

Alaska Student Loan Corporation

May 13, 2021

**ALASKA STUDENT LOAN CORPORATION
BOARD MEETING**

Call-in: 1 (800) 315-6338; Conference Code: 67401#

AGENDA

Thursday, May 13, 2021

1. 1:30 p.m. Convene/Roll Call
- 2.* Adoption of Agenda
 - *Suggested motion: move to adopt the agenda of the May 13, 2021, Corporation meeting.*
3. Ethics Disclosure Relative to Adopted Agenda
- 4.* Election of Officers
 - *ASLC Bylaws Article IV, Section 2. Election of Officers. The Board shall elect a Chair and Vice-Chair from among its membership at the last regularly scheduled meeting of the current fiscal year. The Chair and Vice-Chair shall take office immediately after election at that same meeting. The terms of office of the Chair and Vice-Chair shall be one (1) year, with no restriction on consecutive terms.*
- 5.* Approval of March 11, 2021, Minutes
 - *Suggested motion: move approval of the meeting minutes from the March 11, 2021, Corporation meeting.*
6. 1:35 p.m. Public Comment
- 6a. Written Follow-up from March 11, 2021, Public Comment
- 7.* Investment Policy Update/Recommendation – Julie Pierce
 - *Suggested motion: move to defer action on the Alaska Student Loan Corporation Investment Policy until finalized and presented to the board for approval at a future board meeting.*
- 8.* Update on Redeeming 2013A Notes – Julie Pierce
 - *See suggested motion in memorandum*
- 9.* Adoption of Loan Program Variable Interest Rates FY2020-2021 – Julie Pierce
 - *See suggested motion in memorandum*

***Action Required – motion, second, and roll call vote**

- 10.* Resolution to Support SB 94 & HB 114
- 11.* Adoption of Amended 2021 and Proposed 2022 Meeting Schedule
- *Suggested motion: move to adopt the amended 2021 and proposed 2022 meeting schedule of the Alaska Student Loan Corporation as recommended by staff.*
12. Audit Engagement Letter – Written Reference Only
- 13.* 2:30 p.m. Adjourn

***Action Required – motion, second, and roll call vote**

**MEETING MINUTES OF THE
ALASKA STUDENT LOAN CORPORATION BOARD
March 11, 2021**

A meeting of the Board of Directors of the Alaska Student Loan Corporation (ASLC), conducted via distance delivery, originated from the offices of the Corporation at 3030 Vintage Boulevard, Juneau, Alaska on Thursday, March 11, 2021. Chair MacKinnon called the meeting to order at approximately 1:30 p.m.

ROLL CALL

Members of the board present for all or portions of the meeting: Anna MacKinnon, Amy Demboski, Barbara Adams, Dave Donley, and Donn Liston.

Staff present for all or portions of the meeting: Sana Efird, Executive Officer; Julie Pierce, CPA, Chief Finance Officer; Kerry Thomas, Director of Program Operations; Kate Hillenbrand, Director of Communications and Outreach; Jamie Oliphant, Director of Information Support Services; Susan Sonneborn, Assistant Attorney General; and Joseph Felkl, Executive Secretary.

Presenters in attendance: Lee Donner, Regional Managing Director, and Tim Webb, Director, Hilltop Securities Inc.; and Blake Wade, Bond Counsel, Gilmore & Bell.

ADOPTION OF AGENDA

Ms. Demboski moved to adopt the agenda of the March 11, 2021, board meeting. Vice Chair Liston seconded the motion. By roll call vote, all members present voted aye. The motion carried.

ETHICS DISCLOSURE

Relative to the adopted agenda, no potential violations were disclosed by board members.

APPROVAL OF MINUTES

Ms. Demboski moved to approve the minutes of the January 28, 2021, board meeting. Mr. Donley seconded the motion and put forth a friendly amendment to correct the spelling of his name in the minutes. By roll call vote, all members present voted aye. The motion carried as amended.

PUBLIC COMMENT

Chair MacKinnon opened the public comment period to accept public testimony. Ms. Malan Paquette provided public testimony. There being no other members of the public wishing to speak, Chair MacKinnon closed the public comment period.

