined in the Indenture, if December 1 is not a Business Day, and giving effect to transfers from the 2019 Subaccounts of the Capital Reserve Fund therefor but not giving effect to any subsequent transfers, the Authority will certify to the Governor of the State (the “Certification”) the amount, if any, necessary to restore the amount in the 2019 Subaccounts of the Capital Reserve Fund to the Capital Reserve Fund Requirement and to reimburse the 2019 Capital Reserve Fund Insurance Policy Provider for any other amounts due as a result of a draw on the 2019 Capital Reserve Fund Insurance Policy.

After receipt of the Certification, the Governor is required by Section 11424 of the Educational Loan Program Act to pay directly from a contingent account established by the State (the “Contingent Account”) to the 2019 Subaccounts of the Capital Reserve Fund amounts sufficient to restore the 2019 Subaccounts of the Capital Reserve Fund to the Capital Reserve Fund Requirement for the Series 2019 Bonds and to reimburse the 2019 Capital Reserve Fund Insurance Policy Provider for any other amounts due as a result of a draw on the 2019 Capital Reserve Fund Insurance Policy to the extent such amounts are available in the Contingent Account. Further, the Governor is required to transmit the Certification directly to the State Legislature, together with a statement of the deficit, if any, remaining in the 2019 Capital Reserve Fund, which deficit will be funded with moneys appropriated and paid to the Authority during the current State fiscal year to the extent the State Legislature so desires. Any amounts received from the State pursuant to Section 11424(5) of the Educational Loan Program Act will be deposited into the 2019 Subaccounts of the Capital Reserve Fund to the extent of the amount required to be on deposit therein under the Indenture and will also be used to reimburse the 2019 Capital Reserve Fund Insurance Policy Provider for any draw under the 2019 Capital Reserve Fund Insurance Policy, and for no other purpose. See “—Pledged Funds—*Capital Reserve Fund*” above.

The obligation of the State with respect to the 2019 Subaccounts of the Capital Reserve Fund created under the Indenture is limited to amounts, if any, in its Contingent Account and to other amounts the State Legislature chooses to appropriate. ACCORDINGLY, BECAUSE OF THE STATE LEGISLATURE’S DISCRETION TO APPROPRIATE FUNDS TO THE CONTINGENT ACCOUNT, THERE CAN BE NO ASSURANCE THAT MONEYS WILL BE AVAILABLE FROM THE STATE TO FUND THE 2019 SUBACCOUNTS OF THE CAPITAL RESERVE FUND.

The Authority has also entered into Capital Reserve Fund Agreements in connection with the Refunded Bonds (which agreement, upon the issuance of the Series 2019 Bonds and the refunding of the Refunded Bonds will be terminated), the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds and the Series 2018 Bonds. Money deposited pursuant to those Capital Reserve Fund Agreements is only available, respectively, for the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds and the Series 2018 Bonds.

Certain Rights of the Series 2019 Bond Insurer

The Indenture provides that, so long as the Series 2019 Bond Insurer is not in default under the 2019 Bond Insurance Policy, the Series 2019 Bond Insurer will have certain rights, including: (a) to approve all amendments of the Indenture; (b) to direct the Trustee to undertake or refrain from taking certain actions, including the exercise of remedies under the Indenture; (c) to consent to certain Authority actions, including extensions to the Recycling Period and the Origination Period; (d) to approve changes to the Underwriting Standards applicable to Eligible Loans under the Authority's Program originated with proceeds of the Series 2019 Bonds or recycling proceeds of those loans; (e) to approve the issuance of Additional Bonds; and (f) to approve the release of assets held in the Trust Estate under the Indenture under certain circumstances described herein. See "INVESTMENT CONSIDERATIONS—Reliance on the Rating Agency Condition and Assured Guaranty for Certain Actions" and "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Rights of Credit Providers and Liquidity Providers." Assured Guaranty, as the 2010 Bond Insurer, the 2012 Bond Insurer, the 2014 Bond Insurer, the 2017 Bond Insurer and the 2018 Bond Insurer has similar rights with respect to the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds and the Series 2018 Bonds, as applicable.

Release of Excess Trust Estate Assets

On the Date of Issuance, the ratio expressed as a percentage of the Aggregate Market Value, as defined herein, of the assets held in the Trust Estate to the aggregate principal amount of and accrued interest, if any, on all Class A Obligations then Outstanding (which will initially include the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds, the Series 2019 Bonds and all amounts owed under the 2010 Bond Insurance Policy, the 2012 Bond Insurance Policy, the 2014 Bond Insurance Policy, the 2017 Bond Insurance Policy, the 2018 Bond Insurance Policy and the 2019 Bond Insurance Policy) plus accrued but unpaid Program Expenses, if any (the "Class A Parity Percentage"), after the payment of the costs of issuance, will be equal to approximately 106.6%. The Indenture provides that the Trustee may transfer to the Authority from time to time, at the direction of the Authority, free and clear of the lien of the Indenture, amounts held in the Revenue Fund, after all payments and transfers required by the Indenture to be made prior thereto on such date have been made; provided, however, that no transfer of assets to the Authority (other than to the Operating Fund for the payment of Program Expenses as described in "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Operating Fund*") will be made unless (a) all rebate liability as calculated pursuant to any Tax Document through the date of such transfer has been paid or deposited in the Rebate Fund; (b) 80% or greater in aggregate principal amount of the Eligible Loans financed under the Indenture are in repayment status with respect to the interest thereon; (c) there is on deposit in the Capital Reserve Fund an amount equal to or greater than the Capital Reserve Fund Requirement; and (d) either (i) immediately following such release, the Class A Parity Percentage will equal or exceed 107% and the Value of the Trust Estate is at least \$500,000 greater than the principal amount of the Bonds Outstanding plus accrued interest thereon and Program Expenses accrued but unpaid; or (ii) the Authority has satisfied the Rating Agency Condition and has received the prior consent of each Credit Provider, including the 2019 Bond Insurer, and any Liquidity Provider with respect to such release. Additional limitations with respect to the release of assets to the Authority from the Indenture may be included in any Supplemental Indenture, Liquidity Facility or a Credit Provider Agreement. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Transfer to the Authority."

BOND INSURANCE

The following information has been furnished by Assured Guaranty for use in this Official Statement. Neither the Authority nor the Underwriter guarantees or makes any representation as to the accuracy or completeness thereof.

Bond Insurance Policies

Concurrently with the issuance of the Series 2019 Bonds, Assured Guaranty Corp. (“Assured Guaranty” or the “2019 Bond Insurer”) will issue its financial guaranty insurance policy and its reserve fund financial guaranty insurance policy (the “Policies”) for the Series 2019 Bonds. The Policies guarantee the scheduled payment of principal of and interest on the Series 2019 Bonds when due as set forth in the forms of the Policies included as appendices to this Official Statement.

The Policies are not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Corp.

Assured Guaranty is a Maryland-domiciled insurance company regulated by the Maryland Insurance Administration and licensed to conduct financial guaranty insurance business in all fifty states of the United States, the District of Columbia and Puerto Rico. Assured Guaranty commenced operations in 1988. Assured Guaranty is a wholly owned, indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than Assured Guaranty, is obligated to pay any debts of Assured Guaranty or any claims under any insurance policy issued by Assured Guaranty.

Assured Guaranty’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) and “AA” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”). Each rating of Assured Guaranty should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of Assured Guaranty in its sole discretion. In addition, the rating agencies may at any time change Assured Guaranty’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by Assured Guaranty. Assured Guaranty only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by Assured Guaranty on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On November 30, 2018, KBRA announced it had affirmed Assured Guaranty's insurance financial strength rating of "AA" (stable outlook). Assured Guaranty can give no assurance as to any further ratings action that KBRA may take.

On June 26, 2018, S&P announced it had affirmed Assured Guaranty's financial strength rating of "AA" (stable outlook). Assured Guaranty can give no assurance as to any further ratings action that S&P may take.

For more information regarding Assured Guaranty's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Capitalization of Assured Guaranty Corp.

At December 31, 2018:

- The policyholders' surplus of Assured Guaranty was approximately \$1,793 million.
- The contingency reserves of Assured Guaranty and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$629 million. Such amount consists of 100% of Assured Guaranty's contingency reserve and 39.3% of MAC's contingency reserve.
- The net unearned premium reserves and deferred ceding commission income of Assured Guaranty and MAC were approximately \$484 million. Such amount consists of (i) 100% of the net unearned premium reserve and deferred ceding commission income of Assured Guaranty and (ii) 39.3% of the net unearned premium reserve of MAC.

The policyholders' surplus of Assured Guaranty and the contingency reserves, net unearned premium reserves and deferred ceding commission income of Assured Guaranty and MAC were determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to Assured Guaranty are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (filed by AGL with the SEC on March 1, 2019).

All consolidated financial statements of Assured Guaranty and all other information relating to Assured Guaranty included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2019 Bonds shall be deemed to be incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov> at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212)

974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding Assured Guaranty included herein under the heading "Assured Guaranty Corp." or included in a document incorporated by reference herein (collectively, the "AGC Information") shall be modified or superseded to the extent that any subsequently included AGC Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGC Information. Any AGC Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

Assured Guaranty makes no representation regarding the Series 2019 Bonds or the advisability of investing in the Series 2019 Bonds. In addition, Assured Guaranty has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding Assured Guaranty supplied by Assured Guaranty and presented under the heading "BOND INSURANCE" and in "APPENDIX B—FORM OF 2019 BOND INSURANCE POLICY" and "APPENDIX C—FORM OF 2019 CAPITAL RESERVE FUND INSURANCE POLICY."

ISSUANCE OF ADDITIONAL BONDS AND OTHER OBLIGATIONS

Upon issuance, the Series 2019 Bonds, together with the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds and the Series 2018 Bonds, will be the only Series of Bonds Outstanding under the Indenture. The Indenture authorizes the Authority to issue, upon complying with certain requirements set forth in the Indenture, Additional Bonds secured by the Trust Estate under the Indenture on a parity with any Class A Bonds, Class B Bonds or Class C Bonds secured under the Indenture. In addition, the Indenture permits the Authority to enter into or obtain, as applicable, upon complying with certain requirements set forth in the Indenture, Derivative Products, Surety Bonds, Credit Facilities, Credit Provider Agreements or Liquidity Facilities as it deems necessary or desirable with respect to any or all of the Bonds that may be secured under the Indenture. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Additional Bonds; Other Obligations of the Authority." The 2019 Bond Insurance Policy to be issued by the 2019 Bond Insurer will constitute a Credit Facility under the Indenture and the 2019 Capital Reserve Fund Insurance Policy to be issued by the 2019 Capital Reserve Fund Insurance Policy Provider will constitute a Surety Bond within the meaning of the Indenture. The 2010 Bond Insurance Policy, the 2012 Bond Insurance Policy, the 2014 Bond Insurance Policy, the 2017 Bond Insurance Policy, the 2018 Bond Insurance Policy, the 2010 Capital Reserve Fund Insurance Policy, the 2012 Capital Reserve Fund Insurance Policy, the 2014 Capital Reserve Fund Insurance Policy, the 2017 Capital Reserve Fund Insurance Policy and the 2018 Capital Reserve Fund Insurance Policy, each constituting a Credit Facility or a Surety Bond, respectively, within the meaning of the Indenture, were also issued by Assured Guaranty to secure the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds and the Series 2018 Bonds, respectively. These policies are not available to make payments of principal of and interest on the Series 2019 Bonds.

Under the Indenture, Additional Bonds may only be issued upon the satisfaction of certain requirements, including satisfaction of the Rating Agency Condition and, so long as there are Bonds Outstanding that are insured by the 2019 Bond Insurer, with the consent of the 2019 Bond Insurer. In addition to these requirements, under the Indenture the Authority is not permitted to issue any Additional Bonds if such issuance would result in any Bonds losing the benefit of any Capital Reserve Fund

Agreement applicable to those Bonds. No Derivative Product is permitted to be entered into under the Indenture unless the Rating Agency Condition with respect thereto has been satisfied and the consent of each Credit Provider, including the 2019 Bond Insurer, has been obtained. In addition, under the Indenture, no Liquidity Facility is permitted to be entered into unless the consent of each Credit Provider, including the 2019 Bond Insurer, is obtained with respect thereto. No Surety Bond will be entered into and/or accepted unless the Trustee receives an executed original thereof and the consent of each Credit Provider, including the 2019 Bond Insurer. Under the Indenture, a Surety Bond may only be delivered by a Surety Bond Provider that, at the time the related Surety Bond is issued, is rated in one of the two highest rating categories, without regard to any numerical or other modifier, by each Rating Agency, or has such other qualifications as may be set forth in a Supplemental Indenture.

INVESTMENT CONSIDERATIONS

Attention should be given to the investment considerations described below, which, among others, could affect the ability of the Authority to pay debt service on the Series 2019 Bonds, and which could also affect the market price of the Series 2019 Bonds to an extent that cannot be determined. However, in the event that the Authority is unable to pay debt service on the Series 2019 Bonds, Registered Owners would be entitled to the benefit of the 2019 Bond Insurance Policy. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “BOND INSURANCE.” This section of this Official Statement does not include all investment considerations, but is an attempt to summarize certain of such matters. Additional investment considerations relating to an investment in the Series 2019 Bonds are described throughout this Official Statement, whether or not specifically designated as investment considerations. Each prospective purchaser of the Series 2019 Bonds should read this Official Statement in its entirety.

Results of Analyses of Cash Flow Projections

The Authority believes, based on its analyses of multiple cash flow projections, which have been based on various stressful cash flow assumptions and scenarios including the assumptions described below, that (a) the Revenues to be received pursuant to the Indenture will be sufficient to pay principal of and interest on the Bonds when due and also to pay when due all Trustee fees, servicing costs and other Program Expenses related to the Bonds and the Trust Estate until the final maturity of all Bonds; (b) the liquidity of the Trust Estate is sufficient under the circumstances as projected; and (c) the growth of balances in the Funds and Accounts under the Indenture will be adequate under the circumstances as projected.

Factors Affecting Sufficiency and Timing of Receipt of Revenues in the Trust Estate

The Authority expects that the Revenues to be received pursuant to the Indenture will be sufficient to pay principal of and interest on the Bonds when due and also to pay the annual cost of all Trustee fees, servicing costs and other Program Expenses related to the Bonds and the Financed Eligible Loans until the final maturity of the Bonds. Such expectation is based upon an analysis of projections of cash flow from the Eligible Loans anticipated to be originated with a portion of the proceeds of the Series 2019 Bonds and the Eligible Loans currently held under the Indenture. Such projections utilize assumptions, which the Authority believes are reasonable, regarding the composition of and yield on the anticipated Eligible Loan portfolio, the rate of return on moneys to be invested in various Funds and Accounts under the Indenture, and the occurrence of future events and conditions. Such assumptions are derived from the Authority’s experience in the administration of its Program. There can be no assurance, however, that interest and principal payments from the Financed Eligible Loans will be received as anticipated, or that the reinvestment rates assumed on the amounts in the various Funds and Accounts

under the Indenture will be realized. Furthermore, future events over which the Authority has no control may materially adversely affect the Authority's actual receipt of Revenues pursuant to the Indenture.

Acceleration of receipt of principal of and interest on Financed Eligible Loans may adversely affect payment of principal of and interest on the Bonds, including the Series 2019 Bonds, when due. Receipt of principal of and interest on Financed Eligible Loans may be accelerated due to various factors, including, without limitation: (a) default claims or claims due to the disability, death or bankruptcy of the borrowers; (b) actual principal amortization periods which are shorter than those assumed based upon the current analysis of the Eligible Loan portfolio anticipated to be held pursuant to the Indenture; (c) the commencement of principal repayment by borrowers on earlier dates than are assumed based upon the analysis of the Eligible Loan portfolio anticipated to be held pursuant to the Indenture; and (d) economic conditions that induce borrowers to refinance or repay their loans prior to maturity.

Delay in the receipt of principal of and interest on Financed Eligible Loans may adversely affect payment of principal of and interest on the Bonds, including the Series 2019 Bonds, when due. Principal of and interest on Financed Eligible Loans may be delayed due to numerous factors, including, without limitation: (a) borrowers entering deferment periods due to a return to school or other eligible purposes (which delays are subject in part to the discretion of the Authority); (b) forbearance being granted to borrowers; (c) loans becoming delinquent for periods longer than assumed; (d) actual loan principal amortization periods which are longer than those assumed based upon the analysis of the Eligible Loan portfolio anticipated to be held pursuant to the Indenture; and (e) the commencement of principal repayment by borrowers at dates later than those assumed based upon the analysis of the Eligible Loan portfolio anticipated to be held pursuant to the Indenture. There is no federal guarantee or other third-party guarantee of the Financed Eligible Loans in the event of borrower defaults and the obligation of the Authority to pay debt service on the Bonds is limited to the Trust Estate.

If actual receipt of Revenues under the Indenture or actual expenditures vary greatly from those projected, the Authority may be unable to pay the principal of and interest on the Bonds, including the Series 2019 Bonds, when due. In the event that Revenues to be received under the Indenture are insufficient to pay the principal of and interest on the Outstanding Bonds, and any obligations of the Authority under any Liquidity Facilities, Credit Provider Agreements, Surety Bond Reimbursement Agreements and any Derivative Products when due, the Indenture authorizes, and under certain circumstances requires, the Trustee to declare an Event of Default, accelerate the payment of the Outstanding Bonds (subject to the consent of each Credit Provider (including the 2019 Bond Insurer) not in default of its payment obligations under its Credit Facility and each Liquidity Provider, if any, not then in default of its payment obligations under its Liquidity Facility), and sell the Financed Eligible Loans and all other assets comprising the Trust Estate. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Events of Default." It is possible, however, that the Trustee would not be able to sell the Financed Eligible Loans and the other assets comprising the Trust Estate for a sufficient amount to pay the principal of and accrued interest on all Outstanding Bonds, even though the Aggregate Market Value of the Trust Estate may equal or exceed the aggregate principal amount of Bonds Outstanding at any time.

If the Authority enters into a Derivative Product with a Reciprocal Payer, at such times that the interest rate being paid by such Reciprocal Payer is greater than the rate being paid by the Authority, the Trustee's ability to make principal and interest payments on the Bonds, including the Series 2019 Bonds, will be affected by the Reciprocal Payer's ability to meet its net payment obligation to the Trustee.

In addition to the Authority's Program, there are numerous other financing sources available to students attending institutions of higher education and authorized programs or the parents of such students. Such other sources include, without limitation, federal programs such as the Federal Direct

Loan Program; state-sponsored and private supplemental loan programs and home equity loans. The terms and availability of financing under such programs vary, and the terms and availability of individual programs are subject to change from time to time. Although the Authority believes that the Eligible Loans that it expects to make available under its Program should be competitive in the currently prevailing market for such loans, the availability of such other lending sources in general and the federal programs in particular, may impact adversely the number and amount of Eligible Loans originated under the Authority's Program.

Bond Insurance Risk

In the event of a default in the scheduled payment of principal of or interest on the Series 2019 Bonds when all or some becomes due, any owner of the Series 2019 Bonds will have a claim under the 2019 Bond Insurance Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory redemption or acceleration resulting from default or otherwise, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration maturity, unless the 2019 Bond Insurer in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date. The 2019 Bond Insurance Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Series 2019 Bonds by the Authority which is recovered by the Authority from any bond owner as a voidable preference under applicable bankruptcy law is covered by the 2019 Bond Insurance Policy; however, such payments will be made by the 2019 Bond Insurer at such time and in such amounts as would have been due absent such prepayment by the Authority unless the 2019 Bond Insurer chooses to pay such amounts, in whole or in part, at an earlier date.

Under the Indenture, so long as the 2019 Bond Insurer is not in default under the 2019 Bond Insurance Policy, the 2019 Bond Insurer has the rights of the Registered Owners of the Series 2019 Bonds under the Indenture relating to the direction of remedies upon an Event of Default and in granting any consent, waiver, direction or approval or taking any action permitted by or required under the Indenture to be granted or taken by the Registered Owners of the Series 2019 Bonds. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Events of Default."

In the event the 2019 Bond Insurer is unable to make payment of principal and interest as such payments become due under the 2019 Bond Insurance Policy, the Series 2019 Bonds, together with all other Bonds Outstanding under the Indenture, are payable solely from the amounts held under the Trust Estate pledged under the Indenture as described herein. In the event the 2019 Bond Insurer becomes obligated to make payments with respect to the Series 2019 Bonds, no assurance is given that such event will not adversely affect the market price of the Series 2019 Bonds or the marketability (liquidity) for the Series 2019 Bonds.

The long-term rating on the Series 2019 Bonds described herein that is being obtained on the basis of the 2019 Bond Insurance Policy is dependent in part on the financial strength of the 2019 Bond Insurer and its claims paying ability. The 2019 Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the 2019 Bond Insurer and the long-term ratings on the Series 2019 Bonds insured by the 2019 Bond Insurer will not be subject to downgrade or withdrawal. Any such event could adversely affect the market price of the Series 2019 Bonds or the marketability (liquidity) for the Series 2019 Bonds. See "RATINGS."

The obligations of the 2019 Bond Insurer are general obligations of the 2019 Bond Insurer and in an event of default by the 2019 Bond Insurer, the remedies available to the Trustee may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the Authority nor the Underwriter have made independent investigation into the claims paying ability of the 2019 Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the 2019 Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Authority to pay principal and interest on the Series 2019 Bonds from the assets held in the Trust Estate under the Indenture and the claims paying ability of the 2019 Bond Insurer, particularly over the life of the investment. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “BOND INSURANCE.”

The Composition and Characteristics of the Portfolio of Eligible Loans Held in the Trust Estate May Change

Certain information concerning the Eligible Loans currently held under the Indenture is described in this Official Statement. See “LOAN PORTFOLIO INFORMATION AND ASSUMPTIONS.” The Official Statement does not provide information with respect to certain Eligible Loans that are expected to be financed or approved during the Origination Period for the Series 2019 Bonds under the Indenture or with remaining proceeds of the Series 2018 Bonds. In addition, during the Recycling Period, the Authority may use repayments that would otherwise be used to mandatorily redeem Bonds, including the Series 2019 Bonds, to finance additional Eligible Loans under the Indenture that will be held in the Trust Estate. Further, the Authority may issue from time to time several Series of Additional Bonds and use the proceeds thereof to finance additional Eligible Loans to add to the Trust Estate. As a result, the actual composition and characteristics of the portfolio of Eligible Loans in the Trust Estate may change from time to time as new Eligible Loans are financed. Certain characteristics of the portfolio of Eligible Loans in the Trust Estate may also change as a result of any borrower benefits established under the Authority’s Program. The Program authorizes borrower benefits for certain of the Eligible Loans held under the Indenture. Eligible Loans held under the Indenture that were disbursed on or after June 1, 2004, and prior to June 1, 2009, include a borrower benefit that allows borrowers on such Eligible Loans to be eligible to receive a 0.25% interest rate reduction after enrolling in an automatic debit payment process and Eligible Loans held under the Indenture that were disbursed on or after June 1, 2004, and where the loan application was received prior to July 27, 2008, include borrower benefits that allow a 0.50% interest rate reduction after making 48 on time payments and the option to release co-borrowers from loan liability. Eligible Loans that were disbursed on or after May 1, 2014 will also include a borrower benefit that allows borrowers on such Eligible Loans to be eligible to receive a 0.25% interest rate reduction after enrolling in an automatic debit payment process. However, such borrower benefits may be amended or additional borrower benefits may be added under the Authority’s Program upon satisfaction of the Rating Agency Condition and with the prior consent of the 2010 Bond Insurer, the 2012 Bond Insurer, the 2014 Bond Insurer, the 2017 Bond Insurer, the 2018 Bond Insurer and the 2019 Bond Insurer, as applicable.

Failure To Comply With Servicing Procedures for Eligible Loans

The Authority’s Program prescribes rules and procedures for originating and servicing Eligible Loans. Although the Authority may attempt to recover any losses it incurs from a Servicer for failing to properly service the Eligible Loans, there is no guarantee that those attempts would be successful or that the Servicer could financially afford to pay for such losses. See “THE AUTHORITY’S STUDENT LOAN PROGRAM—Origination and Servicing of Loans.”

Uncertainty as to Available Remedies

The remedies available to owners of the Series 2019 Bonds upon an Event of Default under the Indenture or other documents described herein are in many respects dependent upon regulatory and judicial actions which often are subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the Indenture and such other documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the issuance of the Series 2019 Bonds will be qualified as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Reliance on the Rating Agency Condition and Assured Guaranty for Certain Actions

The Indenture provides that the Authority and the Trustee may undertake various actions based upon receipt by the Trustee of confirmation from each of the Rating Agencies that the outstanding respective ratings assigned by such Rating Agencies to the Bonds are not impaired, without giving effect to any Credit Facility, or with the consent of Assured Guaranty. Such actions include, but are not limited to, the issuance of Additional Bonds, the release of assets under the Indenture under certain circumstances described herein, the extension of any Recycling Period or Origination Period, changes to the Underwriting Standards or permitted borrower benefits under the Authority's Program, the execution by the Authority of Derivative Products and the acquisition of certain investments. To the extent such actions are taken after issuance of the Series 2019 Bonds, investors in the Series 2019 Bonds will be relying on the evaluation by the Rating Agencies or Assured Guaranty of such actions and their impact on credit quality. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Limited Liquidity

There can be no assurance that a secondary market for the Series 2019 Bonds will develop or, if it does develop, that it will provide owners of the Series 2019 Bonds with liquidity of investment or will continue for the life of the Series 2019 Bonds. The Series 2019 Bonds will neither be listed on any national or regional securities exchange nor reported on a national quotation system. To the extent that the Series 2019 Bonds are traded, their prices may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. There is currently a very limited market for securities like the Series 2019 Bonds.

General Economic Conditions

The Authority's current projections of the performance of the Eligible Loans are in part based on the historical performance of Eligible Loans made under the Authority's supplemental loan Program. Future performance of Eligible Loans may be adversely affected by downturns in the economy. General economic turmoil could result in substantial layoffs either regionally or nationwide that may result in an increase in defaults by borrowers in paying Financed Eligible Loans, thus causing increased default claims to be paid by the Guarantee Fund. Such an increase could affect the Authority's ability to pay principal of and interest on the Series 2019 Bonds. It is impossible to predict the status of the economy or unemployment levels or if the downturn in the economy will significantly reduce Revenues to the Authority. General economic conditions may also be affected by other events including the prospect of hostilities abroad. Such events may also have other effects, the impact of which is impossible to project.

The Financed Eligible Loans do not Restrict Borrowers from Incurring Additional Unsecured or Secured Debt, nor do they Impose any Financial Restrictions on Borrowers during the Term of the Financed Eligible Loans, which may Increase the Likelihood that Borrowers may Default on their Financed Eligible Loans

A Financed Eligible Loan is likely not a borrower's only debt obligation. If a borrower incurs additional debt after obtaining a Financed Eligible Loan, that additional debt may adversely affect the borrower's creditworthiness generally, and could result in the financial distress, insolvency, or bankruptcy of the borrower. This circumstance could ultimately impair the ability of that borrower to make payments on the borrower's Financed Eligible Loan and the ability of the Authority to make payments on the Bonds, including the Series 2019 Bonds. To the extent that the borrower has or incurs other indebtedness and cannot pay all of its indebtedness, the borrower may choose to make payments to other creditors, rather than on the Financed Eligible Loans.

To the extent borrowers incur other indebtedness that is secured, such as mortgage, home equity line or auto loans, the ability of the secured creditors to exercise remedies against the assets of the borrower may impair the borrower's ability to repay the Financed Eligible Loan on which the Bonds, including the Series 2019 Bonds, are dependent for payment, or it may impair the ability to collect on the Financed Eligible Loan if it goes unpaid. Since the Financed Eligible Loans are unsecured, borrowers may choose to repay obligations under other indebtedness before repaying Financed Eligible Loans because the borrowers have no collateral at risk.

Certain Financed Eligible Loans may be Forgiven upon the Death or Disability of the Student Borrower

Certain of the Financed Eligible Loans are eligible for loan forgiveness or write-off if the student borrower dies or becomes permanently disabled, which will reduce the revenues available to the Authority to pay the Bonds, including the Series 2019 Bonds. In addition, the estate of a deceased borrower may not be sufficient to repay the related Financed Eligible Loan. The discharge of a significant amount of the Financed Eligible Loans could adversely affect the ability of the Authority to pay principal of and interest on the Bonds, including the Series 2019 Bonds.

The Financed Eligible Loans may be Subject to Discharge in Bankruptcy

Under the U.S. Bankruptcy Code (as amended, the "Bankruptcy Code"), educational loans for qualified education expenses are generally non-dischargeable, subject to specified exceptions. However, student loans can become dischargeable if the borrower proves that keeping the student loans non-dischargeable would impose an undue hardship on the debtor and the debtor's dependents.

Bankruptcy Court judges have substantial discretion in applying Bankruptcy Code provisions in specific cases. The provisions addressing educational loans have been the subject of extensive litigation in the context of numerous filings under the Bankruptcy Code by borrowers and co-signers and Bankruptcy Court judges have applied a variety of approaches to resolving the status of education loans in specific factual circumstances for purposes of such proceedings. For example, in March, 2016, the United States Bankruptcy Court, Eastern District of New York, ruled that a loan made by a commercial lender to a borrower for bar exam study (or preparation) costs could be discharged after the defendant

could not prove that such loan met the ‘education benefit’ test of the Bankruptcy Code. There can be no assurance that any Bankruptcy Court proceedings involving Financed Eligible Loans borrowers may not differentiate between the types of Financed Eligible Loans included in the Trust Estate in applying these provisions.

A number of bankruptcy reform proposals that would make it easier to discharge private student loans under the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 have been discussed and/or introduced in the Congress of the United States in recent years, including H.R. 770 introduced on January 24, 2019 and proposing to amend Title 11 of the United States Code to make student loans dischargeable. In addition, the Dodd-Frank Act (hereinafter defined) established a student loan ombudsman within the CFPB (hereinafter defined), which ombudsman is required to prepare an annual report and make appropriate recommendations to the Secretary of the Treasury, the Director of the CFPB, the Secretary of Education, and Congress. In the Annual Report of the CFPB Student Loan Ombudsman, dated October 16, 2014, the ombudsman recommended that Congress review the provisions of the Bankruptcy Code exempting student loans for qualified education expense from discharge in bankruptcy absent a showing of “undue hardship” to the debtor. As such, it is possible that bankruptcy reform legislative proposals may be enacted at the federal level in a manner that might adversely affect the Authority’s ability to enforce collection of the Financed Eligible Loans. Furthermore, the discharge of a significant amount of the Financed Eligible Loans could adversely affect the ability of the Authority to pay principal of and interest on the Bonds, including the Series 2019 Bonds.

Dodd-Frank Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), which was enacted in July 2010, represented a comprehensive overhaul of the financial services industry within the United States, and established a new federal Consumer Financial Protection Bureau (the “CFPB”). The CFPB, an independent agency within the Federal Reserve, regulates consumer financial products, including education loans, and other financial services offered primarily for personal, family, or household purposes, and the CFPB and other federal agencies are required to undertake various assessments and rulemakings to implement the law. The majority of the provisions in the Dodd-Frank Act are aimed at financial institutions. However, there are components of the law that may have an impact on the Authority.

In September 2014, the Securities and Exchange Commission adopted new rules further regulating rating agencies’ activities with respect to rating asset-backed securities, and requiring that issuers of asset-backed securities, effective June 15, 2015, disclose third-party due diligence findings, including certain agreed-upon procedure reviews.

In May 2015, the CFPB launched a public inquiry into student loan servicing practices throughout the industry. In September 2015, the CFPB issued a report discussing public comments submitted in response to the inquiry and, in consultation with the Department of Education and Department of the Treasury, released recommendations to reform student loan servicing to improve borrower outcomes and reduce defaults. In July 2016, the Department of Education expanded on these joint principles by outlining enhanced customer service standards and protections that will be incorporated into federal servicing contracts and guidelines. The CFPB has also announced that it may issue student loan servicing rules in the future. It is difficult to estimate at this time any potential financial or other impact on the Authority that could result from these developments.

The Dodd-Frank Act gave the CFPB authority to supervise private education lenders. In addition, the CFPB supervises and examines certain non-bank student loan servicers that service more than 1 million borrower accounts to ensure that bank and non-bank servicers follow the same rules in the student

loan servicing market. The rule covers both federal and private student loans. The Servicer services more than 1 million student loan borrower accounts. The CFPB began conducting its initial supervisory examinations of the large nonbank student loan servicers after the rule became effective in March 2014. If, in the course of an examination, the CFPB were to determine that a Servicer or the Authority is not in compliance with applicable laws, regulations and CFPB positions, it is possible that this could result in material adverse consequences to a Servicer and/or the Authority, including, without limitation, settlements, fines, penalties, adverse regulatory actions, changes in the Authority's or in a Servicer's business practices, or other actions. However, it is not possible to estimate at this time any potential financial or other impact to each of the Authority or any other future Servicer, including any impact on its ability to satisfy its obligations with respect to the Financed Eligible Loans to be pledged under the Indenture, that could result from a CFPB examination, in the event that any adverse regulatory actions occur.

In addition to its supervisory authority, the CFPB has broad authority to enforce compliance with federal consumer financial laws applicable to private student lenders and student loan servicers, including the Dodd-Frank Act's prohibition on unfair, deceptive or abusive acts or practices, by conducting investigations and hearings, imposing monetary penalties, collecting fines and requiring consumer restitution in the event of violations. It may also bring a federal lawsuit or administrative proceeding. In addition, the Dodd-Frank Act authorizes state officials to enforce regulations issued by the CFPB.

Also, in December of 2013, the banking regulators and other agencies principally responsible for banking and financial market regulation in the United States implemented the final rule under the so called Volcker Rule under the Dodd-Frank Act, which in general prohibits "banking entities" (as defined therein) from (a) engaging in proprietary trading, (b) acquiring or retaining an ownership interest in or sponsoring certain hedge funds, private equity funds (broadly defined to include any entity that would be an investment company under the Investment Company Act but for the exemptions provided in Section 3(c)(1) or 3(c)(7) of the Investment Company Act) and certain similar funds and (c) entering into certain relationships with such funds. Banking entities subject to the Volcker Rule were required to fully conform their activities and investments to the final regulations regarding proprietary trading restrictions by July 21, 2015, and the final regulations regarding investments in and relationships with covered funds by July 21, 2016. Although the Authority does not rely upon the exemptions in Section 3(c)(1) or 3(c)(7) of the Investment Company Act for an exemption from being an investment company under the Investment Company Act and, as such, is not a covered fund, the general effects of the final rules implementing the Volcker Rule remain uncertain. Any prospective investor in the Series 2019 Bonds, including a U.S. or foreign bank or an affiliate or subsidiary thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule and regulatory implementation.

At this time, it is difficult to predict the extent to which the Dodd-Frank Act or the resulting regulations will impact the Authority's business and operations and the business and operations of any Servicer. As rules and regulations are promulgated by the federal agencies responsible for implementing and enforcing the provisions of the Dodd-Frank Act, the Authority and any Servicer will need to apply adequate resources to ensure that each is in compliance with all applicable provisions. Compliance with these new laws and regulations may result in additional costs and may otherwise adversely impact the Authority's and/or any Servicer's results of operations, financial condition, or liquidity.

Consumer Protection Lending Laws and Regulations

Eligible Loans are subject to applicable laws regulating loans to consumers. Numerous federal and state consumer protection laws and related regulations impose substantial requirements upon lenders and servicers involved in consumer finance which may have the effect of subjecting lenders and servicers to the licensure, supervisory and regulatory requirements of multiple governmental entities. Changes in

such requirements may reduce the number of entities that are qualified to perform origination and servicing services with respect to the Eligible Loans and increase ongoing fees for these services. Some state and federal laws impose interest rate ceilings and other restrictions on certain consumer transactions and require certain disclosures of legal rights and obligations. Furthermore, to the extent applicable, these laws can impose specific statutory liabilities upon creditors who fail to comply with their provisions and may affect the enforceability of the Financed Eligible Loan. For example, federal law such as the Truth in Lending Act can impose statutory damages on the Authority and defenses to enforcement of the Financed Eligible Loans, if errors were made in disclosures that must be made to borrowers. Certain state disclosure laws, such as those protecting co-signers, may also affect the enforceability of the Financed Eligible Loans if appropriate disclosures were not given or records of those disclosures were not retained. In addition, the remedies available to the Trustee or the Registered Owner upon an Event of Default under the Indenture may not be readily available or may be limited by applicable state and federal laws. If the application of consumer protection laws were to cause the Financed Eligible Loans, or any of the terms of the Financed Eligible Loans, to be unenforceable against the borrowers or co-signers, as applicable, the Authority's ability to pay when due the principal of and interest on the Bonds, including the Series 2019 Bonds, servicing fees, Trustee fees, and other Indenture program expenses related thereto could be adversely affected.

Additionally, further regulation by Congress, state legislatures or regulatory agencies, or changes in the regulatory application or judicial interpretation of existing laws and regulations applicable to consumer lending, could make it more difficult for the Servicer to collect payments on the Financed Eligible Loans. The regulatory environment in which financial institutions, creditors and servicers operate has become increasingly complex.

If the Financed Eligible Loans were marketed or serviced in a manner that is unfair, deceptive or abusive, or if marketing, origination or servicing violated any applicable law, then state and federal laws applicable to unfair, deceptive or abusive acts or practices may impose liability on the loan holder, as well as creating defenses to enforcement. Under certain circumstances, the holder of a Financed Eligible Loan is subject to all claims and defenses that the borrower on that Financed Eligible Loan could have asserted against the educational institution that received the proceeds of the Financed Eligible Loan. If pricing of private student loans has an adverse impact on classes of protected persons under the federal Equal Credit Opportunity Act and other similar laws, claims under those laws may be asserted against the originator and the Financed Eligible Loan holder. There can be no assurance that the Authority will not be subject to such claims or that the Authority will not have liability with respect to such claims. Any such liability could reduce have a material adverse effect on the Authority and on the ability of the Authority to pay principal of and interest on the Bonds, including the Series 2019 Bonds.

Financed Eligible Loans were made using standardized documentation. Thus, many borrowers may be similarly situated insofar as the provisions of their contractual obligations are concerned. Accordingly, certain allegations of violations of the provisions of applicable federal or state consumer protection laws could potentially result in a large class of claimants asserting claims against the Authority and any Servicer. The costs of defending or paying judgments in any such lawsuits could adversely affect the Authority's business and/or could materially impair the Authority's ability to make payments of principal of and interest on the Bonds, including the Series 2019 Bonds.

Internet-Based Loan Origination Processes may give rise to Greater Risks than Paper-Based Processes

The Authority or its Servicer, in its capacity as loan originator or agent therefor, often uses the internet to obtain application information and distribute certain legally required notices to applicants and

borrowers, and to obtain electronically signed loan documents in lieu of paper documents with actual borrower signatures. These processes may entail greater risks than would paper based student loan origination processes, including risks regarding the sufficiency of notice for compliance with consumer protection laws and risks that borrowers may challenge the authenticity of loan documents. If any of those factors were to cause Financed Eligible Loans, or any of the terms of the Financed Eligible Loans, to be unenforceable against the borrowers, the Authority's ability to pay principal of and interest on the Bonds, including the Series 2019 Bonds, could be adversely affected.

Investigations and Inquiries of the Student Loan Industry may Affect the Authority or any Servicer

A number of state attorneys general and other federal and state regulatory or legislative authorities have conducted broad inquiries or investigations of the activities of various participants in the student loan industry, including, but not limited to, activities that may involve perceived conflicts of interest.

There is no assurance that the Authority or any Servicer with respect to any or all of the Financed Eligible Loans will not be subject to inquiries or investigations. While the ultimate outcome of any inquiry or investigation cannot be predicted, it is possible that these inquiries or investigations and regulatory developments may materially affect the Authority's ability to perform its obligations under the Indenture or the Authority's ability to pay principal of and interest on the Bonds, including the Series 2019 Bonds, from assets in the Trust Estate.

