

**ARKANSAS STUDENT LOAN AUTHORITY
STUDENT LOAN ASSET-BACKED NOTES
SERIES 2010-1
(LIBOR FLOATING RATE NOTES)**

CUSIP Number: 041150 DJ9

ISIN NO.: USO41150DJ99

NOTICE OF CP WAIVER/LIBOR ELECTION-LENDER APPROVAL

The above-referenced bonds (the "Series 2010-1 Bonds") were issued by the Arkansas Student Loan Authority (the "Authority") on September 16, 2010 pursuant to an Indenture of Trust dated as of September 1, 2010 (the "Indenture"). All capitalized terms used herein shall have the meanings set forth in the Indenture.

On December 23, 2011, President Obama signed the Consolidated Appropriations Act, 2012 (Public Law 112-74). The Act gives Federal Family Education Loan Program (FFLEP) lenders the option to have special allowance payments calculated using the average of the bond equivalent rates of the quotes of the 1-month London Inter Bank Offered Rate (LIBOR) for the calendar quarter beginning April 1, 2012 and each subsequent quarter. The LIBOR rate would replace the current 3-month financial Commercial Paper (CP) rate.

The Authority owns FFLEP Loans that were first disbursed on or after January 1, 2000 and before July 1, 2010 and filed an election (see attached) to have special allowance on the loans described here for the calendar quarter beginning on April 1, 2012 and each subsequent calendar quarter calculated pursuant to section 438(b)(2)(I)(vii) (here, the LIBOR rate).

On March 30, 2012, the request was approved by the DOE (see attached).

The Authority hereby provides the attached information in connection with our "Notice of CP Waiver/LIBOR Election-Lender Approval" obtained on March 30, 2012, and effective for calendar quarter beginning on April 1, 2012.

If you have any questions about this notice, please contact:

Tony Williams
Executive Director
Arkansas Student Loan Authority
1-800-443-6030
twilliams@asla.info



CP WAIVER/LIBOR ELECTION – LENDER

The Arkansas Student Loan Authority (Lender) represents and states as follows:

1. The Lender owns in its own right and not as eligible lender trustee on behalf of any other party Federal Family Education Loan Program Loans that were first disbursed on or after January 1, 2000 and before July 1, 2010;
2. The Lender has in effect an Organizational Participation Agreement with the Department, executed on 08/06/08, and pursuant to the terms of that Agreement the Lender claims special allowance payments on these loans under the following lender identification number (LID):
826509
3. The Lender hereby waives its rights of any kind, whether based on statute, contract or other basis, to have special allowance for the calendar quarter beginning on April 1, 2012 and each subsequent calendar quarter on the loans described here calculated using the formula in effect at the time the loans were disbursed (here, the CP rate)
4. The Lender hereby elects to have special allowance for the calendar quarter beginning on April 1, 2012 and each subsequent calendar quarter calculated on the loans described here pursuant to section 438(b)(2)(I)(vii) (here, the LIBOR rate)
5. The Lender further waives its rights of any kind to special allowance at the CP rate on any loans it will acquire in its own right and not as eligible lender trustee on behalf of another party, and hereby elects to have special allowance for each quarter beginning on or after April 1, 2012 calculated at the LIBOR rate on these loans.
6. The Lender further covenants that if title to any loans described here, whether now held or acquired by the Lender in the future, is transferred to and held by another eligible lender, whether as ELT on behalf of the Lender, as ELT on behalf of another party, or in its own right, or if another party acquires a beneficial ownership interest in the loans from the Lender, the Lender will take all steps necessary to notify that eligible lender of this Waiver and Election.

I hereby certify that

I am Tony Williams, the CEO of the Arkansas Student Loan Authority and in that capacity I execute this Waiver for the Arkansas Student Loan Authority

I state under penalty of perjury that the foregoing is true and accurate.

Dated: 03/27/12

A handwritten signature in black ink, appearing to read "Tony Williams", is written over a horizontal line.

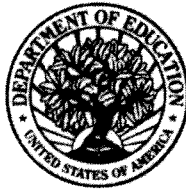
Name: Tony Williams

Title: Chief Executive Officer

830 First St. N.E., Washington, DC 20202

www.FederalStudentAid.ed.gov

1-800-4-FED-AID



CEO AUTHORIZING STATEMENT
STATEMENT AUTHORIZING AND APPROVING
WAIVER OF SPECIAL ALLOWANCE AT THE CP RATE

The Arkansas Student Loan Authority has been established as an independent corporation, with certain powers, duties and responsibilities with respect to financing, making and purchasing of student loans.

The Corporation –

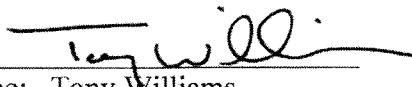
- owns Federal Family Education Loan Program Loans that were first disbursed on or after January 1, 2000 and before July 1, 2010.

The Corporation, acting through its undersigned Chief Executive Officer (here, CEO), has power to waive its rights to any kind of special allowance payments (SAP) calculated using the formula in effect at the time the loans were disbursed (here, the CP rate), and to elect to have special allowance for each quarter beginning on or after April 1, 2012 calculated pursuant to Section 438(b)(2)(i)(vii) of the Higher Education Act (here, the LIBOR rate);

The Corporation has approved and agreed to the waiver of its rights to SAP based on the CP rate and to the election to have SAP calculated at the LIBOR rate according to the terms of the Waiver and Election executed by Tony Williams and submitted with this statement.