CHIEF FINANCE OFFICER REPORT

Chief Finance Officer Julie Pierce referenced her written report starting on page 8 of the meeting packet. Ms. Pierce notified the board of FitchRatings most recent press release and rating action relating to the Corporation's 2013A notes. Fitch downgraded the rating of the class A notes from AAAsf to AAsf. The rating outlook for the notes remains negative. It is not expected that this negative change in rating will impact the consent solicitation process or the pricing on the redemption premium. A copy of the press release is included at the end of the meeting packet.

Ms. Pierce highlighted updates provided in her written report related to Finance staff strategic areas of focus. Staff revised the methodology used to calculate the allowance for loan loss and are working with auditors to review the change in methodology and seek data as it relates to the calculation, qualitative factors, and best practices. Staff are also developing strategies to decrease overall loan losses and increase recovery. Relating to financial projections, staff have been working with the Corporation's financial advisor to perform forecasts of the loan portfolio and related debt. Staff has been continuing to prepare operating cost forecasts based on known cost reduction measures as part of the agency's ongoing strategic planning process. There are still unknowns staff needs to work through to refine projections of expenses, investment income, other revenue sources, and loan loss. Staff will be preparing comprehensive long-term financial projections that will accompany the investment policy review when it is brought back before the board. Based on the initial projections, the results confirm there is not a point in time, at least in the foreseeable future, that the Corporation's originations will exceed its principal and interest loan payment receipts. From a cash flow perspective, we are not anticipating a need for additional financing in the foreseeable future. Staff will continue to focus on financing options as part of overall asset liability management, financial forecasting and strategic planning going forward.

Discussion: Chair MacKinnon asked if other student loan organizations are seeing similar trends related to the downgrade of the 2013A notes. Mr. Donner replied in the affirmative. Fitch has been imposing this kind of rating action on a very large group of student loan FFELP transactions, such as ASLC's 2013A notes. The increasing percentage of Income-Based Repayment (IBR) has decelerated portfolio amortization, combined with forbearance and other remediation measures provided through COVID, has compounded the deceleration. A very high percentage of these transactions have been downgraded by Fitch over the past one to two years. The downgrade is based upon their view that the deceleration represents some level of risk that the issuer will not be able to pay off the bonds by their scheduled maturity date. Chair MacKinnon inquired about ACPE's strategic planning. In response, Ms. Efir summarized discussions with the Commission's Executive Committee on the topic and ongoing internal strategic planning sessions held by the agency's senior management team.

INVESTMENT POLICY

Ms. Pierce referenced her written memorandum starting on page 10 of the packet. Staff continues to develop the loan portfolio forecast to incorporate in a comprehensive financial forecast that will be used to work with the Alaska Department of Revenue (DOR) in developing the updated investment policy. Ms. Pierce anticipates finalizing that process over the next month and plans to bring this topic back before the board at the next meeting in May. At this time, an updated comprehensive cash flow forecast has not been completed in order for the board to make an informed decision on investment policy changes. There are no recommended policy changes at this

time, and staff recommends deferring action on the investment policy until finalized and presented to the board for approval at a future board meeting.

Discussion: Chair MacKinnon commented the Corporation is going through substantial consideration of its bottom line. She noted that the Corporation is currently relying on the 2019 policy and asked if board members have any questions or comments on postponing adoption of a new investment policy as we continue to look at managing assets in a less costly and more beneficial way. Dr. Adams commented that she does feel like this decision keeps getting stretched out. She recognizes it is a lot of work and she appreciates the work. Changes are needed, and we don't want to move forward without understanding what those would be. She appreciates the anticipated May board meeting deadline for this decision.

Ms. Demboski moved to defer action on the Alaska Student Loan Corporation Investment Policy until the next Corporation meeting scheduled on May 13, 2021. Dr. Adams seconded the motion. By roll call vote, all members present voted aye. The motion carried.

2013A SERIES NOTES – CONSENT SOLICITATION UPDATE

Ms. Pierce referenced her written memorandum starting on page 18 of the packet. Staff continues to work with the Corporation's bond counsel, financial advisor, trustee and the Alaska Department of Law to finalize drafting the consent solicitation statement. Staff worked with Hilltop to obtain fee estimates and is poised to enter into an agreement with a Consent Solicitation Agent (CSA). Staff also worked with Hilltop to prepare loan portfolio financial projections and a comparative Present Value (PV) calculation. Based on the results, staff considers redeeming the Notes to have a positive financial impact and to be in the best interest of the Corporation. The plan is to continue to move forward with the solicitation as outlined in the next steps section of Ms. Pierce's memorandum. Ms. Pierce requested Hilltop Securities go through the PV calculation results included in the packet starting on page 19.