School Closures and Unlicensed Schools may Result in Losses for Bondholders of the Series 2019 Bonds

Certain Financed Eligible Loans may be subject to the so called "Holder-in-Due-Course" rule of the Federal Trade Commission, the provisions of which are similar to those contained in the Uniform Consumer Credit Code and in state statutes and common law of many states. The effect of these laws is to subject certain lenders, including potentially the Authority, in a consumer credit transaction to all claims and defenses which the obligor in the transaction can assert against the seller of the goods or services. Under these laws, the Authority as holder of the Financed Eligible Loans will be subject to any claims or defenses that the student borrower may assert against its school for failure of the school to satisfy its obligations under the enrollment agreement with the student as a result of a school closure, a school bankruptcy or otherwise. If a student is successful in making such a claim against the school, the student may have the right to recover from the Authority payments previously made on the related Financed Eligible Loan and have a defense against making further payments. In this event, to the extent revenues pledged as part of the Trust Estate to secure repayment of the Bonds, including the Series 2019 Bonds, are insufficient to cover such amounts, a bondholder of the Series 2019 Bonds may suffer a loss on its investment.

In addition, generally state law requires schools engaged in providing educational services in their state to be licensed by a state regulatory authority. In most states, if a school is not licensed at the time the student signs the enrollment agreement, the enrollment agreement may be void and, as a result, the student will have a defense against repayment of the loan. If a related school became unlicensed prior to the student signing the enrollment agreement, the related borrower will have the right to recover payments previously made on the related Financed Eligible Loans and will have a defense against further payment. There is also a possibility that a school has failed to maintain its license under applicable law since the origination of the related Financed Eligible Loans, and in such event, the related borrower may be entitled

to the claims or defenses with respect to payments on its Financed Eligible Loan described above. In either of these instances, to the extent revenues pledged as part of the Trust Estate to secure repayment of the Bonds, including the Series 2019 Bonds, are insufficient to cover such amounts, a bondholder of the Series 2019 Bonds may suffer a loss on its investment.

Effect of Ratings

It is a condition to the issuance of the Series 2019 Bonds that the Series 2019 Bonds be rated as indicated under the caption “RATINGS” herein. The underlying ratings on the Series 2019 Bonds are based on the assigning Rating Agency’s assessment of the creditworthiness of the Trust Estate, which will be primarily dependent upon its assessment of the creditworthiness of the Eligible Loans that are expected to be included therein, the inclusion of certain other assets therein and the legal structure of the transaction. The rating assigned to the Series 2019 Bonds on the basis of the 2019 Bond Insurance Policy that is expected to be issued by the 2019 Bond Insurer as a condition to the initial delivery of the Series 2019 Bonds is based on S&P’s assessment of the creditworthiness of the 2019 Bond Insurer and/or the 2019 Bond Insurance Policy. References to ratings in this Official Statement are not included herein, and should not be relied upon, as recommendations by any assigning Rating Agency to investors to purchase, hold or sell the Series 2019 Bonds as such ratings do not take into account either the suitability of such actions for any specific investor or the market price of the Series 2019 Bonds at any time. One or more additional nationally recognized rating agencies may assign ratings to the Series 2019 Bonds, either in response to a request by the Authority or otherwise, and any such rating may or may not be equivalent to the initial ratings described in this Official Statement. Any rating may be increased, lowered, suspended or withdrawn at any time by the nationally recognized rating agency assigning such rating if, in the assigning nationally recognized rating agency’s judgment, circumstances so warrant. A lowering, suspension or withdrawal with respect to any rating assigned to the Series 2019 Bonds might adversely affect the Authority’s ability to fund its student loan finance program or the market value or marketability of the Series 2019 Bonds. In addition, a rating action that is, by its terms, limited to Additional Bonds that may be issued by the Authority or to obligations other than Bonds that have been issued, or that may be issued, by the Authority, or potentially by other issuers, might also adversely affect the Authority’s ability to fund its student loan finance program or the market value or marketability of the Series 2019 Bonds. Rating actions may take place at any time. The Authority cannot predict the timing or nature of rating actions. See “—Reliance on the Rating Agency Condition and Assured Guaranty for Certain Actions” and “—Bond Insurance Risk” above.

ESTIMATED SOURCES AND USES OF FUNDS

The net proceeds from the sale of the Series 2019 Bonds in the amount of \$45,131,758.57 (equal to the par amount of the Series 2019 Bonds plus net original issue premium and less the Underwriter’s discount), together with \$2,100,000.00 on deposit in the Cash Subaccount of the Class A Subaccount of the Tax-Exempt Capital Reserve Account for the Refunded Bonds and \$967,562.50 from amounts on deposit in the Tax-Exempt Interest Subaccount of the Interest Account of the Debt Service Fund will be used as follows:

- (a) \$12,771,758.57 will be deposited to the 2019 Subaccount of the Tax-Exempt Student Loan Account of the Student Loan Fund to be used to finance Eligible Loans;
- (b) \$34,637,562.50 will be used to refund the Refunded Bonds;
- (c) \$424,000.00 will be deposited to the 2019 Subaccount of the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund; and

(d) \$366,000.00 will be deposited to the 2019 Subaccount of the Tax-Exempt Student Loan Account of the Student Loan Fund to be used to pay the costs of issuance with respect to the Series 2019 Bonds and to pay the costs in connection with the 2019 Bond Insurance Policy and the 2019 Capital Reserve Fund Insurance Policy.

The Trustee also will receive the 2019 Capital Reserve Fund Insurance Policy which will be credited towards the Capital Reserve Fund Requirement for the Series 2019 Bonds and will be accounted for in the 2019 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Pledged Funds Capital Reserve Fund” and “BOND INSURANCE.”

THE AUTHORITY

Organization

The Authority, a body corporate and politic constituting a public instrumentality of the State, was created 1983 by the Act which consolidated three former State agencies: the Maine Guarantee Authority, the Maine Veterans’ Small Business Loan Authority and the Maine Small Business Loan Authority. In 1990, the Authority assumed responsibility for administration of the State’s higher education loan and loan guaranty programs. In October of 2015, by State statute, the Authority became the successor to the Maine Educational Loan Authority pursuant to the Educational Loan Program Act. Under the Act and the Educational Loan Program Act, the Authority is authorized to provide assistance for higher education to students or the families of students who are residents of the State attending institutions of higher education within or outside the State, to students and the families of students attending institutions of higher education within the State whether or not such persons are residents of the State, and to institutions of higher education within the State. The assistance to be provided by the Authority is intended in part to supplement federal higher education loan programs, other student loan programs, grant programs, scholarship programs, programs assisting institutions of higher education and other means of assistance.

The Authority’s purposes also include stimulating a larger flow of private investment funds to help finance expansion of industrial, manufacturing, fishing, agricultural and recreation enterprises in the State. The Authority has been involved in financing commercial, industrial and specialized development projects by the issuance of revenue bonds, and expects to continue to finance such projects in the future.

Board and Board Members

The Authority is a body corporate and politic and a public instrumentality of the State. It consists of 15 voting members, as follows: the Commissioner of Economic and Community Development; the State Treasurer; one natural resources commissioner designated by the governor of the State (the “Governor”) from either the Department of Agriculture, Conservation and Forestry or the Department of Marine Resources; and twelve members appointed by the Governor (including a certified public accountant, an attorney, a commercial banker, two veterans, two persons knowledgeable in the field of natural resource enterprises or financing, one person knowledgeable in the field of financial assistance, and one person knowledgeable in the field of higher education), which appointments are subject to review by the joint standing committee of the State Legislature having jurisdiction over economic development and subject to confirmation of the State Legislature. The members elect a chair, a vice chair who also serves as secretary, and a treasurer, and employ a chief executive officer, who is nominated by the Governor and confirmed by the Legislature.

The members of the Authority as of March 31, 2019 were as follows (with one seat vacant):

James “Jay” Violette – *Chair*
Vice President and Senior Loan Officer
TD Bank
Waterville, Maine

Richard Roderick – *Vice Chair*
Retired Executive
Cape Elizabeth, Maine

David Daigler – *Treasurer*
Vice President & Chief Financial Officer
Maine Community College System
Augusta, Maine

Jonathan Block, Esq.
Partner
Pierce Atwood, LLP
Portland, Maine

Heather Johnson
Commissioner
Department of Economic and Community Development
Augusta, Maine

Henry Beck
Maine State Treasurer
Augusta, Maine

Raymond Nowak
President, Nowak Capital Enterprises, LLC
Consultant, Farm Credit East
Brunswick

James Howard
President & CEO
Priority Real Estate Group
Topsham, Maine

Patrick Keliher
Commissioner
Department of Marine Resources
Augusta, Maine

Timothy Nightingale
Executive Vice President/Senior Loan Officer
Camden National Bank
Camden, Maine

Larry Mitchell
Col USMC (Ret.)
Winslow, Maine

Rosaire Pelletier
Senior Forest Advisor/Consultant
Madawaska, Maine

Christopher Pierce
Chairman
The Dingley Press
Lisbon, Maine

Cheri Walker
Principal
Albin, Randall & Bennett
Portland, Maine

Staff

The following are the Authority’s staff members with primary responsibility for the Authority’s bond programs, including its education loan program, as of March 31, 2019:

Bruce Wagner, Chief Executive Officer. The Chief Executive Officer is responsible for coordinating personnel and instituting policies and programs of the Authority. Responsibilities of the Chief Executive Officer include oversight and administration of all programs of the Authority, and Authority administration. Prior to joining the Authority in February of 2014, Mr. Wagner owned and operated a business consulting firm in Portland, Maine, before which he was Chief Financial Officer of Martin’s Point Health Care and President of W.R. Grace, Darex Container Products Division. He holds a B.A. Degree in Economics from Lafayette College.

Christopher Roney, General Counsel. The General Counsel is responsible for supervising and coordinating all legal matters concerning the Authority. Mr. Roney joined the Authority in July, 1996 as its Deputy General Counsel, and become General Counsel in 2009.

Prior to joining the Authority, Mr. Roney was employed by two law firms in Portland, Maine. He graduated from the University of Maine School of Law with a J.D. in 1988 and graduated from Villanova University in 1985 with a Bachelors of Arts degree, cum laude, in Economics.

Carlos R. Mello, Chief Risk Officer. The Chief Risk Officer is responsible for all credit and finance functions (including bond funding) at the Authority, as well as coordinating and supervising risk management activities of the Authority. Mr. Mello serves as the Chief Financial Officer of the Authority. Mr. Mello joined the Authority in January, 2013. Prior to joining the Authority, Mr. Mello was the President and CEO of Prudential Bank & Trust, FSB and was senior vice president and managing director at People's United Bank. Mr. Mello is a certified financial planner, and a former certified public accountant. Mr. Mello received his B.S. in Accounting from Boston College.

Martha H. Johnston, Director of Education. The Director of Education is responsible for policy development and ultimate operational oversight of all education programs administered by the Authority. The position oversees College Access and Financial Education activities, Education Finance Programs including the Maine Loan and Maine Medical Loan programs, the Maine State Grant Program, the Authority's 529 College Savings Plan and Education Customer Service. Ms. Johnston has been the Director of Education at the Authority since September 2014. She also served as the Director of Education at the Authority from 2007-2012. Prior to such time, Ms. Johnston worked in higher education financing including as a student loan lender and as a former director of financial aid for an institution of higher education in Maine. Ms. Johnston graduated from Mount Holyoke College with a major in philosophy and a minor in Art History.

Rita M. Fournier, Education Programs Manager. The Education Programs Manager is responsible for direct supervision of operations and customer service for the education grant and finance programs administered by the Authority, including the Maine Loan and Maine Medical Loan programs. Ms. Fournier has been with the Authority since July 2003. Prior to joining the Authority, she oversaw the processing, ensured compliance with federal and state regulations, and handled the underwriting and collections for Maine Education Loan Marketing Corporation (MELMAC) and Maine Education Services. Prior to joining Maine Education Services, Ms. Fournier worked for Fleet Bank as a Certified Bank Auditor, where her primary responsibilities were to ensure compliance with consumer regulations and loan underwriting. Ms. Fournier holds a Bachelor of Science in Business Administration and a Master of Science in Business from Husson University.

The Authority's main office is located at 5 Community Drive, Augusta, Maine 04330, and its telephone number is (207) 623-3263.

Powers

Under the Educational Loan Program Act, the Authority has the power, among others, to (a) borrow money or otherwise obtain credit in its own name; (b) lend money or otherwise extend credit to any Person and exercise all powers of a lender or creditor; (c) insure or guarantee performance of any loan agreement or other obligation; (d) acquire, use, manage, improve or dispose of any interest in, or type of, real or personal property, including by grant, purchase, sale, borrowing, loan, lease, foreclosure, mortgage, assignment or other lawful means, with or without public bidding and also including the assessment of fees, the forgiveness of indebtedness, the receipt of reimbursements for expenses incurred in carrying out its purposes and the expenditure or investment of its funds; (e) purchase, sell, service, pledge, invest in, hold, trade, accept as collateral or otherwise deal in, acquire or transfer, on such terms and conditions as the Authority may specify, any loan, loan pass through certificate, pledge, including

any pledge of loan revenue, loan participation certificate or other loan backed or loan related security; (f) obtain, develop or disseminate any information useful or convenient for carrying out any purpose or power of the Authority; (g) procure insurance in aid of any of its corporate purposes; (h) employ persons in order to carry out any of its powers and duties; (i) sue or initiate or appear in any proceeding, or be sued on its written contracts or in certain other limited circumstances, (j) adopt any rules, including its bylaws, necessary or useful for carrying out any of its powers or duties; and (k) make, modify and carry out any agreement, including issuing any bond, necessary or useful for carrying out any of its powers, duties or purposes.

The Authority is also authorized to originate supplemental loans such as the Eligible Loan. In order to accomplish any of its powers under the Act and the Educational Loan Program Act, the Authority is authorized to issue its revenue bonds and lend the proceeds thereof.

Collection of Financed Eligible Loans

The Authority utilizes third-party collection agents to collect on defaulted Financed Eligible Loans. The Authority currently acts as Administrator with respect to its Financed Eligible Loans, and is authorized under the Indenture to appoint and rely on a third party Administrator to perform certain in-house collections in order to supplement the efforts of the Servicers and to assist in preventing, to the extent possible, defaults on Financed Eligible Loans. Under the laws of the State, the Authority is also permitted to utilize, with the assistance of Maine Revenue Services, an offset on any Maine tax refund to which the student would otherwise be entitled in order to collect amounts due on Financed Eligible Loans. The Authority has recently begun using such tax refund setoff to aid in default collections on Financed Eligible Loans.

THE ADMINISTRATOR

The Program had previously been administered by MES—Maine Education Services, but since December 31, 2015 the Authority has acted and will continue to act as Administrator (the “Administrator”) for the Program and will be paid an administration fee on a monthly basis from funds available under the Indenture. See APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund*.” The Indenture authorizes the Authority to appoint a third-party administrator, but the Authority currently has no plans to do so.

THE AUTHORITY’S STUDENT LOAN PROGRAM

General

The Authority was created by the Act as a means of providing financial assistance to students for the costs of attendance at approved institutions of higher education. The Act permits the Authority to make Eligible Loans to residents of the State, regardless of where the approved institution of higher education they are attending is located; provided, that, the institution is in the United States or Canada, and to nonresidents of the State who are attending approved institutions of higher education in the State. The Authority intends to originate and acquire Eligible Loans meeting the requirements of the Act, rules adopted by the Authority pursuant to the Maine Administrative Procedures Act relating thereto (the “Rules”) and as permitted by the Indenture. The Underwriting Standards and certain terms of the Eligible Loans are described under “—Loan Terms” below.

Origination and Servicing of Loans

Origination of the Eligible Loans will be made by the Authority; in the past, the Authority received an origination fee of 1% of the original approved amount of certain of the Eligible Loans originated. The Authority does not intend to charge an origination fee with respect to Eligible Loans made with the proceeds of the Series 2019 Bonds or with recycling proceeds unless the Authority shall otherwise determine. The Authority will provide the administrative services with respect to the Program. Nelnet Servicing LLC (“Nelnet Servicing” and together with any other servicing agent, each individually a “Servicer” and collectively, the “Servicers”), acts as Servicer of the Authority’s Program pursuant to the Amendment, Extension and Restatement of Agreement for Alternative Student Loan Servicing, dated as of May 1, 2017 (the “Nelnet Servicing Agreement”), by and between Nelnet Servicing and the Authority. The Nelnet Servicing Agreement has a term of three years from the effective date of May 1, 2017 and there is an option to extend the Nelnet Servicing Agreement for another three year term if the parties so agree. The Authority also is permitted under the Indenture to use other servicing agents under its Program as long as use of such servicing agent is approved by each Credit Provider, including the 2019 Bond Insurer, and any Liquidity Provider and the Authority has satisfied the Rating Agency Condition. The Nelnet Servicing Agreement, together with the servicing agreements with any other Servicers, are collectively referred to herein as the “Servicing Agreements”). In addition, under the Indenture, if at any time the Loan Default Percentage exceeds 5%, Assured Guaranty will have the right to direct the Authority to take any actions authorized under any Servicing Agreement or all Servicing Agreements, including the termination of any Servicer or Servicers, as applicable; provided, however, the Authority will be required to fulfill the other conditions required by the Indenture prior to the removal of any Servicer. Borrower applications will be processed electronically or sent to the Administrator for review and processing. Once all administrative procedures have been accomplished, the Authority disburses the Eligible Loans and forwards the promissory note to the Servicer for servicing.

Anticipated Loan Demand

The Origination Period for the Series 2018 Bonds is anticipated to be extended from July 1, 2019 to December 31, 2019, unless further extended in the future. The Origination Period for the Series 2019 Bonds will end on July 1, 2020, unless extended in the future. The Authority anticipates the Eligible Loans to be funded from the proceeds of the Series 2019 Bonds, together with approximately \$500,000 of proceeds of the Series 2018 Bonds remaining, will be approximately as follows:

Acquisition Date	Amount
April 30, 2019 through December 31, 2019	\$5,500,000
January 1, 2020 through July 1, 2020	\$7,500,000

Loan Terms

The Authority, through its predecessor, Maine Educational Loan Authority, has financed and refinanced Eligible Loans since 1988. As described under the caption “LOAN PORTFOLIO INFORMATION AND ASSUMPTIONS,” as of the Statistical Cut-off Date, there were \$76,136,963 in principal amount of Financed Eligible Loans held under the Indenture. These include Maine Loans, Maine Medical Loans and Maine Consolidation Loans, and, depending upon the timeframe during which such Financed Eligible Loans were originated, they were subject to varying underwriting criteria and have a diverse set of loan repayment terms. See “LOAN PORTFOLIO INFORMATION AND ASSUMPTIONS” for data relating to the Financed Eligible Loans as of the Statistical Cut-off Date.

With respect to the origination of Eligible Loans with the proceeds of the Series 2019 Bonds and from the recycling of loan repayments on all Financed Eligible Loans, all of the Eligible Loans originated with amounts expended from the Student Loan Fund under the Indenture must satisfy certain credit Underwriting Standards and are expected to be either Maine Loans or Maine Medical Loans (which are further described below). The Authority has in the past, and is developing a newer, Maine Consolidation Loan, but proceeds of the Series 2019 Bonds and recycling are not expected to be used for such loans. The Underwriting Standards and the loan terms described below applicable to newly originated Eligible Loans may be modified at any time with the approval of Assured Guaranty and upon satisfaction of the Rating Agency Condition.

All of the Eligible Loans to be originated with amounts expended from the Student Loan Fund under the Indenture following the issuance of the Series 2019 Bonds must satisfy the following Underwriting Standards:

- (a) credit bureau reports obtained for each Eligible Borrower, as defined below, from a nationally recognized credit bureau;
- (b) minimum two years credit history and three trade lines for all Co-Borrowers, as defined below, and Co-Signers, as defined below, or an Eligible Student, as defined below, if applying alone, for Maine Loans and Maine Medical Loans and minimum two years credit history and three trade lines for Eligible Borrowers of Maine Consolidation Loans;
- (c) satisfactory credit history, as evidenced by the credit score provided by the credit bureau, for all Eligible Borrowers. In addition, the dollar amount of Eligible Loans approved with credit scores less than 680 will not exceed 10% of the total dollar amount of approved Eligible Loans on an annual basis;
- (d) the debt/income ratio not to exceed 50% and minimum income of at least \$1,667 for Maine Loans and at least \$2,500 for Maine Consolidation Loans; provided, however, that no debt/income ratio nor minimum income limitation shall be required for Maine Medical Loans. Debt/income is calculated for an Eligible Loan as a group when more than one Co-Borrower or Co-Signer exists. Debt is defined as monthly installment, revolving and housing, including mortgage and/or rent payments. Income is gross monthly income for calculation purposes (income must be at least \$20,000 on an annual basis for Maine Loans and at least \$30,000 on an annual basis for Maine Consolidation Loans);
- (e) there is no record of a foreclosure, repossession, open judgment or suit, tax lien, prior educational loan default, or other negative public record items in the past seven years (exceptions may be granted where the Eligible Borrower provides written documentation demonstrating the obligation has been paid);
- (f) there is no record of a bankruptcy in the past seven years (exceptions may be granted where the Eligible Borrower provides written documentation demonstrating the circumstances leading up to the bankruptcy were beyond his/her control, i.e., large medical expenses; unemployment due to being laid off or disabled, etc.);
- (g) there is no record of any charged-off accounts greater than \$250 in the past two years;
- (h) except as otherwise specifically allowed above and except with respect to Maine Consolidation Loans, documented exceptions to any of the criteria set forth in (a) through (g)

above may be made but only in accordance with customary credit policies for consumer loans, and only if the credit committee signs off on the Eligible Loan; provided, however, that the Eligible Loans constituting Maine Loans and Maine Medical Loans approved with documented exceptions on the Co-Borrower or Co-Signer, or the Eligible Student if applying alone, will not exceed 10% of total approved Eligible Loans on an annual basis;

(i) at least one of the Eligible Borrowers must be a U.S. citizen or certified permanent resident of the United States. A non-citizen Eligible Borrower must submit a valid Form I-551 (Alien Registration Receipt Card) with the application. All Eligible Borrowers must have a valid Social Security number;

(j) Eligible Students applying for Maine Loans without an eligible Co-Borrower or Co-Signer will not exceed 10% of the aggregate principal amount of approved Eligible Loans on an annual basis; and

(k) no further Maine Consolidation Loans may be disbursed without the consent of Assured Guaranty and a favorable opinion of Bond Counsel.

Eligible Loans constituting Maine Loans and Maine Medical Loans will be made to or for the benefit of an Eligible Student enrolled at an Eligible Institution at the time the Eligible Loan proceeds are disbursed in order to finance the cost of attendance for one academic year at such Eligible Institution. Eligible Loans constituting Maine Consolidation Loans will be made to or for the benefit of an Eligible Borrower that is a Maine resident or an existing Authority borrower; the student's last school of attendance must also be an Eligible Institution. A statement of enrollment must be provided to the Administrator prior to the disbursement of the Eligible Loan with respect to Maine Loans and Maine Medical Loans. The "cost of attendance" means the tuition and fees applicable to an Eligible Student, together with other expenses reasonably related to the cost of attendance at the institution, including, without limitation, the cost of room and board, transportation, food, books and supplies. An Eligible Institution is any public or private educational institution in the State or such an institution outside the State which is attended by residents of the State, which (i) provides a program of education beyond the high school level; (ii) awards an associate, bachelor or advanced degree; (iii) is an accredited institution; (iv) is an eligible institution under Title IV of the Higher Education Act of 1965; and (v) meets the conditions of applicable Program rules.

An Eligible Borrower means (a)(i) a student who is a resident of the State and who is attending an Eligible Institution, (ii) a student who is not a resident of the State and who is attending an Eligible Institution in the State, or (iii) any other student to whom the Authority is permitted by law to make a loan (each, an "Eligible Student"), or (b) the parent, guardian or spouse of a student described in clause (a) who has agreed to repay an Eligible Loan, if any (each, a "Co-Borrower"); and such term also includes any guarantor or co-signer with respect to the Eligible Loan where the context may so require (each, a "Co-Signer").

The minimum principal amount of any Eligible Loan constituting a Maine Loan or a Maine Medical Loan will be \$1,000 per year and the maximum amount will be the total cost of attendance at an Eligible Institution per annum minus other available financial aid; provided, however, that Eligible Loans to the same Eligible Borrower may be consolidated.

Certain of the Eligible Loans originated in the past were originated under a self-guarantee program under which Eligible Borrowers were assessed one-time Guarantee Fees in an amount equal to 3% of the original approved amount of the Eligible Loan. The Guarantee Fee was added to the loan balance at the time of disbursement. In addition, in the past, certain of the Eligible Borrowers had been

assessed an origination fee equal to 1% of the original, approved principal amount of certain of the Eligible Loans, added to the loan balance at the time of disbursement, which was used to fund the origination fee paid to the Administrator under the terms of the Administration Agreement. With respect to the origination of Eligible Loans with the proceeds of the Series 2019 Bonds, or any origination of Eligible Loans from recycling of Eligible Loan repayments, no Guarantee Fee or origination fee is expected to be charged. None of the Eligible Loans will be guaranteed under any federal student loan program.

The principal amount of most Eligible Loans constituting a Maine Loan or a Maine Medical Loan will be amortized on a level debt service basis over a period of between 120 months and 180 months from the date its amortization is to commence, subject to Forbearance as described below. The principal amount of an Eligible Loan (if any) constituting a Maine Consolidation Loan will be amortized on a level debt service basis over not more than 300 months from the date its amortization is to commence.

Interest rates on the Financed Eligible Loans vary, depending upon the time the Eligible Loan was made. For a description of the applicable interest rates as of the Statistical Cut-off Date, see the table designated "Interest Rates on Financed Eligible Loans" under the caption "LOAN PORTFOLIO INFORMATION AND ASSUMPTIONS." Interest rates for new Eligible Loans to be made by the Authority from the date of issuance of the Series 2019 Bonds through approximately June of 2020 will be fixed rate loans with interest rates ranging from 4.49% to 6.49% per annum, depending on the type of loan. In addition, interest rates on most Financed Eligible Loans made with proceeds of the Series 2009 Bonds and certain recycling proceeds thereof with a variable rate will be reduced to a rate equal to the Authority's cost of funding plus a spread, with the initial newly adjusted rate to be 6.99% per annum.

If, for reasons of unemployment, partial disability, certain defaults related to enrollment status, delinquency, active military duty or any other reason with the consent of Assured Guaranty, none of the Eligible Borrowers on an Eligible Loan are able to make the regular principal and interest payments due thereon, the Authority, in its sole discretion, may forbear payments of principal and interest ("Forbearance") on an Eligible Loan so long as the last payment of principal and interest due on such Eligible Loan is not made more than 30 months later than the original final maturity for such Eligible Loan.

The Authority presently expects to charge any Eligible Borrower who does not make timely payment of principal and interest on an Eligible Loan a late fee equal to the lesser of \$10 or 5% of the amount of any such delinquent payment.

Under the Program, at the end of each calendar quarter, the aggregate principal amount of Financed Eligible Loans constituting loans for students attending two year proprietary schools is not permitted to be more than 2% of the aggregate principal amount of all Financed Eligible Loans plus other amounts on deposit in the Student Loan Fund.

The Authority has developed an Eligible Loan consisting of the Maine Medical Loan to offer medical students access to low cost educational financing for their medical program. Generally, the Authority's rules and guidelines as described above are reflective of the rules and guidelines established for the medical loan program subject to certain exceptions. Exceptions include: no debt to income or minimum income requirements for Eligible Students and the ability to defer both principal and interest payments during the time the Eligible Student is enrolled continuously in school on at least a half-time basis or during residency/internship period. The dollar amount of loans disbursed under the Maine Medical Loan program is not permitted to exceed 10% of the total dollar amount of Eligible Loans disbursed by the Authority on an annual basis for the period from and including July 1 of each year through and including June 30 of the succeeding year.

The Authority has within its loan portfolio certain refinanced Maine Loans, refinanced Maine Medical Loans and refinanced Maine Consolidation Loans. These loan products were originated under underwriting standards that varied from those set forth above, and on repayment terms that also varied from those described above. The loan terms and underwriting standards with respect to the Eligible Loans refinanced with a portion of the proceeds of the Refunded Bonds (which Financed Eligible Loans will be reallocated to the Series 2019 Bonds upon the refunding of the Refunded Bonds) and held under the Indenture vary depending on the type of such Eligible Loan and when such Eligible Loan was originally originated. The types of Eligible Loans refinanced under the Indenture include Maine Loans, Maine Medical Loans and Maine Consolidation Loans.

None of the Eligible Loans refinanced under the Indenture are guaranteed under any federal student loan program. The loan terms and the Underwriting Standards relating to these Eligible Loans are described below. See “LOAN PORTFOLIO INFORMATION AND ASSUMPTIONS” for a break-down of the percent of Eligible Loans consisting of Maine Loans, Maine Medical Loans, and Maine Consolidation Loans that are held under the Indenture.

Notwithstanding anything herein to the contrary, no Maine Consolidation Loan may be disbursed without a Favorable Opinion of Bond Counsel and the consent of the Bond Insurer.

Marketing of the Program

Since 1996, the Authority’s Program has been promoted as part of a comprehensive marketing plan. Each year, information on these loans has been included in direct mail pieces sent to Maine high school seniors and their parents. Informational brochures are sent in response to any direct requests for loan information. Application information is sent to all who borrowed during the previous academic year. Brochures are distributed to all Maine high school guidance offices and college financial aid offices, and a limited number of out-of-state college financial aid offices. The Program is explained and promoted at a multitude of financial aid informational sessions statewide. Online advertising is conducted year round with a concentrated effort between May and August of each year. Loan information and the application are also included on the MaineLoan.com website and potential borrowers are able to apply online.

Bankruptcy Concerns

Under the U.S. Bankruptcy Code (as amended, the “Bankruptcy Code”), educational loans for qualified education expenses are generally non-dischargeable, subject to specified exceptions. However, student loans can become dischargeable if the borrower proves that keeping the student loans non-dischargeable would impose an undue hardship on the debtor and the debtor’s dependents. See “INVESTMENT CONSIDERATIONS—The Financed Eligible Loans may be Subject to Discharge in Bankruptcy.”

LOAN PORTFOLIO INFORMATION AND ASSUMPTIONS

It is anticipated that approximately \$12,770,000 in aggregate principal amount of new Eligible Loans will be financed or approved under the Indenture during the Origination Period with respect to the Series 2019 Bonds with the portion of the proceeds of the Series 2019 Bonds deposited into the 2019 Subaccount of the Tax-Exempt Student Loan Account of the Student Loan Fund. See “ESTIMATED SOURCES AND USES OF FUNDS.”

Certain information concerning the Financed Eligible Loans that are held under the Indenture is set forth in the tables below. All data is as of March 31, 2019 (the “Statistical Cut-Off Date”). The

percentages and the balances of Eligible Loans set forth in certain of the tables below may not always add to 100% and \$76,136,963, respectively, due to rounding.

**Composition of the Financed Eligible Loan Portfolio
As of the Statistical Cut-Off Date**

Aggregate Outstanding Principal Balance	\$76,136,963
Number of Accounts	7,879
Average Outstanding Principal Balance per Borrower	\$18,080
Number of Loans	7,879
Average Outstanding Principal Balance per Loan	\$9,663
Weighted Average Borrower Rate	7.38%
Weighted Average Remaining Repayment (Months)	137.96
Weighted Average Remaining Interim (Months)*	6.86

* Projected remaining months in school, grace, deferment, and forbearance.

**Distribution of the Financed Eligible Loans by Loan Type
As of the Statistical Cut-Off Date**

Loan Type	Outstanding Principal Balance	Percent of Loans By Outstanding Balance	Number of Loans
The Maine Loan	\$71,428,507	93.82%	7,534
Maine Consolidation Loan	1,164,869	1.53	38
The Maine Medical Loan	<u>3,543,587</u>	<u>4.65</u>	<u>307</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

**Interest Rates of Financed Eligible Loans
As of the Statistical Cut-Off Date**

Borrower Interest Rate	Current Balance	Percent of Loans By Outstanding Balance	Number of Loans
Less than 5.25%	\$ 5,867,737	7.71%	517
5.25% to 6.00%	5,222,836	6.86	506
6.01% to 7.75%	39,005,227	51.23	3,821
8.01% to 8.50%	2,727,408	3.58	363
8.51% to 8.75%	4,301,303	5.65	500
Greater than 8.76%	<u>19,012,452</u>	<u>24.97</u>	<u>2,172</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

**Interest Rate of Financed Eligible Loans by Rate Mechanism
As of the Statistical Cut-Off Date**

Borrower Rate Mechanism	Current Balance	Percent of Loans By Outstanding Balance	Number of Loans
3-Month T-Bill + 2.00%/2.25% (School/Repay)	\$ 2,988,708	3.93%	273
Bond Rate + 3.200%*	21,851,858	28.70	2,566
Bond Rate + 3.200% No BB*	3,252,072	4.27	461
Bond Rate + 3.500%*	1,018,812	1.34	35
Fixed Rate 4.74% to 4.99%	2,879,279	3.78	241
Fixed Rate 5.00% to 5.99%	4,851,907	6.37	452
Fixed Rate 6.00% to 6.99%	15,641,163	20.54	1,403
Fixed Rate 7.00% to 7.99%	23,507,107	30.87	2,444
Fixed Rate 8.00% to 8.75%	<u>146,059</u>	<u>0.19</u>	<u>3</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

* Student loans bearing interest at this rate relate to student loan rates on Financed Eligible Loans primarily attributable to the Refunded Bonds, and in the future will bear interest at rates equal to the Authority's cost of funding for them plus an administrative spread to be determined from time to time.

**Distribution of the Financed Eligible Loans by Borrower Repayment Status
As of the Statistical Cut-Off Date**

Repayment Status	Outstanding Principal Balance	Percent of Loans By Outstanding Balance	Number of Loans
School (Interest Accrued)	\$11,071,366	14.54%	903
School (Interest Paid)	8,510,371	11.18	707
Grace (Interest Accrued)	900,580	1.18	97
Grace (Interest Paid)	774,327	1.02	65
Post Graduate Deferment (Interest Accrued)	2,501,076	3.28	234
Post Graduate Deferment (Interest Paid)	1,192,641	1.57	136
Forbearance	128,935	0.17	10
Repayment	<u>51,057,668</u>	<u>67.06</u>	<u>5,727</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

**Distribution of the Financed Eligible Loans by Seasoning
As of the Statistical Cut-Off Date**

Seasoning	Current Balance	Percent of Loans By Outstanding Balance	Number of Loans
Interim	\$24,667,284	32.40%	2,117
0 to 12 months	7,760,134	10.19	712
13 to 24 months	4,706,429	6.18	455
25 to 36 months	3,763,585	4.94	424
37 to 48 months	3,922,190	5.15	397
49 to 60 months	3,086,900	4.05	397
61 to 72 months	3,375,972	4.43	383
73 to 84 months	4,121,307	5.41	455
85 to 96 months	5,115,702	6.72	576
More than 96 months	<u>15,617,460</u>	<u>20.51</u>	<u>1,963</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

**Financed Eligible Loans As of the Statistical Cut-Off Date
by Borrower FICO when Originated**

Borrower FICO	Current Balance	Percent of Loans By Outstanding Balance	Number of Loans
Not Available	\$10,885,230	14.30%	1,286
Below 600	1,252,071	1.64	112
600 to 620	605,275	0.79	61
621 to 640	932,187	1.22	107
641 to 660	4,961,698	6.52	533
661 to 680	18,586,861	24.41	1,890
681 to 700	14,846,959	19.50	1,501
701 to 720	8,048,365	10.57	853
721 to 740	7,876,303	10.34	806
741 to 760	4,489,476	5.90	403
761 to 780	2,481,483	3.26	225
781 to 800	857,873	1.13	69
801 to 820	<u>313,182</u>	<u>0.41</u>	<u>33</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

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**Financed Eligible Loans As of the Statistical Cut-Off Date
by Co-Signer FICO when Originated**

Co-Signer FICO	Current Balance	Percent of Loans By Outstanding Balance	Number of Loans
Not Available	\$ 4,916,207	6.46%	562
Below 600	5,297	0.01	2
600 to 620	29,188	0.04	2
621 to 640	187,142	0.25	23
641 to 660	651,623	0.86	64
661 to 680	1,994,550	2.62	175
681 to 700	3,175,499	4.17	362
701 to 720	5,413,873	7.11	565
721 to 740	9,110,893	11.97	867
741 to 760	8,981,096	11.80	924
761 to 780	13,336,458	17.52	1,349
781 to 800	17,257,985	22.67	1,769
801 to 820	10,678,953	14.03	1,173
Over 820	<u>398,199</u>	<u>0.52</u>	<u>42</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

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**Financed Eligible Loans As of the Statistical Cut-Off Date
by Greater FICO when Originated**

Greater FICO	Current Balance	Percent of Loans By Outstanding Balance	Number of Loans
Not Available	\$ 796,365	1.05%	180
Below 600	81,767	0.11	5
600 to 620	29,188	0.04	2
621 to 640	157,126	0.21	17
641 to 660	491,999	0.65	53
661 to 680	1,670,024	2.19	154
681 to 700	3,473,464	4.56	390
701 to 720	5,581,594	7.33	572
721 to 740	10,475,385	13.76	999
741 to 760	10,413,420	13.68	1,047
761 to 780	14,056,864	18.46	1,427
781 to 800	17,594,608	23.11	1,792
801 to 820	10,916,961	14.34	1,199
Over 820	<u>398,199</u>	<u>0.52</u>	<u>42</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

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**Financed Eligible Loans by Current Loan Balance
As of the Statistical Cut-Off Date**

Current Loan Balance	Current Balance	Percent of Loans By Outstanding Balance	Number of Loans
Less than \$0*	(\$ 20,489)	-0.03%	31
\$0 to \$499	48,928	0.06	185
\$500 to \$999	181,422	0.24	240
\$1,000 to \$1,999	776,517	1.02	507
\$2,000 to \$2,999	1,447,018	1.90	579
\$3,000 to \$3,999	2,029,169	2.67	581
\$4,000 to \$5,999	5,195,259	6.82	1,049
\$6,000 to \$7,999	6,085,102	7.99	875
\$8,000 to \$9,999	7,475,409	9.82	828
\$10,000 to \$14,999	17,362,676	22.80	1,421
\$15,000 to \$19,999	13,605,222	17.87	787
\$20,000 to \$24,999	8,853,854	11.63	398
\$25,000 to \$29,999	6,185,405	8.12	227
\$30,000 to \$34,999	2,632,137	3.46	82
\$35,000 to \$39,999	1,074,405	1.41	29
\$40,000 to \$49,999	1,575,755	2.07	36
\$50,000 to \$59,999	545,846	0.72	10
\$60,000 to \$69,999	500,192	0.66	8
\$70,000 to \$79,999	214,386	0.28	3
\$90,000 to \$99,999	95,783	0.13	1
\$100,000 to \$149,999	<u>272,965</u>	<u>0.36</u>	<u>2</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

* This category represents student loan accounts which have been paid in full but for which an overpayment was made and for which refunds are being processed by the Authority.

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**Financed Eligible Loans by Current Account Balance
As of the Statistical Cut-Off Date**

Current Account Balance	Current Balance	Percent of Loans By Outstanding Balance	Number of Loans
Less than \$0*	(\$ 20,489)	-0.03%	31
\$0 to \$499	20,518	0.03	82
\$500 to \$999	68,139	0.09	92
\$1,000 to \$1,999	284,821	0.37	216
\$2,000 to \$2,999	523,539	0.69	253
\$3,000 to \$3,999	759,582	1.00	252
\$4,000 to \$5,999	2,166,909	2.85	581
\$6,000 to \$7,999	2,356,059	3.09	476
\$8,000 to \$9,999	3,018,949	3.97	471
\$10,000 to \$14,999	6,934,774	9.11	913
\$15,000 to \$19,999	7,743,654	10.17	826
\$20,000 to \$24,999	6,828,374	8.97	646
\$25,000 to \$29,999	6,566,247	8.62	554
\$30,000 to \$34,999	4,761,804	6.25	401
\$35,000 to \$39,999	4,713,897	6.19	395
\$40,000 to \$49,999	6,975,330	9.16	527
\$50,000 to \$59,999	6,763,824	8.88	439
\$60,000 to \$69,999	5,095,076	6.69	266
\$70,000 to \$79,999	3,192,630	4.19	176
\$80,000 to \$89,999	1,861,228	2.44	89
\$90,000 to \$99,999	1,338,487	1.76	55
\$100,000 to \$149,999	3,355,745	4.41	119
\$150,000 or more	<u>827,869</u>	<u>1.09</u>	<u>19</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

* This category represents student loan accounts which have been paid in full but for which an overpayment was made and for which refunds are being processed by the Authority.