Any such approval and signature shall be conclusively established by the execution and delivery by Tony Williams of the Waiver and Election.

Dated: 03/27/12

By: 
Name: Tony Williams
Chief Executive Officer

830 First St. N.E., Washington, DC 20202
www.FederalStudentAid.ed.gov
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FEDERAL STUDENT AID  START HERE. GO FURTHER.™



CP WAIVER/LIBOR ELECTION – LENDER

The Arkansas Student Loan Authority (Lender) represents and states as follows:

1. The Lender owns in its own right and not as eligible lender trustee on behalf of any other party Federal Family Education Loan Program Loans that were first disbursed on or after January 1, 2000 and before July 1, 2010;
2. The Lender has in effect an Organizational Participation Agreement with the Department, executed on 04/28/10, and pursuant to the terms of that Agreement the Lender claims special allowance payments on these loans under the following lender identification number (LID):
834525
3. The Lender hereby waives its rights of any kind, whether based on statute, contract or other basis, to have special allowance for the calendar quarter beginning on April 1, 2012 and each subsequent calendar quarter on the loans described here calculated using the formula in effect at the time the loans were disbursed (here, the CP rate)
4. The Lender hereby elects to have special allowance for the calendar quarter beginning on April 1, 2012 and each subsequent calendar quarter calculated on the loans described here pursuant to section 438(b)(2)(1)(vii) (here, the LIBOR rate)
5. The Lender further waives its rights of any kind to special allowance at the CP rate on any loans it will acquire in its own right and not as eligible lender trustee on behalf of another party, and hereby elects to have special allowance for each quarter beginning on or after April 1, 2012 calculated at the LIBOR rate on these loans.
6. The Lender further covenants that if title to any loans described here, whether now held or acquired by the Lender in the future, is transferred to and held by another eligible lender, whether as ELT on behalf of the Lender, as ELT on behalf of another party, or in its own right, or if another party acquires a beneficial ownership interest in the loans from the Lender, the Lender will take all steps necessary to notify that eligible lender of this Waiver and Election.

I hereby certify that

I am Tony Williams, the CEO of the Arkansas Student Loan Authority and in that capacity I execute this Waiver for the Arkansas Student Loan Authority

I state under penalty of perjury that the foregoing is true and accurate.

Dated: 03/27/12

A handwritten signature in black ink, appearing to read "Tony Williams", is written over a horizontal line.

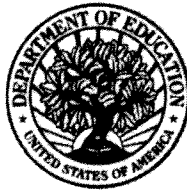
Name: Tony Williams

Title: Chief Executive Officer

830 First St. N.E., Washington, DC 20202

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CEO AUTHORIZING STATEMENT
STATEMENT AUTHORIZING AND APPROVING
WAIVER OF SPECIAL ALLOWANCE AT THE CP RATE

The Arkansas Student Loan Authority has been established as an independent corporation, with certain powers, duties and responsibilities with respect to financing, making and purchasing of student loans.

The Corporation –


- owns Federal Family Education Loan Program Loans that were first disbursed on or after January 1, 2000 and before July 1, 2010.

The Corporation, acting through its undersigned Chief Executive Officer (here, CEO), has power to waive its rights to any kind of special allowance payments (SAP) calculated using the formula in effect at the time the loans were disbursed (here, the CP rate), and to elect to have special allowance for each quarter beginning on or after April 1, 2012 calculated pursuant to Section 438(b)(2)(1)(vii) of the Higher Education Act (here, the LIBOR rate);

The Corporation has approved and agreed to the waiver of its rights to SAP based on the CP rate and to the election to have SAP calculated at the LIBOR rate according to the terms of the Waiver and Election executed by Tony Williams and submitted with this statement.

Any such approval and signature shall be conclusively established by the execution and delivery by Tony Williams of the Waiver and Election.

Dated: 03/27/12

By: 
Name: Tony Williams
Chief Executive Officer

830 First St. N.E., Washington, DC 20202
www.FederalStudentAid.ed.gov
1-800-4-FED-AID

From: FSA LR [mailto:FSA_LR@ed.gov]
Sent: Friday, March 30, 2012 10:58 AM
To: Tony Williams; FSA LR
Cc: Mark Conine
Subject: RE: LIBOR Waiver and Election

We have reviewed your waiver and have approved it. Should you have any additional questions please do not hesitate to contact us.

Thank you,

Accounting Operations

From: Tony Williams [mailto:TWilliams@asla.info]
Sent: Wednesday, March 28, 2012 11:57 AM
To: FSA LR
Cc: Mark Conine
Subject: LIBOR Waiver and Election

Please find two CP Waiver/LIBOR Election forms for the Arkansas Student Loan Authority. A form for each ASLA Lender ID has been included. Please let me know if you have any questions or issues.
Thank you.

Tony Williams
Executive Director
Arkansas Student Loan Authority
3801 Woodland Heights
Little Rock, AR 72212

Office Phone: 501-682-1241
Cell Phone: 501-920-2733
Toll Free: 800-443-6030

Student Loan Assistance



College Planning Services