Hilltop Securities Inc. Director Tim Webb reported on the development of a series of assumptions for the cash flow forecasts: a status quo scenario of leaving the bonds outstanding and letting the loans pay off the notes as they would normally along with a comparison scenario of the consent solicitation where the bond notes are paid off early. The cash flow start date is April 1, 2020. The forecast starts a few months back to make sure the cash flows are reflecting what the authority was receiving with regard to principal and interest on the loans. The PV calculation looks at the receipts that come off the loans once the bonds have been repaid. It's essentially an internal rate of return calculation; the bonds have been paid off and all the residuals come in off of the loans over a period of time, then those are PV'd back. On page 21, the status quo or base case analysis assumes a 53% utilization or participation in IBR. The first line at the top of the page shows the PV rate, the external distributions and the future and present value of those distributions. The left side of the page shows the status quo where the Corporation does nothing. The Future Value (FV) shows the total of the receipts of approximately \$9.7 million dollars. A 1% PV rate shows \$8.5 million. Using the same assumptions, by paying off the bonds early through the consent solicitation and utilizing corporation funds to redeem those bonds, the total external distributions for a FV totals \$42.3 million. The PV at 1% is \$39.5 million, but the Corporation would have put in \$29.4 million to pay off those the notes. The adjusted PV is \$10.1 million. The differential between the two is _____

on the far right hand side of the page. The calculation at a 1% discount rate or PV rate suggests by doing the early redemption through the consent solicitation process, there is a positive gain to the Corporation under this set of assumptions of \$1.6 million. At a 2% PV rate, that amount drops to about \$100,000. The Corporation is currently somewhere in-between, which is around 1.5% and somewhere around one million dollars to the good. Hilltop ran a sensitivity analysis found on page 22. Hilltop looked at what the results would be in the event that the IBR percentage is less than what was run earlier. In this scenario, the percentage is dropped from 53% down to 38%, and the PV benefit to the Corporation is \$1.5 million to \$23,000.

Additionally, Hilltop looked at the impact of increased interest rates. On page 20, there are two sets of interest rate curves. The curve on the left encompasses the 91 day T-bill, the one year constant maturity treasury and one month LIBOR. These rates are important when looking at the receipts generated from the Corporation's loans. The yield is driven off of this LIBOR curve, as are the bonds. The numbers on the left are the implied forward curve at 1.3%. On the right side of the page is the same curve with increased rates at 10 basis points per month for the life of the curve. Back on page 21, we again have the status quo scenario and the early redemption, which contemplates the consent solicitation. In this scenario, with the increased rates spike, the early redemption is not beneficial to the Corporation. There would be a loss of about a million dollars at a 5% PV rate and about \$2.3 million at the 6% PV rate. The different PV rates are set close to where the Corporation would have the opportunity to invest the funds. For the lower yield curve, the Corporation would be investing somewhere between 1% and 2%; with the higher yield, the Corporation would be investing at a higher level. On page 22, with the lower IBR percentage, on the right side of the page shows the same rates spike scenario where the Corporation would lose about \$1.2 million with the early redemption at 5% PV and about \$2.3 million at 6% PV rate.

Discussion: Ms. Demboski asked Hilltop to confirm the second scenario involving the rates spike and loss to the Corporation is within the realm of possibility but unlikely, and the scenario in which the Corporation benefits or sees a gain from the consent solicitation and note redemption is more likely to occur. Mr. Donner replied in the affirmative. The dramatic spike scenario is a comparison to the more likely scenario. Ms. Demboski asked how the measure was determined for the second scenario. Mr. Donner noted the measure is purely arbitrary. Staff wanted Hilltop to demonstrate, in a spiking interest rate environment, the benefit is diminished, or if the spike is severe enough, there would be a negative benefit. Staff worked with Hilltop to use an arbitrary 10 basis points per month for that scenario. Hilltop has no basis to dispute what the industry is currently showing in terms of the forward curve of the first scenario. But, those rates are not guaranteed, so staff and Hilltop wanted to make sure the board could see if it decides to move forward with the consent solicitation, and there was a dramatic rate spike, the Corporation would have been better off not doing the redemption. The first scenario is based on a market consensus for where rates are headed; it's a broad-based market consensus embodied in what is called the Forward Swap Rate. The second scenario is arbitrary and severe to demonstrate the magnitude of change that could occur if there was a dramatic rates spike. Chair MacKinnon asked about the current 91 day T-bill rate. Mr. Donner responded that the rate is .05%. Chair MacKinnon noted that there is volatility that could happen, but the Federal Reserve has continued to indicate rates will be held lower. Mr. Donner confirmed that is an accurate description. Chair MacKinnon reiterated that if there is a spike in interest rates, the Corporation could experience a loss. Ms. Pierce highlighted some other benefits and considerations for redeeming the notes outside the net present value monetary gain, including reduced