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**Financed Eligible Loans by Remaining Repayment Term
As of the Statistical Cut-Off Date**

Remaining Repayment Term	Current Balance	Percent of Loans By Outstanding Balance	Number of Loans
0 to 24	\$ 800,345	1.05%	726
25 to 36	1,086,286	1.43	427
37 to 48	1,439,245	1.89	429
49 to 60	2,235,998	2.94	472
61 to 72	3,113,802	4.09	507
73 to 84	3,520,786	4.62	463
85 to 96	4,545,081	5.97	514
97 to 108	5,329,486	7.00	507
109 to 120	6,097,936	8.01	503
121 to 132	3,533,581	4.64	284
133 to 144	4,284,443	5.63	325
145 to 156	4,000,125	5.25	297
157 to 168	5,845,232	7.68	412
169 to 180	27,222,419	35.75	1,935
181 to 192	646,244	0.85	23
193 to 220	1,423,126	1.87	34
221 to 260	<u>1,012,829</u>	<u>1.33</u>	<u>21</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

**Distribution of the Financed Eligible Loans by School Type
As of the Statistical Cut-Off Date**

School Type	Outstanding Principal Balance	Percent of Loans By Outstanding Balance	Number of Loans
University - 4 Year	\$68,777,251	90.33%	7,020
University - 2 Year	4,935,838	6.48	700
Graduate	477,194	0.63	50
Vocational/Proprietary	411,184	0.54	43
Other/Unknown	<u>1,535,497</u>	<u>2.02</u>	<u>66</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

**Financed Eligible Loans by State of Borrower
As of the Statistical Cut-Off Date**

State of Borrower	Current Balance	Percent of Loans By Outstanding Balance	Number of Loans
Alabama	\$ 17,255	0.02%	2
Alaska	38,607	0.05	6
Arizona	175,748	0.23	21
Arkansas	9,603	0.01	2
California	1,124,858	1.48	84
Colorado	306,149	0.40	32
Connecticut	982,854	1.29	97
Delaware	41,519	0.05	2
District of Columbia	256,956	0.34	26
Florida	745,533	0.98	73
Georgia	403,983	0.53	32
Hawaii	66,986	0.09	6
Idaho	26,441	0.03	5
Illinois	136,449	0.18	14
Indiana	30,763	0.04	5
Iowa	49,677	0.07	6
Kansas	27,664	0.04	4
Kentucky	49,099	0.06	9
Louisiana	109,170	0.14	9
Maine	57,885,888	76.03	6,117
Maryland	417,354	0.55	32
Massachusetts	4,469,997	5.87	404
Michigan	148,642	0.20	16
Minnesota	148,666	0.20	21
Missouri	76,365	0.10	11
Montana	78,275	0.10	9
Nevada	40,761	0.05	5
New Hampshire	2,843,825	3.74	277
New Jersey	424,113	0.56	37
New Mexico	142,607	0.19	12
New York	1,261,993	1.66	121
North Carolina	381,579	0.50	36
Ohio	157,458	0.21	18
Oklahoma	34,234	0.04	1
Oregon	130,534	0.17	19
Pennsylvania	573,608	0.75	54
Rhode Island	320,938	0.42	31
South Carolina	158,961	0.21	28

State of Borrower	Current Balance	Percent of Loans By Outstanding Balance	Number of Loans
Tennessee	102,187	0.13	10
Texas	492,672	0.65	47
Utah	71,794	0.09	4
Vermont	264,113	0.35	39
Virginia	373,406	0.49	47
Washington	211,654	0.28	20
West Virginia	2,836	0.00	1
Wisconsin	91,841	0.12	11
Wyoming	39,166	0.05	3
Armed Forces Pacific	60,325	0.08	2
Foreign Country	<u>131,858</u>	<u>0.17</u>	<u>11</u>
Total	<u>\$76,136,963</u>	<u>100.00%</u>	<u>7,879</u>

The loan terms and the Underwriting Standards relating to the Eligible Loans set forth in the tables above are described in this Official Statement under “THE AUTHORITY’S STUDENT LOAN PROGRAM—Loan Terms.” The loan terms and the Underwriting Standards with respect to the Eligible Loans expected to be originated with amounts expended from the Student Loan Fund under the Indenture are described in this Official Statement under “THE AUTHORITY’S STUDENT LOAN PROGRAM—Loan Terms.” The Eligible Loans to be originated with the proceeds of the Series 2019 Bonds are expected to have a weighted average remaining term of 201 months, including projected school, grace, and deferment periods. In-school Eligible Loans are assumed to enter repayment based upon the student’s expected graduation date.

Other Assumptions

A cumulative Eligible Loan default rate of 6% has been assumed for Eligible Loans expected to be originated using a portion of the proceeds of the Series 2019 Bonds and for Eligible Loans held under the Indenture. For principal and interest payments, a lag of 30 days has been assumed for 3% of all Eligible Loans, and no lag has been assumed for the remaining 97% of all Eligible Loans. Recoveries of defaulted loan principal have been assumed to occur equally in year 3 and year 8.

Anticipated Geographic Concentration

The Authority Program requires that each applicant for Eligible Loans must be a Maine resident or nonresident attending a post-secondary institution or approved program in Maine. Accordingly, it is expected that the geographic concentration of borrowers and co-signers of Eligible Loans will be significantly concentrated in the New England region. As a result, the performance of the Financed Eligible Loans may be more influenced by employment trends and other economic factors affecting the New England region than by broader national trends and factors. See “INVESTMENT CONSIDERATIONS—Factors Affecting Sufficiency and Timing of Receipt of Revenues in the Trust Estate” and “—General Economic Conditions.”

Budgeted Program, Trustee and Servicing Expenses

The Indenture sets forth certain limitations with respect to the Program Expenses in any calendar year that may be paid prior to the payment of scheduled principal and interest payments on the Bonds pursuant to transfers to the Operating Fund as described in this Official Statement under “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund*” and “—*Operating Fund*.” Under the terms of the Indenture, the portion of Program Expenses in any calendar year consisting of the fees of any Servicer or custodian under any Servicing Agreements or custodian agreements are not permitted to exceed the total of those fees set forth in each Servicing Agreement on the Date of Issuance plus an amount not to exceed \$50,000 annually for other Servicer related charges. The portion of Program Expenses consisting of the expenses incurred for the Authority’s maintenance and operation of its Program, including, without limitation, the Administrative Fee, are not permitted to exceed an amount equal to 1.05% per annum of the average aggregate principal amount of the Financed Eligible Loans Outstanding during such calendar year. The remaining Program Expenses are not permitted to exceed an amount equal to 0.17% per annum of the average aggregate principal amount of the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and the Series 2019 Bonds Outstanding at the beginning of each calendar year; provided, that, the remaining Program Expenses in calendar year 2019 shall not exceed an amount equal to 0.09% of the aggregate principal amount of the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and the Series 2019 Bonds Outstanding as of the Date of Issuance of the Series 2019 Bonds. Under the Indenture, any of the limitations with respect to the payment of Program Expenses may be increased upon receipt of a Rating Agency Condition and the prior consent of Assured Guaranty. See “THE AUTHORITY’S STUDENT LOAN PROGRAM—Origination and Servicing of Loans.”

Investment Rates

It has been assumed that the amounts held under the pledged Funds under the Indenture will be invested at an average rate equal to 2.41% per annum for the first twelve months following the Date of Issuance.

SERVICING OF THE LOANS

General

The Authority covenants in the Indenture that it will keep in force and effect one or more Servicing Agreements whereby one or more Servicers will be responsible for the performance of certain administrative functions in connection with the Financed Eligible Loans. Servicers include Nelnet Servicing and any other Servicer as may be approved by each Credit Provider, including the 2019 Bond Insurer, and any Liquidity Provider and upon satisfaction of the Rating Agency Condition.

Servicer

General. As of the Statistical Cut-Off Date, Nelnet Servicing services all of the Eligible Loans held under the Indenture.

Information is being included herein with respect to Nelnet Servicing. The information included herein relating to Nelnet Servicing has been obtained from Nelnet Servicing and has not been independently verified by the Authority or the Underwriter, their respective counsel or Bond Counsel. The inclusion of this information is not, and should not be construed as, a representation by the Authority

or the Underwriter or their respective counsel or Bond Counsel as to its accuracy or completeness or otherwise.

Nelnet, Inc. began its education loan servicing operations on January 1, 1978, and provides, through its subsidiaries (including Nelnet Servicing, LLC, d/b/a Firstmark Services (“Nelnet Servicing”)), student loan servicing that includes application processing, underwriting, fund disbursement, customer service, account maintenance, federal reporting and billing, payment processing, default aversion, claim filing and delinquency servicing services. These activities are performed internally for Nelnet, Inc.’s portfolio and for third party clients. Nelnet, Inc. has offices located in, among other cities, Aurora, Colorado, and Lincoln, Nebraska. On February 7, 2018, Nelnet, Inc. acquired 100 percent of the outstanding stock of Great Lakes Educational Loan Services, Inc. (Great Lakes). Nelnet, Inc.’s combined organization is now made up of approximately 6,200 associates. As of December 31, 2018, the combined companies serviced \$464.6 billion of loans for 15.6 million borrowers, including \$15.7 billion in private or consumer loans for almost 722,000 borrowers. Nelnet Servicing’s due diligence schedule is conducted through telephone calls and automated letter generation in accordance with applicable law. All functions are monitored by an internal quality control system to ensure their performance. Compliance training is provided on both centralized and unit level basis. In addition, Nelnet Servicing has distinct compliance and internal auditing departments whose functions are to advise and coordinate compliance issues.

Servicing Agreement

Pursuant to the Nelnet Servicing Agreement, Nelnet Servicing will provide note examination, data processing and other assistance necessary in connection with the servicing of the Authority’s portfolio of Financed Eligible Loans, but will not be responsible for origination of such Eligible Loans. In consideration of Nelnet Servicing’s services, the Authority has agreed to pay Nelnet Servicing a fee in accordance with the Nelnet Servicing Agreement.

Nelnet Servicing has agreed to service the Authority’s Financed Eligible Loans in accordance with the Educational Loan Program Act, the Indenture and the Nelnet Servicing Agreement.

UNDERWRITING

The Series 2019 Bonds are being purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated, or any successor thereto, as the Underwriter. The Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2019 Bonds if any are purchased. The Authority has agreed to indemnify the Underwriter against certain liabilities in connection with the sale of the Series 2019 Bonds. In connection with the issuance of the Series 2019 Bonds, the Underwriter will purchase the Series 2019 Bonds at a price of \$45,131,758.57, which is equal to the aggregate face amount of the Series 2019 Bonds plus net original issue premium of \$3,005,603.60 and less an underwriter’s discount of \$273,845.03.

The current business of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”) is being reorganized into two affiliated broker-dealers (i.e., MLPF&S and BofA Securities, Inc.) in which BofA Securities, Inc. will be the new legal entity for the institutional services that are now provided by MLPF&S. This transfer is expected to occur on May 13, 2019 (the “Transfer Date”). MLPF&S, an underwriter of the Series 2019 Bonds, will be assigning its rights and obligations as an underwriter to BofA Securities, Inc. in the event that the settlement date for the Series 2019 Bonds occurs on or after the Transfer Date. For those Series 2019 Bonds that settle after the Transfer Date, the Series 2019 Bonds may be distributed by BofA Securities, Inc. to MLPF&S pursuant to a distribution agreement between BofA Securities, Inc. and MLPF&S. MLPF&S may in turn distribute the Series 2019 Bonds to investors.

As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2019 Bonds.

The Underwriter may offer and sell the Series 2019 Bonds to certain dealers, including dealers depositing Series 2019 Bonds into unit investment trusts, and others at prices lower than the public offering price stated on the inside cover page hereof. The initial offering prices may be changed from time to time by the Underwriter.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services.

In the various course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority and/or persons and entities with relationships with the Authority.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FINANCIAL ADVISOR

S L Capital Strategies LLC has served as financial advisor to the Authority in connection with the issuance of the Series 2019 Bonds. S L Capital Strategies LLC is not obligated to undertake, and has not undertaken, an independent verification of nor does S L Capital Strategies LLC assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

TAX MATTERS

General Matters

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019 Bonds is excludable from gross income for federal income tax purposes. 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 2019 Bonds. Failure to comply with such covenants could cause interest on the Series 2019 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2019 Bonds. The Authority has covenanted to comply with such requirements. In the opinion of Bond Counsel, interest on the Series 2019 Bonds is a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2019 Bonds.

The accrual or receipt of interest on the Series 2019 Bonds may otherwise affect the federal income tax liability of the owners' of the Series 2019 Bonds. The extent of these other tax consequences will depend on such owner's particular tax status and other items of income or deduction. Bond Counsel

has expressed no opinion regarding any such consequences. Purchasers of the Series 2019 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2019 Bonds.

Bond Counsel is also of the opinion that, under the laws of the State of Maine existing on the date of original delivery of the Series 2019 Bonds, interest on the Series 2019 Bonds is exempt from taxation by the State of Maine. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2019 Bonds under the laws of the State of Maine or any other state or jurisdiction.

Original Issue Discount

Any Series 2019 Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Discount Bonds”), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium

Any Series 2019 Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2019 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Series 2019 Bonds who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2019 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Series 2019 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. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2019 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2019 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2019 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2019 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Recognition of Income Generally

Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in

income, including original issue discount and market discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. The rule generally applies to taxable years after 2017, except that in the case of income from a debt instrument having original issue discount, the rule does not apply until taxable years after 2018. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the Series 2019 Bonds under the Code.

RATINGS

The Series 2019 Bonds are expected to be rated “AA” by S&P Global Ratings (“S&P”) on the basis of the 2019 Bond Insurance Policy that is expected to be issued by the 2019 Bond Insurer as a condition to their initial delivery. See “BOND INSURANCE” for a further discussion of the ratings relating to the 2019 Bond Insurer. In addition, Moody’s and S&P have assigned their underlying bond ratings of “A2 (stable outlook)” and “A (stable outlook),” respectively, to the Series 2019 Bonds without regard to the 2019 Bond Insurance Policy. Such ratings reflect only the view of each respective rating agency and an explanation of the significance of such ratings can only be obtained from the respective rating agency. Such ratings are a precondition to the issuance of the Series 2019 Bonds.

The Authority has furnished and will furnish to such rating agencies certain information and materials, some of which have not been included in this Official Statement. Generally, a rating agency bases its rating on such information and materials and investigations, studies and assumptions furnished to and obtained and made by the rating agency. There is no assurance that any such rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant.

A rating is not a recommendation to buy, sell or hold the Series 2019 Bonds and any such rating should be evaluated independently. Each rating is subject to change or withdrawal at any time and any such change or withdrawal may affect the market price or marketability of the Series 2019 Bonds. The Underwriter has undertaken no responsibility either to bring to the attention of the Registered Owners of the Series 2019 Bonds any proposed change in or withdrawal of any rating of the Series 2019 Bonds or to oppose any such change or withdrawal. However, certain rating changes are reportable under the Continued Disclosure Agreement relating to the Series 2019 Bonds. See “CONTINUING DISCLOSURE AGREEMENT.”

LEGAL MATTERS

Legal matters incident to the authorization, issuance, sale and delivery of the Series 2019 Bonds are subject to the approving opinion of Kutak Rock LLP, Bond Counsel, which opinion will be in substantially the form set forth in Appendix D hereto. Copies of such opinion will be available at the time of delivery of the Series 2019 Bonds. Certain legal matters will be passed upon for the Authority by its General Counsel, Christopher Roney, for the Underwriter by its counsel, Womble Bond Dickinson (US) LLP and for Assured Guaranty by an internal counsel to Assured Guaranty.

LITIGATION

There is currently no litigation, administrative action or other proceeding pending or, to the knowledge of the Authority, threatened (a) contesting or questioning the proceedings and authority under which the Series 2019 Bonds have been authorized and are to be issued, sold, executed or delivered; (b) contesting or questioning the validity of the Series 2019 Bonds; or (c) which would have the effect of

prohibiting the issuance, sale or delivery of the Series 2019 Bonds or the pledge of the security as provided by the Indenture.

CONTINUING DISCLOSURE AGREEMENT

The Authority is an obligated person with respect to the Series 2019 Bonds under Rule 15c2-12 of the Securities Exchange Act of 1934 (the “Rule”) and, accordingly, will enter into a written agreement, for the benefit of the Registered Owners and beneficial owners from time to time of the Series 2019 Bonds, to provide or cause to be provided certain financial information and operating data on an annual basis (“Annual Information”), financial statements and notices in such manner as may be required for purposes of clause (b)(5)(i) of the Rule (the “Continuing Disclosure Agreement”), including specifically the following through the Electronic Municipal Market Access system (“EMMA”) of the Municipal Securities Rulemaking Board (“MSRB”):

(a) Annual Information for each Authority fiscal year ending on or after June 30, 2019, not later than 180 days following the end of each such fiscal year (the “Filing Date”), consisting of the annual financial information and operating data included herein under the captions “THE AUTHORITY’S STUDENT LOAN PROGRAM” and “LOAN PORTFOLIO INFORMATION AND ASSUMPTIONS.” The Authority expects that Annual Information will be provided directly by the Authority or, in part, by cross reference to other documents previously filed through EMMA, or to another final Official Statement of the Authority filed through EMMA;

(b) the Authority’s financial statements, when and if available, for each fiscal year ending on or after June 30, 2019. The Authority expects that such financial statements will be audited and will be prepared in accordance with generally accepted accounting principles and that they will be submitted as part of the Annual Information or when otherwise available, not to exceed 180 days following the end of each such fiscal year;

(c) the occurrence of any of the following events, within the meaning of the Rule, with respect to the Series 2019 Bonds within ten business days of any such occurrence:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations affecting the tax status of the Series 2019 Bonds or other material events affecting the tax status of the Series 2019 Bonds;
- (vii) modifications to rights of security holders, if material;

- (viii) bond calls, if material, and tender offers;
 - (ix) defeasances;
 - (x) release, substitution, or sale of property securing repayment of the Series 2019 Bonds, if material;
 - (xi) rating changes;
 - (xii) bankruptcy, insolvency, receivership or similar event of the Authority;
 - (xiii) the consummation of a merger, consolidation or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (xv) incurrence of a financial obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect security holders, if material; or
 - (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties.
- (d) the Authority's failure to provide the Annual Information within the time specified above; and
- (e) any change in the accounting principles applied in the preparation of its annual financial statements, any change in its fiscal year, and the termination of the Continuing Disclosure Agreement.
- (f) If the Trustee has not received the Annual Information by the close of business on the fifteenth Business Day preceding the Filing Date, the Trustee will provide a notice to the Authority not later than its close of business on the next Business Day. If evidence of the timely filing of the Annual Information is not delivered to the Trustee by 3:00 p.m. on the second Business Day following the Filing Date, the Trustee must provide a notice to such effect through EMMA not later than its close of business on such Business Day.

The term "financial obligation" means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either clause (a) or (b) above. The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Continuing Disclosure Agreement may be amended, and noncompliance with any provision of the Continuing Disclosure Agreement may be waived, as may be necessary or appropriate to achieve

its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising 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 by the Authority. Any such amendment or waiver will not be effective unless the Continuing Disclosure Agreement, as amended or taking into account such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Series 2019 Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the Authority and the Trustee have received either (a) a written opinion of bond or other qualified independent special counsel selected by the Authority, or determination by the Trustee, that the amendment or waiver would not materially impair the interests of Registered Owners or beneficial owners of the Series 2019 Bonds, or (b) the written consent to the amendment or waiver of the Registered Owners of at least a majority of the principal amount of the Series 2019 Bonds then outstanding.

The Continuing Disclosure Agreement will be solely for the benefit of the Registered Owners and beneficial owners from time to time of the Series 2019 Bonds. The exclusive remedy for any breach of the Continuing Disclosure Agreement by the Authority is limited to a right of Registered Owners and beneficial owners of the Series 2019 Bonds, or the Trustee, to institute and maintain, or to cause to be instituted and maintained, on behalf of such Registered Owners and beneficial owners, such proceedings as may be authorized at law or in equity to obtain the specific performance by the Authority of its obligations under the Continuing Disclosure Agreement. The Trustee may exercise any such right and, if requested to do so by the Registered Owners or beneficial owners of at least 25% in aggregate principal amount of the Series 2019 Bonds then Outstanding, the Trustee will exercise any such right, subject in each case to the same conditions, limitations and procedures that would apply under the Indenture if the breach were an Event of Default under the Indenture. In addition, any Registered Owner or beneficial owner may exercise any such right; provided that, except in the instance of an alleged failure of the Authority to provide or cause to be provided a pertinent filing if such a filing is due and has not been made, any such right will be exercised in the same manner and subject to the same conditions and limitations that would apply under the Indenture if the breach were an Event of Default under the Indenture. See “APPENDIX A—CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Events of Default” and “—Remedies on Default.” Notwithstanding the foregoing, a default under the Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture.

The Continuing Disclosure Agreement will remain in effect only for such period that the Series 2019 Bonds are Outstanding in accordance with their terms and the Authority remains an obligated person with respect to the Series 2019 Bonds within the meaning of the Rule. The obligation of the Authority to provide the Annual Information, financial statements and notices of the events described above will terminate if and when the Authority no longer remains such an obligated person.

The Authority, pursuant to State statute, became the successor to the Maine Educational Loan Authority (“MELA”) on October 15, 2015. MELA had entered into continuing disclosure agreements for the Refunded Bonds (which will be terminated upon the refunding of the Refunded Bonds) and its Series 2010 Bonds, Series 2012 Bonds and Series 2014 Bonds (the “CDAs”) and under the CDAs had agreed to file or cause to be filed, on an annual basis, (i) its audited financial statements (“Financial Statements”) and (ii) financial information and operating data of the types included under the captions “INVESTMENT CONSIDERATIONS (which included loan portfolio data),” “THE AUTHORITY,” and “THE AUTHORITY’S STUDENT LOAN PROGRAM” in each of MELA’s official statements with respect to the Refunded Bonds, Series 2010 Bonds, Series 2012 Bonds and Series 2014 Bonds (the “Operating Data”), with EMMA. The required Operating Data consists primarily of data with respect to the loan portfolio securing the Refunded Bonds, the Series 2010 Bonds, the Series 2012 Bonds, and the

Series 2014 Bonds and total indebtedness of MELA. MELA operated on a basis of a December 31 fiscal year; the Authority operates on a basis of a June 30 Fiscal Year.

MELA, or the Authority as its successor, filed all such Financial Statements and Operating Data, which was contained in quarterly reports, with the agent required to deliver such information to EMMA under such CDAs for filing during the preceding five years; however, in March of 2017, the Authority posted corrections to certain quarterly data previously filed with EMMA from December 31, 2015 through December 31, 2016. While the entire quarterly information for each of those periods was re-filed, the changes only related to the calculation of certain loan characteristics with respect to average weighted interim term and borrower interest rates of Financed Eligible Loans held under the Indenture. In addition, in preparation for the Authority becoming the successor to MELA, MELA filed audited six-month Financial Statements for the six-month period ended June 30, 2015. The Authority has succeeded to MELA's obligations under the CDAs and is an obligated person with respect to the Continuing Disclosure Agreement with respect to the Series 2019 Bonds and the continuing disclosure agreements entered into by the Authority with respect to the Series 2017 Bonds and the Series 2018 Bonds. The Authority, as its own obligated person under the Rule, has complied in all material respects with all of its previous undertakings with respect to the Rule during the past five years.

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OTHER MATTERS

The information set forth herein has been obtained from the Authority's records, from the Servicers, Assured Guaranty and from other sources which are considered reliable. There is no guaranty that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information. Reference is made to official documents in all respects.

THIS OFFICIAL STATEMENT is approved, and the execution and delivery of this Official Statement authorized, by the Board of the Authority pursuant to a resolution of the Authority adopted on March 21, 2019.

FINANCE AUTHORITY OF MAINE

By /s/ Bruce Wagner

Bruce Wagner
Chief Executive Officer

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APPENDIX A

CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

Certain definitions and brief descriptions of the provisions contained in the Indenture are included in this Appendix A to this Official Statement. Such definitions and descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to the complete Indenture, copies of which are available for review prior to the issuance and delivery of the Series 2019 Bonds at the offices of the Authority and thereafter at the offices of the Trustee. All references to the Series 2019 Bonds are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto included in the Indenture.

DEFINITIONS

The following are definitions of certain terms used in the Indenture and in this Official Statement.

“Account” means any of the accounts created and established within any Fund under the Indenture.

“Act” means the Finance Authority Act of Maine, Title 10, Chapter 110, Maine Revised Statutes, as the same may be amended from time to time, and the Maine Educational Loan Program Act, Title 20-A, Chapter 417-A, as the same may be amended from time to time.

“Administrative Agreement” means any future agreement between the Authority and a third-party Administrator.

“Administrative Fee” means the administrative fee payable to the Administrator (which fee will be payable pursuant to a future Administrative Agreement, if any, if a third-party Administrator is ever appointed by the Authority pursuant to the Indenture), as such Administrative Fee may be amended from time to time by the Authority and the Administrator with the consent of each Credit Provider.

“Administrator” means the Authority, or such successor to the Administrator or replacement thereof appointed by the Authority with the consent of each Credit Provider, and which will be the Authority in the event that no third party is acting as such.

“Aggregate Market Value” means, on any calculation date, the sum of the Values of all assets of the Trust Estate, excluding purpose and non-purpose arbitrage liability amounts which, as of any date of calculation, have not been deposited into the Rebate Fund and excluding amounts in the Capital Reserve Fund funded by or attributable to a Surety Bond.

“Authority” means the Finance Authority of Maine, a body corporate and politic and a public instrumentality of the State organized and existing under the Act, and any other entity which may succeed to the powers, duties and functions of the Authority.

“Authority Derivative Payment” means a payment required to be made by or on behalf of the Authority due to a Reciprocal Payor pursuant to a Derivative Product (excluding Termination Payments, but including Priority Termination Payments).

“Authority Order” means a written order signed in the name of the Authority by an Authorized Representative.

“*Authorized Denominations*” means the Authorized Denominations specified for a Series of Bonds in the Supplemental Indenture relating to such Series of Bonds. “Authorized Denominations” with respect to the Series 2019 Bonds means \$5,000 and any integral multiple thereof.

“*Authorized Representative*” means, when used with reference to the Authority, its Chair, Vice Chair, Executive Director or Secretary, or any other officer authorized in writing by the Board to act on behalf of the Authority.

“*Bank Bonds*” mean Bonds that have been purchased by a Liquidity Provider or purchased by or pledged to a Credit Provider following tender by the holders thereof pursuant to the provisions of a Liquidity Facility or Credit Facility and related documents and are held by such Liquidity Provider or held by or pledged to such Credit Provider or its designee or assignee until such time as such Bonds are remarketed.

“*Board*” means the members of the Authority under the Act, or a quorum thereof.

“*Bond*” or “*Bonds*” means the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds, the Series 2019 Bonds and any other bonds, notes or other debt obligations issued pursuant to the Indenture as described under “ISSUANCE OF ADDITIONAL BONDS AND OTHER OBLIGATIONS” in the body of this Official Statement, and includes any Bank Bonds.

“*Bond Counsel*” means counsel of nationally recognized standing in the field of law relating to municipal, state and public agency financing selected by the Authority and approved by each Credit Provider.

“*Bond Payment Date*” means, for any Bond, any Interest Payment Date, its Stated Maturity or the date of any debt service payment with respect thereto designated in a Supplemental Indenture, including any such date provided for payment of principal of or redemption of Bank Bonds in any applicable Credit Provider Agreement or Liquidity Facility.

“*Bond Purchase Fund*” means the fund by that name created and established pursuant to the Indenture.

“*Bond Yield*” means, with respect to any Bonds issued as Tax-Exempt Bonds, the yield on such Tax-Exempt Bonds computed in accordance with the Code.

“*Book-Entry System*” means the book-entry system of registering ownership described in the Indenture.

“*Business Day*” has the meaning, with respect to any Series of Bonds, set forth in the Supplemental Indenture pursuant to which such Series of Bonds are issued. “Business Day” with respect to the Series 2019 Bonds means any day on which banks located in the city in which the principal corporate trust office of the Trustee is located are not authorized or required to close.

“*Capital Reserve Fund*” means the Fund by that name created under the Indenture and further described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Capital Reserve Fund*” in this Appendix A, including any Accounts and Subaccounts created therein.

“*Capital Reserve Fund Agreement*” means any agreement between the Authority and the Trustee establishing one or more capital reserve funds pursuant to Section 11424 of the Act for any moneys appropriated and made available by the State with respect to any of the Bonds as designated in that agreement.

“*Capital Reserve Fund Requirement*” means an amount, if any, required to be on deposit in the Capital Reserve Fund, and the Accounts and Subaccounts therein, for any Series of Bonds and each class of Bonds therein as specified in the related Supplemental Indenture. The “*Capital Reserve Fund Requirement*” means, with respect to the Series 2019 Bonds, the amount described under “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS—Pledged Funds—*Capital Reserve Fund*” in the body of this Official Statement.

“*Capitalized Interest Requirement*” has the meaning, with respect to any Series of Bonds, set forth in the Supplemental Indenture pursuant to which such Series of Bonds is issued. There is no minimum Capitalized Interest Requirement with respect to the Series 2019 Bonds.

“*Carryover Amount*” has the meaning, with respect to any Series of Bonds, set forth in the Supplemental Indenture pursuant to which such Series of Bonds is issued.

“*Class A Bonds*” means all Bonds, including Bank Bonds, secured on a senior priority to the Class B Obligations and Class C Obligations.

“*Class A Obligations*” mean Class A Bonds, and all amounts owing under any Derivative Product, Credit Facility or Liquidity Facility, the priority of payment of which is equal with that of Class A Bonds, provided that Termination Payments for such Derivative Products will be paid as described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund—Tax-Exempt Revenue Account*” and “—*Taxable Revenue Account*” in this Appendix A, or, if necessary due to the occurrence of an Event of Default, as described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Events of Default—Remedy on Default; Possession of Trust Estate” in this Appendix A.

“*Class A Parity Percentage*” means the ratio expressed as a percentage of the Aggregate Market Value to the aggregate principal amount of and accrued interest on all Class A Obligations then Outstanding, plus accrued but unpaid Program Expenses, if any, allocated pro rata based on the aggregate principal amount of all Class A Obligations Outstanding relative to all Obligations Outstanding under the Indenture, as calculated pursuant to the Indenture.

“*Class B Bonds*” means all Bonds, including Bank Bonds, secured on a priority subordinate to the Class A Obligations and on a priority senior to the Class C Obligations.

“*Class B Obligations*” means Class B Bonds, and all amounts owing under any Derivative Product, Credit Facility or Liquidity Facility, the priority or payment of which is equal with that of Class B Bonds; provided that Termination Payments for such Derivative Products will be paid as described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund—Tax-Exempt Revenue Account*” and “—*Taxable Revenue Account*” in this Appendix A, or, if necessary due to the occurrence of an Event of Default, as described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Events of Default—Remedy on Default; Possession of Trust Estate” in this Appendix A.”

“*Class B Parity Percentage*” means the ratio expressed as a percentage of the Aggregate Market Value to the aggregate principal amount of and accrued interest on all Class A Obligations and Class B

Obligations then Outstanding, plus accrued but unpaid Program Expenses, if any, allocated pro rata based on the aggregate principal amount of all Class A Obligations and Class B Obligations Outstanding relative to all Obligations Outstanding under the Indenture, as calculated pursuant to the Indenture.

“*Class C Bonds*” mean all Bonds, including Bank Bonds, secured on a priority subordinate to the Class A Obligations and the Class B Obligations.

“*Class C Obligations*” mean Class C Bonds, and all amounts owing under any Derivative Product, Credit Facility or Liquidity Facility, the priority of payment of which is equal with that of Class C Bonds; provided that Termination Payments for such Derivative Products will be paid as described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund—Tax-Exempt Revenue Account*” and “—*Taxable Revenue Account*” in this Appendix A, or, if necessary due to the occurrence of an Event of Default, as described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Events of Default—Remedy on Default; Possession of Trust Estate” in this Appendix A.

“*Class C Parity Percentage*” means the ratio expressed as a percentage of the Aggregate Market Value to the aggregate principal amount of and accrued interest on all Class A Obligations, Class B Obligations and Class C Obligations then Outstanding, plus accrued but unpaid Program Expenses, if any, allocated pro rata based on the aggregate principal amount of all Class A Obligations, Class B Obligations, and Class C Obligations Outstanding relative to all Obligations Outstanding under the Indenture, as calculated pursuant to the Indenture.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code in the Indenture will be deemed to include the United States Treasury Regulations, including applicable temporary and proposed regulations, relating to such section which are applicable to the Tax-Exempt Bonds or the use of the proceeds thereof. A reference to any specific section of the Code will 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.

“*Computation Date*” means each date described as such in any Tax Document.

“*Credit Facility*” means a letter of credit or bond insurance policy or other credit facility issued to or for the benefit of the Trustee or the Registered Owners of the Bonds by a Credit Provider as specified in a Supplemental Indenture to secure the payment of principal of and interest on any Series of Bonds, together with the purchase price thereof if applicable, including any related reimbursement agreement as embodied in a Credit Provider Agreement, and any alternate letter of credit or other credit facility as may be permitted in the related Supplemental Indenture, in each case as the same may be amended from time to time in accordance with the terms thereof and of the Indenture; provided, however, a Credit Facility will not include any Surety Bond or any Surety Bond Reimbursement Agreement. “*Credit Facility*” means, with respect to the Series 2019 Bonds, the 2019 Bond Insurance Policy, with respect to the Series 2018 Bonds, the 2018 Bond Insurance Policy, with respect to the Series 2017 Bonds, the 2017 Bond Insurance Policy, with respect to the Series 2014 Bonds, the 2014 Bond Insurance Policy, with respect to the Series 2012 Bonds, the 2012 Bond Insurance Policy and with respect to the Series 2010 Bonds, the 2010 Bond Insurance Policy.

“*Credit Facility Fees*” means the amounts payable by the Authority to a Credit Provider (other than payment of principal and interest on Bank Bonds and other than reimbursement for draws on the Credit Facility and interest thereon) pursuant to the related Credit Facility.

“*Credit Facility Proceeds Subaccount*” has the meaning described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—Debt Service Fund” in this Appendix A.

“*Credit Provider*” means the provider of a Credit Facility with respect to a Series of Bonds. “Credit Provider” means, with respect to the Series 2019 Bonds, the 2019 Bond Insurer, with respect to the Series 2018 Bonds, the 2018 Bond Insurer, with respect to the Series 2017 Bonds, the 2017 Bond Insurer, with respect to the Series 2014 Bonds, the 2014 Bond Insurer, with respect to the Series 2012 Bonds, the 2012 Bond Insurer and with respect to the Series 2010 Bonds, the 2010 Bond Insurer.

“*Credit Provider Agreement*” means any agreement between the Authority and a Credit Provider, pursuant to which a Credit Facility is issued by the Credit Provider, as the same may be amended or supplemented, or which contains additional covenants or agreements for the benefit of a Credit Provider.

“*Credit Provider Default*” means, as of any date of determination, the failure by a Credit Provider to make a payment required to be made under its Credit Facility in accordance with the terms of such Credit Facility, and which failure has not been cured as of such date of determination.

“*Date of Issuance*” means the date of original issuance and delivery of any Bonds to an Underwriter or other initial purchaser of Bonds from the Authority. The “Date of Issuance” with respect to the Series 2019 Bonds is expected to be the date set forth on the cover page of this Official Statement.

“*Debt Service Fund*” means the Fund by that name created under the Indenture and further described in this Official Statement under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—Debt Service Fund” in this Appendix A, including any Accounts and Subaccounts created therein.

“*Defaulted Loan*” means a Financed Eligible Loan on which an Eligible Borrower has (a) failed to make a monthly principal and/or interest payment when due, provided such failure persists for a period of 180 days; (b) filed a petition in bankruptcy; (c) died, unless otherwise insured; or (d) become totally and permanently disabled, as certified by two qualified physicians.

“*Delinquent*” means a Financed Eligible Loan, other than a Defaulted Loan but including loans in forbearance, on which an Eligible Borrower has failed to make a monthly principal and/or interest payment when due, provided such failure persists for a period of 31 days.

“*Derivative Payment Date*” means, with respect to a Derivative Product, any date specified in the Derivative Product on which both or either of the Authority Derivative Payment and/or a Reciprocal Payment is due and payable under the Derivative Product.

“*Derivative Product*” means a written contract or agreement between the Authority and a Reciprocal Payor entered into pursuant to the provisions of the Indenture described under “ISSUANCE OF ADDITIONAL BONDS AND OTHER OBLIGATIONS” in the body of this Official Statement.

“*Derivative Value*” means the value of the Derivative Product, if any, to the Reciprocal Payor; provided that such value is defined and calculated in substantially the same manner as amounts are defined and calculated pursuant to the applicable provisions of an ISDA Master Agreement as determined by the Authority.

“*Eligible Borrower*” means (a)(i) a student who is a resident of the State and who is attending an Eligible Institution, (ii) a student who is not a resident of the State and who is attending an Eligible

Institution in the State or (iii) any other student to whom the Authority is permitted by law to make a loan; or (b) the parent, guardian or spouse of a student described in clause (a) above who has agreed to repay an Eligible Loan, if any; and such term also includes any guarantor or co-signer with respect to the Eligible Loan where the context may so require.

“*Eligible Institution*” means any public or private educational institution within the State, or such an institution outside the State which is attended by residents of the State, which (a) provides a program of education beyond the high school level; (b) awards an associate, bachelor or advanced degree; (c) is an accredited institution; and (d) meets the conditions of the applicable Rules.

“*Eligible Loan*” means a loan by the Authority which (a) is made or acquired by the Authority pursuant to the Rules and the Indenture; (b) is made to an Eligible Borrower; (c) is for education at an Eligible Institution; (d) is described or permitted in Section 144(b)(1)(B) of the Code; (e) is evidenced by a promissory note or credit agreement that has been executed by an Eligible Borrower and duly endorsed to the Authority (without recourse to the endorser), or, in lieu thereof, assigned to the same effect; (f) is a legal, valid and binding obligation of the Eligible Borrower, enforceable in accordance with its terms and free from any right of setoff, counter claim or other claim, defense or security interest; and (g) in the case of (i) any Eligible Loan which is originated by the Authority with moneys in the Student Loan Fund under the Indenture, meets the Underwriting Standards; and (ii) any Eligible Loan which has been refinanced by the Authority pursuant to the Indenture, meets the underwriting standards pursuant to which such loan was originally originated.

“*Event of Bankruptcy*” means (a) the Authority has commenced a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property, or has made a general assignment for the benefit of creditors, or has declared a moratorium with respect to its debts or has failed generally to pay its debts as they become due, or has taken any action to authorize any of the foregoing; or (b) to the extent applicable to the Authority, an involuntary case or other proceeding has been commenced against the Authority seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property, provided such action or proceeding is not dismissed within 60 days or an order for relief has been granted with respect to such case or proceeding.

“*Event of Default*” has the meaning described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Events of Default—Events of Default Defined” in this Appendix A.

“*Excess Earnings*” means, with respect to Financed Eligible Loans held in the Tax-Exempt Account of the Student Loan Fund established in connection with Tax-Exempt Bonds, the “excess earnings” as defined in Treasury Regulations Section 1.148-107, with respect thereto.

“*Favorable Opinion*” means an opinion of Bond Counsel addressed to the Authority, each Credit Provider and the Trustee to the effect that the action proposed to be taken is authorized or permitted by the Indenture and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on Tax-Exempt Bonds.

“*Financed*” or “*Financing*” means, when used with respect to Eligible Loans, or refer to (a) Eligible Loans originated or 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 (b) Eligible Loans substituted or exchanged for Financed Eligible Loans; but does not

include Eligible Loans released from the lien of the Indenture and sold or transferred, to the extent permitted by the Indenture.

“*Fiscal Year*” means the fiscal year of the Authority as established from time to time; currently, the Fiscal Year of the Authority commences each January 1 and ends each December 31.

“*Funds*” mean each of the Funds created pursuant to the Indenture and described in this Official Statement under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts” in this Appendix A.

“*Guarantee Fee*” means an amount, if any, which has been or is assessed against each Eligible Borrower with respect to a Financed Eligible Loan under the Authority’s Program. The Guarantee Fee, if any, assessed under the Program is described under “THE AUTHORITY’S STUDENT LOAN PROGRAM—Loan Terms” in the body of this Official Statement.

“*Guarantee Fund*” means the Fund by that name created under the Indenture and further described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Guarantee Fund*” in this Appendix A, including any Accounts and Subaccounts created therein.

“*Highest Priority Obligations*” means, (a) at any time when Class A Obligations are Outstanding, the Class A Obligations; (b) at any time when no Class A Obligations are Outstanding, the Class B Obligations; and (c) at any time when no Class A Obligations or Class B Obligations are Outstanding, the Class C Obligations.

“*Indenture*” means the Indenture of Trust, dated as of May 1, 2009, as supplemented by the First Supplemental Indenture of Trust, dated as of May 1, 2009, the Second Supplemental Indenture of Trust, dated as of July 1, 2010, the Third Supplemental Indenture of Trust, dated August 2, 2011, the Fourth Supplemental Indenture of Trust, dated March 30, 2012, the Fifth Supplemental Indenture of Trust, dated as of June 1, 2012, the Sixth Supplemental Indenture of Trust, dated May 30, 2013, the Seventh Supplemental Indenture of Trust, dated as of July 1, 2014, the Eighth Supplemental Indenture of Trust, dated June 25, 2015, the Ninth Supplemental Indenture of Trust, dated June 29, 2016, the Tenth Supplemental Indenture of Trust, dated as of April 1, 2018, the Eleventh Supplemental Indenture of Trust, dated as of July 1, 2018 and the Twelfth Supplemental Indenture of Trust, dated as of May 1, 2019, each by and between the Authority and the Trustee, including all supplements and amendments thereto.

“*Initial Credit Provider*” means, individually or collectively, as the context requires, the 2010 Bond Insurer, the 2012 Bond Insurer, the 2014 Bond Insurer, the 2017 Bond Insurer, the 2018 Bond Insurer, the 2019 Bond Insurer and any other Credit Provider designated as an Initial Credit Provider in a Supplemental Indenture.

“*Interest Account*” means the Account by that name created pursuant to the Indenture.

“*Interest Accrual Period*” means the period of time a Series 2019 Bond accrues interest payable on the next Interest Payment Date applicable thereto. Each Interest Accrual Period will commence on, and include, the last Interest Payment Date for which interest has been paid (or, if no interest has been paid, from the Date of Issuance of the Series 2019 Bonds) and will end on the day preceding the succeeding Interest Payment Date.

“*Interest Payment Date*” means the Interest Payment Dates specified for a Series of Bonds in the Supplemental Indenture relating to such Series of Bonds. “Interest Payment Date” means, with respect to

the Series 2019 Bonds, each date on which interest is to be paid on a Series 2019 Bond and is (a) each June 1 and December 1, commencing on December 1, 2019; and (b) the Maturity.

“*Investment Securities*” means:

(a) (i) Cash (fully insured by the Federal Deposit Insurance Corporation); (ii) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“U.S. Treasury Obligations”); (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; (iv) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; or (v) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated. Any security used for defeasance under the terms of the Indenture must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt, excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date.

(b) Federal Housing Administration debentures.

(c) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America: (i) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts); (ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes; (iii) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and (iv) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities, excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts.

(d) Unsecured certificates of deposit, time deposits, and bankers’ acceptances, having maturities of not more than 365 days, of any bank the short-term obligations of which are rated “A-1+” or better by S&P and “Prime-1” by Moody’s.

(e) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least \$15 million.

(f) Commercial paper, having original maturities of not more than 270 days, rated “A-1+” by S&P and “Prime-1” by Moody’s.

(g) Money market funds rated “Aam” or “AAm-G” or better by S&P and rated “Aa2” or better by Moody’s.

(h) “State Obligations,” which means: (i) direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated at least “A3” by Moody’s and at least “A-” by S&P, or any obligation fully and unconditionally guaranteed by

any state, subdivision or agency whose unsecured general obligation debt is so rated; (ii) direct general short-term obligations of any state agency or subdivision or agency thereof described in clause (i) above and rated “A-1+” by S&P and “MIG-1” by Moody’s; and (iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (ii) above and rated “AA-” or better by S&P and “Aa3” or better by Moody’s.

(i) Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements: (i) the municipal obligations are (A) not subject to redemption prior to maturity, or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions; (ii) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations; (iii) the principal of and interest on the U.S. Treasury Obligations, plus any cash in the escrow, has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification Report”); (iv) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations; (v) no substitution of a U.S. Treasury Obligation will be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and (vi) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(j) Repurchase agreements: with (i) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A-” by S&P and “A3” Moody’s; or (ii) any broker-dealer with “retail customers” or a related affiliate thereof which broker dealer has, or the parent company, which guarantees the provider, of which has, long-term debt rated at least “A-” by S&P and “A3” by Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (iii) any other entity rated at least “A-” by S&P and “A3” Moody’s and acceptable to each Credit Provider (each an “Eligible Provider”); provided that: (A)(1) permitted collateral will include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations will be permitted for these providers), and (2) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA’s and 104% of the total principal when the collateral type is FNMA and FHLMC (“Eligible Collateral”); (B) the Trustee or a third party acting solely as agent therefor or for the Authority (the “Custodian”) has possession of the collateral or the collateral has been transferred to the Custodian in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books) and such collateral will be marked to market; (C) the collateral will be marked to market on a daily basis and the provider or Custodian will send monthly reports to the Trustee, the Authority and each Credit Provider setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral; (D) the repurchase agreement, or guaranty, if applicable, may not be assigned or amended without the prior written consent of each Credit Provider; (E) the repurchase agreement will state and an opinion of counsel will be rendered at the time such collateral is delivered that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof; and (F) the repurchase agreement will provide that if during its term the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A-” by S&P or “A3” by Moody’s, as appropriate, the provider must, notify the Authority, the Trustee and each Credit Provider within five days of receipt of such notice. Within 10 days of receipt of

such notice, the provider will either: (aa) provide a written guarantee acceptable to each Credit Provider, (bb) post Eligible Collateral, or (cc) assign the agreement to an Eligible Provider. If the provider does not perform a remedy within 10 business days, the provider will, at the direction of the Trustee, who will give such direction if so directed by each Credit Provider, repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the issuer or the trustee.

(k) Investment agreements: with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA-” by S&P and “Aa3” by Moody’s, and acceptable to each Credit Provider (each an “Eligible Provider”); provided that: (i) interest payments are to be made to the Trustee at times as necessary to pay debt service, or, if the investment agreement is for amounts in the Student Loan Fund, when needed to originate Eligible Loans, on the Bonds; (ii) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days’ prior notice; the Authority and the Trustee agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid; (iii) the provider will send monthly reports to the Trustee, the Authority and each Credit Provider setting forth the balance the Authority or Trustee has invested with the provider and the amounts and dates of interest accrued and paid by the provider; (iv) the investment agreement will state that is an unconditional and general obligation of the provider, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel will state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors; (v) the investment agreement, or guaranty, if applicable, may not be assigned or amended without the prior written consent of each Credit Provider; (vi) the Authority, the Trustee and each Credit Provider will receive an opinion of domestic counsel to the provider that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms; (vii) the Authority, the Trustee and each Credit Provider will receive an opinion of foreign counsel to the provider, if applicable, that (A) the investment agreement has been duly authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms; (B) the choice of law of the state set forth in the investment agreement is valid under that country’s laws and a court in such country would uphold such choice of law; and (C) any judgment rendered by a court in the United States would be recognized and enforceable in such country; (viii) the investment agreement will provide that if during its term: (A) the provider’s rating by either S&P or Moody’s falls below “AA-” or “Aa3,” the provider will, at its option, within 10 days of receipt of publication of such downgrade, either (1) provide a written guarantee acceptable to each Credit Provider, (2) post Eligible Collateral with the Authority, the Trustee or a third party acting solely as agent therefore (the “Custodian”) free and clear of any third party liens or claims, or (3) assign the agreement to an Eligible Provider, or (4) repay the principal of and accrued but unpaid interest on the investment; (B) the provider’s rating by either S&P or Moody’s is withdrawn or suspended or falls below “A-1/A+” with respect to S&P or falls below “A3” with respect to Moody’s, the provider must, at the direction of the Authority or the Trustee, who shall give such direction if so directed by each Credit Provider, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no termination amount, penalty or premium by either party; (ix) in the event the provider is required to collateralize, permitted collateral will include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations will be permitted for these providers) and collateral levels must be 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103%

of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral"). In addition, the collateral will be marked to market on a daily basis and the provider or Custodian will send monthly reports to the Trustee, the Authority and each Credit Provider setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral; (x) the investment agreement will state and an opinion of counsel will be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof; (xi) the investment agreement must provide that if during its term: (A) the provider will default in its payment obligations, the provider's obligations under the investment agreement will, at the direction of the Authority or the Trustee, who will give such direction if so directed by each Credit Provider, be accelerated and amounts invested and accrued but unpaid interest thereon will be repaid to the Authority or Trustee, as appropriate; and (B) the provider will become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations will automatically be accelerated and amounts invested and accrued but unpaid interest thereon will be repaid to the Authority or Trustee, as appropriate.

(l) Other forms of investments approved in writing by the Credit Provider with written notice to the Rating Agencies.

"*ISDA Master Agreement*" means the International Swaps and Derivatives Association, Inc. ("ISDA") Interest Rate and Currency Exchange Agreement, copyright 2002, as amended from time to time, and as in effect with respect to any Derivative Product, or any successor thereto.

"*Liquidity Facility*" means (a) a standby bond purchase agreement or other liquidity facility issued by a Liquidity Provider which provides for the payment of the purchase price with respect to one or more Series of Bonds or portion thereof in the event of a failed remarketing of such Bonds; and (b) any similar substitute or additional Liquidity Facility from time to time issued to the Trustee by a Liquidity Provider as may be permitted in the related Supplemental Indenture, in each case as the same may be amended from time to time in accordance with the terms thereof and of the Indenture.

"*Liquidity Facility Fees*" mean the amounts payable by the Authority to a Liquidity Provider, other than payment of principal and interest on Bank Bonds, pursuant to the Liquidity Facility.

"*Liquidity Provider*" means a bank, insurance company, pension fund or other financial institution that is the provider of a Liquidity Facility with respect to a Series of Bonds or portion thereof and is acceptable to each Credit Provider.

"*Loan Default Percentage*" shall mean, as of any date of determination, the ratio, expressed as a percentage, of (a) the aggregate principal amount of all Defaulted Loans divided by (b) the aggregate original principal amount of all Financed Eligible Loans plus any capitalized interest or Guarantee Fees added to the principal amount of such Financed Eligible Loans prior to default.

"*Loan Delinquency Percentage*" means, as of any date of determination, the ratio, expressed as a percentage, of (a) the aggregate principal amount of all Financed Eligible Loans that are Delinquent divided by (b) the aggregate principal amount of all Financed Eligible Loans in repayment status, with respect to the interest thereon, for the preceding nine full calendar months, calculated on the basis of the average ratio in effect as of the last day of each such preceding nine months.

“*Maturity*” when used with respect to any Bond, means the date on which the principal thereof becomes due and payable as therein or as provided in the Indenture, whether at its Stated Maturity, by earlier redemption, by declaration of acceleration, or otherwise.

“*Moody’s*” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns.

“*Nexus Loan*” means an Eligible Loan made for or on behalf of a student who is or was at the time the Eligible Loan was made a resident of the State and/or who is or was, at the time the Eligible Loan was made, enrolled at an educational institution located in the State.

“*Obligations*” mean Class A Obligations, Class B Obligations and Class C Obligations.

“*Operating Fund*” mean the fund by that name described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—Operating Fund” in this Appendix A.

“*Origination Period*” means, for each Series of Bonds, the period beginning on the Date of Issuance for such Series of Bonds and ending on the date set forth in the related Supplemental Indenture for such Series of Bonds. With respect to the Series 2019 Bonds, the Origination Period has the meaning described under “DESCRIPTION OF THE SERIES 2019 BONDS—Redemption—*Mandatory Redemption from Unexpended Bond Proceeds*” in the body of this Official Statement.

“*Outstanding*” means, when used in connection with any Bond, a Bond which has been executed and delivered pursuant to the Indenture which at such time remains unpaid as to principal or interest, when used in connection with a Derivative Product, a Derivative Product which has not expired or been terminated, and when used in connection with a Liquidity Facility or Credit Facility, a Liquidity Facility or Credit Facility under which amounts can still be demanded by or are still owing to the applicable Liquidity Provider or Credit Provider, unless in all cases provision has been made for such payment pursuant to the Indenture, excluding Bonds which have been replaced pursuant to the Indenture. Calculation of the aggregate principal amount of any Obligations Outstanding means, at any time, the principal amount of any Bonds and the Derivative Value of any Derivative Product.

“*Participant*” means a broker-dealer, bank or other financial institution from time to time for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

“*Person*” means an individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or agency or political subdivision thereof.

“*Portfolio Yield*” means, with respect to Financed Eligible Loans allocable to particular Tax-Exempt Bonds, the composite yield on the date of calculation of the portfolio of such Financed Eligible Loans computed in accordance with the Code, assuming no additional Eligible Loans are financed and allocable to such Tax-Exempt Bonds.

“*Principal Account*” means the Account by that name created pursuant to the Indenture.

“*Principal Office*” means the office of the party indicated, as set forth in the Indenture.

“*Priority Termination Payment*” means, subject to the written consent of each Credit Provider and Liquidity Provider to the extent required in the applicable Credit Provider Agreement or Liquidity Facility, with respect to a Derivative Product, any termination payment payable by the Authority under such Derivative Product relating to an early termination of such Derivative Product by the Reciprocal Payor, as the nondefaulting party, following (a) a payment default by the Authority thereunder, (b) the occurrence of an Event of Default consisting of an Event of Bankruptcy as described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Events of Default—*Events of Default Defined*” in this Appendix A, or (c) the Trustee’s taking any action under the Indenture to liquidate the entire Trust Estate following an Event of Default and acceleration of the Bonds pursuant to the Indenture, or any other Termination Payments upon receipt of a Rating Agency Condition and the prior written consent of each Credit Provider and Liquidity Provider.

“*Program*” means the Authority’s program for the origination and the acquisition of Eligible Loans pursuant to the Indenture, as the same may be modified from time to time.

“*Program Expenses*” mean (a) the fees and expenses of the Trustee and any Tender Agent; (b) the fees and expenses of any auction agent, any market agent, any calculation agent and any broker-dealer then acting under a Supplemental Indenture; (c) the fees and expenses of any remarketing agent then acting under a Supplemental Indenture with respect to variable rate Bonds; (d) Liquidity Facility Fees and Credit Facility Fees; (e) the fees of any Servicer or custodian under any Servicing Agreements or custodian agreements; (f) the fees and expenses of the Authority incurred in connection with the preparation of legal opinions and other authorized reports or statements attributable to the Bonds or the Financed Eligible Loans; (g) fees and expenses associated with the delivery of a substitute Liquidity Facility or Credit Facility under a Supplemental Indenture; (h) fees and expenses associated with, but not payments under, Derivative Products; (i) the costs of remarketing any variable rate Bonds in addition to those referred to in clause (c) above; and (j) expenses incurred for the Authority’s maintenance and operation of its Program, including, without limitation, the Administrative Fee, the reasonable fees and expenses of attorneys, agents, financial advisors, rebate analysts, consultants, accountants and other professionals, attributable to such maintenance and operation; marketing expenses for the Program; and a prorated portion of the rent, personnel costs, office supplies and equipment, and travel expenses all as certified to by the Authority.

“*Rating*” means one of the rating categories of a Rating Agency.

“*Rating Agency*” means any one or more nationally recognized statistical rating organizations or other comparable Persons, designated by the Authority to assign Ratings to any of the Bonds. “Rating Agency” will, with respect to the Series 2019 Bonds, include Moody’s and S&P.

“*Rating Agency Condition*” shall mean (a) a letter from each Rating Agency, other than S&P, then designated as a Rating Agency for any of the Bonds at the request of the Authority, confirming that the action proposed to be taken by the Authority will not, in and of itself, result in a downgrade of any of the Ratings then applicable to the Bonds, or cause such Rating Agency to suspend or withdraw the Ratings then applicable to the Bonds, in each case, without giving effect to any Credit Facility and (b) with respect to S&P, if then designated as a Rating Agency for any of the Bonds at the request of the Authority, the Authority shall provide prior written notice to S&P at least 10 calendar days prior to the action proposed to be taken by the Authority.

“*Rebate Amount*” means the amount computed as of a Computation Date in accordance with the Code.

“*Rebate Fund*” means the Fund by that name created under the Indenture and described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—Rebate Fund” in this Appendix A.

“*Reciprocal Payments*” means any payment to be made to, or for the benefit of, the Authority under a Derivative Product.

“*Reciprocal Payor*” means any counterparty under a Derivative Product.

“*Record Date*” means the Record Date established for any Bonds pursuant to the Supplemental Indenture relating to such Bonds. “Record Date” means, with respect to the Series 2019 Bonds, the fifteenth calendar day of the month preceding an Interest Payment Date.

“*Recoveries of Principal*” mean all amounts received by the Trustee 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 insurance or from the sale, assignment, transfer, reallocation or other disposition of a Financed Eligible Loan; and any payments representing such principal from any guarantee or insurance of any Financed Eligible Loan.

“*Recycling Period*” has the meaning ascribed to such term in any Supplemental Indenture. With respect to the Series 2019 Bonds, the Recycling Period has the meaning described under “DESCRIPTION OF THE SERIES 2019 BONDS—Recycling Period” in the body of this Official Statement.”

“*Redemption Date*” means, when used with respect to any Bonds to be redeemed, the date fixed for such redemption, other than mandatory sinking fund redemption, by or pursuant to the Indenture.

“*Redemption Price*” means the total of principal, premium, if any, and interest due on any Bond redeemed pursuant to any applicable redemption provision of the Indenture.

“*Registered Owner*” means the Person in whose name a Bond is registered on the Bond registration records maintained by the Trustee and, also means with respect to a Derivative Product, any Reciprocal Payor, unless the context otherwise requires; provided that each Credit Provider under the Indenture, including the 2019 Bond Insurer, will be deemed to be the Registered Owner in certain circumstances as described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Rights of Credit Providers and Liquidity Providers” in this Appendix A.

“*Retirement Account*” means the Account by that name created pursuant to the Indenture.

“*Revenue*” or “*Revenues*” means all Recoveries of Principal, payments, proceeds, charges and other income received by a Servicer, the Trustee or the Authority from or on account of any Financed Eligible Loan (including scheduled, delinquent and advance payments of and any insurance proceeds with respect to, interest on any Financed Eligible Loan) and all interest earned or gain realized from the investment of amounts in any Fund or Account, except the Operating Fund and the Rebate Fund, and all payments received by the Authority pursuant to a Derivative Product.

“*Revenue Fund*” means the Fund by that name created under the Indenture and described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Revenue Fund*” in this Appendix A, including any Accounts and Subaccounts created therein.

“*Rule*” means a rule adopted by the Authority in accordance with the Act and the Maine Administrative Procedure Act.

“*S&P*” means S&P Global Ratings, and its successors and assigns.

“*Securities Depository*” means The Depository Trust Company, New York, New York, and its successors and assigns, or any additional or other securities depository designated in a Supplemental Indenture; the then Securities Depository if The Depository Trust Company resigns from its functions as depository of the Bonds; or, if the Authority discontinues use of the Securities Depository, pursuant to the Indenture, any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Authority with the consent of the Trustee.

“*Series*” means all Bonds authenticated and delivered pursuant to a Supplemental Indenture and designated therein as a Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for, but not to refund, such Bonds pursuant to the Indenture.

“*Series 2010 Bonds*” mean the Student Loan Revenue Bonds, Class A Series 2010A-1 issued on July 29, 2010 pursuant to the Indenture in the original principal amount of \$15,460,000.

“*Series 2012 Bonds*” mean the Student Loan Revenue Bonds, Class A Series 2012A-1 issued on June 7, 2012 pursuant to the Indenture in the original principal amount of \$12,685,000.

“*Series 2014 Bonds*” mean the Student Loan Revenue Bonds, Class A Series 2014A-1 issued on July 15, 2014 pursuant to the Indenture in the original principal amount of \$10,000,000.

“*Series 2017 Bonds*” mean the Student Loan Revenue Bonds, Class A Series 2017A-1 issued on April 18, 2017 pursuant to the Indenture in the original principal amount of \$10,000,000.

“*Series 2018 Bonds*” mean the Student Loan Revenue Bonds, Class A Series 2017A-1 issued on July 25, 2018 pursuant to the Indenture in the original principal amount of \$10,000,000.

“*Series 2019 Bonds*” means the Student Loan Revenue Bonds, Class A Series 2019A-1 issued pursuant to the Indenture in the principal amount set forth on the cover page to this Official Statement.

“*Servicer*” means Nelnet Servicing, LLC, its successors and assigns, and any additional Person with which the Authority has entered into a Servicing Agreement with respect to Financed Eligible Loans and for which the Authority has obtained (a) a Rating Agency Condition, and (b) the prior written consent of each Credit Provider and Liquidity Provider.

“*Servicing Agreement*” means (a) the Agreement for Alternative Student Loan Servicing, dated as of March 16, 2012, between the Authority and Nelnet Servicing, LLC, as supplemented and amended, including the Amendment, Extension and Restatement of Agreement for Alternative Student Loan Servicing, dated as of May 1, 2017; and (b) any other servicing agreements with any Servicer relating to the Financed Eligible Loans, as amended from time to time.

“*State*” means the State of Maine.

“*Stated Maturity*” means the date specified in the Bonds as the fixed date on which principal of such Bonds is due and payable. The Stated Maturities of the Series 2019 Bonds are set forth on the inside cover of this Official Statement and the mandatory sinking fund dates are described in this Official

Statement under “DESCRIPTION OF THE SERIES 2012 BONDS—Redemption—Mandatory Sinking Fund Redemptions.”.

“*Student Loan Fund*” means the Fund by that name created under the Indenture and described in this Official Statement under “SUMMARY OF CERTAIN PROVISIONS UNDER THE INDENTURE—Creation and Continuation of Funds and Accounts—*Student Loan Fund*” in this Appendix A, including any Accounts and Subaccounts created therein.

“*Student Loan Purchase Agreement*” means a loan purchase agreement entered into for the purchase of Eligible Loans into the Trust Estate which is in form and substance acceptable to any Credit Provider, if applicable.

“*Subaccount*” means any of the subaccounts which may be created and established within any Account or other Subaccount by the Indenture.

“*Supplemental Indenture*” means an agreement supplemental to the Indenture executed pursuant to the terms of the Indenture as described under “SUMMARY OF CERTAIN PROVISIONS UNDER THE INDENTURE—Supplemental Indentures” in this Appendix A.

“*Surety Bond*” means a reserve fund surety bond, insurance policy, letter of credit or other similar obligation issued by a Surety Bond Provider and satisfying in whole or in part the Capital Reserve Fund Requirement for a Series of Bonds as described in a Supplemental Indenture and deposited in the applicable Surety Bond Subaccount of the Capital Reserve Fund in accordance with the provisions of the Indenture and described in this Official Statement under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Creation and Continuation of Funds and Accounts—*Capital Reserve Fund*” in this Appendix A and the applicable Supplemental Indenture.

“*Surety Bond Provider*” means the provider of a Surety Bond with respect to a Series of Bonds which, at the time that a Surety Bond is issued, is rated in one of the two highest rating categories, without regard to any numerical or other modifier, by each Rating Agency, or has such other qualifications as is set forth in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

“*Surety Bond Reimbursement Agreement*” means the reimbursement agreement between the Authority and any Surety Bond Provider regarding the reimbursement obligations of the Authority for any draws on a Surety Bond, as further specified in a Supplemental Indenture.

“*Tax Documents*” mean, collectively, the certificates and agreements of the Authority and instructions to the Authority and the Trustee, all dated the applicable Date of Issuance, relating to the use of proceeds of the Tax-Exempt Bonds and which set forth the grounds for the Authority’s belief that such Tax-Exempt Bonds are not “arbitrage bonds” within the meaning of the Code, including the exhibits and schedules attached thereto.

“*Taxable Bonds*” mean any Bonds issued and delivered pursuant to the Indenture, the interest on which does not purport to be excluded from the federal gross income of the Registered Owners thereof.

“*Taxable Capitalized Interest Account*” means the Account by that name created pursuant to the Indenture.

“*Taxable Capital Reserve Account*” means the Account by that name created pursuant to the Indenture.

“*Taxable Class A Bonds*” means Class A Bonds which are Taxable Bonds.

“*Taxable Class B Bonds*” means Class B Bonds which are Taxable Bonds.

“*Taxable Class C Bonds*” means Class C Bonds which are Taxable Bonds.

“*Taxable Guarantee Account*” means the Account by that name created pursuant to the Indenture.

“*Taxable Guarantee Account Floor Amount*” means such amount as may be set forth in a Supplemental Indenture.

“*Taxable Revenue Account*” means the Account by that name created pursuant to the Indenture.

“*Taxable Student Loan Account*” means the Account by that name created pursuant to the Indenture.

“*Tax-Exempt Bonds*” mean any Bonds which do not constitute Taxable Bonds, and include the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and the Series 2019 Bonds.

“*Tax-Exempt Capitalized Interest Account*” mean the Account by that name created pursuant to the Indenture.

“*Tax-Exempt Capital Reserve Account*” means the Account by that name created pursuant to the Indenture.

“*Tax-Exempt Class A Bonds*” mean Class A Bonds which are Tax-Exempt Bonds, and include the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and the Series 2019 Bonds.

“*Tax-Exempt Class B Bonds*” mean Class B Bonds which are Tax-Exempt Bonds.

“*Tax-Exempt Class C Bonds*” mean Class C Bonds which are Tax-Exempt Bonds.

“*Tax-Exempt Guarantee Account*” means the Account by that name created pursuant to the Indenture.

“*Tax-Exempt Guarantee Account Floor Amount*” means the greater of (a) 1.43% of the aggregate principal balance of the Financed Eligible Loans pledged at the time of calculation to the Trust Estate under the Indenture and (b) \$500,000.

“*Tax-Exempt Student Loan Account*” means the Account by that name created pursuant to the Indenture.

“*Tender Agent*” means the bank, trust company or other financial institution appointed by the Authority as tender agent for the Trustee under the Indenture and as depository under any tender agent agreement, or any successor or successors thereto, as the case may be, with respect to such functions collectively or separately; provided, however, that if no Tender Agent has been appointed under the Indenture, provisions relating to the Tender Agent will apply to the Trustee.

“*Termination Payment*” means, with respect to a Derivative Product, any termination payment payable by the Authority under such Derivative Product relating to an early termination of such

Derivative Product by the Reciprocal Payor after the occurrence of a termination event or event of default specified in such Derivative Product, other than Priority Termination Payments.

“*Trust Estate*” means the property described under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—The Trust Estate” in the body of this Official Statement.

“*Trustee*” means ZB, National Bank dba Zions Bank, acting in its capacity as Trustee under the Indenture, or any successor Trustee designated pursuant to the Indenture.

“*2010 Bond Insurance Policy*” means the bond insurance policy dated the Date of Issuance of the Series 2010 Bonds, issued by the 2010 Bond Insurer to insure scheduled payments of principal of and interest on the Series 2010 Bonds when due.

“*2010 Bond Insurer*” means Assured Guaranty Corp., a Maryland corporation, and its successors and permitted assigns. The 2010 Bond Insurer constitutes a Credit Provider and an Initial Credit Provider.

“*2010 Capital Reserve Fund Agreement*” means the Series 2010 Capital Reserve Fund Agreement, dated as of July 1, 2010, between the Authority and the Trustee. The 2010 Capital Reserve Fund Agreement constitutes a Capital Reserve Fund Agreement within the meaning of the Indenture.

“*2010 Capital Reserve Fund Insurance Policy*” means the financial guaranty insurance policy issued by the 2010 Capital Reserve Fund Insurance Policy Provider on the Date of Issuance for the Series 2010 Bonds, which 2010 Capital Reserve Fund Insurance Policy may be drawn upon by the Trustee to make a withdrawal from the 2010 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund as provided in the Indenture. The 2010 Capital Reserve Fund Insurance Policy constitutes a Surety Bond within the meaning of the Indenture.

“*2010 Capital Reserve Fund Insurance Policy Provider*” means Assured Guaranty Corp., a Maryland corporation and its successors and permitted assigns. The 2010 Capital Reserve Fund Insurance Policy Provider constitutes a Surety Bond Provider within the meaning of the Indenture.

“*2010 Capital Reserve Fund Insurance Policy Reimbursement Agreement*” means the Reimbursement Agreement by and between the Authority and the 2010 Capital Reserve Fund Insurance Policy Provider regarding the reimbursement obligations of the Authority for any draws on the 2010 Capital Reserve Fund Insurance Policy. The 2010 Capital Reserve Fund Insurance Policy Reimbursement Agreement constitutes a Surety Bond Reimbursement Agreement within the meaning of the Indenture.

“*2012 Bond Insurance Policy*” means the bond insurance policy dated the Date of Issuance of the Series 2012 Bonds, issued by the 2012 Bond Insurer to insure scheduled payments of principal of and interest on the Series 2012 Bonds when due.

“*2012 Bond Insurer*” means Assured Guaranty Corp., a Maryland corporation, and its successors and permitted assigns. The 2012 Bond Insurer constitutes a Credit Provider and an Initial Credit Provider.

“*2012 Capital Reserve Fund Agreement*” means the Series 2012 Capital Reserve Fund Agreement, dated as of June 1, 2012, between the Authority and the Trustee. The 2012 Capital Reserve Fund Agreement constitutes a Capital Reserve Fund Agreement within the meaning of the Indenture.

“*2012 Capital Reserve Fund Insurance Policy*” means the financial guaranty insurance policy issued by the 2012 Capital Reserve Fund Insurance Policy Provider on the Date of Issuance for the Series 2012 Bonds, which 2012 Capital Reserve Fund Insurance Policy may be drawn upon by the Trustee to make a withdrawal from the 2012 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund as provided in the Indenture. The 2012 Capital Reserve Fund Insurance Policy constitutes a Surety Bond within the meaning of the Indenture.

“*2012 Capital Reserve Fund Insurance Policy Provider*” means Assured Guaranty Corp., a Maryland corporation and its successors and permitted assigns. The 2012 Capital Reserve Fund Insurance Policy Provider constitutes a Surety Bond Provider within the meaning of the Indenture.

“*2012 Capital Reserve Fund Insurance Policy Reimbursement Agreement*” means the Reimbursement Agreement by and between the Authority and the 2012 Capital Reserve Fund Insurance Policy Provider regarding the reimbursement obligations of the Authority for any draws on the 2012 Capital Reserve Fund Insurance Policy. The 2012 Capital Reserve Fund Insurance Policy Reimbursement Agreement constitutes a Surety Bond Reimbursement Agreement within the meaning of the Indenture.

“*2014 Bond Insurance Policy*” means the bond insurance policy dated the Date of Issuance of the Series 2014 Bonds, issued by the 2014 Bond Insurer to insure scheduled payments of principal of and interest on the Series 2014 Bonds when due.

“*2014 Bond Insurer*” means Assured Guaranty Corp., a Maryland corporation and its successors and permitted assigns. The 2014 Bond Insurer constitutes a Credit Provider and an Initial Credit Provider.

“*2014 Capital Reserve Fund Agreement*” means the Series 2014 Capital Reserve Fund Agreement, dated as of July 1, 2014, between the Authority and the Trustee. The 2014 Capital Reserve Fund Agreement constitutes a Capital Reserve Fund Agreement within the meaning of the Indenture.

“*2014 Capital Reserve Fund Insurance Policy*” means the financial guaranty insurance policy issued by the 2014 Capital Reserve Fund Insurance Policy Provider on the Date of Issuance for the Series 2014 Bonds, which 2014 Capital Reserve Fund Insurance Policy may be drawn upon by the Trustee to make a withdrawal from the 2014 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund as provided in the Indenture. The 2014 Capital Reserve Fund Insurance Policy constitutes a Surety Bond within the meaning of the Indenture.

“*2014 Capital Reserve Fund Insurance Policy Provider*” means Assured Guaranty Corp., a Maryland corporation and its successors and permitted assigns. The 2014 Capital Reserve Fund Insurance Policy Provider constitutes a Surety Bond Provider within the meaning of the Indenture.

“*2014 Capital Reserve Fund Insurance Policy Reimbursement Agreement*” means the Reimbursement Agreement by and between the Authority and the 2014 Capital Reserve Fund Insurance Policy Provider regarding the reimbursement obligations of the Authority for any draws on the 2014 Capital Reserve Fund Insurance Policy. The 2014 Capital Reserve Fund Insurance Policy Reimbursement Agreement constitutes a Surety Bond Reimbursement Agreement within the meaning of the Indenture.

“*2017 Bond Insurance Policy*” means the bond insurance policy dated the Date of Issuance of the Series 2017 Bonds, issued by the 2017 Bond Insurer to insure scheduled payments of principal of and interest on the Series 2017 Bonds when due.

“*2017 Bond Insurer*” means Assured Guaranty Corp., a Maryland corporation and its successors and permitted assigns. The 2017 Bond Insurer constitutes a Credit Provider and an Initial Credit Provider.

“*2017 Capital Reserve Fund Agreement*” means the Series 2017 Capital Reserve Fund Agreement, dated as of April 1, 2017, between the Authority and the Trustee. The 2017 Capital Reserve Fund Agreement constitutes a Capital Reserve Fund Agreement within the meaning of the Indenture.

“*2017 Capital Reserve Fund Insurance Policy*” means the financial guaranty insurance policy issued by the 2017 Capital Reserve Fund Insurance Policy Provider on the Date of Issuance for the Series 2017 Bonds, which 2017 Capital Reserve Fund Insurance Policy may be drawn upon by the Trustee to make a withdrawal from the 2017 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund as provided in the Indenture. The 2017 Capital Reserve Fund Insurance Policy constitutes a Surety Bond within the meaning of the Indenture.

“*2017 Capital Reserve Fund Insurance Policy Provider*” means Assured Guaranty Corp., a Maryland corporation and its successors and permitted assigns. The 2017 Capital Reserve Fund Insurance Policy Provider constitutes a Surety Bond Provider within the meaning of the Indenture.

“*2017 Capital Reserve Fund Insurance Policy Reimbursement Agreement*” means the Reimbursement Agreement by and between the Authority and the 2017 Capital Reserve Fund Insurance Policy Provider regarding the reimbursement obligations of the Authority for any draws on the 2017 Capital Reserve Fund Insurance Policy. The 2017 Capital Reserve Fund Insurance Policy Reimbursement Agreement constitutes a Surety Bond Reimbursement Agreement within the meaning of the Indenture.

“*2017 Bond Insurance Policy*” means the bond insurance policy dated the Date of Issuance of the Series 2017 Bonds, issued by the 2017 Bond Insurer to insure scheduled payments of principal of and interest on the Series 2017 Bonds when due.

“*2018 Bond Insurer*” means Assured Guaranty Corp., a Maryland corporation and its successors and permitted assigns. The 2018 Bond Insurer constitutes a Credit Provider and an Initial Credit Provider.

“*2018 Capital Reserve Fund Agreement*” means the Series 2018 Capital Reserve Fund Agreement, dated as of July 1, 2018, between the Authority and the Trustee. The 2018 Capital Reserve Fund Agreement constitutes a Capital Reserve Fund Agreement within the meaning of the Indenture.

“*2018 Capital Reserve Fund Insurance Policy*” means the financial guaranty insurance policy issued by the 2018 Capital Reserve Fund Insurance Policy Provider on the Date of Issuance for the Series 2018 Bonds, which 2018 Capital Reserve Fund Insurance Policy may be drawn upon by the Trustee to make a withdrawal from the 2018 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund as provided in the Indenture. The 2018 Capital Reserve Fund Insurance Policy constitutes a Surety Bond within the meaning of the Indenture.

“2018 Capital Reserve Fund Insurance Policy Provider” means Assured Guaranty Corp., a Maryland corporation and its successors and permitted assigns. The 2018 Capital Reserve Fund Insurance Policy Provider constitutes a Surety Bond Provider within the meaning of the Indenture.

“2018 Capital Reserve Fund Insurance Policy Reimbursement Agreement” means the Reimbursement Agreement by and between the Authority and the 2018 Capital Reserve Fund Insurance Policy Provider regarding the reimbursement obligations of the Authority for any draws on the 2018 Capital Reserve Fund Insurance Policy. The 2018 Capital Reserve Fund Insurance Policy Reimbursement Agreement constitutes a Surety Bond Reimbursement Agreement within the meaning of the Indenture.

“2019 Bond Insurance Policy” means the bond insurance policy dated the Date of Issuance of the Series 2019 Bonds, issued by the 2019 Bond Insurer to insure scheduled payments of principal of and interest on the Series 2019 Bonds when due.

“2019 Bond Insurer” means Assured Guaranty Corp., a Maryland corporation and its successors and permitted assigns. The 2019 Bond Insurer will constitute a Credit Provider and an Initial Credit Provider.

“2019 Capital Reserve Fund” means the 2019 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund, which will be funded on the Date of Issuance with a cash deposit of \$100,000 and the deposit of the 2019 Capital Reserve Fund Insurance Policy issued by the 2019 Capital Reserve Fund Insurance Policy Provider as described under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Pledged Funds—Capital Reserve Fund.”

“2019 Capital Reserve Fund Agreement” means the Series 2019A Capital Reserve Fund Agreement, dated as of May 1, 2019, between the Authority and the Trustee. The 2019 Capital Reserve Fund Agreement will constitute a Capital Reserve Fund Agreement within the meaning of the Indenture.

“2019 Capital Reserve Fund Insurance Policy” means the financial guaranty insurance policy to be issued by the 2019 Capital Reserve Fund Insurance Policy Provider on the Date of Issuance for the Series 2019 Bonds, which 2019 Capital Reserve Fund Insurance Policy may be drawn upon by the Trustee to make a withdrawal from the 2019 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund as provided in the Indenture. The 2019 Capital Reserve Fund Insurance Policy will constitute a Surety Bond within the meaning of the Indenture.

“2019 Capital Reserve Fund Insurance Policy Provider” means Assured Guaranty Corp., a Maryland corporation and its successors and permitted assigns. The 2019 Capital Reserve Fund Insurance Policy Provider will constitute a Surety Bond Provider within the meaning of the Indenture.

“2019 Capital Reserve Fund Insurance Policy Reimbursement Agreement” means the Reimbursement Agreement by and between the Authority and the 2019 Capital Reserve Fund Insurance Policy Provider regarding the reimbursement obligations of the Authority for any draws on the 2019 Capital Reserve Fund Insurance Policy. The 2019 Capital Reserve Fund Insurance Policy Reimbursement Agreement will constitute a Surety Bond Reimbursement Agreement within the meaning of the Indenture.

“*Underwriter*” means the underwriter or underwriters of any of the Bonds. “Underwriter” with respect to the Series 2019 Bonds means Merrill Lynch, Pierce, Fenner & Smith Incorporated or its successors and assigns.

“*Underwriting Standards*” mean the minimum criteria for each Eligible Loan as described in a Supplemental Indenture and/or in a Credit Provider Agreement or Liquidity Facility, as applicable. The Underwriting Standards with respect to the Eligible Loans are described under “THE AUTHORITY’S STUDENT LOAN PROGRAM—Loan Terms” in the body of this Official Statement.