administrative costs and processes related to accounting and reporting for the notes, reduced compliance risk, reduction of one full-time equivalent staff position, and reduced consulting, legal, and audit costs. Additionally, with the notes being paid off, the Corporation would not have any other bond debt outstanding.

AMERICAN RESCUE PLAN ACT

Ms. Pierce referenced her supplemental memorandum relating to the American Rescue Plan Act (ARPA) of 2021. The U.S. Senate passed an amended version of ARPA on Saturday, March 6, 2021. One of the amendments adds tax-free student loan forgiveness to the House version of the bill. The House approved the Senate version of the bill, and it is expected that President Biden will sign the legislation soon. Regarding the impact to the Corporation's IRS tax reporting, staff are in the process of evaluating how the elimination of taxation provision will impact tax reporting requirements associated with loan discharge processes that occur annually as part of normal operations. As an extension of that provision, staff are considering the impact of anticipated debt forgiveness to ASLC and in relation to moving forward with redeeming the 2013A notes. While ARPA did not contain provisions to discharge education loans, there have been reported efforts to include this type of provision at varying amounts in legislation or as part of an executive action. Staff is monitoring this topic and considering the impact to ASLC. There have been and still are a lot of unknowns and speculation associated with this evolving topic, but with the tax component of ARPA passing, it makes the likelihood of some form of student loan debt forgiveness legislation seem more likely.

Staff worked with Hilltop Securities to evaluate the potential impacts. The question is “does it make sense to move forward with the consent solicitation to redeem now or pause and monitor for any loan forgiveness legislation?” The reason we would consider pausing is because if there is debt forgiveness and our FFELP portfolio pays down below the 10% threshold, this would allow the notes to be subject to early redemption without a consent solicitation. There would be transactional cost savings by not going through the consent solicitation process. Hilltop ran another FV and PV calculation with assumptions associated with the average balance of borrowers and with forgiveness to occur approximately one year out. In that calculation, the gain referred to in the previous PV calculation would be eliminated. In other words, if we move forward with the redemption, the financial benefit shown in the PV calculation for redeeming the notes would be eliminated if a loan forgiveness plan is subsequently implemented. So, if the financial benefit goes away, does it still make sense to move forward? Ms. Pierce reviewed the considerations in her memorandum. Staff determined, based on review of FFELP portfolio loan detail, if \$10,000 of FFELP loans were discharged a year from now, the balance would be reduced by approximately \$18M. This level of forgiveness would result in the FFELP portfolio declining to approximately 12%, which is still above the 10% threshold. Some of the other considerations in making the decision to move forward with the consent solicitation include forgiveness as still being just a possibility. Plus, the timing of an approved plan, timing of implementation, parameters of implementation and applicability of a forgiveness plan to the Corporation's FFELP portfolio are all still unknown. Regardless, the Corporation still needs to address the issue of LIBOR ceasing to exist within a defined timeframe. Additionally, cost reductions and administrative efficiencies previously identified are estimated to offset a good portion of the transactional costs of moving forward with the redemption. There may also be legal issues associated with a federally mandated plan of action applied to loans pledged to publicly held bonds. Anytime the Corporation has to

navigate an issue associated with the Trust or Bonds, it can be anticipated to be costly. Big picture, if a debt forgiveness plan is implemented, the portfolio would pay down eliminating the estimated one million gain from redeeming the Notes, but the economic efficiencies offset the transactional costs of moving forward. Based on this and discussions with our financial advisor as well as the other considerations mentioned, staff recommends continuing to move forward with the consent solicitation to redeem the 2013A series Notes.