“*Value*” on any calculation date when required under the Indenture means the value of the Trust Estate calculated by the Authority as to clauses (a) and (b) below and by the Trustee as to clauses (c) through (e) below, inclusive, below, as follows: (a) with respect to any Eligible Loan, except as described in clause (b) or (c) below, the unpaid principal amount thereof plus any accrued but unpaid interest; (b) with respect to any loan that is not an Eligible Loan or is a Defaulted Loan, \$0; (c) (i) to the extent that Financed Eligible Loans constituting loans for students attending two year proprietary schools exceed the limit for such loan described in this Official Statement under “THE AUTHORITY’S STUDENT LOAN PROGRAM—Loan Terms” in the body of this Official Statement, then until the next calculation period with respect to such limitations, such loans in excess of that limit will have a Value of \$0; (ii) to the extent that Medical Loans disbursed by the Authority on an annual basis exceed the limit for such loans described under “THE AUTHORITY’S STUDENT LOAN PROGRAM—Loan Terms” in the body of this Official Statement, then until the next calculation period with respect to such limitation, such loans in excess of that limit will have a Value of \$0; and (iii) with respect to any Eligible Loan, such other value as may be specified in a Supplemental Indenture; (d) with respect to any funds of the Authority held under the Indenture and on deposit in any commercial bank or as to any banker’s acceptance or repurchase agreement or investment agreement or contract, the amount thereof plus accrued but unpaid interest; (e) with respect to any Investment Securities of an investment company, the bid price of the shares as reported by the investment company plus accrued but unpaid interest; and (f) as to other investments: (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.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture pursuant to which the Series 2019 Bonds will be issued. This summary is qualified in all respects by reference to the Indenture, which contains all the terms and conditions pursuant to which the Series 2019 Bonds will be issued. Copies of the Indenture are available from the Trustee.

Upon issuance of the Series 2019 Bonds, the only Series of Bonds Outstanding under the Indenture will be the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and the Series 2019 Bonds. Although the following description of certain provisions of the Indenture includes references to Class B Bonds and Class C Bonds, which may be issued from time to time as described below under “—Additional Bonds; Other Obligations of the Authority,” no other such Bonds are currently Outstanding.

Parity of Lien

The provisions, covenants and agreements set forth in the Indenture to be performed by or on behalf of the Authority are generally for the equal benefit, protection and security of the Registered Owners of any and all of the Obligations regardless of the time or times of their issuance or maturity, will

be of equal rank without preference, priority or distinction of any of the Obligations over any other thereof, except as expressly provided in the Indenture with respect to certain payment and other priorities and, to the extent provided in the Indenture, for the benefit of each Credit Provider, Liquidity Provider, Reciprocal Payor and Surety Bond Provider.

Under the Indenture, any Class A Bonds will be secured on a senior priority to any Class B Obligations and Class C Obligations, any Class B Bonds will be secured on a priority subordinate to any Class A Obligations and on a priority senior to any Class C Obligations and any Class C Bonds will be secured on a priority subordinate to any Class A Obligations and any Class B Obligations.

**Additional Bonds;
Other Obligations of the Authority**

Under the Indenture, the Authority will have the authority, upon complying with certain provision described below, to authenticate and deliver from time to time Bonds secured by the Trust Estate on a parity with any Class A Bonds, any Class B Bonds or any Class C Bonds secured thereunder. In addition, the Authority is permitted under the terms of the Indenture to enter into any Derivative Products, any Credit Facility, any Surety Bond, any Capital Reserve Fund Agreement, any Credit Provider Agreement or any Liquidity Facility it deems necessary or desirable with respect to any or all of the Bonds issued under the Indenture.

No Bonds will be authenticated and delivered pursuant to the Indenture until the following conditions have been satisfied:

(a) The Authority and the Trustee have entered into a Supplemental Indenture (which Supplemental Indenture will not require the approval of the Registered Owners of any of the Outstanding Bonds or Derivative Products or any Liquidity Provider, but will require the consent of each Credit Provider that is providing a Credit Facility with respect to any Bonds Outstanding or Credit Provider) providing the terms and forms of the proposed Series of Bonds, including the designation of such Series of Bonds as Class A Bonds, Class B Bonds or Class C Bonds, whether such Series of Bonds constitutes Taxable Bonds or Tax-Exempt Bonds (or a combination thereof), the redemption and selection for redemption provisions applicable to such Series of Bonds, and the Capital Reserve Fund Requirement with respect to such Series of Bonds, if any.

(b) The Trustee has received duly executed copies of the Liquidity Facility, Credit Facility and/or Surety Bond relating to the Series of Bonds, if applicable.

(c) The Trustee has received, other than at the time the first Series of Bonds is issued thereunder, a Rating Agency Condition from each Rating Agency with respect to the issuance of such Series of Bonds.

(d) Upon the issuance of the proposed Series of Bonds, an amount equal to the Capital Reserve Fund Requirement, if any, with respect to each Series of the Bonds, including such proposed Series of Bonds, will be on deposit or deposited into the Capital Reserve Fund, including any Surety Bond if specified in a Supplemental Indenture.

(e) The Trustee has received, other than at the time the first Series of Bonds is issued under the Indenture, the prior written consent of any Credit Provider which is providing a Credit Facility with respect to any Bonds Outstanding.

(f) The Trustee has received duly executed copies of the Capital Reserve Fund Agreement relating to the Series of Bonds, if applicable.

(g) The Trustee has received an opinion of Bond Counsel to the effect that (i) the issuance of proposed additional Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Tax-Exempt Bonds; (ii) the Indenture and the applicable Supplemental Indenture have been duly and lawfully adopted by the Authority, are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms; (iii) the Indenture creates the valid pledge and lien which it purports to create subject to the provisions of the Indenture; and (iv) the Additional Bonds of such Series have been duly and validly authorized and issued in accordance with the law and the Indenture and are valid and binding obligations of the Authority, enforceable in accordance with their terms and the terms of the Indenture and entitled to the benefits of the Indenture.

In addition to these requirements, under the Indenture, for so long as the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds or the Series 2019 Bonds are Outstanding, the Authority is not permitted to issue any Additional Bonds if such issuance would result in the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds or the Series 2019 Bonds losing the benefit of the 2010 Capital Reserve Fund Agreement, the 2012 Capital Reserve Fund Agreement, the 2014 Capital Reserve Fund Agreement, the 2017 Capital Reserve Fund Agreement, the 2018 Capital Reserve Fund Agreement or the 2019 Capital Reserve Fund Agreement, respectively.

In connection with the issuance and delivery of any Series of Bonds under the Indenture, the Trustee is authorized to set up any additional Funds or Accounts or Subaccounts which it deems necessary or convenient.

No additional Bonds will be issued under the Indenture which are payable from drawings on any Credit Facility or Liquidity Facility, as applicable, which provides credit and/or liquidity support for another Series of Bonds Outstanding under the Indenture.

In addition, under the Indenture the Authority has reserved the right to issue other bonds or obligations which do not constitute or create a lien on the Trust Estate.

The Authority has agreed to not commingle the Funds established under the Indenture with funds, proceeds, or investment of funds relating to other issues or series of bonds that may be issued under other indentures.

The Revenues and other moneys, Financed Eligible Loans, securities, evidences of indebtedness, interests, rights and properties pledged under the Indenture are and will be owned by the Authority free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to or of equal rank with or (except upon receipt of a Rating Agency Condition and consent of each Credit Provider) subordinate to the respective pledges created by the Indenture. If any Financed Eligible Loan is found to have been subject to a lien at the time such Financed Eligible Loan was financed, the Authority is required to cause such lien to be released, will purchase such Financed Eligible Loan from the Trust Estate for a purchase price equal to its principal amount plus any unamortized premium, if any, and interest accrued thereon, or will replace such Financed Eligible Loan with another Eligible Loan with substantially identical characteristics which replacement Eligible Loan will be free and clear of liens at the time of such replacement. Under the Indenture, the Authority has agreed that it will not create or voluntarily permit to be created any debt, lien, or charge on the Financed Eligible Loans which would be on a parity with or prior to the lien of the Indenture or subordinate to the lien of the Indenture, except

upon receipt of a Rating Agency Condition and consent of each Credit Provider; 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 Indenture or the priority of such lien for the Obligations secured thereunder might or could be lost or impaired; and 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 Indenture as a lien or charge upon the Financed Eligible Loans; provided, however, that nothing described in this paragraph requires the Authority to pay, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof will be by it in good faith contested, unless thereby, in the opinion of the Trustee, the same will endanger the security for the Obligations; and provided further that any subordinate lien under the Indenture (i.e., subordinate to the lien securing the Class A Obligations, the Class B Obligations and the Class C Obligations) 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 under the Indenture.

**Derivative Products;
Reciprocal Payments; Authority Derivative Payments**

Under the Indenture, the Authority is authorized to direct the Trustee to acknowledge and agree to any Derivative Product entered into by the Authority and a Reciprocal Payor under which (a) the Authority may be required to make, from time to time, Authority Derivative Payments; and (b) the Trustee may receive, from time to time, Reciprocal Payments for the account of the Authority. However, no Derivative Product is permitted to be entered into unless the Trustee has received an executed copy thereof and a Rating Agency Condition from each Rating Agency with respect thereto and the consent of each Credit Provider.

**Liquidity Facilities;
Credit Facilities; Surety Bonds**

Under the Indenture, the Authority is authorized to direct the Trustee to enter into and/or accept any Liquidity Facility, Credit Facility and Surety Bond hereafter entered into or obtained by the Authority and a Liquidity Provider, Credit Provider or Surety Bond Provider, as applicable. No Liquidity Facility, Credit Facility or Surety Bond will be entered into and accepted unless the Trustee receives an executed original thereof and the consent of each Credit Provider.

Covenants and Agreements

Certain covenants and agreement of the Authority contained in the Indenture are summarized as follows:

Payment of Obligations. The Authority covenants that it will promptly pay, but solely from the Trust Estate, the principal of and interest, if any, on each and every Obligation issued under the provisions of the Indenture at the places, on the dates and in the manner specified in the Indenture.

Covenant To Perform Obligations Under the Indenture. The Authority covenants under the Indenture that it will faithfully perform at all times and at all places all covenants, undertakings, stipulations, provisions and agreements contained therein, in any and every Bond executed, authenticated and delivered thereunder and in all proceedings of the Authority pertaining thereto. The Authority will further covenant that it is duly authorized to issue the Bonds authorized under the Indenture and to enter into the Indenture and that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture has been duly and effectively taken; and that such Bonds in the hands of the

owners thereof are and will be valid and enforceable obligations of the Authority according to the tenor and import thereof.

Further Instruments and Actions. The Authority covenants in the Indenture that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental thereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better pledging all and singular of the Trust Estate pledged under the Indenture to the payment of the principal of, premium, if any, and the interest on the Bonds and other amounts owed under the Indenture to the Registered Owners.

Administration of the Program. The Authority will, or will cause the Administrator to, administer, operate and maintain the Program in accordance with the Act and the Rules and all State and federal statutes, rules and regulations which apply to the Program and to such Financed Eligible Loans. In the event that no third party is appointed by the Authority and serving as the Administrator, the Authority will be required act as the Administrator of the Program.

Financing, Collection and Assignment of Eligible Loans. Under the Indenture, the Authority has agreed to finance only Eligible Loans with moneys in the Student Loan Fund and to diligently cause to be collected all principal and interest payments, subject to the provisions described below under the caption “—*Enforcement of Financed Eligible Loans,*” on all the Financed Eligible Loans and other sums to which the Authority is entitled pursuant to any Servicing Agreement and any Student Loan Purchase Agreement, all grants, subsidies, insurance payments, and all defaulted payments which relate to such Financed Eligible Loans. The Authority will take all steps, actions and proceedings reasonably necessary in the judgment of the Authority to maintain any guarantee or insurance on the Financed Eligible Loans. The Authority will comply with all State and federal statutes, rules and regulations which apply to the Program and to such Financed Eligible Loans.

Enforcement of Financed Eligible Loans. The Authority has agreed, subject to following paragraph and the last sentence of this paragraph, cause to be diligently enforced, and take all steps, actions and proceedings reasonably necessary for the enforcement of, all terms, covenants and conditions of all Financed Eligible Loans and agreements in connection therewith, including the prompt payment of all principal and interest payments and all other amounts due the Authority thereunder. The Authority will not, except as permitted by the following paragraph and the last sentence of this paragraph, permit the release of the obligations of any borrower under any Financed Eligible Loan and will, subject to the following paragraph and the last sentence of this paragraph, at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Authority and the Trustee under the Indenture or with respect to each Financed Eligible Loan and any agreements in connection therewith. The Authority will not, subject to the provisions described in this paragraph and the last sentence of this paragraph, consent or agree to or permit any amendment or modification of any Financed Eligible Loan or agreement in connection therewith which will in any manner materially adversely affect the rights or security of the Registered Owners under the Indenture or any Credit Provider. Nothing in the Indenture will be construed to prevent the Authority from (a) granting a reasonable forbearance to a borrower, unless such forbearance will, in the reasonable judgment of the Authority, have a material adverse impact on the Authority’s ability to meet its obligations under the Indenture; (b) settling a default or curing a delinquency on any Financed Eligible Loan on such terms as will be permitted by law; or (c) so long as such action will not adversely affect the Ratings on any of the Bonds without giving effect to any Credit Facility, establishing discounts or granting forgiveness of principal of or interest on Financed Eligible Loans, including, notwithstanding the restrictions on transferring Trust Estate assets to the Authority described under the caption “—*Transfers to the Authority*” below, paying for such discounts or forgiveness with cash released from the Trust Estate, except in each case above as may be limited by a Supplemental Indenture.

Notwithstanding the foregoing paragraph, the Authority may also forgive the indebtedness on all or a portion of the Financed Eligible Loans to the extent necessary to prevent interest on any Tax-Exempt Bonds from being includable in the gross income of the owners thereof for federal income tax purposes, or take such other action as may be provided in the written opinion of Bond Counsel, including, but not limited to, the payment of “yield reduction payments” under Section 1.148-5(c) of the Treasury Regulations, and may forgive the remaining indebtedness on any Financed Eligible Loan if, in the reasonable judgment of the Authority evidenced by a certificate delivered to the Trustee, the cost of collection of the remaining indebtedness of such Financed Eligible Loan would exceed such remaining indebtedness.

Servicing. The Authority will covenant under the Indenture to duly and properly service, or cause to be duly and properly serviced, all Financed Eligible Loans and enforce the payment and collection of all payments of principal and interest payments, including all grants, subsidies and insurance payments, which relate to any Financed Eligible Loans, or, will cause such servicing to be done by a Servicer evidencing, in the judgment of the Authority and each Credit Provider, the capability and experience necessary to adequately service such Financed Eligible Loans. The Authority agrees that, and will cause each Servicer to enter into a Servicing Agreement providing that, the Servicer will administer and collect all Financed Eligible Loans in the manner consistent with the requirements under the Indenture and perform any duties, obligations and functions imposed upon the Servicer by the Authority.

The Authority will not remove any Servicer under a Servicing Agreement unless (a)(i) the Authority has appointed a successor Servicer satisfactory to each Credit Provider, (ii) the successor Servicer has accepted its duties under the Indenture in writing, (iii) the Authority has obtained a Rating Agency Condition, and (iv) the Authority has obtained the prior written consent of each Credit Provider; or (b) all Bonds are Bank Bonds and the Credit Provider directs the removal of such Servicer. The Authority is not permitted to renew or extend an existing Servicing Agreement without the consent of the Initial Credit Provider.

Administration and Collection of Financed Eligible Loans. All Financed Eligible Loans which are part of the Trust Estate will be administered and collected by a Servicer in a competent, diligent and orderly fashion and in accordance with all applicable requirements of the Indenture. The promissory notes evidencing Financed Eligible Loans will be held by the Servicer. Subject to the foregoing, the Authority covenants and agrees as follows with respect to all Financed Eligible Loans: (a) the Authority will cause the Servicer to hold promissory notes evidencing Financed Eligible Loans and related documentation as bailee for and on behalf of the Trustee for purposes of perfecting the interests of the Trustee therein; and (b) all sums received by the Authority or the Servicer with respect to Financed Eligible Loans will be held on behalf of the Trustee including, but not limited to, all payments of principal and interest, insurance or guarantee payments and proceeds of the sale thereof. The Authority will ensure that all such amounts will be held in a segregated account and will not be commingled with any of the Authority’s or Servicer’s other funds.

Tax Covenants. The Authority will at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Tax-Exempt Bonds will, for purposes of federal income taxation, be excludable from the gross income of the recipients thereof, including, but not limited to, such actions as are required to be taken pursuant to any Tax Documents and the Indenture.

The Authority will not permit at any time or times any of the proceeds of the Bonds or any other funds of the Authority to be used directly or indirectly to finance any securities or obligations, the acquisition of which would cause any Tax-Exempt Bond to be or become an “arbitrage bond” as defined in Section 148 of the Code.

The Authority will take such action as may be necessary to assure that the Portfolio Yield as of the date of final payment of related Tax-Exempt Bonds does not exceed the related Bond Yield by an amount greater than may be consistent with any Tax Documents, including the forgiveness and discharge of borrower payment obligations with respect to the outstanding principal amounts of and any interest due upon any or all of such Financed Eligible Loans upon any such payment date.

The Program documents will include the requirement that no borrower on a Financed Eligible Loan nor any “related person,” as defined in Section 144(a)(3) of the Code, will pursuant to any arrangement, formal or informal, purchase the Authority’s obligations in an amount related to the amount of such borrower’s Financed Eligible Loans.

Student Loan Purchase Agreements. The Authority will cause each Student Loan Purchase Agreement to at all times require the seller to repurchase any student loans which may become invalid or unenforceable due to any actions or omissions of the seller.

Pledge of Trust Estate. The Authority has agreed under the Indenture, at its own expense, to execute and deliver such instruments and documents as may be required or may reasonably be requested by the Trustee in order to maintain in favor of the Trustee a perfected, first-priority security interest in the Financed Eligible Loans and related Revenues and the Funds under the Uniform Commercial Code of the State. Without limiting the generality of the foregoing, the Authority will execute, deliver and file all such financing and continuation statements and amendments thereto and such other instruments, endorsements and notices as may be necessary or as the Trustee and each Credit Provider may reasonably request in order to perfect and preserve and continue the perfection of the security interest created by the Indenture and to preserve the lien and pledge of the Indenture. Under the Indenture, the Authority has agreed to take all steps necessary to maintain the perfection and priority of the Trustee’s interest in the Financed Eligible Loans.

Representations and Warranties. In the Indenture, the Authority makes certain representations and warranties for the benefit of the Trustee, the Registered Owners of the Bonds and each Credit Provider, Liquidity Provider and Surety Bond Provider, including as follows:

- (a) the pledge made by the Authority under the Indenture is valid and binding;
- (b) the Authority owns and has good and marketable title to the Financed Eligible Loans free and clear of any lien, charge, security interest or other encumbrance of any Person, other than those granted pursuant to the Indenture; and
- (c) with respect to each loan pledged under the Indenture (i) a promissory note or credit agreement will have been executed by an Eligible Borrower to evidence such loan and duly endorsed to the Authority (without recourse to the endorser), or, in lieu thereof, assigned to the same effect; (ii) such loan is a legal, valid and binding obligation of the Eligible Borrower, enforceable in accordance with its terms and conditions and free from any right of set off, counter claim or other claim, defense or security interest; (iii) such loan constitutes an Eligible Loan; and (iv) such loan is made to an Eligible Borrower who meets, if applicable, the credit requirements established by the Authority as specified in the Program.

Creation and Continuation of Funds and Accounts

The Indenture creates and establishes the following Funds to be held and maintained by the Trustee for the benefit of the Registered Owners:

(a) Student Loan Fund, including a Tax-Exempt Student Loan Account and a Taxable Student Loan Account therein;

(b) Revenue Fund, including a Tax-Exempt Revenue Account, a Taxable Revenue Account, a Tax-Exempt Capitalized Interest Account and a Taxable Capitalized Interest Account therein;

(c) Debt Service Fund, including a Principal Account, and within the Principal Account a Tax-Exempt Principal Subaccount and a Taxable Principal Subaccount, an Interest Account, and within the Interest Account a Tax-Exempt Interest Subaccount and a Taxable Interest Subaccount, and a Retirement Account, and within the Retirement Account a Tax-Exempt Retirement Subaccount and a Taxable Retirement Subaccount;

(d) Capital Reserve Fund, including a Tax-Exempt Capital Reserve Account, and within the Tax-Exempt Capital Reserve Account, a Class A Cash Subaccount and a Class A Surety Bond Subaccount, a Class B Cash Subaccount and a Class B Surety Bond Subaccount, and a Class C Cash Subaccount and a Class C Surety Bond Subaccount, and a Taxable Capital Reserve Account, and within the Taxable Capital Reserve Account, a Class A Cash Subaccount and a Class A Surety Bond Subaccount, a Class B Cash Subaccount and a Class B Surety Bond Subaccount, and a Class C Cash Subaccount and a Class C Surety Bond Subaccount; and

(e) Guarantee Fund, including a Tax-Exempt Guarantee Account and a Taxable Guarantee Account therein.

The Indenture also creates and establishes the Rebate Fund, to be held and maintained by the Trustee, in which neither the Authority nor the Registered Owners have any right, title or interest.

The Indenture also creates and establishes orders held in the custody of the Trustee as Tender Agent the “Bond Purchase Fund.” A Supplemental Indenture relating to any Series of Bonds with respect to which any optional or mandatory tender rights exist may contain additional provisions relating to such Bond Purchase Fund.

The Operating Fund does not constitute a Fund within the meaning of the Indenture, and is held by the Authority as described under “—*Operating Fund*” below. The Registered Owners will have no right, title or interest in the Operating Fund.

The Trustee is authorized under the Indenture for the purpose of facilitating the administration of the Trust Estate and for the administration of any Bonds to create further Accounts or Subaccounts in any of the various Funds and Accounts established under the Indenture which are deemed necessary or desirable.

Student Loan Fund. Under the terms of the Indenture, there will be deposited into the Tax-Exempt Student Loan Account moneys from proceeds of any Tax-Exempt Bonds to be deposited therein pursuant to a Supplemental Indenture, moneys transferred thereto from the Tax-Exempt Revenue Account and the Tax-Exempt Capitalized Interest Account, to the extent specified in a Supplemental

Indenture, pursuant to the provisions of the Indenture, and there will be deposited in the Taxable Student Loan Account moneys deposited from proceeds of any Taxable Bonds to be deposited therein pursuant to a Supplemental Indenture, moneys transferred thereto from the Taxable Revenue Account and the Taxable Capitalized Interest Account, to the extent specified in a Supplemental Indenture, pursuant to the provisions of the Indenture. Financed Eligible Loans will be pledged to the Trust Estate as part of the Student Loan Fund.

Moneys on deposit in the Student Loan Fund will be used, upon Authority Order, solely to pay costs of issuance of the Bonds and during any Origination Period and any Recycling Period, to originate Eligible Loans or to acquire Eligible Loans at a price, including transfer fees, purchase premiums, default fees and any other loan origination fees, not in excess of amounts set forth in any Supplemental Indenture or pursuant to a Liquidity Facility or Credit Provider Agreement unless the Authority has received (a) a Rating Agency Condition from each Rating Agency, and (b) the prior written consent of each Credit Provider and Liquidity Provider to the extent required in the applicable Credit Provider Agreement or Liquidity Facility. Guarantee Fees, if any, assessed by the Authority to Eligible Borrowers in connection with the origination of any Eligible Loans with moneys on deposit in the Student Loan Fund will be deposited to the Guarantee Fund as described under “—Guarantee Fund” below and Origination Fees, if any, charged with respect to each Financed Eligible Loan at the time of origination will be paid to the Administrator or as otherwise provided in any Supplemental Indenture. In addition, the Authority, may direct the Trustee to transfer moneys on deposit in the Student Loan Fund to the applicable Subaccount of the Retirement Account of the Debt Service Fund to redeem Bonds in accordance with any Supplemental Indenture or used to purchase Bonds in accordance with the Indenture.

The Authority will covenant under the Indenture that no amount credited to the Tax-Exempt Student Loan Account will be used to finance any Eligible Loans which are not Nexus Loans unless the percentage of the proceeds of the applicable Series of Tax-Exempt Bonds used to finance Nexus Loans equals or exceeds the percentage required by the Tax Documents related to such Series of Tax-Exempt Bonds.

Notwithstanding the foregoing paragraphs and after the transfers required from the Revenue Fund, the Tax-Exempt Capitalized Interest Account and the Taxable Capitalized Interest Account, as described below, if on any Bond Payment Date there are not sufficient moneys on deposit in the Tax-Exempt Interest Subaccount or the Tax-Exempt Principal Subaccount, as applicable, to make the payments due on any Tax-Exempt Bonds on such Bond Payment Date, then an amount equal to any such deficiency will be transferred directly from the Tax-Exempt Student Loan Account, but only from cash or Investment Securities and not from liquidation of Financed Eligible Loans, first, to the Tax-Exempt Interest Subaccount and, second, to the Tax-Exempt Principal Subaccount, as necessary; and if on any Bond Payment Date there are not sufficient moneys on deposit in the Taxable Interest Subaccount or the Taxable Principal Subaccount, as applicable, to make the payments due on any Taxable Bonds on such Bond Payment Date then an amount equal to any such deficiency will be transferred directly from the Taxable Student Loan Account, but only from cash or Investment Securities and not from liquidation of Financed Eligible Loans, first, to the Taxable Interest Subaccount and, second, to the Taxable Principal Subaccount, as necessary.

Except as provided in any Supplemental Indenture, Credit Provider Agreement or Liquidity Facility, Financed Eligible Loans may be sold, transferred or otherwise disposed of by the Trustee free from the lien of the Indenture at any time pursuant to an Authority Order, with the consent of the Initial Credit Provider, and if the Trustee is provided with the following:

(a) an Authority Order stating the sale price and directing that Financed Eligible Loans be sold, transferred or otherwise disposed of and delivered to the purchaser designated therein; and

(b) a certificate of the Authority to the effect that: (i)(A) the disposition price is equal to or in excess of the greater of the principal amount thereof, plus accrued interest, or the purchase price paid by the Authority for such Financed Eligible Loan, less principal repayments received with respect to such Financed Eligible Loan; or (B) the disposition price is lower than the amount described in clause (A) above, the Authority has received a Rating Agency Condition and the prior written consent of each Credit Provider and Liquidity Provider and (1) the Authority reasonably believes that the Revenues expected to be received, after giving effect to such disposition, would be at least equal to the Revenues expected to be received assuming no such sale, transfer or other disposition occurred; or (2) the Authority will remain able to pay debt service on the Bonds and make payment on any other Obligations on a timely basis, after giving effect to such sale, transfer or other disposition, whereas it would not have been able to do so on a timely basis if it had not sold, transferred or disposed of the Financed Eligible Loans at such lesser amount; and (ii) the Authority has determined that adequate provision has been made assuring that such sale, transfer or other disposition does not impair the Authority's capacity to comply with its obligation relative to the restriction upon Portfolio Yield as such obligation would be calculated upon the date of such sale, transfer or other disposition in accordance with any Tax Documents.

In addition, under the Indenture the Authority is not permitted to sell or transfer Financed Eligible Loans at any one time or in a series of transactions in an aggregate principal amount, giving effect to all such sales or transfers on and after May 27, 2009, in excess of 5% of the principal amount of the Financed Eligible Loans held under the Indenture at the time of any such sale or transfer except as otherwise permitted with a Rating Agency Condition and the consent of the Initial Credit Provider.

Further, except as provided in a Supplemental Indenture, including provisions of a Credit Provider Agreement or Liquidity Facility, if any, the terms of which are also contained in a Supplemental Indenture, Financed Eligible Loans may also be sold, transferred or otherwise disposed of by the Trustee, with the consent of the Initial Credit Provider, pursuant to an Authority Order in which the Authority determines that such disposition of Financed Eligible Loans from the Trust Estate is necessary in order to avoid the occurrence of an Event of Default under the Indenture or to avoid any default in the payment obligations of the Authority under any Liquidity Facility or Credit Provider Agreement, in such amount and at such times and prices as may be specified in such Authority Order. In addition, the Authority has covenanted to deliver such an Authority Order to the Trustee at the written direction of any Credit Provider or Liquidity Provider following an event of default under the applicable Credit Provider Agreement or Liquidity Facility.

Revenue Fund.

Tax-Exempt Revenue Account. The Trustee will deposit into the Tax-Exempt Revenue Account all Revenues derived from Financed Eligible Loans financed by the Authority from moneys on deposit in the Tax-Exempt Student Loan Account, and all other Revenue derived from moneys or assets on deposit in the Tax-Exempt Student Loan Account, the Tax-Exempt Guarantee Account, the Tax-Exempt Capital Reserve Account, the Tax-Exempt Capitalized Interest Account, the Tax-Exempt Revenue Account, the Tax-Exempt Principal Subaccount, the Tax-Exempt Interest Subaccount and the Tax-Exempt Retirement Subaccount, all Reciprocal Payments with respect to Tax-Exempt Bonds, and any other amounts deposited thereto upon receipt of an Authority Order.

Upon receipt of an Authority Order directing the same, moneys in the Tax-Exempt Revenue Account will be used, on any date, to make a transfer or transfers to the Operating Fund, subject to the requirements described under “—*Operating Fund*” below.

On the last Business Day of each calendar month, or more frequently or on other dates if required by a Supplemental Indenture or if directed by the Authority, money in the Tax-Exempt Revenue Account will be used and transferred to other Funds, Accounts, Subaccounts or Persons in the following order of precedence to the extent available therein (any money not so transferred or paid to remain in the Tax-Exempt Revenue Account until subsequently applied pursuant to these described provisions):

(a) to the Rebate Fund, upon receipt of an Authority Order and if necessary to comply with any Tax Document with respect to rebate or Excess Earnings;

(b) to the credit of the Tax-Exempt Interest Subaccount of the Interest Account of the Debt Service Fund to the extent and in the manner described under “—*Debt Service Fund—Tax-Exempt Interest Subaccount*” below, to provide for the payment of interest on Tax-Exempt Class A Bonds (or, with respect to Tax-Exempt Class A Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the payment of such interest together with any required interest thereon as and to the extent provided in a Credit Provider Agreement) and the payment of Authority Derivative Payments payable with respect to Tax-Exempt Bonds and secured on a parity with the Class A Bonds, and to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers required to the Taxable Revenue Account as described in clause (a) under “—*Taxable Revenue Account*” below;

(c) to the credit of the Tax-Exempt Principal Subaccount of the Principal Account of the Debt Service Fund to the extent and in the manner described under “—*Debt Service Fund—Tax-Exempt Principal Subaccount*” below, to provide for the payment of principal of Tax-Exempt Class A Bonds at their Stated Maturity or on a sinking fund payment date (or, with respect to Tax-Exempt Class A Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the payment of such principal together with any required interest thereon as and to the extent provided in a Credit Provider Agreement) and to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers required to the Taxable Revenue Account as described clause (b) under “—*Taxable Revenue Account*” below;

(d) in the following order of priority and after giving effect to any payments made pursuant to a Capital Reserve Fund Agreement as described under “—*Capital Reserve Fund*” below: (i) to any Surety Bond Provider with respect to Tax-Exempt Class A Bonds to the extent necessary to reimburse the Surety Bond Provider for any accrued interest due and payable on amounts drawn and remaining unpaid with respect to a draw under such Surety Bond as provided in a Surety Bond Reimbursement Agreement; provided, that such reimbursement of any accrued interest due and payable on any amounts drawn and remaining unpaid shall be pro rata based upon the accrued interest due and payable as between any Subaccounts that have been and may be established in the future within the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund, (ii) to any Surety Bond Provider providing a Surety Bond for a Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund, to reimburse the Surety Bond Provider for the amount of any draw under such Surety Bond, in accordance with the provisions of the applicable Surety Bond Reimbursement Agreement; provided, that such reimbursement of any amounts drawn and remaining unpaid shall be pro rata based on the amounts drawn and remaining unpaid as between

any Subaccounts that have been and may be established in the future within the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund; and (iii) to the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund until the amount of cash and Investment Securities on deposit therein is equal to the Capital Reserve Fund Requirement for the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account for any Class A Tax-Exempt Bonds; provided, that such replenishment of any amounts drawn and remaining unpaid shall be pro rata with respect to the amount of such deficiency as between any Subaccounts that have been and may be established in the future within the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund, and to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers required to the Subaccount in the Taxable Capital Reserve Account for the Taxable Class A Bonds as described in clause (c) under “—*Taxable Revenue Account*” below;

(e) to the credit of the Tax-Exempt Interest Subaccount of the Interest Account of the Debt Service Fund to the extent and in the manner described under “—*Debt Service Fund—Tax-Exempt Interest Subaccount*” below, to provide for the payment of interest on Tax-Exempt Class B Bonds (or, with respect to Tax-Exempt Class B Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the payment of such interest together with any required interest thereon as and to the extent provided in a Credit Provider Agreement) and the payment of Authority Derivative Payments payable with respect to Tax-Exempt Bonds and secured on a parity with the Class B Bonds, and to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers required to the Taxable Revenue Account as described in clause (d) under “—*Taxable Revenue Account*” below;

(f) to the credit of the Tax-Exempt Principal Subaccount of the Principal Account of the Debt Service Fund to the extent and in the manner described *below* under “—*Debt Service Fund—Tax-Exempt Principal Subaccount*” below, to provide for the payment of principal of Tax-Exempt Class B Bonds at their Stated Maturity or on a sinking fund payment date (or, with respect to Tax-Exempt Class B Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the payment of such principal together with any required interest thereon as and to the extent provided in a Credit Provider Agreement), and to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers required to the Taxable Revenue Account as described in clause (e) under “—*Taxable Revenue Account*” below;

(g) in the following order of priority and after giving effect to any payments made pursuant to a Capital Reserve Fund Agreement as described under “—*Capital Reserve Fund*” below: (i) to any Surety Bond Provider with respect to Tax-Exempt Class B Bonds to the extent necessary to reimburse the Surety Bond Provider for any accrued interest due and payable on amounts drawn and remaining unpaid with respect to a draw under such Surety Bond as provided in a Surety Bond Reimbursement Agreement; provided, that such reimbursement of any accrued interest due and payable on any amounts drawn and remaining unpaid shall be pro rata based upon the accrued interest due and payable as between any Subaccounts that may be established in the future within the Class B Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund, (ii) to any Surety Bond Provider providing a Surety Bond for a Class B Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund, to reimburse the Surety Bond Provider for the amount of any draw under such Surety Bond, in accordance with the provisions of the applicable Surety Bond Reimbursement Agreement; provided, that such reimbursement of any amounts drawn and remaining unpaid shall

be pro rata based upon the amounts drawn and remaining unpaid as between any Subaccounts that may be established in the future within the Class B Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund; and (iii) to the Class B Cash Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund until the amount of cash and Investment Securities on deposit therein is equal to the Capital Reserve Fund Requirement for the Class B Cash Subaccount of the Tax-Exempt Capital Reserve Account for any Class B Tax-Exempt Bonds; provided, that such replenishment of any amounts drawn and remaining unpaid shall be pro rata with respect to the amount of such deficiency as between any Subaccounts that may be established in the future within the Class B Cash Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund, and to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers required to the Subaccount in the Taxable Capital Reserve Account for the Taxable Class B Bonds as described in clause (f) under “—*Taxable Revenue Account*” below;

(h) to the credit of the Tax-Exempt Interest Subaccount of the Interest Account of the Debt Service Fund to the extent and in the manner described under “—*Debt Service Fund—Tax-Exempt Interest Subaccount*” below, to provide for the payment of interest on Tax-Exempt Class C Bonds (or, with respect to Tax-Exempt Class C Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the payment of such interest together with any required interest thereon as and to the extent provided in a Credit Provider Agreement) and the payment of Authority Derivative Payments payable with respect to Tax-Exempt Bonds and secured on a parity with the Class C Bonds, and to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers required to the Taxable Revenue Account as described in clause (g) under “—*Taxable Revenue Account*” below;

(i) to the credit of the Tax-Exempt Principal Subaccount of the Principal Account of the Debt Service Fund to the extent and in the manner described under “—*Debt Service Fund—Tax-Exempt Principal Subaccount*” below, to provide for the payment of principal of Tax-Exempt Class C Bonds at their Stated Maturity or on a sinking fund payment date (or, with respect to Tax-Exempt Class C Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the payment of such principal together with any required interest thereon as and to the extent provided in a Credit Provider Agreement), and to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers required to the Taxable Revenue Account as described in clause (h) under “—*Taxable Revenue Account*” below;

(j) in the following order of priority and after giving effect to any payments made pursuant to a Capital Reserve Fund Agreement as described under “—*Capital Reserve Fund*” below: (i) to any Surety Bond Provider with respect to Tax-Exempt Class C Bonds to the extent necessary to reimburse the Surety Bond Provider for any accrued interest due and payable on amounts drawn and remaining unpaid with respect to a draw under such Surety Bond as provided in a Surety Bond Reimbursement Agreement; provided, that such reimbursement of any accrued interest due and payable on any amounts drawn and remaining unpaid shall be pro rata based upon the accrued interest due and payable as between any Subaccounts that may be established in the future within the Class C Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund; (ii) to any Surety Bond Provider providing a Surety Bond for a Class C Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund, to reimburse the Surety Bond Provider for the amount of any draw under such Surety Bond, in accordance with the provisions of the applicable Surety Bond Reimbursement Agreement; provided, that such reimbursement of any amounts drawn and remaining unpaid shall

be pro rata based upon the amounts drawn and remaining unpaid as between any Subaccounts that may be established in the future within the Class C Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund; and (iii) to the Class C Cash Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund until the amount of cash and Investment Securities on deposit therein is equal to the Capital Reserve Fund Requirement for the Class C Cash Subaccount of the Tax-Exempt Capital Reserve Account for any Class C Tax-Exempt Bonds; provided, that such replenishment of any amounts drawn and remaining unpaid shall be pro rata with respect to the amount of such deficiency as between any Subaccounts that may be established in the future within the Class C Cash Subaccount of the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund, and to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers required to the Subaccount in the Taxable Capital Reserve Account for the Taxable Class C Bonds as described in clause (i) under “—*Taxable Revenue Account*” below;

(k) to the Tax-Exempt Guarantee Account, the amount, if any, required to replenish such account to the extent and in the manner described below under “—*Guarantee Fund—Tax-Exempt Guarantee Account*,” and to the extent there are insufficient moneys available in the Taxable Guarantee Account for such purpose, to make the transfers described in clause (j) under “—*Taxable Revenue Account*” below;

(l) to the applicable Subaccount, if any, established pursuant to a Supplemental Indenture of the Tax-Exempt Capitalized Interest Account or, if no such Subaccount is established, to the Tax-Exempt Capitalized Interest Account the amount, if any, required to restore such account to the Capitalized Interest Requirement, if any, with respect thereto, and to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers described in clause (k) under “—*Taxable Revenue Account*” below;

(m) during any applicable Recycling Period, at the option of the Authority and upon receipt by the Trustee of an Authority Order, to the Tax-Exempt Student Loan Account;

(n) to the credit of the Tax-Exempt Retirement Subaccount of the Retirement Account of the Debt Service Fund to be used to mandatorily redeem Tax-Exempt Bonds (or, with respect to Tax-Exempt Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the reimbursement of such amount as and to the extent provided in the Credit Provider Agreement) in the order and priority set forth in each applicable Supplemental Indenture as follows: (i) if the Class A Parity Percentage is less than 107%, to redeem Tax-Exempt Bonds in the minimum principal amount such that after giving effect to such redemptions, the Class A Parity Percentage would be equal to at least 107%; or (ii) if the Value of the Trust Estate is less than \$500,000 greater than the principal amount of the Bonds Outstanding plus accrued interest thereon and Program Expenses accrued but unpaid; or (iii) if less than 80% in aggregate principal amount of Financed Eligible Loans are in repayment status with respect to the interest thereon, or (iv) at any time on or after June 1, 2020 (unless in the cases of clause (i), (ii), (iii) or (iv) the Authority receives (A) a Rating Agency Condition allowing for a lower percentage, lower amount or later date, as applicable; and (B) the prior written consent of each Credit Provider and Liquidity Provider, if any, to a lower percentage, lower amount, or later date, as applicable); or (v) such mandatory redemption is otherwise required under the terms of any Supplemental Indenture or Credit Provider Agreement; and after such required redemptions to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers described in clause (m) under “—*Taxable Revenue Account*” below;

(o) to the credit of the Tax-Exempt Retirement Subaccount of the Retirement Account of the Debt Service Fund to be used to mandatorily redeem Tax-Exempt Bonds (or, with respect to Tax-Exempt Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the reimbursement of such amount as and to the extent provided in the Credit Provider Agreement) if and so long as the Loan Delinquency Percentage exceeds 12% or such other percentage set forth in a Supplemental Indenture, if any, requiring such redemption unless the Authority receives (i) a Rating Agency Condition allowing for a higher Loan Delinquency Percentage, and (ii) the prior written consent of each applicable Credit Provider to a higher Loan Delinquency Percentage, and after such required redemptions to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers described in clause (n) under “—*Taxable Revenue Account*” below;

(p) to the Credit Provider to reimburse the Credit Provider for amounts due under the Credit Provider Agreement other than amounts advanced by the Credit Provider to pay debt service on the Bonds under a Credit Facility and other than amounts previously reimbursed as Program Expenses as described above, then to the Surety Bond Provider for amounts due under the Surety Bond Reimbursement Agreement other than to repay amounts advanced under the Surety Bond and accrued interest thereon, and then to the Operating Fund, the amount, if any, required to pay any Program Expense in excess of any limitations set forth in any Supplemental Indenture and as described under “—*Operating Fund*” below;

(q) to the credit of the Tax-Exempt Interest Subaccount of the Interest Account of the Debt Service Fund, upon receipt by the Trustee of an Authority Order, for the payment of unpaid Termination Payments and any other unpaid Authority Derivative Payments in the following order of priority: *first*, with respect to a Reciprocal Payor who has provided a Derivative Product payable with respect to Tax-Exempt Bonds and secured on a parity with the Class A Bonds; *second*, with respect to a Reciprocal Payor who has provided a Derivative Product payable with respect to Tax-Exempt Bonds and secured on a parity with the Class B Bonds; and, *third*, with respect to a Reciprocal Payor who has provided a Derivative Product payable with respect to Tax-Exempt Bonds and secured on a parity with the Class C Bonds, and to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers described in clause (p) under “—*Taxable Revenue Account*” below;

(r) to the credit of the Tax-Exempt Interest Subaccount of the Interest Account of the Debt Service Fund to the extent and in the manner described under “—*Debt Service Fund—Taxable Interest Subaccount*” below for the payment, in the following order of precedence, of the Carryover Amounts, and interest thereon, with respect to the Tax-Exempt Class A Bonds, the Carryover Amounts, and interest thereon, with respect to the Tax-Exempt Class B Bonds, and the Carryover Amounts, and interest thereon, with respect to the Tax-Exempt Class C Bonds, and to the extent there are insufficient moneys available in the Taxable Revenue Account for such purpose, to make the transfers described in clause (q) under “—*Taxable Revenue Account*” below;

(s) at the option of the Authority and upon receipt by the Trustee of an Authority Order or as required by a Supplemental Indenture, to the Tax-Exempt Retirement Subaccount of the Retirement Account of the Debt Service Fund for (i) the redemption of, or distribution of principal with respect to, Bonds which by their terms are subject to redemption or principal distribution from Revenues received under the Indenture, such amounts to be applied to the payment of Bonds of a particular Series based upon the priorities established in the Supplemental

Indentures pursuant to which such Bonds were issued, or if not so provided, at the direction of the Authority; or (ii) the purchase of Bonds in accordance with the Indenture; and

(t) at the option of the Authority and upon receipt by the Trustee of an Authority Order, to the Authority to the extent permitted under the provisions described under “—Transfers to the Authority” below.

Taxable Revenue Account. The Trustee will deposit into the Taxable Revenue Account all Revenues derived from Financed Eligible Loans financed by the Authority from moneys on deposit in the Taxable Student Loan Account, and all other Revenue derived from moneys or assets on deposit in the Taxable Student Loan Account, the Taxable Guarantee Account, the Taxable Capital Reserve Account, the Taxable Capitalized Interest Account, the Taxable Revenue Account, the Taxable Principal Subaccount, the Taxable Interest Subaccount and the Taxable Retirement Subaccount, all Reciprocal Payments with respect to Taxable Bonds, and any other amounts deposited thereto upon receipt of an Authority Order.

Upon receipt of an Authority Order directing the same, moneys in the Taxable Revenue Account will be used, on any date, to make a transfer or transfers to the Operating Fund, subject to the requirements described under “—*Operating Fund*” below.

On the last Business Day of each calendar month, or more frequently or on other dates if required by a Supplemental Indenture or if directed by the Authority, money in the Taxable Revenue Account will be used and transferred to other Funds, Accounts, Subaccounts or Persons in the following order of precedence to the extent available therein (any money not so transferred or paid to remain in the Taxable Revenue Account until subsequently applied pursuant to these described provisions):

(a) to the credit of the Taxable Interest Subaccount of the Interest Account of the Debt Service Fund to the extent and in the manner described under “—*Debt Service Fund—Taxable Interest Subaccount*” below, to provide for the payment of interest on Taxable Class A Bonds (or, with respect to Taxable Class A Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the payment of such interest together with any required interest thereon as and to the extent provided in a Credit Provider Agreement) and the payment of Authority Derivative Payments payable with respect to Taxable Bonds and secured on a parity with the Class A Bonds, and to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers required to the Tax-Exempt Revenue Account as described in clause (b) under “—*Tax-Exempt Revenue Account*” above;

(b) to the credit of the Taxable Principal Subaccount of the Principal Account of the Debt Service Fund to the extent and in the manner described below under “—*Debt Service Fund—Taxable Principal Subaccount*” below, to provide for the payment of principal of Taxable Class A Bonds at their Stated Maturity or on a sinking fund payment date (or, with respect to Taxable Class A Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the payment of such principal together with any required interest thereon as and to the extent provided in a Credit Provider Agreement), and to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers required to the Tax-Exempt Revenue Account as described in clause (c) under “—*Tax-Exempt Revenue Account*” above;

(c) in the following order of priority and after giving effect to any payments made pursuant to a Capital Reserve Fund Agreement as described under “—*Capital Reserve Fund*”

below: (i) to any Surety Bond Provider with respect to Taxable Class A Bonds to the extent necessary to reimburse the Surety Bond Provider for any accrued interest due and payable on amounts drawn and remaining unpaid with respect to a draw under such Surety Bond as provided in a Surety Bond Reimbursement Agreement; provided, that such reimbursement of any accrued interest due and payable on any amounts drawn and remaining unpaid shall be pro rata based upon the accrued interest due and payable as between any Subaccounts that may be established in the future within the Class A Surety Bond Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund; (ii) to any Surety Bond Provider providing a Surety Bond for a Class A Surety Bond Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund, to reimburse the Surety Bond Provider for the amount of any draw under such Surety Bond, in accordance with the provisions of the applicable Surety Bond Reimbursement Agreement; provided, that such reimbursement of any amounts drawn and remaining unpaid shall be pro rata based upon the amounts drawn and remaining unpaid as between any Subaccounts that may be established in the future within the Class A Surety Bond Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund; and (iii) to the Class A Cash Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund until the amount of cash and Investment Securities on deposit therein is equal to the Capital Reserve Fund Requirement for the Class A Cash Subaccount of the Taxable Capital Reserve Account for any Class A Taxable Bonds; provided, that such replenishment of any amounts drawn and remaining unpaid shall be pro rata with respect to the amount of such deficiency as between any Subaccounts that may be established in the future within the Class A Cash Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund, and to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers required to the Subaccount in the Tax-Exempt Capital Reserve Account for the Tax-Exempt Class A Bonds as described in clause (d) under “—*Tax-Exempt Revenue Account*” above;

(d) to the credit of the Taxable Interest Subaccount of the Interest Account of the Debt Service Fund to the extent and in the manner described under “—*Debt Service Fund—Taxable Interest Subaccount*” below, to provide for the payment of interest on Taxable Class B Bonds (or, with respect to Taxable Class B Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the payment of such interest together with any required interest thereon as and to the extent provided in a Credit Provider Agreement) and the payment of Authority Derivative Payments payable with respect to Taxable Bonds and secured on a parity with the Class B Bonds, and to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers required to the Tax-Exempt Revenue Account as described in clause (e) under “—*Tax-Exempt Revenue Account*” above;

(e) to the credit of the Taxable Principal Subaccount of the Principal Account of the Debt Service Fund to the extent and in the manner described under “—*Debt Service Fund—Taxable Principal Subaccount*” below to provide for the payment of principal of Taxable Class B Bonds at their Stated Maturity or on a sinking fund payment date (or, with respect to Taxable Class B Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the payment of such principal together with any required interest thereon as and to the extent provided in a Credit Provider Agreement), and to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers required to the Tax-Exempt Revenue Account as described in clause (f) under “—*Tax-Exempt Revenue Account*” above;

(f) in the following order of priority and after giving effect to any payments made pursuant to a Capital Reserve Fund Agreement as described under “—*Capital Reserve Fund*”

below: (i) to any Surety Bond Provider with respect to Taxable Class B Bonds to the extent necessary to reimburse the Surety Bond Provider for any accrued interest due and payable on amounts drawn and remaining unpaid with respect to a draw under such Surety Bond as provided in a Surety Bond Reimbursement Agreement; provided, that such reimbursement of any accrued interest due and payable on any amounts drawn and remaining unpaid shall be pro rata based upon the accrued interest due and payable as between any Subaccounts that may be established in the future within the Class B Surety Bond Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund; (ii) to any Surety Bond Provider providing a Surety Bond for a Class B Surety Bond Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund, to reimburse the Surety Bond Provider for the amount of any draw under such Surety Bond, in accordance with the provisions of the applicable Surety Bond Reimbursement Agreement; provided, that such reimbursement of any amounts drawn and remaining unpaid shall be pro rata based upon the amounts drawn and remaining unpaid as between any Subaccounts that may be established in the future within the Class B Surety Bond Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund; and (iii) to the Class B Cash Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund until the amount of cash and Investment Securities on deposit therein is equal to the Capital Reserve Fund Requirement for the Class B Cash Subaccount of the Taxable Capital Reserve Account for any Class B Taxable Bonds; provided, that such replenishment of any amounts drawn and remaining unpaid shall be pro rata with respect to the amount of such deficiency as between any Subaccounts that may be established in the future within the Class B Cash Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund, and to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers required to the Subaccount in the Tax-Exempt Capital Reserve Account for the Tax-Exempt Class B Bonds as described in clause (g) under “—*Tax-Exempt Revenue Account*” above;

(g) to the credit of the Taxable Interest Subaccount of the Interest Account of the Debt Service Fund to the extent and in the manner described under “—*Debt Service Fund—Taxable Interest Subaccount*” below to provide for the payment of interest on Taxable Class C Bonds (or, with respect to Taxable Class C Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the payment of such interest together with any required interest thereon as and to the extent provided in a Credit Provider Agreement) and the payment of Authority Derivative Payments payable with respect to Taxable Bonds and secured on a parity with the Class C Bonds, and to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers required to the Tax-Exempt Revenue Account as described in clause (h) under “—*Tax-Exempt Revenue Account*” above;

(h) to the credit of the Taxable Principal Subaccount of the Principal Account of the Debt Service Fund to the extent and in the manner described under “—*Debt Service Fund—Taxable Principal Subaccount*” below, to provide for the payment of principal of Taxable Class C Bonds at their Stated Maturity or on a sinking fund payment date (or, with respect to Taxable Class C Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the payment of such principal together with any required interest thereon as and to the extent provided in a Credit Provider Agreement), and to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers required to the Tax-Exempt Revenue Account as described in clause (i) under “—*Tax-Exempt Revenue Account*” above;

(i) in the following order of priority and after giving effect to any payments made pursuant to a Capital Reserve Fund Agreement as described under “—*Capital Reserve Fund*”

below: (i) to any Surety Bond Provider with respect to Taxable Class C Bonds to the extent necessary to reimburse the Surety Bond Provider for any accrued interest due and payable on amounts drawn and remaining unpaid with respect to a draw under such Surety Bond as provided in a Surety Bond Reimbursement Agreement; provided, that such reimbursement of any accrued interest due and payable on any amounts drawn and remaining unpaid shall be pro rata based upon the accrued interest due and payable as between any Subaccounts that may be established in the future within the Class C Surety Bond Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund; (ii) to any Surety Bond Provider providing a Surety Bond for a Class C Surety Bond Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund, to reimburse the Surety Bond Provider for the amount of any draw under such Surety Bond, in accordance with the provisions of the applicable Surety Bond Reimbursement Agreement; provided, that such reimbursement of any amounts drawn and remaining unpaid shall be pro rata based upon the amounts drawn and remaining unpaid as between any Subaccounts that may be established in the future within the Class C Surety Bond Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund; and (iii) to the Class C Cash Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund until the amount of cash and Investment Securities on deposit therein is equal to the Capital Reserve Fund Requirement for the Class C Cash Subaccount of the Taxable Capital Reserve Account for any Class C Taxable Bonds; provided, that such replenishment of any amounts drawn and remaining unpaid shall be pro rata with respect to the amount of such deficiency as between any Subaccounts that may be established in the future within the Class C Cash Subaccount of the Taxable Capital Reserve Account of the Capital Reserve Fund, and to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers required to the Subaccount in the Tax-Exempt Capital Reserve Account for the Tax-Exempt Class C Bonds as described in clause (j) under “—*Tax-Exempt Revenue Account*”;

(j) to the Taxable Guarantee Account, the amount, if any, required to replenish such account to the extent and in the manner described under “—*Guarantee Fund—Taxable Guarantee Account*” below, and to the extent there are insufficient moneys available in the Tax-Exempt Guarantee Account for such purpose, to make the transfers described in clause (k) under “—*Tax-Exempt Revenue Account*” above;

(k) to the applicable Subaccount, if any, established pursuant to a Supplemental Indenture of the Taxable Capitalized Interest Account or, if no such Subaccount has been established, to the Taxable Capitalized Interest Account the amount, if any, required to restore such account to the Capitalized Interest Requirement, if applicable, with respect thereto, and to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers described in clause (l) under “—*Tax-Exempt Revenue Account*” above;

(l) during any applicable Recycling Period, at the option of the Authority and upon receipt by the Trustee of an Authority Order, to the Taxable Student Loan Account;

(m) to the credit of the Taxable Retirement Subaccount of the Retirement Account of the Debt Service Fund to be used to mandatorily redeem Taxable Bonds (or, with respect to Taxable Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the reimbursement of such amount as and to the extent provided in the Credit Provider Agreement) in the order and priority set forth in each applicable Supplemental Indenture as follows: (i) if the Class A Parity Percentage is less than 107%, to redeem Taxable Bonds in the minimum principal amount such that after giving effect to such redemptions, the Class A Parity Percentage would be equal to at least 107%; or (ii) if the

Value of the Trust Estate is less than \$500,000 greater than the principal amount of the Bonds Outstanding plus accrued interest thereon and Program Expenses accrued but unpaid; or (iii) if less than 80% in aggregate principal amount of Financed Eligible Loans are in repayment status with respect to the interest thereon; or (iv) at any time on or after June 1, 2020 (unless in the cases of clause (i), (ii), (iii) or (iv) above, the Authority receives (A) a Rating Agency Condition allowing for a lower percentage, lower amount or later date, as applicable; and (B) the prior consent of each Credit Provider and Liquidity Provider, if any, to a lower percentage, lower amount, or later date, as applicable); or (v) such mandatory redemption is otherwise required under the terms of any Supplemental Indenture or Credit Provider Agreement; and after such required redemptions to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers described in clause (n) under “—*Tax-Exempt Revenue Account*” above;

(n) to the credit of the Taxable Retirement Subaccount of the Retirement Account of the Debt Service Fund to be used to mandatorily redeem Taxable Bonds (or, with respect to Taxable Bonds for which a Credit Facility is in effect, to provide for the reimbursement of the Credit Provider for draws on the Credit Facility for the reimbursement of such amount as and to the extent provided in a Credit Provider Agreement) if and so long as the Loan Delinquency Percentage exceeds the percentage set forth in a Supplemental Indenture, if any, requiring such redemption unless the Authority receives (i) a Rating Agency Condition allowing for a higher Loan Delinquency Percentage, and (ii) the prior consent of each applicable Credit Provider to a higher Loan Delinquency Percentage; and after such required redemptions to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers described in clause (o) under “—*Tax-Exempt Revenue Account*” above;

(o) to the Credit Provider to reimburse the Credit Provider for amounts under the Credit Provider Agreement other than amounts advanced by the Credit Provider to pay debt service on the Bonds under a Credit Facility and other than amounts previously reimbursed as Program Expenses as described above, then to the Surety Bond Provider for amounts due under the Surety Bond Reimbursement Agreement other than to repay amounts advanced under the Surety Bond and accrued interest thereon, and then to the Operating Fund, the amount, if any, required to pay any Program Expense in excess of any limitations set forth in any Supplemental Indenture and as described under “—*Operating Fund*” below;

(p) to the credit of the Taxable Interest Subaccount of the Interest Account of the Debt Service Fund, upon receipt by the Trustee of an Authority Order, for the payment of unpaid Termination Payments and any other unpaid Authority Derivative Payments in the following order of priority: *first*, with respect to a Reciprocal Payor who has provided a Derivative Product payable with respect to the Taxable Bonds and secured on a parity with the Class A Bonds; *second*, with respect to a Reciprocal Payor who has provided a Derivative Product payable with respect to Taxable Bonds and secured on a parity with the Class B Bonds; and, *third*, with respect to a Reciprocal Payor who has provided a Derivative Product payable with respect to Taxable Bonds and secured on a parity with the Class C Bonds, and to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers described in clause (q) under “—*Tax-Exempt Revenue Account*” above;

(q) to the credit of the Taxable Interest Subaccount of the Interest Account of the Debt Service Fund to the extent and in the manner described under “—*Debt Service Fund—Taxable Interest Subaccount*” below for the payment, in the following order of precedence, of the Carryover Amounts, and interest thereon, with respect to the Taxable Class A Bonds, the Carryover Amounts, and interest thereon, with respect to the Taxable Class B Bonds, and the

Carryover Amounts, and interest thereon, with respect to the Taxable Class C Bonds, and to the extent there are insufficient moneys available in the Tax-Exempt Revenue Account for such purpose, to make the transfers described in clause (r) under “—*Tax-Exempt Revenue Account*” above;

(r) at the option of the Authority or as required by a Supplemental Indenture, to the Taxable Retirement Subaccount of the Retirement Account of the Debt Service Fund for (i) the redemption of, or distribution of principal with respect to, Bonds which by their terms are subject to redemption or principal distribution from Revenues received under the Indenture (such amounts to be applied to the payment of Bonds of a particular Series based upon the priorities established in the Supplemental Indentures pursuant to which such Bonds were issued, or if not so provided, at the direction of the Authority by Authority Order); or (ii) the purchase of Bonds in accordance with the Indenture; and

(s) at the option of the Authority and upon receipt by the Trustee of an Authority Order, to the Authority to the extent permitted under the provisions described under “—Transfers to the Authority” below.

Tax-Exempt Capitalized Interest Account. The Trustee will deposit to the Tax-Exempt Capitalized Interest Account the amount, if any, specified in each Supplemental Indenture and amounts required to be transferred thereto as described under “—*Tax-Exempt Revenue Account*” or under “—*Taxable Revenue Account*” above. On each Bond Payment Date with respect to Tax-Exempt Bonds and after the transfers described under “—*Tax-Exempt Revenue Account*” or under “—*Taxable Revenue Account*” above, to the extent there are insufficient moneys in the Tax-Exempt Interest Subaccount to make the interest payments due on any Tax-Exempt Bonds on such Bond Payment Date, or to reimburse the Credit Provider for draws on the Credit Facility for the payment of such interest as and to the extent provided in a Credit Provider Agreement, an amount equal to any such deficiency will be transferred directly from the Tax-Exempt Capitalized Interest Account to the Tax-Exempt Interest Subaccount.

If a Supplemental Indenture specifies an amount to be deposited into the Tax-Exempt Capitalized Interest Account, such Supplemental Indenture may also (a) specify a time period and priority for such amount to be used as described above; (b) specify other uses for such amount, including, without limitation, making deposits to the Tax-Exempt Student Loan Account or Tax-Exempt Revenue Account; and (c) establish Subaccounts within the Tax-Exempt Capitalized Interest Account in which such amount will be deposited.

Taxable Capitalized Interest Account. The Trustee will deposit to the Taxable Capitalized Interest Account the amount, if any, specified in each Supplemental Indenture and amounts required to be transferred thereto as described under “—*Tax-Exempt Revenue Account*” or under “—*Taxable Revenue Account*” above. On each Bond Payment Date with respect to Taxable Bonds and after the transfers described under “—*Tax-Exempt Revenue Account*” or under “—*Taxable Revenue Account*” above, to the extent there are insufficient moneys in the Taxable Interest Subaccount to make the interest payments due on any Taxable Bonds on such Bond Payment Date, or to reimburse the Credit Provider for draws on the Credit Facility for the payment of such interest as and to the extent provided in a Credit Provider Agreement, an amount equal to any such deficiency will be transferred directly from the Taxable Capitalized Interest Account to the Taxable Interest Subaccount.

If a Supplemental Indenture specifies an amount to be deposited into the Taxable Capitalized Interest Account, such Supplemental Indenture may also (a) specify a time period and priority for such amount to be used as described above; (b) specify other uses for such amount, including, without limitation, making deposits to the Taxable Student Loan Account or the Taxable Revenue Account; and

(c) establish Subaccounts within the Taxable Capitalized Interest Account in which such amount will be deposited.

Debt Service Fund. The Debt Service Fund under the Indenture will be used only for the payment of principal, premium, if any, and interest on the Bonds, or to reimburse the Credit Provider for draws on the Credit Facility for the payment of such principal, premium, if any, and interest as and to the extent provided in a Credit Provider Agreement, payment of Authority Derivative Payments, Termination Payments and payment of Carryover Amounts, including any accrued interest thereon. Moneys received pursuant to a draw on a Credit Facility to pay principal of or interest on any Bonds will be deposited in a separate Subaccount (the “Credit Facility Proceeds Subaccount”) and will never be commingled with moneys from any other source, and moneys transferred to the Debt Service Fund from the Tax-Exempt Revenue Account or the Taxable Revenue Account to provide for the reimbursement of a Credit Provider for draws on a Credit Facility for the payment of principal of or interest on any Bonds will be deposited in a separate Subaccount and will never be commingled with moneys from any other source. The Trustee will hold the Credit Facility Proceeds Subaccount for the exclusive benefit of the Registered Owners of the Bonds that are secured by such Credit Facility, who will have a first and exclusive lien thereon (such that none of the Remarketing Agent, if any; the Trustee; the Authority; the Liquidity Provider, if any; and the Credit Provider, if any, will have any lien thereon).

Tax-Exempt Interest Subaccount. The Trustee will credit to the Tax-Exempt Interest Subaccount the amount, if any, specified in a Supplemental Indenture providing for the issuance of a Series of Tax-Exempt Bonds. The Trustee will also deposit in the Tax-Exempt Interest Subaccount (a) that portion of the proceeds from the sale of the Authority’s refunding bonds, if any, to be used to pay interest on the Tax-Exempt Bonds; and (b) all amounts required to be transferred thereto from the Funds and Accounts described herein.

With respect to each Series of Tax-Exempt Bonds on which interest is paid at least monthly, the Trustee will, to the extent amounts are available therefor, deposit to the credit of the Tax-Exempt Interest Subaccount on the last Business Day of each calendar month an amount equal to the interest that will become payable on such Tax-Exempt Bonds during the following calendar month. With respect to each Series of Tax-Exempt Bonds on which interest is paid at intervals less frequently than monthly, the Trustee will, to the extent amounts are available therefor, make equal, or, with respect to Tax-Exempt Bonds bearing interest at a variable rate, approximately equal, monthly deposits to the credit of the Tax-Exempt Interest Subaccount on the last Business Day of each calendar month preceding each Interest Payment Date for such Series of Tax-Exempt Bonds, to aggregate the full amount of such interest.

With respect to Derivative Products relating to Tax-Exempt Bonds under which Authority Derivative Payments are paid at least monthly, the Trustee will, to the extent amounts are available therefor, deposit to the credit of the Tax-Exempt Interest Subaccount on the last Business Day of each calendar month an amount equal to the Authority Derivative Payments that will become payable under such Derivative Products during the following calendar month. With respect to each Derivative Product relating to Tax-Exempt Bonds under which Authority Derivative Payments are paid at intervals less frequently than monthly, the Trustee, to the extent amounts are available therefor, will make equal monthly deposits to the credit of the Tax-Exempt Interest Subaccount on the last Business Day of each calendar month preceding each date on which such Authority Derivative Payments are due, to aggregate the full amount of such Authority Derivative Payments.

In making the deposits required to be deposited and credited to the Tax-Exempt Interest Subaccount, all other deposits and credits otherwise made or required to be made to the Tax-Exempt Interest Subaccount will, to the extent available for such purpose, be taken into consideration and allowed for. If on any Bond Payment Date or Derivative Payment Date relating to Tax-Exempt Bonds and after

the transfers required under the Tax-Exempt Revenue Account and the Taxable Revenue Account, there are insufficient amounts on deposit in the Tax-Exempt Interest Account to make the payment of interest due on the Tax-Exempt Bonds, or to reimburse the Credit Provider for draws on the Credit Facility for the payment of such interest as and to the extent provided in a Credit Provider Agreement, or any Authority Derivative Payment relating to Tax-Exempt Bonds due on such date, the Trustee will transfer the deficiency from the applicable account of the following Funds, in the following order of priority: the Tax-Exempt Capitalized Interest Account of the Revenue Fund, the Tax-Exempt Student Loan Account, the Tax-Exempt Guarantee Account, but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Tax-Exempt Guarantee Account Floor Amount, the Cash Subaccounts of the Tax-Exempt Capital Reserve Account, remaining amounts in the Tax-Exempt Guarantee Account and the Surety Bond Subaccounts of the Tax-Exempt Capital Reserve Account.

On the last Business Day of each calendar month, if any Carryover Amount, including any accrued interest thereon, will be due and payable with respect to a Series of Tax-Exempt Bonds during the next month, as provided in the related Supplemental Indenture, the Trustee will transfer to the Tax-Exempt Interest Subaccount, to the extent amounts are available therefor in the Revenue Fund, as described herein, an amount equal to such Carryover Amount, including any accrued interest thereon, so due and payable.

On the last Business Day of each calendar month, if any unpaid Authority Derivative Payment or unpaid Termination Payment will be due and payable with respect to a Derivative Product relating to a Series of Tax-Exempt Bonds during the next month, the Trustee will transfer to the Tax-Exempt Interest Subaccount, to the extent amounts are available therefor in the Revenue Fund, as described herein, an amount equal to such amounts so due and payable.

The moneys in the Tax-Exempt Interest Subaccount required for the payment of interest on the Tax-Exempt Bonds of any Series, or any Authority Derivative Payments, Termination Payments of which the Trustee has received notice of or any Carryover Amount (including any interest thereon) relating to Tax-Exempt Bonds will be applied by the Trustee to the payment of such interest, or to reimburse the Credit Provider for draws on the Credit Facility for payment of such interest, or amounts when due. Amounts in the Tax-Exempt Interest Subaccount will also be transferred to the Tax-Exempt Revenue Account to the extent described under “—*Capital Reserve Fund—Tax-Exempt Capital Reserve Account*” below when the Class A Parity Percentage is less than 90%.

Amounts transferred to the Tax-Exempt Interest Subaccount from the Tax-Exempt Revenue Account will be used solely for the payment of the obligations relating to that specific transfer as described under “—*Revenue Account—Tax-Exempt Revenue Account*” above.

Taxable Interest Subaccount. The Trustee will credit to the Taxable Interest Subaccount the amount, if any, specified in a Supplemental Indenture providing for the issuance of a Series of Taxable Bonds. The Trustee will also deposit in the Taxable Interest Subaccount (a) that portion of the proceeds from the sale of the Authority’s refunding bonds, if any, to be used to pay interest on the Taxable Bonds; and (b) all amounts required to be transferred thereto from the Funds and Accounts described herein.

With respect to each Series of Taxable Bonds on which interest is paid at least monthly, the Trustee, to the extent amounts are available therefor, will deposit to the credit of the Taxable Interest Subaccount on the last Business Day of each calendar month an amount equal to the interest that will become payable on such Taxable Bonds during the following calendar month. With respect to each Series of Taxable Bonds on which interest is paid at intervals less frequently than monthly, the Trustee will to the extent amounts are available therefor, make equal, or, with respect to Taxable Bonds bearing interest at a variable rate, approximately equal, monthly deposits to the credit of the Taxable Interest

Subaccount on the last Business Day of each calendar month preceding each Interest Payment Date for such Series of Taxable Bonds, to aggregate the full amount of such interest.

With respect to Derivative Products relating to Taxable Bonds under which Authority Derivative Payments are paid at least monthly, the Trustee will, to the extent amounts are available therefor, deposit to the credit of the Taxable Interest Subaccount on the last Business Day of each calendar month an amount equal to the Authority Derivative Payments that will become payable under such Derivative Products during the following calendar month. With respect to each Derivative Product relating to Taxable Bonds under which Authority Derivative Payments are paid at intervals less frequently than monthly, the Trustee will, to the extent amounts are available therefor, make equal monthly deposits to the credit of the Taxable Interest Subaccount on the last Business Day of each calendar month preceding each date on which such Authority Derivative Payments are due, to aggregate the full amount of such Authority Derivative Payments.

In making the deposits required to be deposited and credited to the Taxable Interest Subaccount, all other deposits and credits otherwise made or required to be made to the Taxable Interest Subaccount will, to the extent available for such purpose, be taken into consideration and allowed for. If on any Bond Payment Date or Derivative Payment Date relating to Taxable Bonds and after the transfers required under the Tax-Exempt Revenue Account and the Taxable Revenue Account, there are insufficient amounts on deposit in the Taxable Interest Account to make the payment of interest due on the Taxable Bonds, or to reimburse the Credit Provider for draws on the Credit Facility for the payment of such interest as and to the extent provided in a Credit Provider Agreement, or an Authority Derivative Payment relating to Taxable Bonds on such date, the Trustee will transfer the deficiency from the applicable account of the following Funds, in the following order of priority: the Taxable Capitalized Interest Account of the Revenue Fund, the Taxable Student Loan Account, the Taxable Guarantee Account, but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Taxable Guarantee Account Floor Amount, the Cash Subaccounts of the Tax-Exempt Capital Reserve Account, remaining amounts in the Taxable Guarantee Account and the Surety Bond Subaccounts of the Tax-Exempt Capital Reserve Account.

On the last Business Day of each calendar month, if any Carryover Amount, including any accrued interest thereon, will be due and payable with respect to a Series of Taxable Bonds during the next month, as provided in the related Supplemental Indenture, the Trustee will transfer to the Taxable Interest Subaccount, to the extent amounts are available therefor in the Revenue Fund, an amount equal to such Carryover Amount, including any accrued interest thereon, so due and payable.

On the last Business Day of each calendar month, if any unpaid Authority Derivative Payment or unpaid Termination Payment will be due and payable with respect to a Derivative Product relating to a Series of Taxable Bonds during the next month, the Trustee will transfer to the Taxable Interest Subaccount, to the extent amounts are available therefor in the Revenue Fund, an amount equal to such amounts so due and payable.

The moneys in the Taxable Interest Subaccount required for the payment of interest on the Taxable Bonds of any Series, or any Authority Derivative Payments, Termination Payments of which the Trustee has received notice of or any Carryover Amount, including any interest thereon, relating to Taxable Bonds will be applied by the Trustee to the payment of such interest, or to reimburse the Credit Provider for draws on the Credit Facility for the payment of such interest, or amounts when due without further authorization or direction. Amounts in the Taxable Interest Subaccount will also be transferred to the Taxable Revenue Account to the extent described under “—*Capital Reserve Fund—Taxable Capital Reserve Account*” below when the Class A Parity Percentage is less than 90%.

Amounts transferred to the Taxable Interest Subaccount from the Taxable Revenue Account will be used solely for the payment of the obligations relating to that specific transfer as described under “—*Revenue Account—Taxable Revenue Account*” above.

Tax-Exempt Principal Subaccount. The Trustee will deposit to the credit of the Tax-Exempt Principal Subaccount: (a) that portion of the proceeds from the sale of the Authority’s bonds, if any, to be used to pay principal of the Tax-Exempt Bonds, and (b) all amounts required to be transferred from the Funds and Accounts described herein.

To provide for the payment of each installment of principal of the Tax-Exempt Bonds due at the Stated Maturity thereof or on a sinking fund payment date therefore, or to reimburse the Credit Provider for draws on the Credit Facility for the payment of such principal, the Trustee, to the extent amounts are available therefor, will make substantially equal monthly deposits to the credit of the Tax-Exempt Principal Subaccount on the last Business Day of each of the 12 calendar months preceding such Stated Maturity or sinking fund payment date, to aggregate the full amount of such installment, except that if there are fewer than 12 calendar months between the delivery of the Tax-Exempt Bonds of a Series to the initial purchasers thereof and the first sinking fund payment date with respect to such Series of Tax-Exempt Bonds, or from the last sinking fund payment date to the next sinking fund payment date or Stated Maturity with respect to such Series of Tax-Exempt Bonds, then the Trustee will, to the extent amounts are available therefor, make equal monthly deposits to the credit of the Tax-Exempt Principal Subaccount on the last Business Day of each calendar month beginning with the calendar month following the month in which such Tax-Exempt Bonds are delivered to the initial purchasers or from the last sinking fund payment date, as the case may be, to aggregate the full amount of such installment.

If on any Stated Maturity or sinking fund payment date and after the transfers required under the Tax-Exempt Revenue Account and the Taxable Revenue Account, there are insufficient amounts on deposit in the Tax-Exempt Principal Subaccount to make payments of principal due on the Tax-Exempt Bonds, including redemptions of Bank Bonds required pursuant to any Liquidity Facility or Credit Provider Agreement, on such date, or to reimburse the Credit Provider for draws on the Credit Facility for the payment of such principal as and to the extent provided in a Credit Provider Agreement, the Trustee will transfer the deficiency from the applicable account of the following Funds, in the following order of priority (after transfers from any such Funds to the Interest Account required on such date): the Tax-Exempt Student Loan Account, the Tax-Exempt Guarantee Account, but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Tax-Exempt Guarantee Account Floor Amount, the Cash Subaccounts of the Tax-Exempt Capital Reserve Account, remaining amounts in the Tax-Exempt Guarantee Account and the Surety Bond Subaccounts of the Tax-Exempt Capital Reserve Account.

The moneys in the Tax-Exempt Principal Subaccount required for the payment of the principal of Tax-Exempt Bonds at the Stated Maturity thereof or on a sinking fund payment date therefore, or to reimburse the Credit Provider for draws on the Credit Facility for the payment of such principal, will be applied by the Trustee to such payment. Amounts in the Tax-Exempt Principal Subaccount will also be transferred to the Tax-Exempt Revenue Account to the extent described under “—*Capital Reserve Fund—Tax-Exempt Capital Reserve Account*” below when the Class A Parity Percentage is less than 90%.

Amounts transferred to the Tax-Exempt Principal Subaccount from the Tax-Exempt Revenue Account will be used solely for the payment of the obligations relating to that specific transfer as described under “—*Revenue Account—Tax-Exempt Revenue Account*” above.

Taxable Principal Subaccount. The Trustee will deposit to the credit of the Taxable Principal Subaccount: (a) that portion of the proceeds from the sale of the Authority's bonds, if any, to be used to pay principal of the Taxable Bonds; and (b) all amounts required to be transferred from the Funds and Accounts described herein.

To provide for the payment of each installment of principal of the Taxable Bonds due at the Stated Maturity thereof or on a sinking fund payment date therefor (or to reimburse the Credit Provider for draws on the Credit Facility for the payment of such principal), the Trustee, to the extent amounts are available therefor, will make substantially equal monthly deposits to the credit of the Taxable Principal Subaccount on the last Business Day of each of the 12 calendar months preceding such Stated Maturity or sinking fund payment date, to aggregate the full amount of such installment, except that if there are fewer than 12 calendar months between the delivery of the Taxable Bonds of a Series to the initial purchasers thereof and the first sinking fund payment date with respect to such Series of Taxable Bonds, or from the last sinking fund payment date to the next sinking fund payment date or Stated Maturity with respect to such Series of Taxable Bonds, then the Trustee will, to the extent amounts are available therefor, make equal monthly deposits to the credit of the Taxable Principal Subaccount on the last Business Day of each calendar month beginning with the calendar month following the month in which such Taxable Bonds are delivered to the initial purchasers or from the last sinking fund payment date, as the case may be, to aggregate the full amount of such installment.

If on any Stated Maturity or sinking fund payment date and after the transfers required under the Tax-Exempt Revenue Account and the Taxable Revenue Account, there are insufficient amounts on deposit in the Taxable Principal Subaccount to make payments of principal due on the Taxable Bonds, including redemptions of Bank Bonds required pursuant to any Liquidity Facility or Credit Provider Agreement, on such date, or to reimburse the Credit Provider for draws on the Credit Facility for the payment of such principal as and to the extent provided in a Credit Provider Agreement, the Trustee will transfer the deficiency from the applicable account of the following Funds, in the following order of priority (after transfers from any such Funds to the Interest Account required on such date): the Taxable Student Loan Account, the Taxable Guarantee Account, but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Taxable Guarantee Account Floor Amount, the Cash Subaccounts of the Taxable Capital Reserve Account, remaining amounts in the Taxable Guarantee Account and the Surety Bond Subaccounts of the Taxable Capital Reserve Account.

The moneys in the Taxable Principal Subaccount required for the payment of the principal of Taxable Bonds at the Stated Maturity thereof or on a sinking fund payment date therefor, or to reimburse the Credit Provider for draws on the Credit Facility for payment of such principal, will be applied by the Trustee to such payment when due. Amounts in the Taxable Principal Subaccount will also be transferred to the Taxable Revenue Account to the extent described under "*—Capital Reserve Fund—Taxable Capital Reserve Account*" below when the Class A Parity Percentage is less than 90%.

Amounts transferred to the Taxable Principal Subaccount from the Taxable Revenue Account will be used solely for the payment of the obligations relating to that specific transfer as described under "*—Revenue Account—Taxable Revenue Account*" above.

Tax-Exempt Retirement Subaccount. The Trustee will deposit to the credit of the Tax-Exempt Retirement Subaccount any amounts transferred thereto or deposited therein to provide for the redemption of, purchase of, or the distribution of principal with respect to, the Tax-Exempt Bonds. All redemptions of, purchases of and distributions of principal with respect to Tax-Exempt Bonds (other than at a Stated Maturity or on a sinking fund payment date), will be made with moneys deposited to the credit of the Tax-Exempt Retirement Subaccount.

Taxable Retirement Subaccount. The Trustee will deposit to the credit of the Taxable Retirement Subaccount any amounts transferred thereto or deposited therein to provide for the redemption of, purchases of, or the distribution of principal with respect to, the Taxable Bonds. All redemptions of, purchase of and distributions of principal with respect to Taxable Bonds, other than at Stated Maturity or on a sinking fund payment date, will be made with moneys deposited to the credit of the Taxable Retirement Subaccount.

Guarantee Fund.

Tax-Exempt Guarantee Account. Upon direction from the Authority, the Trustee will deposit to the Tax-Exempt Guarantee Account all Guarantee Fees assessed with respect to Financed Eligible Loans financed with proceeds of any Tax-Exempt Bonds and any other amounts set forth in a Supplemental Indenture. Upon direction from the Authority, the Trustee will also deposit to the Tax-Exempt Guarantee Account any amounts received which represent payments by an Eligible Borrower on a Defaulted Loan financed with proceeds of any Tax-Exempt Bonds, after withdrawal of amounts with respect to such Defaulted Loan as described in the following paragraph.