Discussion: Chair MacKinnon asked if the potential for loan forgiveness impacts the possibility of a redemption premium. Mr. Donner replied the downgrade of the notes pushes bond holders to give consent. Additionally, the risk the federal government will forgive the loans likely pushes them even further towards giving consent. We can't know whether bond holders will demand a premium until the consent solicitation begins. Hilltop has seen some student loan bonds trade fairly recently at a discount to par. The probability of getting the consent at par is fairly good. Mr. Donner emphasized the board has multiple off-ramps throughout this process to halt the consent solicitation and redemption of the notes. If the Corporation utilizes one of those off ramps down the road, it will have incurred certain costs, legal and other transactional costs, which will not be recoverable. Ms. Demboski commented she appreciates this information being brought to the board in real-time. She would like to continue to monitor the situation and consider new information as it becomes available. At this point, she still believes the Corporation is on the right path, and she is supportive of the consent solicitation. Dr. Adams and Mr. Liston agreed and provided additional comments in support of moving forward with redemption of the notes. Chair MacKinnon concluded the discussion by noting staff has the boards support in moving forward as long as there is a continued benefit. If the Corporation approaches the break-even mark, the board should be notified.

ADOPTION OF FIXED INTEREST RATES

Ms. Pierce reviewed her memorandum on page 23 of the packet. The memo outlines statutes associated with setting rates, and as outlined and discussed over the last several years, the decline in the loan portfolio, which poses a challenge to setting rates. The loan portfolio is expected to continue to decline while costs have not declined at the same pace as the loan portfolio. It will take some time to align costs to a level the loan portfolio can support. While cost reduction plans are being implemented to make the program more sustainable, staff propose continuing to set rates high enough to cover costs but low enough to remain competitive. For the in-school ASEL, PSEP, and FEL interest rates, no change is being proposed to the rates currently being offered. The memo outlines proposed changes to refinance rates, along with a proposed change in the structure of the refinance loan program. Alaska Education Loan Refinance Program (REFI) rates are historically lower than other Corporation's loan program rates. REFI program term distribution is heavily weighted toward 15 years compared to 5 and 10 year terms as REFI loans are typically a higher balance. To offer the most competitive rate to high FICO score borrowers, while mitigating loan loss and interest rate risk, staff developed additional rate tiers by term (shorter the term, lower the rate). We currently offer in-school loans to borrowers with FICO scores between 680-719. To serve those students, staff also added an additional rate tier for borrowers with a FICO score in that range with a proposed rate set to be competitive and high enough to cover the additional risk of loss. Ms. Pierce pointed out costs as a percent of ASLC's loan portfolio are high, and in setting our rates competitively, the result is a range of negative yield for the rate levels being set. This is done in a strategic fashion for a period of time until the agency can reduce costs in combination with increasing

loan portfolio volume. Part of this strategic plan includes running a refinance campaign in conjunction with setting these competitive rates and restructuring of the program to offer more competitive rates to high FICO score borrowers and for shorter terms to reduce any risk. There are different effective dates for the refinance rates compared to the in-school rates. In-school rates are applicable starting July 1 for the next program school year, and refinance rates are proposed to be effective, May 1 or as soon as administratively possible due to some system changes required to accomplish the refinance loan program restructuring.

Discussion: Dr. Adams asked how borrowers would learn about this change and if staff have any indication of what percentage of borrowers might want to refinance. Ms. Pierce did not have a percentage estimate. Ms. Efird reported on plans for an aggressive marketing campaign to rollout with the new refinance rates.

Ms. Demboski moved to approve the fixed interest rates and underwriting criteria for the 2021-22 academic year loans as shown in the table on CFO Pierce's memorandum dated March 11, 2021, found on pages 23 to 27 of the packet. Mr. Donley seconded the motion. By roll call vote, all members present voted aye. The motion carried.

EXECUTIVE OFFICER REPORT

Ms. Efird referenced her written report starting on page 28 of the meeting packet. The Request for Proposal (RFP) for the outsourcing of the Corporation's private supplemental loan originations issued in February. Staff anticipates issuing a contract in May and expects conversion for new originations to begin in October of this year. Relating to the servicing of these loans, the Commission selected the Pennsylvania Higher Education Assistance Agency (PHEAA), which is also the agency that is servicing the FFELP loans. The initial phase is set to begin in June with the cut over of servicing to occur in October. The second phase of the servicing conversion is anticipated to occur in May 2022.

Ms. Efird provided a legislative update. The legislative proposal that the Commission put forward has been introduced by the governor in the Senate and the House as SB 94 and HB 114. The Senate Education Committee held the first hearing on SB 94 last week. ACPE staff submitted a hearing request for HB 114 with the House Education Committee and are waiting for the bill to be scheduled. The legislation has three proposed changes. The first is to increase the pool of applicants for the refinance loan program, which currently only includes Alaska residents. The legislation contains an amendment to include prior ASLC/ACPE student loan borrowers and graduates of an Alaska high school or postsecondary institution. The second piece of the legislation removes annual and lifetime in-school loan limits from statute, providing the Corporation board the flexibility to set loan amounts as needed based on current costs to attend Alaska's postsecondary schools. The third piece of the bill adds clarifying language which would provide the Corporation the option of offering new borrowers a loan program with immediate repayment requirements. Currently, repayment cannot begin until the in-school period ends, this change would allow the Corporation to craft a loan program that begins repayment as soon as the loan is disbursed to the borrower. If the borrower chooses to enter into this program, the program would help establish good payment habits, and with the proven decreases in default rates, the borrower would also benefit from reduced interest rates and overall costs. If the legislature passes this provision, staff would look at crafting a program that would be very affordable and manageable for students. The main purpose of the program is to get borrowers into the habit of

making payments (even interest only), which would mean that the borrower does not owe the capitalized interest that would have accrued during the in-school period.

Ms. Efird concluded her report by providing an update on the Commission's budget and the CARES funds received by the Commission. Earlier last year, the Commission was awarded CARES funds to provide a 0% interest rate to borrowers in a hardship forbearance related to COVID so those borrowers would not come out of forbearance owing a larger amount. All of the CARES funds were utilized, and the number of borrowers who took advantage of this benefit was 843 for a total of \$849,178. Ms. Efird noted the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) bill that Congress passed in December included some discretionary education funds for states to be distributed by the governor's office. ACPE is looking into additional ways to request support for borrowers through that fund. Relating to ACPE's budget, the agency received authority in the governor's FY2022 proposed budget to reduce ASLC funds in the amount of \$431,000. That amount is currently paid by ASLC for ACPE to administer APS, AEG, WWAMI and institutional authorization and is now proposed to be paid for by the Higher Education Investment Fund (HEIF). Also included in the governor's amended budget is a provision that would return the amount repaid from WWAMI loans to the HEIF instead of the General Fund (GF).

ADJOURN

Mr. Donley moved to adjourn. Vice Chair Liston seconded the motion. By roll call vote, all members present voted aye. There being no objection, and no further business to discuss, the motion carried.

The meeting adjourned at approximately 3:15 p.m.

Approved by:

Anna MacKinnon, Chair

Date



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

6a.) Follow-up on Public Comment

Alaska Student Loan Corporation

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Memorandum

To: Alaska Student Loan Corporation Board Members
From: Sana Efird, Executive Officer
Date: May 6, 2021
Re: Follow-up on fraud allegations by the general public

Public comment taken at the March meeting of the Alaska Student Loan Corporation (ASLC) Board purported allegations of fraud or theft against past employees of the Alaska Commission on Postsecondary Education (ACPE). As Executive Officer of the Corporation and Executive Director of the Commission, I was asked to look into these allegations and report back to the Corporation Board.

To that end, I contacted ASLC's independent external auditors who perform annual audits of the Corporation's financial statements. In a phone conversation, Elgee Rehfeld staff stated that there have been no indications of fraud or theft during their tenure as ACPE's auditors. If there were any indications, communication from Elgee Rehfeld would have been provided directly to the Board. Of particular note, Elgee Rehfeld stated that ACPE has appropriate internal controls in place to prevent or detect fraud.

Additionally, I reviewed the past ten years of audited financial statements, and there are no references or concerns of fraud or theft from Elgee Rehfeld expressed in their reports or letters to the Board.