If any Financed Eligible Loan financed with proceeds of any Tax-Exempt Bonds becomes a Defaulted Loan, the Authority will direct the Trustee to take the following actions: (a) withdraw from the Tax-Exempt Guarantee Account, to the extent amounts are available therein, an amount equal to the outstanding principal amount of such Defaulted Loan plus interest accrued and unpaid thereon to the date of withdrawal; and (b) deposit such moneys in the Tax-Exempt Revenue Account; provided, however, that no such transfer will result in there being on deposit in the Tax-Exempt Guarantee Account an amount less than the Tax-Exempt Guarantee Account Floor Amount.

On each Bond Payment Date and after the transfers required from the Tax-Exempt Revenue Account, the Taxable Revenue Account, the Tax-Exempt Capitalized Interest Account and the Student Loan Fund, to the extent there are insufficient moneys in the Tax-Exempt Interest Subaccount and the Tax-Exempt Principal Subaccount to make the payments due on the Tax-Exempt Bonds on such Bond Payment Date, the amount of such deficiency will be paid directly from the Tax-Exempt Guarantee Account, but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Tax-Exempt Guarantee Account Floor Amount, *first*, to the Tax-Exempt Interest Subaccount, and *second*, to the Tax-Exempt Principal Subaccount.

On each Bond Payment Date and after the transfers required from the Tax-Exempt Revenue Account, the Taxable Revenue Account, the Tax-Exempt Capitalized Interest Account, the Student Loan Fund, the Tax-Exempt Guarantee Account, but subject to the limits described in the prior paragraph, and the Cash Subaccounts of the Tax-Exempt Capital Reserve Account, to the extent there are insufficient moneys in the Tax-Exempt Interest Subaccount and the Tax-Exempt Principal Subaccount to make the payments due on the Tax-Exempt Bonds on such Bond Payment Date, the amount of such deficiency will be paid directly from the Tax-Exempt Guarantee Account (without regard to the Tax-Exempt Guarantee Account Floor Amount), *first*, to the Tax-Exempt Interest Subaccount, and *second*, to the Tax-Exempt Principal Subaccount.

If the Tax-Exempt Guarantee Account is used for these purposes, the Trustee will replenish the amount withdrawn from the Tax-Exempt Guarantee Account by transfers from the Tax-Exempt Revenue Account and from the Taxable Revenue Account as described under “—*Revenue Account*” above.

Taxable Guarantee Account. Upon direction from the Authority, the Trustee will deposit to the Taxable Guarantee Account all Guarantee Fees assessed with respect to Financed Eligible Loans financed with proceeds of any Taxable Bonds. Upon direction from the Authority, the Trustee will also deposit to

the Taxable Guarantee Account any amounts received which represent payments by an Eligible Borrower on a Defaulted Loan financed with proceeds of any Taxable Bonds, after withdrawal of amounts with respect to such Defaulted Loan as described in the following paragraph.

If any Financed Eligible Loan financed with proceeds of any Taxable Bonds becomes a Defaulted Loan, the Authority will direct the Trustee to take the following actions: (a) withdraw from the Taxable Guarantee Account, to the extent amounts are available therein, an amount equal to the outstanding principal amount of such Defaulted Loan plus interest accrued and unpaid thereon to the date of withdrawal; and (b) deposit such moneys in the Taxable Revenue Account; provided, however, that no such transfer will result in there being on deposit in the Taxable Guarantee Account an amount less than Taxable Guarantee Account Floor Amount.

On each Bond Payment Date and after the transfers required from the Taxable Revenue Account, the Tax-Exempt Revenue Account, the Taxable Capitalized Interest Account and the Student Loan Fund, to the extent there are insufficient moneys in the Taxable Interest Subaccount and the Taxable Principal Subaccount to make the payments due on the Taxable Bonds on such Bond Payment Date, the amount of such deficiency will be paid directly from the Taxable Guarantee Account (but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Taxable Guarantee Account Floor Amount), *first*, to the Taxable Interest Subaccount, and *second*, to the Taxable Principal Subaccount.

On each Bond Payment Date and after the transfers required from the Taxable Revenue Account, the Tax-Exempt Revenue Account, the Taxable Capitalized Interest Account, the Student Loan Fund, the Taxable Guarantee Account, but subject to the limits described in the prior paragraph, and the Cash Subaccounts of the Taxable Capital Reserve Account, to the extent there are insufficient moneys in the Taxable Interest Subaccount and the Taxable Principal Subaccount to make the payments due on the Taxable Bonds on such Bond Payment Date, the amount of such deficiency will be paid directly from the Taxable Guarantee Account (without regard to the Taxable Guarantee Account Floor Amount), *first*, to the Taxable Interest Subaccount, and *second*, to the Taxable Principal Subaccount.

If the Taxable Guarantee Account is used for the purposes described above, the Trustee will replenish the amount withdrawn from the Taxable Guarantee Account by transfers from the Taxable Revenue Account and from the Tax-Exempt Revenue Account as described as described under “—*Revenue Account*” above.

Capital Reserve Fund.

Tax-Exempt Capital Reserve Account.

The Trustee will deposit to the Subaccounts of the Tax-Exempt Capital Reserve Account the amounts, if any, specified in each Supplemental Indenture, and the Capital Reserve Fund Requirement established in each Supplemental Indenture pursuant to which Bonds are issued. The Capital Reserve Fund Requirement may be satisfied by cash and/or Investment Securities, or additionally, in whole or in part, by a Surety Bond with respect to amounts that may be drawn thereunder. A Capital Reserve Fund Requirement has been established with respect to each of the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and the Series 2019 Bonds. The Capital Reserve Fund Requirement for the Series 2010 Bonds has been previously funded by a cash deposit to the 2010 Subaccount of the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account and with the deposit of a Surety Bond in the form of the 2010 Capital Reserve Fund Insurance Policy to the 2010 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account. The Capital Reserve Fund Requirement for the Series 2012 Bonds has been previously

funded by a cash deposit to the 2012 Subaccount of the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account and with the deposit of a Surety Bond in the form of the 2012 Capital Reserve Fund Insurance Policy to the 2012 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account. The Capital Reserve Fund Requirement for the Series 2014 Bonds has been previously funded by a cash deposit to the 2014 Subaccount of the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account and with the deposit of a Surety Bond in the form of the 2014 Capital Reserve Fund Insurance Policy to the 2014 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account. The Capital Reserve Fund Requirement for the Series 2017 Bonds has been previously funded by a cash deposit to the 2017 Subaccount of the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account and with the deposit of a Surety Bond in the form of the 2017 Capital Reserve Fund Insurance Policy to the 2017 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account. The Capital Reserve Fund Requirement for the Series 2018 Bonds has been previously funded by a cash deposit to the 2018 Subaccount of the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account and with the deposit of a Surety Bond in the form of the 2018 Capital Reserve Fund Insurance Policy to the 2018 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account. The Capital Reserve Fund Requirement for the Series 2019 Bonds will be funded by a cash deposit to the 2019 Subaccount of the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account and with the deposit of a Surety Bond in the form of the 2019 Capital Reserve Fund Insurance Policy to the 2019 Subaccount of the Class A Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS—Pledged Funds—*Capital Reserve Fund*” in the body of this Official Statement.

Cash and/or Investment Securities will be deposited and accounted for in a Class A Cash Subaccount, a Class B Cash Subaccount and/or a Class C Cash Subaccount of the Tax-Exempt Capital Reserve Account. Amounts that may be drawn upon a Surety Bond for Tax-Exempt Bonds will be accounted for and deemed a part of a Class A Surety Bond Subaccount, a Class B Surety Bond Subaccount and/or a Class C Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account.

On each Bond Payment Date and after the transfers required under the Indenture from the Tax-Exempt Revenue Account, the Taxable Revenue Account, the Tax-Exempt Capitalized Interest Account, the Student Loan Fund and the Tax-Exempt Guarantee Account, but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Tax-Exempt Guarantee Account Floor Amount, to the extent there are insufficient moneys to make the payments due on the Tax-Exempt Bonds on such Bond Payment Date, then the amount of such deficiency will be paid to the extent of available moneys directly from the Cash Subaccounts of the Tax-Exempt Capital Reserve Account relating to such Class of Tax-Exempt Bonds, *first*, to the Tax-Exempt Interest Subaccount, and *second*, to the Tax-Exempt Principal Subaccount, as necessary.

In the event that the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund has been funded in whole or in part with a Surety Bond, on each Bond Payment Date and after the transfers required under the Indenture from Tax-Exempt Revenue Account, the Taxable Revenue Account, the Tax-Exempt Capitalized Interest Account, the Student Loan Fund, the Tax-Exempt Guarantee Account, but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Tax-Exempt Guarantee Account Floor Amount, the Cash Subaccounts of the Tax-Exempt Capital Reserve Account and the Tax-Exempt Guarantee Account, any remaining amounts therein, to the extent there are insufficient moneys to make the payments due on the Tax-Exempt Bonds on such Bond Payment Date, then the Trustee will draw on such Surety Bond in the amount of any insufficiency on any date required therein in order to obtain moneys on a Bond Payment Date to the extent of any such insufficiency. Amounts drawn on a Surety Bond with respect to a Class of Tax-Exempt Bonds will be paid to the extent of available moneys, *first*, to the related Tax-Exempt Interest Subaccount, and *second*,

to the related Tax-Exempt Principal Subaccount, as necessary. To the extent that a Surety Bond Provider is reimbursed as provided in the Indenture, then, simultaneously therewith, the amount available to be drawn under the Surety Bond will be reinstated up to the amount of such reimbursement.

Notwithstanding the foregoing or any other provision of the Indenture, if on any Bond Payment Date the Class A Parity Percentage is less than 90%, then amounts on deposit in the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account are required to be applied under the terms of the Indenture first to the payment of interest on the Tax-Exempt Class A Bonds coming due on such Bond Payment Date and then to the payment of the principal of, whether at maturity or upon mandatory sinking fund redemption, the Tax-Exempt Class A Bonds coming due on such date, regardless of other amounts available therefor in any other Fund or Account under the Indenture; and in such case any moneys then on deposit in the Tax-Exempt Interest Subaccount or the Tax-Exempt Principal Subaccount of the Debt Service Fund not needed on such Bond Payment Date for payment of such principal and interest, after giving effect to the use of moneys in the Class A Cash Subaccount of the Tax-Exempt Capital Reserve Account, will be transferred to the Tax-Exempt Revenue Account and applied on such Bond Payment Date to redeem Tax-Exempt Bonds in accordance with clause (n) described under “—*Revenue Fund—Tax-Exempt Revenue Account*” above.

Under the Indenture, the Authority may establish further Subaccounts within the Tax-Exempt Capital Reserve Account of the Capital Reserve Fund, including, without limitation, by any Supplemental Indenture, and the Authority may provide in such Supplemental Indenture or otherwise that such moneys and/or Surety Bond deposited in the Subaccount will be applied only to a particular Series of Tax-Exempt Bonds.

To the extent a Capital Reserve Fund Agreement is in place for a particular Series of Tax-Exempt Bonds, amounts made available thereunder will be used first to reimburse a Surety Bond Provider as described in the following paragraph, and then to make up any deficiency in the Cash Subaccounts of the Tax-Exempt Capital Reserve Account to which such Capital Reserve Fund Agreement relates.

If moneys derived from a drawing on a Surety Bond accounted for in a Class A Surety Bond Subaccount, a Class B Surety Bond Subaccount or a Class C Surety Bond Subaccount of the Tax-Exempt Capital Reserve Account are used for the purposes described above, amounts will be paid to the Surety Bond Provider to reimburse the Surety Bond Provider therefor together with interest thereon as provided in a Surety Bond Reimbursement Agreement by transfers from the Tax-Exempt Revenue Account and from the Taxable Revenue Account as described under “—*Revenue Fund—Tax-Exempt Revenue Account*” and “—*Revenue Fund—Taxable Revenue Account*” above.

If moneys in a Class A Cash Subaccount, a Class B Cash Subaccount or a Class C Cash Subaccount of the Tax-Exempt Capital Reserve Account are used for the purposes described above, amounts will be deposited therein by transfers from the Tax-Exempt Revenue Account and from the Taxable Revenue Account as described under “—*Revenue Fund—Tax-Exempt Revenue Account*” and “—*Revenue Fund—Taxable Revenue Account*” above until an amount equal to the Capital Reserve Fund Requirement with respect to each such Subaccount is on deposit therein.

On any day that the amount in any Cash Subaccounts of the Tax-Exempt Capital Reserve Account, if any, exceeds the Capital Reserve Fund Requirement with respect thereto for any reason (giving effect, in making such determination, to amounts on deposit in the Taxable Capital Reserve Account), the Trustee, at the direction of the Authority, will transfer the excess to the Tax-Exempt Revenue Account.

Taxable Capital Reserve Account. The Trustee will deposit to the Subaccounts of the Taxable Capital Reserve Account the amounts, if any, specified in each Supplemental Indenture, and the Capital Reserve Fund Requirement will be established in each Supplemental Indenture pursuant to which Bonds are issued. The Capital Reserve Fund Requirement may be satisfied by cash and/or Investment Securities, or additionally, in whole or in part, by a Surety Bond with respect to amounts that may be drawn thereunder. Cash and/or Investment Securities will be deposited and accounted for in a Class A Cash Subaccount, a Class B Cash Subaccount and/or a Class C Cash Subaccount of the Taxable Capital Reserve Account. Amounts that may be drawn upon a Surety Bond for Taxable Bonds will be accounted for and deemed a part of a Class A Surety Bond Subaccount, a Class B Surety Bond Subaccount and/or a Class C Surety Bond Subaccount of the Taxable Capital Reserve Account.

On each Bond Payment Date and after the transfers required under the Indenture from the Taxable Revenue Account, the Tax-Exempt Revenue Account, the Taxable Capitalized Interest Account, the Student Loan Fund and the Taxable Guarantee Account, but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Taxable Guarantee Account Floor Amount, to the extent there are insufficient moneys to make the payments due on the Taxable Bonds on such Bond Payment Date, then the amount of such deficiency will be paid to the extent of available moneys directly from the Cash Subaccounts of the Taxable Capital Reserve Account relating to such Class of Taxable Bonds, *first*, to the Taxable Interest Subaccount, and *second*, to the Taxable Principal Subaccount, as necessary.

In the event that the Taxable Capital Reserve Account of the Capital Reserve Fund has been funded in whole or in part with a Surety Bond, on each Bond Payment Date and after the transfers required under the Indenture from Taxable Revenue Account, the Tax-Exempt Revenue Account, the Taxable Capitalized Interest Account, the Student Loan Fund, the Taxable Guarantee Account, but only in an amount, if any, that would result in the remaining balance therein being at least equal to the Taxable Guarantee Account Floor Amount, the Cash Subaccounts of the Taxable Capital Reserve Account and the Taxable Guarantee Account, including any remaining amounts therein, to the extent there are insufficient moneys to make the payments due on the Taxable Bonds on such Bond Payment Date, then the Trustee will draw on such Surety Bond in the amount of any insufficiency on any date required therein in order to obtain moneys on a Bond Payment Date to the extent of any such insufficiency. Amounts drawn on a Surety Bond with respect to a Class of Taxable Bonds will be paid to the extent of available moneys, *first*, to the related Taxable Interest Subaccount, and *second*, to the related Taxable Principal Subaccount, as necessary. To the extent that a Surety Bond Provider is reimbursed as provided in the Indenture, then, simultaneously therewith, the amount available to be drawn under the Surety Bond will be reinstated up to the amount of such reimbursement.

Notwithstanding the foregoing or any other provision of the Indenture, if on any Bond Payment Date the Class A Parity Percentage is less than 90%, then amounts on deposit in the Class A Cash Subaccount of the Taxable Capital Reserve Account are required to be applied under the terms of the Indenture first to the payment of interest on the Taxable Class A Bonds coming due on such Bond Payment Date and then to the payment of the principal of, whether at maturity or upon mandatory sinking fund redemption, the Taxable Class A Bonds coming due on such date, regardless of other amounts available therefor in any other Fund or Account under the Indenture; and in such case any moneys then on deposit in the Taxable Interest Subaccount or the Taxable Principal Subaccount of the Debt Service Fund not needed on such Bond Payment Date for payment of such principal and interest (after giving effect to the use of moneys in the Class A Cash Subaccount of the Taxable Capital Reserve Account) will be transferred to the Taxable Revenue Account and applied on such Bond Payment Date to redeem Taxable Bonds in accordance with clause (m) described under “—*Revenue Fund—Taxable Revenue Account*” above.

Under the Indenture, the Authority may establish further Subaccounts within the Taxable Capital Reserve Account of the Capital Reserve Fund, including, without limitation, by any Supplemental Indenture, and the Authority may provide in such Supplemental Indenture or otherwise that such moneys and/or Surety Bond deposited in the Subaccount will be applied only to a particular Series of Taxable Bonds.

To the extent a Capital Reserve Fund Agreement is in place for a particular Series of Taxable Bonds, amounts made available thereunder will be used first to reimburse a Surety Bond Provider as described below, and then to make up any deficiency in the Cash Subaccounts of the Taxable Capital Reserve Account to which such Capital Reserve Fund Agreement relates.

If moneys derived from a drawing on a Surety Bond accounted for in a Class A Surety Bond Subaccount, a Class B Surety Bond Subaccount or a Class C Surety Bond Subaccount of the Taxable Capital Reserve Account are used for the purposes described above, amounts will be paid to the Surety Bond Provider to reimburse the Surety Bond Provider therefor together with interest thereon as provided in a Surety Bond Reimbursement Agreement by transfers from the Taxable Revenue Account and from the Tax-Exempt Revenue Account as described under “—*Revenue Fund—Taxable Revenue Account*” and “—*Revenue Fund—Tax-Exempt Revenue Account*” above.

If moneys in a Class A Cash Subaccount, a Class B Cash Subaccount or a Class C Cash Subaccount of the Taxable Capital Reserve Account are used for the purposes described above, amounts will be deposited therein by transfers from the Taxable Revenue Account and from the Tax-Exempt Revenue Account as described under “—*Revenue Fund—Taxable Revenue Account*” and “—*Revenue Fund—Tax-Exempt Revenue Account*” above until an amount equal to the Capital Reserve Fund Requirement with respect to each such Subaccount is on deposit therein.

On any day that the amount in any Cash Subaccounts of the Taxable Capital Reserve Account, if any, exceeds the Capital Reserve Fund Requirement with respect thereto for any reason (giving effect, in making such determination, to amounts on deposit in the Tax-Exempt Capital Reserve Account), the Trustee, at the direction of the Authority, will transfer the excess to the Taxable Revenue Account.

Rebate Fund. The Trustee will, as described under “—*Revenue Fund—Tax-Exempt Revenue Account*” above withdraw from the Tax-Exempt Revenue Account and deposit to the Rebate Fund an amount such that the balance held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the Computation Date. Computation of the amounts on deposit in each Fund and of the Rebate Amount will be furnished to the Trustee by or on behalf of the Authority in accordance with any Tax Document.

The Trustee in accordance with any Tax Document, will pay to the United States of America from the Rebate Fund the Rebate Amount as of the end of any applicable Computation Date.

The Trustee will, as described under “—*Revenue Fund—Tax-Exempt Revenue Account*” above withdraw from the Tax-Exempt Revenue Account and deposit to the Rebate Fund such amount as will be required to be paid to the federal government as Excess Earnings. The Trustee will pay such Excess Earnings to the United States of America. Alternatively, the Authority may from time to time forgive Financed Eligible Loans to satisfy such requirement, in accordance with any Tax Document.

Notwithstanding anything in the Indenture to the contrary, in the event the Authority and the Trustee receive a Favorable Opinion to the effect that it is not necessary under either existing statutes and court decisions or under any then federal legislation to pay any portion of earnings on Funds held under the Indenture or Excess Earnings to the United States of America in order to assure the exclusion from

gross income for federal income tax purposes of interest on any Tax-Exempt Bonds, then the provisions under this caption need not be complied with and will no longer be effective and all or a portion of such amounts on deposit in the Rebate Fund will be transferred to the Tax-Exempt Revenue Account.

Operating Fund. The Trustee will transfer to the Authority for deposit to the Operating Fund the amount, if any, specified in each Supplemental Indenture. The Trustee will also transfer to the Authority for deposit to the Operating Fund the amounts transferred from the Revenue Fund as described under “—*Revenue Fund*” above; provided, however, that any transfers from the Revenue Fund with respect to a Liquidity Facility or a Credit Facility will only be with respect to regularly recurring fees. The Operating Fund will be held by the Authority, and no Registered Owner will have any right, title or interest in the Operating Fund. Amounts deposited in the Operating Fund will be used to pay Program Expenses.

The Authority covenants that the amount so transferred in any one Fiscal Year will not exceed the amount set forth in the Indenture and described under “CASH FLOW ASSUMPTIONS AND INVESTMENT CONSIDERATIONS—Budgeted Program, Trustee and Servicing Expenses” in the body of this Official Statement or as otherwise limited by a Supplemental Indenture or pursuant to a Liquidity Facility or Credit Provider Agreement, unless the Authority has received (a) a Rating Agency Condition from each Rating Agency with respect to such greater amounts, and (b) the prior written consent of each Credit Provider and Liquidity Provider to the extent required in the applicable Credit Provider Agreement or Liquidity Facility.

Transfers to Authority

Transfers from the Revenue Fund to the Authority may be made in accordance with the requirements described above under “—Creation and Continuation of Funds and Account—*Revenue Fund*” above; provided, however, that no transfer of assets to the Authority, other than pursuant to the Operating Fund as described above, will be made (a) if there is not on deposit in the Tax-Exempt Capitalized Interest Account and the Taxable Capitalized Interest Account an amount equal to at least the Capitalized Interest Requirement, if applicable; (b) if there is not on deposit in the Capital Reserve Fund an amount equal to at least the Capital Reserve Fund Requirement; (c) if less than 80% in aggregate principal amount of Financed Eligible Loans are in repayment status with respect to the interest thereon; and (d) unless all conditions contained in any Supplemental Indenture are complied with and the Trustee has received (i) a certificate of the Authority to the effect that all rebate liability as calculated pursuant to any Tax Document through the date of such transfer has been paid or deposited in the Rebate Fund; (ii) either (A) a certificate of the Authority stating that, immediately following such release, the Class A Parity Percentage will equal or exceed 107% and the Class B Parity Percentage, if applicable, and the Class C Parity Percentage, if applicable, will equal or exceed the applicable percentage set forth in any Supplemental Indenture pursuant to which any Class B Bonds or any Class C Bonds are issued or such higher amount as may be required pursuant to a Liquidity Facility or Credit Provider Agreement and the Value of the Trust Estate will be at least \$500,000 greater than the principal amount of the Bonds Outstanding plus accrued interest thereon and Program Expenses accrued but unpaid; or (B) a Rating Agency Condition from each Rating Agency and the prior written consent of any Credit Provider and Liquidity Provider; and (iii) to the extent required pursuant to a Liquidity Facility or a Credit Provider Agreement, the prior written consent of the Liquidity Provider or the Credit Provider, as applicable, from the Liquidity Facility or the Credit Provider Agreement, as applicable.

Investment of Funds Held by Trustee

The Trustee will invest money held for the credit of any Fund or Account or Subaccount held by the Trustee under the Indenture as directed by the Authority, to the fullest extent practicable and reasonable, in Investment Securities which 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.

The Investment Securities purchased will be held by the Trustee and will be deemed at all times to be part of such Fund or Account or Subaccounts or combination thereof. Earnings with respect to, and any net gain on the disposition of, any such investments, except on investments contained in the Rebate Fund and the Operating Fund, will be deposited into the respective Account of the Revenue Fund as provided in the Indenture. Earnings on amounts contained in the Rebate Fund will remain in the Rebate Fund. Earnings on amounts contained in the Operating Fund will remain in the Operating Fund. Upon direction from the Authority, the Trustee will use its best efforts to sell at the best price obtainable, or present for redemption, any Investment Securities purchased by it as an investment whenever it will be necessary to break an investment early or prior to maturity.

Events of Default

Events of Default Defined. Under the Indenture, the following events are defined as, and are declared to be, “Events of Default”:

(a) default in the due and punctual payment of the principal of or interest on any of the Class A Bonds, including redemptions of Bank Bonds secured on a parity with such Bonds required pursuant to any Liquidity Facility or Credit Provider Agreement, when due or failure to make any payment due under any other Class A Obligations when due, after giving effect to any payment of any of the Class A Bonds pursuant to any Capital Reserve Fund Agreement;

(b) if no Class A Obligations are Outstanding under the Indenture, default in the due and punctual payment of the principal of or interest on any of the Class B Bonds (including redemptions of Bank Bonds secured on a parity with such Bonds required pursuant to any Liquidity Facility or Credit Provider Agreement) when due or failure to make any payment due under any other Class B Obligations when due, after giving effect to any payment of any of the Class B Bonds pursuant to any Capital Reserve Fund Agreement;

(c) if no Class A Obligations or Class B Obligations are Outstanding under the Indenture, default in the due and punctual payment of the principal of or interest on any of the Class C Bonds, including redemptions of Bank Bonds secured on a parity with such Bonds required pursuant to any Liquidity Facility or Credit Provider Agreement, when due or failure to make any payment due under any other Class C Obligations when due, after giving effect to any payment of any of the Class C Bonds pursuant to any Capital Reserve Fund Agreement;

(d) default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Authority to be kept, observed, and performed contained in the Indenture or in the Bonds, and, if such default is capable of being cured, the continuation of such default for a period of 60 days after written notice thereof by the Trustee to the Authority; provided, however, that if said default is such that it cannot be cured within 60 days of receipt of such written notice, it will not constitute an Event of Default if corrective action is instituted within 60 days after receipt of such written notice and diligently pursued until the Event of Default is corrected; provided, however, that in no event will the Authority have more than 90 days to correct such Event of Default after receipt of written notice thereof;

(e) the occurrence of an Event of Bankruptcy;

(f) the Trustee has received written notice from a Credit Provider that there exists an “Event of Default” under a Credit Provider Agreement that has not been remedied or waived, and directing acceleration of the Bonds;

(g) the Trustee has received written notice from a Credit Provider that there exists an “Event of Default” under a Credit Facility that has not been remedied or waived, the Credit Facility will not be reinstated by the Credit Provider and directing the acceleration of the Bonds;

(h) failure to reimburse the Surety Bond Provider for payments made under the Surety Bond, together with interest thereon, within one year of any payment made under the Surety Bond unless waived by the Surety Bond Provider; and

(i) the occurrence of any other event that is defined as an “Event of Default” in any Supplemental Indenture.

Any failure to deposit or credit amounts to the Tax-Exempt Interest Subaccount or Taxable Interest Subaccount in advance of an Interest Payment Date as described under “Creation and Continuation of Funds and Accounts—*Debt Service Fund*” will not constitute an Event of Default under the Indenture. Any failure to pay Carryover Amounts or interest on Carryover Amounts will not constitute an Event of Default under the Indenture. Except as described in “—Concerning the Trustee” below, the Trustee will not be required to take notice, or be deemed to have knowledge, of any default or Event of Default. The Trustee may give notice of a default in its discretion and is required to give such notice if requested to do so in writing by the Initial Credit Provider or the Registered Owners of at least 51% of the collective aggregate principal amount of the Highest Priority Obligations at the time Outstanding.

Remedy on Default; Possession of Trust Estate. Subject to the provisions described under “—*Accelerated Maturity*” below, upon the happening and continuance of any Event of Default, the Trustee may, with the prior written consent of all Credit Providers, if any, and all Liquidity Providers, if any, or will at the direction in writing of all Credit Providers, if any, and all Liquidity Providers, if any, provided that all Credit Providers, if any, and all Liquidity Providers, enter into and upon and take possession of such portion of the Trust Estate as will be in the custody of others, and all property comprising the Trust Estate, and each and every part thereof, and exclude the Authority and its agents, servants, and employees wholly therefrom, and have, hold, service, administer, use, operate, manage, and control the same and each and every part thereof, and in the name of the Authority or otherwise, as they deem best, conduct the business thereof and exercise the privileges pertaining thereto and all the rights and powers of the Authority and use all of the then existing Trust Estate for that purpose, and collect and receive all charges, income and Revenue of the same and of every part thereof, and after deducting therefrom all expenses incurred under the Indenture and all other proper outlays therein authorized, and all payments which may be made as just and reasonable compensation for its own services, and for the services of its attorneys, agents, and assistants, the Trustee will apply the rest and residue of the money received by the Trustee as follows:

(a) if the principal of none of the Obligations will have become due:

FIRST, to the payment of the interest in default on the Class A Bonds, or to reimburse a Credit Provider for draws on its Credit Facility for payment of such interest as provided in its Credit Provider Agreement, all Authority Derivative Payments, excluding Termination Payments, secured on a parity with the Class A Bonds then due, in order of the maturity of the installments thereof, with interest on the overdue installments thereof at the same rates, respectively, as were borne by the Class A Bonds on which

such interest will be in default, or at the rates provided in a Credit Provider Agreement for the payment of interest on draws on the related Credit Facility, and any such Authority Derivative Payments as provided in the ISDA Master Agreement then due, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference;

SECOND, to the payment of any amounts due and payable to a Surety Bond Provider for any draw under a Surety Bond with respect to Class A Bonds, including accrued interest thereon at rates set forth in the Surety Bond Reimbursement Agreement and any other amounts payable thereunder;

THIRD, to the payment of the interest in default on the Class B Bonds, or to reimburse a Credit Provider for draws on its Credit Facility for payment of such interest as provided in its Credit Provider Agreement, all Authority Derivative Payments, excluding Termination Payments, secured on a parity with the Class B Bonds then due, in order of the maturity of the installments of such interest and any such Authority Derivative Payments, with interest on the overdue installments thereof at the same rates, respectively, as were borne by the Class B Bonds on which such interest will be in default, or at the rates provided in a Credit Provider Agreement for the payment of interest on draws on the related Credit Facility, and any such Authority Derivative Payments as provided in the ISDA Master Agreement then due, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference;

FOURTH, to the payment of any amounts due and payable to a Surety Bond Provider for any draw under a Surety Bond with respect to Class B Bonds, including accrued interest thereon at rates set forth in the Surety Bond Reimbursement Agreement and any other amounts payable thereunder;

FIFTH, to the payment of the interest in default on the Class C Bonds, or to reimburse a Credit Provider for draws on its Credit Facility for payment of such interest as provided in its Credit Provider Agreement, all Authority Derivative Payments, excluding Termination Payments, secured on a parity with the Class C Bonds then due, in order of the maturity of the installments of such interest and any such Authority Derivative Payments, with interest on the overdue installments thereof at the same rates, respectively, as were borne by the Class C Bonds on which such interest will be in default, or at the rates provided in a Credit Provider Agreement for the payment of interest on draws on the related Credit Facility, and any such Authority Derivative Payments as provided in the ISDA Master Agreement then due, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference;

SIXTH, to the payment of any amounts due and payable to a Surety Bond Provider for any draw under a Surety Bond with respect to Class C Bonds, including accrued interest thereon at rates set forth in the Surety Bond Reimbursement Agreement and any other amounts payable thereunder;

SEVENTH, to pay due and unpaid Liquidity Facility Fees and Credit Facility Fees;

EIGHTH, other amounts owed to the Credit Provider pursuant to the Credit Provider Agreement and the Surety Bond Provider pursuant to the Surety Bond Reimbursement Agreement;

NINTH, to pay principal of the Class A Bonds Outstanding pro rata among Series and pro rata within each maturity of a Series, then to pay principal of the Class B Bonds Outstanding pro rata among Series and pro rata within each maturity of a Series and then to pay principal of the Class C Bonds Outstanding pro rata among Series and pro rata within each maturity of a Series;

TENTH, to pay unpaid Termination Payments due under a Derivative Product secured on a parity with the Class A Bonds;

ELEVENTH, to pay unpaid Termination Payments due under a Derivative Product secured on a parity with the Class B Bonds;

TWELFTH, to pay unpaid Termination Payments due under a Derivative Product secured on a parity with the Class C Bonds; and

THIRTEENTH, to pay interest accrued on the Carryover Amounts of the Class A Bonds, the Carryover Amounts of the Class A Bonds, interest accrued on the Carryover Amounts of the Class B Bonds, the Carryover Amounts of the Class B Bonds, interest accrued on the Carryover Amounts of the Class C Bonds, and the Carryover Amounts of the Class C Bonds, in that order of priority.

(b) if the principal of any of the Obligations has become due by declaration of acceleration or otherwise:

FIRST, to the payment of the interest in default on the Class A Bonds, or to reimburse a Credit Provider for draws on its Credit Facility for payment of such interest as provided in its Credit Provider Agreement, all Authority Derivative Payments, excluding Termination Payments, secured on a parity with the Class A Bonds then due, in the order of the maturity of the installments thereof, with interest on overdue installments thereof at the same rates, respectively, as were borne by the Class A Bonds on which such interest will be in default, or as provided in a Credit Provider Agreement for draws on its Credit Facility for payment of such interest, and such Authority Derivative Payments as provided in the ISDA Master Agreement then due, as the case may be, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference;

SECOND, to the payment of the principal of all Class A Bonds then due, or to reimburse a Credit Provider for draws on its Credit Facility for payment of such principal, together with any accrued interest therein as provided in its Credit Provider Agreement, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference;

THIRD, to the Surety Bond Provider with respect to any Surety Bond for Class A Bonds, any amounts due and payable for any draw under the Surety Bond, including accrued interest thereon at the rates set forth in the Surety Bond Reimbursement Agreement related thereto;

FOURTH, to the payment of the interest in default on the Class B Bonds, or to reimburse a Credit Provider for draws on its Credit Facility for payment of such interest as provided in its Credit Provider Agreement, and all Authority Derivative Payments, excluding Termination Payments, secured on a parity with the Class B Bonds then due, in the order of the maturity of the installments thereof with interest on overdue installments thereof at the same rates, respectively, as were borne by the Class B Bonds on which such interest will be in default, or as provided in a Credit Provider Agreement for draws on its Credit Facility for payment of such interest, and such Authority Derivative Payments as provided in the ISDA Master Agreement then due, as the case may be, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference;

FIFTH, to the payment of the principal of all Class B Bonds then due, or to reimburse a Credit Provider for draws on its Credit Facility for payment of such principal, together with accrued interest thereon as provided in its Credit Provider Agreement, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference;

SIXTH, to the Surety Bond Provider with respect to any Surety Bond for Class B Bonds, any amounts due and payable for any draw under the Surety Bond, including accrued interest thereon at the rates set forth in the Surety Bond Reimbursement Agreement related thereto;

SEVENTH, to the payment of the interest in default on the Class C Bonds, or to reimburse a Credit Provider for draws on its Credit Facility for payment of such interest as provided in its Credit Provider Agreement, and all Authority Derivative Payments, excluding Termination Payments secured on a parity with the Class C Bonds then due, in the order of the maturity of the installments thereof with interest on overdue installments thereof at the same rates, respectively, as were borne by the Class C Bonds on which such interest will be in default, or as provided in a Credit Provider Agreement for draws on its Credit Facility for payment of such interest, and such Authority Derivative Payments as provided in the ISDA Master Agreement then due, as the case may be, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference;

EIGHTH, to the payment of the principal of all Class C Bonds then due, or to reimburse a Credit Provider for draws on its Credit Facility for payment of such principal together with accrued interest thereon as provided in its Credit Provider Agreement, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference;

NINTH, to the Surety Bond Provider with respect to any Surety Bond for Class C Bonds, any amounts due and payable for any draw under the Surety Bond, including accrued interest thereon at the rates set forth in the Surety Bond Reimbursement Agreement related thereto;

TENTH, to pay due and unpaid Liquidity Facility Fees and Credit Facility Fees and other amounts owed to the Credit Provider pursuant to the Credit Provider Agreement and to pay all other amounts owed to a Surety Bond Provider;

ELEVENTH, to pay unpaid Termination Payments due under a Derivative Product secured on a parity with the Class A Bonds;

TWELFTH, to pay unpaid Termination Payments due under a Derivative Product secured on a parity with the Class B Bonds;

THIRTEENTH, to pay unpaid Termination Payments due under a Derivative Product secured on a parity with the Class C Bonds; and

FOURTEENTH, to pay interest accrued on the Carryover Amounts of the Class A Bonds, the Carryover Amounts of the Class A Bonds, interest accrued on the Carryover Amounts of the Class B Bonds, the Carryover Amounts of the Class B Bonds, interest accrued on the Carryover Amounts of the Class C Bonds, and the Carryover Amounts of the Class C Bonds, in that order of priority.

Remedies on Default; Advice of Counsel. Upon the happening of any Event of Default, the Trustee may proceed to protect and enforce the rights of the Trustee, the Registered Owners and the Credit Provider in such manner as counsel for the Trustee may advise, whether for the specific performance of any covenant, condition, agreement or undertaking contained in the Indenture, or in aid of the execution of any power granted in the Indenture, or for the enforcement of such other appropriate legal or equitable remedies as, in the opinion of such counsel, may be more effectual to protect and enforce the rights aforesaid. Notwithstanding anything in the Indenture or any Supplemental Indenture to the contrary and so long no Credit Provider Default exists with respect to an Initial Credit Provider, upon an Event of Default, no acceleration of the Bonds or annulment of any acceleration of the Bonds will be permitted without the consent of that Initial Credit Provider.

Remedies on Default; Sale of Trust Estate. 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 and in every such case, and irrespective of whether other remedies authorized under the Indenture have been pursued in whole or in part, the Trustee may sell, with or without entry, to the highest bidder the Trust Estate, and all right, title, interest, claim and demand thereto and the right of redemption thereof, at any such place or places, and at such time or times and upon such notice and terms as may be required by law; provided, however, that no such sale will be made unless the Trustee has received an opinion of Bond Counsel stating that adequate provision has been made to assure that such transfer will not impair the Authority's capacity to comply with its obligations relative to the restrictions upon Portfolio Yield and to the rebate of certain amounts to the federal government as such obligations would be calculated upon the date of such opinion in accordance with any Tax Document and that such transfer will not affect adversely the exclusion from federal income taxation of interest on the Bonds afforded by Section 103 of the Code. Upon such sale the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale will be a perpetual bar both at law and in equity against the Authority and all Persons claiming such properties. In addition, the Trustee may proceed to protect and enforce the rights of the Trustee and the Registered Owners of the Obligations in such manner as counsel for the Trustee may advise, whether for the specific performance of any covenant, condition, agreement or undertaking contained in the Indenture, or in aid of the execution of any power granted in the Indenture, or for the enforcement of such other appropriate legal or equitable remedies as may in the opinion of such counsel, be more effectual to protect and enforce the rights aforesaid. The Trustee will take any such action or actions if requested to do so in writing by the Registered Owners of at least 51% of the collective aggregate principal amount of the Highest Priority Obligations at the time Outstanding.

Appointment of Receiver. In case an Event of Default occurs, and if all of the Outstanding Obligations have been declared due and payable and in case any judicial proceedings are commenced to enforce any right of the Trustee or of the Registered Owners or the Credit Provider under the Indenture or otherwise, then as a matter of right, the Trustee will be entitled to the appointment of a receiver of the Trust Estate and of the earnings, income or Revenue, rents, issues and profits thereof with such powers as the court making such appointments may confer.

Restoration of Position. In case the Trustee has proceeded to enforce any rights under the Indenture by sale or otherwise, and such proceedings will have been discontinued, or have been determined adversely to the Trustee, then and in every such case to the extent not inconsistent with such adverse decree, the Authority, the Trustee, the Registered Owners and the Credit Provider will be restored to their former respective positions and the rights under the Indenture in respect to the Trust Estate, and all rights, remedies, and powers of the Trustee, the Registered Owners and the Credit Provider will continue as though no such proceeding had been taken.