Alaska Student Loan Corporation

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THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

To: Alaska Student Loan Corporation Board Members
Thru: Sana Efird, Executive Officer
From: Julie Pierce, Chief Finance Officer
Date: May 13, 2021
Re: Report on Subcommittee & Investment Policy Recommendation – Update & Recommendation

Update & Recommendation from 3/11/21 Meeting: As part of developing a comprehensive cash flow forecast, staff are continuing to work with Hilltop Securities to model revenue and cash flow activity associated with ASLC's loan portfolios and related debt. Staff will continue to incorporate the loan portfolio and related debt forecast and finalize a comprehensive financial forecast including cash flow forecast and work with DOR on policy development. Once this process is finalized, Staff will work with the chair of the sub-committee to schedule a meeting to review policy before being presented to the Board for approval at the next planned meeting, or make a determination about the need to hold an additional ASLC meeting.

Update 5/13/2021 - as an update to the steps outlined above:

- Staff have finalized the loan portfolio modeling process with Hilltop
- Staff prepared a comprehensive 10-year financial forecast
- Staff provided DOR with the resulting 10-year cash flow forecast to inform the development of investment policy recommendations
- Staff and DOR have started to work together to review policy, discuss long term target risk tolerance in consideration of cash flow forecast, discuss timing of policy change recommendations in consideration of annual capital market assumption cycle in order to develop policy in the most informed manner, and discuss next steps.
- Initial planned next steps include the following:
 - Staff plan to work with DOR on the administrative logistics of setting up asset management of our portfolio at a similar level of risk to our current portfolio. The existing investment policy allows management to hire Treasury to manage assets within this similar level of risk framework without policy revision.
 - Transition assets to Treasury after June fiscal year end, subsequent to the planned redemption of the 2013A Notes and collapsing of the US Bank related Trust accounts
 - Develop investment policy recommendations and migration plan to introduce additional risk in to the portfolio over time in accordance with revised policy.

Schedule a sub-committee meeting to review recommendations in advance of the next scheduled Board meeting.

- Board review and approve Investment Policy change recommendations and plan for portfolio migration.

Discussion: Investment policy review was identified as a strategic area of focus last fall as an opportunity to optimize investment risk and return goals based on relatively high balance of investments to total assets and expected future cash flow and balances. Staff appreciate the Boards support and patience in receiving updates and continuing to move forward deliberately with this important strategic area of focus and long term benefits initiative.

As can be more fully discussed by Staff, DOR and Financial Advisors, a migration plan for invested balances is a plan to change the allocation of invested balances according to policy recommendations over time, exposing a growing percentage of the portfolio to higher risk investments defined in policy to achieve risk return targets over time. The velocity of migrating balances will be considered and be part of the recommendation to the Board from Staff, DOR and Financial Advisors. The plan will need to be revisited over time especially if management assumptions, or actual cash flow, vary significantly due to factors such as loan forgiveness, decision to sell FFELP portfolio, or originations far exceed expectations.

Recommendation: There are no recommended policy changes at this time. Staff recommend deferring action on the Investment Policy until it is finalized and presented for Board approval at a future Board meeting.



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Alaska Student Loan Corporation

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To: Alaska Student Loan Corporation Board Members
Thru: Sana Efird, Executive Officer
From: Julie Pierce, Chief Finance Officer
Date: May 13, 2021
Re: 2013A Series Notes – Consent Solicitation Update & Suggested Motion for Approval

Update:

As approved by the Board at the January 28th Board meeting, by Resolution No. 2021-01, Staff have continued to move forward with issuing a consent solicitation statement seeking Bondholder approval to redeem the 2013A Series Notes.

Staff worked with Bond counsel, Financial Advisor, Consent Solicitation Agent (CSA), Trustee and Department of Law to develop and execute a plan and timetable for redemption.

As reflected in the attached press release and statement, the consent solicitation seeking consent from the holders of the Notes to amend the indenture governing the Notes to permit the early redemption of the Notes at a price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption commenced on May 6, 2021.

The solicitation period ends at 5:00 p.m. New York City time on Thursday, May 13, 2021, unless otherwise extended or terminated.

The consent solicitation indicates that following the satisfaction of the conditions to the consent solicitation, owners of Notes who deliver consents in favor of the amendment are eligible to receive a fee equal to 0.10% of the currently outstanding principal of the Notes for which the consent is submitted.