Purchase of Properties by Trustee or Registered Owners. In case of any such sale of the Trust Estate, any Registered Owner or Registered Owners or committee of Registered Owners or the Trustee, may bid for and purchase such property and upon compliance with the terms of sale may hold, retain possession, and dispose of such property as the absolute right of the purchaser or purchasers without further accountability and will be entitled, for the purpose of making any settlement or payment for the property purchased, to use and apply any Obligations owned by such purchasers that are hereby secured and any interest thereon due and unpaid, by presenting such Obligations in order that there may be credited thereon the sum apportionable and applicable thereto out of the net proceeds of such sale, and thereupon such purchaser or purchasers will be credited on account of such purchase price payable to him or them with the sum apportionable and applicable out of such net proceeds to the payment of or as a credit on the Obligations so presented.

Application of Sale Proceeds. The proceeds of any sale of the Trust Estate, together with any funds at the time held by the Trustee and not otherwise designated in the Indenture for another use, will be applied by the Trustee as described under “—*Remedy on Default; Possession of Trust Estate*” above.

Accelerated Maturity. If an Event of Default has occurred and is continuing, the Trustee may declare, but only if, the Credit Provider and Liquidity Provider have consented thereto, or upon the written direction by the Registered Owners of at least 51% of the collective aggregate principal amount of the Highest Priority Obligations then Outstanding the Trustee will declare, but only if, the Credit Provider and Liquidity Provider have consented thereto in writing, the principal of all Obligations then Outstanding, the interest thereon, any Authority Derivative Payment relating thereto, if not previously due, immediately due and payable, anything in the Obligations or the Indenture to the contrary notwithstanding, subject, however, to the provisions described under “—*Waivers of Events of Default*” below with respect to waivers of Events of Default. Notwithstanding the foregoing, upon the written direction of a Liquidity Provider or a Credit Provider as applicable, due to the occurrence of an Event of Default as described in clause (f) or (g) under “—*Events of Default Defined*” above or any other Event of Default described above which also constitutes a default under the Credit Provider Agreement or Liquidity Facility, as applicable, the Trustee will, by notice in writing delivered to the Authority not later than the next Business Day succeeding such direction, declare, the principal of all Obligations then Outstanding, the interest thereon, any Authority Derivative Payment relating thereto (if not previously due), immediately due and payable, anything in the Obligations or the Indenture to the contrary notwithstanding, subject, however, to the provisions described under “—*Waivers of Events of Default*” below with respect to waivers of Events of Default; provided, however, that any declaration of acceleration upon a default described in clause (d) under “—*Events of Default Defined*” above will require the consent of 100% of the Registered Owners of the collective aggregate principal amount of the

Highest Priority Obligations then Outstanding (including any Credit Provider that has issued a Credit Facility with respect to any of the Bonds Outstanding and no Credit Provider Default exists with respect to such Credit Provider) or the prior written consent of the Liquidity Provider or Credit Provider.

The Bonds will cease to accrue interest on the date of declaration of acceleration whether or not they are paid on such date.

Immediately following a declaration of acceleration under the Indenture, the Trustee will draw upon each applicable Credit Facility in accordance with its terms in an amount which equals the total amount of principal of and interest on the applicable Bonds coming due and payable relating to such Credit Facility; provided that no such draw will be made to pay any Bank Bond or Bonds owned by the Authority. All amounts derived by the Trustee with respect to any Credit Facility will be deposited in the applicable subaccounts of the Revenue Fund upon receipt thereof by the Trustee, will be transferred by the Trustee to the applicable subaccounts of the Interest Account to the extent required to pay the interest on Bonds or to the Principal Account or the Retirement Account to the extent required to pay the principal of Bonds, will not be commingled with any other moneys and will be applied as described under “—Remedy on Default; Possession of Trust Estate” above.

Remedies Not Exclusive. The remedies set forth in the Indenture or reserved to the Trustee, each Credit Provider or the Registered Owners of Obligations are not intended to be exclusive of any other remedy, but each remedy in the Indenture is cumulative and is in addition to every other remedy given thereunder or now or hereafter existing, and every power and remedy given to the Trustee, each Credit Provider or to the Registered Owners of Obligations under the Indenture may be exercised from time to time as often as may be deemed expedient. No delay or omission of the Trustee or of any Registered Owner of Obligations to exercise any power or right arising from any default under the Indenture will impair any such right or power or will be construed to be a waiver of any such default or to be acquiescence therein.

Direction of Trustee. Upon the happening of any Event of Default, with the consent of each Credit Provider, the Registered Owners of at least 51% of the collective aggregate principal amount of the Highest Priority Obligations then Outstanding will have the right by an instrument or instruments in writing delivered to the Trustee to direct and control the Trustee as to the method of taking any and all proceedings for any sale of any or all of the Trust Estate, or for the appointment of a receiver, if permitted by law, and may at any time cause any proceedings authorized by the terms of the Indenture to be so taken or to be discontinued or delayed; provided, however, that such Registered Owners will not be entitled to cause the Trustee to take any proceedings which in the Trustee’s opinion would be unjustly prejudicial to non-assenting Registered Owners of the Highest Priority Obligations then Outstanding, but the Trustee will be entitled to assume that the action requested by the Registered Owners of at least 51% of the collective aggregate principal amount of the Highest Priority Obligations then Outstanding will not be prejudicial to any non-assenting Registered Owners of the Highest Priority Obligations then Outstanding unless the Registered Owners of at least 51% of the collective aggregate principal amount of the non-assenting Registered Owners of such Highest Priority Obligations, in writing, show the Trustee how they will be prejudiced. The provisions described in this paragraph are subject to the Trustees rights under the Indenture to receive an indemnity bond or other indemnity and security satisfactory to it by the Authority or the Registered Owners for the reimbursement of all expenses to be incurred.

Right To Enforce in Trustee. No Registered Owner of any Obligation will have any right as such Registered Owner to institute any suit, action, or proceedings for the enforcement of the provisions of the Indenture or for the execution of any trust thereunder or for the appointment of a receiver or for any other remedy under the Indenture, all rights of action being vested exclusively in the Trustee, unless and until such Registered Owner have previously given to the Trustee written notice of a default, and of the

continuance thereof, and also unless the Registered Owners of the requisite principal amount of the Obligations then Outstanding have made written request upon the Trustee and the Trustee has been afforded reasonable opportunity to institute such action, suit or proceeding in its own name, and unless the Trustee has been offered indemnity and security satisfactory to it against the costs, expenses, and liabilities to be incurred therein or thereby, which offer of indemnity will be an express condition precedent under the Indenture to any obligation of the Trustee to take any such action, and the Trustee for 30 days after receipt of such notification, request, and offer of indemnity, will have failed to institute any such action, suit or proceeding. It is understood and intended that no one or more Registered Owners of the Obligations will have the right in any manner whatsoever by his or their action to affect, disturb, or prejudice the lien of the Indenture or to enforce any right under the Indenture except in the manner provided in the Indenture and for the equal benefit of the Registered Owners of at least 51% of the collective aggregate principal amount of the Obligations then Outstanding.

Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of Obligations, and will do so upon the written request of the Registered Owners of at least 51% of the collective aggregate principal amount of the Highest Priority Obligations then Outstanding with the consent of each Liquidity Provider and Credit Provider; provided, however, that there will not be waived (a) any Event of Default in the payment of the principal of or premium on any Outstanding Obligations at the date of maturity or redemption thereof, or any default in the payment when due of the interest on any such Obligations, unless prior to such waiver or rescission, all arrears of interest or all arrears of payments of principal and premium, if any, and all fees and expenses of the Trustee, in connection with such default or otherwise incurred under the Indenture will have been paid or provided for; (b) any default in the payment of amounts required as described under “—Covenants and Agreements—*Tax Covenants*” above; or (c) any Event of Default as described in clause (f) or (g) under “—*Events of Default Defined*” above or any other Event of Default described therein which also constitutes a default under a Credit Provider Agreement or Liquidity Facility, as applicable, unless or until the Credit Provider or Liquidity Provider, as applicable, has (i) rescinded or waived such corresponding default under the Credit Provider Agreement or Liquidity Facility, as applicable, and (ii) reinstated all amounts subject to reinstatement under each Credit Facility or Liquidity Facility, as applicable. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such default will have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Authority, the Trustee and the Registered Owners of Obligations will be restored to their former positions and rights under the Indenture respectively.

Rights of Credit Providers and Liquidity Providers

Subject to the limitations described below, each Credit Provider will be subrogated to all of the rights possessed under the Indenture by the Trustee and the Registered Owners of the Bonds against the Authority to the extent that funds are drawn pursuant to the applicable Credit Facility and used to pay the principal of or interest on the Bonds. For purposes of the subrogation rights of a Credit Provider under the Indenture, (a) any reference in the Indenture to the Registered Owners of the Bonds, the principal of and interest on which have been paid with moneys collected pursuant to the Credit Facility will be deemed to be a reference to the Credit Provider; and (b) any principal or purchase price of, or interest on, the Bonds paid with moneys collected pursuant to a Credit Facility will be deemed to be unpaid under the Indenture. The subrogation rights granted to Credit Providers are not intended to be exclusive of any other remedy or remedies available to any Credit Provider, and such subrogation rights will be cumulative.

Subject to the limitations described below, each Liquidity Provider will be subrogated to all of the rights possessed under the Indenture by the Trustee and the Registered Owners of the Bonds against the

Authority to the extent that funds are drawn pursuant to the applicable Liquidity Facility and used to pay the purchase price of Bonds. For purposes of the subrogation rights of a Liquidity Provider under the Indenture, (a) any reference in the Indenture to the Registered Owners of the Bonds which are Bank Bonds will be deemed to be a reference to the Liquidity Provider; and (b) any principal or purchase price of, or interest on, the Bank Bonds will be deemed to be unpaid under the Indenture. The subrogation rights granted to Liquidity Providers under the Indenture are not intended to be exclusive of any other remedy or remedies available to any Liquidity Provider, and such subrogation rights will be cumulative.

Subject to the limitations described below, the applicable Liquidity Provider or Credit Provider will be treated as the Registered Owner of the applicable Bonds for the purposes under the Indenture described above under “—Events of Default,” allowing, without limitation, such Liquidity Provider or Credit Provider to direct all proceedings of the Trustee as described therein. Subject to the limitations described below, the 2010 Bond Insurer will be deemed to be the Registered Owner of all of the Series 2010 Bonds, the 2012 Bond Insurer will be deemed to be the Registered Owner of all of the Series 2012 Bonds, the 2014 Bond Insurer will be deemed to be the Registered Owner of all of the Series 2014 Bonds, the 2017 Bond Insurer will be deemed to be the Registered Owner of all of the Series 2017 Bonds, the 2018 Bond Insurer will be deemed to be the Registered Owner of all of the Series 2018 Bonds and the 2019 Bond Insurer will be deemed to be the Registered Owner of all of the Series 2019 Bonds for purposes of exercising all remedies and directing the Trustee to take actions or for any other purposes following an Event of Default and granting any consent, waiver, direction or approval or taking any action permitted by or required under the Indenture to be granted or taken by the Registered Owners of the Series 2010 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2018 Bonds or the Series 2019 Bonds, as applicable.

The 2010 Bond Insurer, the 2012 Bond Insurer, the 2014 Bond Insurer, the 2017 Bond Insurer, the 2018 Bond Insurer and the 2019 Bond Insurer will each be an intended beneficiary and an acknowledging party of the Indenture solely for the purposes of benefiting from the right to enforce any right, remedy or claim conferred, given or granted to it under the Indenture.

The right of a Credit Provider (including the 2010 Bond Insurer, the 2012 Bond Insurer, the 2014 Bond Insurer, the 2017 Bond Insurer, the 2018 Bond Insurer and the 2019 Bond Insurer) or Liquidity Provider, as applicable, to elect remedies, direct proceedings, give consent or exercise any other rights granted to it under the Indenture will be suspended during any period, in the case of a Credit Provider, that a Credit Provider Default exists, or in the case of a Liquidity Provider, that such Liquidity Provider has failed to honor a properly presented and conforming request to purchase Bonds under a Liquidity Facility.

Concerning the Trustee

The Indenture contains various limitations on the liability of the Trustee. The Trustee is not liable for any actions taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by the Indenture. The Trustee will be under no obligation or duty to perform any act at the request of the Registered Owners of the Bonds or to institute or defend any suit in respect thereof unless properly indemnified and provided with security to its satisfaction. The Trustee may become the owner of the Bonds with the same rights it would have if not a Trustee.

Resignation of Trustee. The Trustee may resign and be discharged from the trust created the Indenture by giving to the Authority, each Credit Provider and each Liquidity Provider notice in writing which notice will specify the date on which such resignation is to take effect; provided, however, that such resignation will only take effect on the day specified in such notice if a successor Trustee has been

appointed under the Indenture and is qualified to be the Trustee under the requirements of the Indenture, and such successor Trustee has have accepted such appointment in writing.

Removal of Trustee. The Trustee may be removed (a) at any time by the Registered Owners of 51% of the collective aggregate principal amount of the Highest Priority Obligations then Outstanding; (b) by the Authority, at the request of any Credit Provider or Liquidity Provider, for breach of the Trustee's obligation under the Indenture; (c) by the Authority for cause or upon the sale or other disposition of the Trustee or its trust functions; or (d) by the Authority without cause so long as no Event of Default exists or has existed within the last 30 days, upon payment to the Trustee so removed of all money then due to it under the Indenture and appointment of a successor.

Enforcement of Liquidity Facilities, Credit Facilities and Surety Bond. So long as a Liquidity Facility, Credit Facility or Surety Bond is outstanding, the Trustee has agreed under the terms of the Indenture to cause to be diligently enforced and taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms and conditions of such Liquidity Facility, Credit Facility or Surety Bond. The Trustee will at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and interests of the Authority and the Registered Owners of the Bonds under or with respect to such Liquidity Facility, Credit Facility or Surety Bond.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Registered Owners. The Authority and the Trustee, at the request of the Authority, may, without the consent of or notice to any of the Registered Owners of any Obligations, but subject to the prior written consent of any Credit Provider or Liquidity Provider, enter into any indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in the Indenture;
- (b) 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;
- (c) to subject to the Indenture additional revenues, properties or collateral;
- (d) to modify, amend or supplement the Indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;
- (e) to evidence the appointment of a separate or co-Trustee or a co-registrar or transfer agent or the succession of a new Trustee under the Indenture;
- (f) to make any change as are necessary in order to obtain and maintain for any of the Bonds an investment grade Rating from a nationally recognized rating service, if along with such Supplemental Indenture there is filed a Bond Counsel's opinion addressed to the Trustee to the effect that such changes will in no way impair the existing security of the Registered Owners of any Outstanding Obligations;

(g) to make any changes necessary to comply with the Code and the regulations promulgated thereunder;

(h) to provide for the issuance of Bonds pursuant to the provisions of the Indenture described above under “—Additional Bonds; Other Obligations of the Authority,” including the creation of appropriate Funds, Accounts and Subaccounts with respect to such Bonds;

(i) to make the terms and provisions of the Indenture, including the lien and pledge granted therein, applicable to a Derivative Product, a Credit Provider Agreement, a Liquidity Facility or a Surety Bond, and to modify the provisions of the Revenue Funds with respect to any particular Derivative Product subject to receipt of a Rating Agency Condition;

(j) to create any additional Funds or Accounts or Subaccounts under the Indenture deemed by the Trustee to be necessary or desirable;

(k) to amend the Indenture to allow for any Bonds to be supported by a Credit Facility, Liquidity Facility or Surety Bond, including amendments with respect to repayment to such a provider on a parity with any Bonds or Derivative Product and providing rights to such provider under the Indenture, including with respect to defaults and remedies;

(l) to designate the use of a Surety Bond to fulfill a portion of the Capital Reserve Fund Agreement, and to provide details with respect thereto;

(m) to implement any change to the provisions of the Indenture which expressly may be changed with a Rating Agency Condition or which may expressly be changed or set forth in a Supplemental Indenture; or

(n) to make any other change, other than changes with respect to any matter requiring a Rating Agency Condition unless the Bonds are not rated at the time, which, in the judgment of the Trustee is not materially adverse to the Registered Owners of any Obligations.

In determining whether a change is materially adverse to the Registered Owners of any Obligations under clause (n) above, the Trustee will consider the effect of the change on the Registered Owners of the Obligations as if such Obligations were not secured by any Credit Facility, Liquidity Facility or Surety Bond. In addition, under the Indenture, in determining whether the rights of the Registered Owners of the Series 2010 Bonds, the Series 2012 Bonds, Series 2014 Bonds, Series 2017 Bonds, the Series 2018 Bonds or the Series 2019 Bonds will be adversely affected by any action taken pursuant to the terms and provisions of the Indenture, the Trustee will consider the effect of the proposed action on the Registered Owners of the Series 2010 Bonds, the Series 2012 Bonds, Series 2014 Bonds, Series 2017 Bonds, the Series 2018 Bonds and the Series 2019 Bonds as if there were no 2010 Bond Insurance Policy, 2012 Bond Insurance Policy, 2014 Bond Insurance Policy, 2017 Bond Insurance Policy, 2018 Bond Insurance Policy or 2019 Bond Insurance Policy.

Supplemental Indentures Requiring Consent of Registered Owners. Exclusive of Supplemental Indentures described under “—*Supplemental Indentures Not Requiring Consent of Registered Owners*” above, the Registered Owners of not less than 51% of the collective aggregate principal amount of the Obligations then Outstanding, including any Credit Provider that has issued a Credit Facility with respect to any of the Bonds Outstanding and no Credit Provider Default exists with respect to such Credit Provider, will have the right, from time to time, to consent to and approve the execution by the Authority and the Trustee of such other indenture or indentures supplemental as will be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, any

of the terms or provisions contained in the Indenture; provided, however, that nothing described in this paragraph will permit, or be construed as permitting (a) without the consent of the Registered Owners of all then Outstanding Obligations, (i) an extension of the maturity date of the principal of or the interest on any Obligation, (ii) a reduction in the principal amount of any Obligation or the rate of interest thereon, (iii) a privilege or priority of any Obligation or Obligations over any other Obligation or Obligations except as otherwise provided in the Indenture, (iv) a reduction in the aggregate principal amount of the Obligations required for consent to such Supplemental Indenture, or (v) the creation of any lien other than a lien ratably securing all of the Obligations at any time Outstanding under the Indenture except as otherwise provided therein; or (b) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the prior written approval of the Trustee. No such Supplemental Indenture will become effective without the prior written approval of each Credit Provider and Liquidity Provider.

Trust Irrevocable

The trust created by the terms and provisions of the Indenture is irrevocable until the indebtedness secured thereby, the Bonds and interest thereon, all Authority Derivative Payments, all payment obligations of the Authority under any Credit Provider Agreement, Liquidity Facility or Surety Bond Reimbursement Agreement and all other payment obligations under the Indenture are fully paid or provision made for its payment as provided under the Indenture.

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APPENDIX B

FORM OF 2019 BOND INSURANCE POLICY

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Financial Guaranty Insurance Policy

Issuer: **Policy No.:** -N

Obligations: \$ in aggregate principal amount of **Premium:** \$

Effective Date:

Assured Guaranty Corp., a Maryland corporation (“AGC”), in consideration of the payment of the Premium and on the terms and subject to the conditions of this Policy (which includes each endorsement hereto), hereby unconditionally and irrevocably agrees to pay to the trustee (the “Trustee”) or the paying agent (the “Paying Agent”) for the Obligations (as set forth in the documentation providing for the issuance of and securing the Obligations) for the benefit of the Holders, that portion of the Insured Payments which shall become Due for Payment but shall be unpaid by reason of Nonpayment.

AGC will make such Insured Payments to the Trustee or the Paying Agent on the later to occur of (i) the date applicable principal or interest becomes Due for Payment, or (ii) the Business Day next following the day on which AGC shall have Received a completed Notice of Nonpayment. If a Notice of Nonpayment by AGC is incomplete or does not in any instance conform to the terms and conditions of this Policy, it shall be deemed not Received, and AGC shall promptly give notice to the Trustee or the Paying Agent. Upon receipt of such notice, the Trustee or the Paying Agent may submit an amended Notice of Nonpayment. The Trustee or the Paying Agent will disburse the Insured Payments to the Holders only upon receipt by the Trustee or the Paying Agent, in form reasonably satisfactory to it of (i) evidence of the Holder's right to receive such payments, and (ii) evidence, including without limitation any appropriate instruments of assignment, that all of the Holder's rights to payment of such principal or interest Due for Payment shall thereupon vest in AGC. Upon and to the extent of such disbursement, AGC shall become the Holder of the Obligations, any appurtenant coupon thereto and right to receipt of payment of principal thereof or interest thereon, and shall be fully subrogated to all of the Holder's right, title and interest thereunder, including without limitation the right to receive payments in respect of the Obligations. Payment by AGC to the Trustee or the Paying Agent for the benefit of the Holders shall discharge the obligation of AGC under this Policy to the extent of such payment.

This Policy is non-cancelable by AGC for any reason. The Premium on this Policy is not refundable for any reason. This Policy does not insure against loss of any prepayment premium or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of AGC, nor against any risk other than Nonpayment.

Except to the extent expressly modified by any endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “**Avoided Payment**” means any amount previously distributed to a Holder in respect of any Insured Payment by or on behalf of the Issuer, which amount has been recovered from such Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction that such payment constitutes an avoidable preference with respect to such Holder. “**Business Day**” means any day other than (i) a Saturday or Sunday, (ii) any day on which the offices of the Trustee, the Paying Agent or AGC are closed, or (iii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the City of New York or in the State of Maryland. “**Due for Payment**” means (i) when referring to the principal of an Obligation, the stated maturity date thereof, or the date on which such Obligation shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which payment is due by reason of a call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless AGC in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date) and (ii) when referring to interest on an Obligation, the stated date for payment of such interest. “**Holder**” means, in respect of any Obligation, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Obligation to payment of principal or interest thereunder, except that Holder shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Obligations. “**Insured Payments**” means that portion of the principal of and interest on the Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment. Insured Payments shall not include any additional amounts owing by the Issuer solely as a result of the failure by the Trustee or the Paying Agent to pay such amount when due and payable, including without limitation any such additional amounts as may be attributable to penalties or to interest accruing at a default rate, to amounts payable in respect of indemnification, or to any other additional amounts payable by the Trustee or the Paying Agent by reason of such failure. “**Nonpayment**” means, in respect of an Obligation, the failure of the Issuer to have provided sufficient funds to the Trustee or the Paying Agent for payment in full of all principal and interest Due for Payment on such Obligation. It is further understood that the term “Nonpayment” in respect of an Obligation includes any Avoided Payment. “**Receipt**” or “**Received**” means actual receipt or notice of or, if notice is given by

Assured Guaranty Corp.

1633 Broadway
New York, NY 10019

main 212 974 0100 info@assuredguaranty.com
fax 212 581 3268

www.assuredguaranty.com

overnight or other delivery service, or by certified or registered United States mail, by a delivery receipt signed by a person authorized to accept delivery on behalf of the person to whom the notice was given. Notices to AGC may be mailed by registered mail or personally delivered or telecopied to it at 1633 Broadway, New York, New York 10019, Telephone Number: (212) 974-0100, Facsimile Number: (212) 581-3268, Attention: Risk Management Department – Public Finance Surveillance, with a copy to the General Counsel at the same address and at generalcounsel@assuredguaranty.com or at the following Facsimile Number: (212) 445-8705, or to such other address as shall be specified by AGC to the Trustee or the Paying Agent in writing. A Notice of Nonpayment will be deemed to be Received by AGC on a given Business Day if it is Received prior to 12:00 noon (New York City time) on such Business Day; otherwise it will be deemed Received on the next Business Day. “Term” means the period from and including the Effective Date until the earlier of (i) the maturity date for the Obligations, or (ii) the date on which the Issuer has made all payments required to be made on the Obligations.

At any time during the Term of this Policy, AGC may appoint a fiscal agent (the “Fiscal Agent”) for purposes of this Policy by written notice to the Trustee or the Paying Agent, specifying the name and notice address of such Fiscal Agent. From and after the date of Receipt of such notice by the Trustee or the Paying Agent, copies of all notices and documents required to be delivered to AGC pursuant to this Policy shall be delivered simultaneously to the Fiscal Agent and to AGC. All payments required to be made by AGC under this Policy may be made directly by AGC or by the Fiscal Agent on behalf of AGC. The Fiscal Agent is the agent of AGC only, and the Fiscal Agent shall in no event be liable to the Trustee or the Paying Agent for any acts of the Fiscal Agent or any failure of AGC to deposit, or cause to be deposited, sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGC hereby waives, in each case for the benefit of the Holders only, all rights and defenses of any kind (including, without limitation, the defense of fraud in the inducement or in fact or any other circumstance that would have the effect of discharging a surety, guarantor or any other person in law or in equity) that may be available to AGC to deny or avoid payment of its obligations under this Policy in accordance with the express provisions hereof. Nothing in this paragraph will be construed (i) to waive, limit or otherwise impair, and AGC expressly reserves, AGC’s rights and remedies, including, without limitation: its right to assert any claim or to pursue recoveries (based on contractual rights, securities law violations, fraud or other causes of action) against any person or entity, in each case, whether directly or acquired as a subrogee, assignee or otherwise, subsequent to making any payment to the Trustee or the Paying Agent, in accordance with the express provisions hereof, and/or (ii) to require payment by AGC of any amounts that have been previously paid or that are not otherwise due in accordance with the express provisions of this Policy.

This Policy (which includes each endorsement hereto) sets forth in full the undertaking of AGC with respect to the subject matter hereof, and may not be modified, altered or affected by any other agreement or instrument, including, without limitation, any modification thereto or amendment thereof. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. This Policy will be governed by, and shall be construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, AGC has caused this Policy to be affixed with its corporate seal, to be signed by its duly authorized officer, and to become effective and binding upon AGC by virtue of such signature.

ASSURED GUARANTY CORP.

(SEAL)

By: _____
Authorized Officer

Assured Guaranty Corp.

1633 Broadway
New York, NY 10019

main 212 974 0100 info@assuredguaranty.com
fax 212 581 3268

www.assuredguaranty.com

**Endorsement to Financial Guaranty Insurance Policy
(Maine Governing Law)**

Issuer: _____ Policy No. _____

Obligations: _____ Effective Date: _____

Notwithstanding the terms and provisions contained in the Policy, it is further understood that the insurance provided by the Policy to which this endorsement is attached and of which it forms a part is governed by, and construed in accordance with, the laws of the State of Maine.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this endorsement shall supersede the Policy language.

IN WITNESS WHEREOF, Assured Guaranty has caused this endorsement to be affixed with its corporate seal, to be signed by its duly authorized officer and to become effective and binding upon Assured Guaranty on the Effective Date listed above by virtue of such signature.

ASSURED GUARANTY CORP.

SEAL

By: _____
Authorized Officer

Assured Guaranty Corp.

1633 Broadway
New York, NY 10019

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APPENDIX C

FORM OF 2019 CAPITAL RESERVE FUND INSURANCE POLICY

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Financial Guaranty Insurance Policy (Reserve Fund)

Issuer: Policy No.: -R

Obligations: \$ Premium: \$

Policy Limit: The lesser of (i) \$ or (ii) the reserve requirement as set forth in the Transaction Documentation. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the reserve fund requirement, as provided in the Transaction Documentation. Effective Date:

Assured Guaranty Corp., a Maryland corporation ("AGC"), in consideration of the payment of the Premium and on the terms and subject to the conditions of this Policy (which includes each endorsement hereto), hereby unconditionally and irrevocably agrees to pay to the trustee (the "Trustee") or the paying agent (the "Paying Agent") for the Obligations (as set forth in the Transaction Documentation), for the benefit of the Holders, that portion of the Insured Payments which shall become Due for Payment but shall be unpaid by reason of Nonpayment.

AGC will make such Insured Payments to the Trustee or the Paying Agent on the later to occur of (i) the date applicable principal or interest becomes Due for Payment, or (ii) the Business Day next following the day on which AGC shall have Received a completed Notice of Nonpayment. If a Notice of Nonpayment by AGC is incomplete or does not in any instance conform to the terms and conditions of this Policy, it shall be deemed not Received, and AGC shall promptly give notice to the Trustee or the Paying Agent. Upon receipt of such notice, the Trustee or the Paying Agent may submit an amended Notice of Nonpayment. The Trustee or the Paying Agent will disburse the Insured Payments only upon receipt by AGC, in form reasonably satisfactory to it of (i) evidence of the Trustee or Paying Agent's right to receive such payments, and (ii) evidence, including without limitation any appropriate instruments of assignment, that all of the Trustee or Paying Agent's rights to payment of such principal or interest Due for Payment shall thereupon vest in AGC. Upon and to the extent of such payment, AGC shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Reimbursement Agreement. Payment by AGC to the Trustee or the Paying Agent for the benefit of the Holders shall discharge the obligation of AGC under this Policy to the extent of such payment.

This Policy is non-cancelable by AGC for any reason. The Premium on this Policy is not refundable for any reason. This Policy does not insure against any risk other than Nonpayment.

The amount available under this Policy shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or the Paying Agent under the terms of this Policy shall automatically be reduced by any payment under the Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (exclusive of interest and expenses) to AGC pursuant to the Reimbursement Agreement. Within three (3) Business Days of such reimbursement, AGC shall provide the Trustee or the Paying Agent with a Notice of Reinstatement and such reinstatement shall be effective as of the date AGC gives such notice.

If the amount payable under this Policy is also payable under another insurance policy or surety bond insuring the Obligations, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall AGC incur duplicate liability for the same amounts owing with respect to the Obligations that are covered under this Policy and any other insurance policy or surety bond that AGC has issued.

Except to the extent expressly modified by any endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Avoided Payment" means any amount previously distributed to a Holder in respect of any Insured Payment by or on behalf of the Issuer, which amount has been recovered from such Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction that such payment constitutes an avoidable preference with respect to such Holder. "Business Day" means any day other than (i) a Saturday or Sunday, (ii) any day on which the offices of the Trustee, the Paying Agent or AGC are closed, or (iii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the City of New York or in the State of Maryland. "Due for Payment" means (i) when referring to the principal of an Obligation, the stated maturity date thereof, or the date on which such Obligation shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which payment is due by reason of a call for redemption (other than by mandatory sinking fund redemption),

acceleration or other advancement of maturity (unless AGC in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date) and means (ii) when referring to interest on an Obligation, the stated date for payment of such interest. **"Holder"** means, in respect of any Obligation, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Obligation to payment of principal or interest thereunder, except that Holder shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Obligations. **"Insured Payments"** means that portion of the principal of and interest on the Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment. **"Nonpayment"** means, in respect of an Obligation, the failure of the Issuer to have provided sufficient funds to the Trustee or the Paying Agent for payment in full of all principal and interest Due for Payment on such Obligation. It is further understood that the term "Nonpayment" in respect of an Obligation includes any Avoided Payment. **"Notice of Reinstatement"** means the notice from AGC to the Trustee or the Paying Agent reinstating the Policy coverage in an amount not greater than the Policy Limit. **"Receipt"** or **"Received"** means actual receipt or notice of or, if notice is given by overnight or other delivery service, or by certified or registered United States mail, by a delivery receipt signed by a person authorized to accept delivery on behalf of the person to whom the notice was given. Notices to AGC may be mailed by registered mail or personally delivered or telecopied to it at 1633 Broadway, New York, New York 10019, Telephone Number: (212) 974-0100, Facsimile Number: (212) 581-3268, Attention: Risk Management Department – Public Finance Surveillance, with a copy to the General Counsel at the same address and at generalcounsel@assuredguaranty.com or at the following Facsimile Number: (212) 445-8705, or to such other address as shall be specified by AGC to the Trustee or the Paying Agent in writing. A Notice of Nonpayment will be deemed to be Received by AGC on a given Business Day if it is Received prior to 12:00 noon (New York City time) on such Business Day; otherwise it will be deemed Received on the next Business Day. **"Reimbursement Agreement"** shall mean the Reimbursement Agreement between the Issuer or the obligor on the Obligations, as applicable, and AGC, effective as of the date hereof. **"Term"** means the period from and including the Effective Date until the earlier of (i) the maturity date for the Obligations, or (ii) the date on which the Issuer has made all payments required to be made on the Obligations. **"Transaction Documentation"** means the documentation providing for the issuance of and securing the Obligations.

At any time during the Term of the Policy, AGC may appoint a fiscal agent (the **"Fiscal Agent"**) for purposes of this Policy by written notice to the Trustee or the Paying Agent, specifying the name and notice address of such Fiscal Agent. From and after the date of Receipt of such notice by the Trustee or the Paying Agent, copies of all notices and documents required to be delivered to AGC pursuant to this Policy shall be delivered simultaneously to the Fiscal Agent and to AGC. All payments required to be made by AGC under this Policy may be made directly by AGC or by the Fiscal Agent on behalf of AGC. The Fiscal Agent is the agent of AGC only, and the Fiscal Agent shall in no event be liable to the Trustee or the Paying Agent for any acts of the Fiscal Agent or any failure of AGC to deposit, or cause to be deposited, sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGC hereby waives, in each case for the benefit of the Holders only, all rights and defenses of any kind (including, without limitation, the defense of fraud in the inducement or in fact or any other circumstance that would have the effect of discharging a surety, guarantor or any other person in law or in equity) that may be available to AGC to deny or avoid payment of its obligations under this Policy in accordance with the express provisions hereof. Nothing in this paragraph will be construed (i) to waive, limit or otherwise impair, and AGC expressly reserves, AGC's rights and remedies, including, without limitation: its right to assert any claim or to pursue recoveries (based on contractual rights, securities law violations, fraud or other causes of action) against any person or entity, in each case, whether directly or acquired as a subrogee, assignee or otherwise, subsequent to making any payment to the Trustee or the Paying Agent, in accordance with the express provisions hereof, and/or (ii) to require payment by AGC of any amounts that have been previously paid or that are not otherwise due in accordance with the express provisions of this Policy.

This Policy (which includes each endorsement hereto) sets forth in full the undertaking of AGC with respect to the subject matter hereof, and may not be modified, altered or affected by any other agreement or instrument, including, without limitation, any modification thereto or amendment thereof. **THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.** This Policy will be governed by, and shall be construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, AGC has caused this Policy to be affixed with its corporate seal, to be signed by its duly authorized officer, and to become effective and binding upon AGC by virtue of such signature.

(SEAL)

ASSURED GUARANTY CORP.

By: _____
Authorized Officer



**Endorsement to Financial Guaranty Insurance Policy
(Maine Governing Law)**

Issuer:

Policy No.

Obligations:

Effective Date:

Notwithstanding the terms and provisions contained in the Policy, it is further understood that the insurance provided by the Policy to which this endorsement is attached and of which it forms a part is governed by, and construed in accordance with, the laws of the State of Maine.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this endorsement shall supersede the Policy language.

IN WITNESS WHEREOF, Assured Guaranty has caused this endorsement to be affixed with its corporate seal, to be signed by its duly authorized officer and to become effective and binding upon Assured Guaranty on the Effective Date listed above by virtue of such signature.

ASSURED GUARANTY CORP.

SEAL

By: _____
Authorized Officer

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

[Dated the Date of Issuance]

We have acted as bond counsel to the Finance Authority of Maine (the “Authority”), a body corporate and politic and a public instrumentality of the State of Maine, in connection with the authorization, sale, issuance and delivery of \$42,400,000 in aggregate principal amount of its Student Loan Revenue Bonds, Class A Series 2019A-1 (Supplemental Education Loan Program) (the “Series 2019A-1 Bonds”).

The Series 2019A-1 Bonds are authorized to be issued pursuant to a resolution of the Authority duly adopted and an Indenture of Trust, dated as of May 1, 2009, as previously supplemented and amended, and as further supplemented and amended by a Twelfth Supplemental Indenture of Trust, dated as of May 1, 2019 (collectively, the “Indenture”), each between the Authority and Zions Bancorporation, National Association, as trustee thereunder (the “Trustee”), for the purposes of providing funds to enable the Authority to (a) finance Eligible Loans, (b) refund the Authority’s Student Loan Revenue Bonds, Class A Series 2009A-1, Series 2009A-2 and Series 2009A-3 (Supplemental Education Loan Program), and (c) pay the costs incurred in connection with the issuance of the Series 2019A-1 Bonds. Capitalized terms used, but not defined, in this opinion shall have the same meanings which are ascribed to such terms in the Indenture unless the context shall clearly indicate otherwise.

The Series 2019A-1 Bonds are dated, mature on the dates and in the principal amounts, bear interest at the rates per annum, are payable and are subject to redemption prior to maturity in whole or in part, all as provided in the Indenture.

In our capacity as bond counsel, we have examined the Indenture, as executed; the certified transcript of proceedings relating to the authorization, sale, issuance and delivery of the Series 2019A-1 Bonds; originals or copies, certified or otherwise identified to our satisfaction, of the Finance Authority of Maine Act, Title 10, Chapter 110, Maine Revised Statutes, as amended (the “FAME Act”), and the Maine Educational Loan Program Act, Title 20-A, Chapter 417-A of the Maine Revised Statutes, as amended (together with the FAME Act, the “Act”); the Bylaws of the Authority; certificates of public officials; and such other documents and instruments as we have deemed necessary for the purpose of rendering this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings, including the representations therein, and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. We have also examined such statutes, regulations and law as we have deemed necessary under the circumstances.

Based on the foregoing, we are of the opinion that:

1. The Authority is a body corporate and politic and a public instrumentality of the State of Maine validly existing under the laws of the State of Maine, and, under and pursuant to the Act, has full corporate power and authority to issue the Series 2019A-1 Bonds, and to enter into and perform its obligations under the Indenture.

2. The Indenture has been duly authorized, executed and delivered, is in full force and effect and, assuming due authorization, execution and delivery of the Indenture by the

Trustee, constitutes a legal, valid and binding agreement of the Authority, enforceable in accordance with its terms.

3. The Series 2019A-1 Bonds have been duly authorized and issued by the Authority, are entitled to the benefits of the Indenture and are valid and binding special, limited obligations of the Authority payable solely out of the Trust Estate pledged therefor pursuant to the Indenture. The Trust Estate includes the payments required to be made pursuant to the Financed Eligible Loans and moneys held in various funds and accounts established under the Indenture. The Series 2019A-1 Bonds do not constitute or create any debt or debts, liability or liabilities on behalf of the State of Maine or any political subdivision thereof (other than a special, limited revenue obligation of the Authority to the extent provided in the Indenture), or a loan of the credit of the State of Maine or a pledge of the full faith and credit of the State of Maine or of any political subdivision thereof, but shall be payable solely as described above and to the extent provided in the Indenture. The issuance of the Series 2019A-1 Bonds does not directly or indirectly or contingently obligate the State of Maine to levy or to pledge any type of taxation or appropriation for their payment.

4. Under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019A-1 Bonds is excludable from gross income for federal income tax purposes. However, interest on the Series 2019A-1 Bonds is a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The Authority has covenanted in the Indenture and the Tax Documents to comply with certain guidelines designed to assure that interest on the Series 2019A-1 Bonds will not become included in gross income for federal income tax purposes. Failure to comply with these covenants may result in interest on the Series 2019A-1 Bonds being included in gross income for federal income tax purposes from the date of issuance of the Series 2019A-1 Bonds. Our opinion assumes continuing compliance with such covenants.

The accrual or receipt of interest on the Series 2019A-1 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2019A-1 Bonds. The extent of these other tax consequences will depend on such owner's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences. Purchasers of the Series 2019A-1 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions or certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Internal Revenue Code of 1986, as amended, for coverage under a qualified health plan or taxpayers who may be deemed to have incurred, or continued, indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2019A-1 Bonds.

5. Under the laws of the State of Maine existing as of this date, interest on the Series 2019A-1 Bonds is exempt from taxation by the State of Maine.

Our opinions in paragraphs 2 and 3 of this letter are qualified to the extent that (a) the enforceability of the Series 2019A-1 Bonds and the Indenture and the rights of the registered owners of the Series 2019A-1 Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally heretofore or hereafter enacted; (b) the enforceability thereof may be limited by the application of general principles of equity; and (c) the enforcement of such rights may also be subject to the exercise of judicial discretion in appropriate cases.

The scope of our engagement has not extended beyond the examinations and the rendering of the opinions expressed herein. The opinions expressed herein are based on existing law as of the date hereof and we express no opinion herein as of any subsequent date or with respect to any pending legislation or as to any other matters.

Very truly yours,

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