Based on CSA solicitation diligence and negotiation with one Bondholder that owns over 50% of the outstanding bonds, it is anticipated that a majority of Bondholders will provide their consent by the end of the solicitation period for a consent fee of 0.20%. Staff are working with advisors to issue a supplemental press release notifying all Bondholders of the revised consent fee of 0.20% and Staff will provide an update on the status of consent at the Board meeting.

Based on outstanding Note balance of \$30.9 million, the estimated total consent fee of 0.20%, would be \$62,000 or less.

Based on discussions with the Corporation's Financial Advisor, Staff believes that the components of the NPV benefit analysis produced by our Financial Advisor have not changed in any material way, and that redeeming the Notes at 100% of par, plus a 0.20% consent fee, will still result in a net PV gain, have a positive financial impact and be in the best interests of the Corporation.

Next Steps:

Next steps and responsible party include the following:

- Obtain ASLC Board Approval to Redeem Notes and notify affected parties – ASLC
- Liquidate ASLC's investments – ASLC/Trustee
- Issue Redemption Notice/Redeem Series 2013 Notes – ASLC/Trustee
- Release FFELP loan portfolio from Series 2013 Trust – ASLC/Trustee

Suggested motion:

Staff suggested motion to approve the redemption of the 2013A Notes.

Suggested motion: move the Alaska Student Loan Corporation Board approve the redemption of the 2013A notes at a price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption, payment of a 0.20% consent fee to consenting bondholders, and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this motion.



ALASKA STUDENT LOAN CORPORATION ANNOUNCES INCREASED CONSENT FEE AS PART OF ITS CONSENT SOLICITATION PROCESS FOR ITS TAXABLE EDUCATION LOAN BACKED NOTES, SERIES 2013A

Juneau, Alaska, May 11, 2021

Re: \$144,730,000 Alaska Student Loan Corporation Taxable Education Loan Backed Notes, Series 2013A (LIBOR-Indexed Notes) CUSIP: 011855CM3

As issuer of the 2013A Notes (the “Notes”), the Alaska Student Loan Corporation (the “Issuer”) on May 6, 2021 announced the commencement of a consent solicitation seeking consent from the holders of the Notes to amend the indenture governing the Notes to permit the early redemptions of the Notes at a price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption. The solicitation period ends at 5:00 p.m. New York City time on Thursday, May 13, 2021, unless otherwise extended or terminated.

On the date hereof, the Issuer has elected to increase the consent fee to be paid, as more fully provided in the Consent Solicitation Statement, following the satisfaction of the conditions to the consent solicitation, to owners of Notes who deliver consents in favor of the amendment in accordance with the consent solicitation prior to the expiration date (and who do not validly revoke their consent) from 0.10% to 0.20% of the currently outstanding principal of the Notes for which the consent is submitted. Except as noted herein, the terms of the Consent Solicitation Statement remain unchanged.

This news release does not constitute an offer to sell, a solicitation to buy or an offer to purchase or sell securities. The Consent Solicitation is being made only pursuant to the Consent Solicitation Statement (as revised hereby) and only in such jurisdictions as is permitted under applicable law.

Contact: Salim Mawani
salim.mawani@rbccm.com

and

D.F. King & Co., Inc.
Banks and Brokers Call Collect: (212) 269-5550
All Others Call Toll Free: (866) 856-3065

8.) Consent Solicitation Update

CONSENT SOLICITATION STATEMENT

ALASKA STUDENT LOAN CORPORATION TAXABLE EDUCATION LOAN BACKED NOTES, SERIES 2013A (LIBOR-Indexed Notes)

Record Date: 5:00 p.m. New York City time,
May 5, 2021

Expiration Date: 5:00 p.m. New York City time,
May 13, 2021 unless otherwise extended or terminated

The Alaska Student Loan Corporation (the “*Corporation*”) hereby solicits consents (the “*Consents*”) of owners of the above-captioned notes (the “*Notes*”), originally issued in the principal amount of \$144,730,000 and currently outstanding in the principal amount of \$30,914,038 to certain amendments to be made pursuant to a proposed First Supplemental Indenture hereinafter described (the “*Supplemental Indenture*”) upon the terms and conditions set forth in this Consent Solicitation Statement (as the same may be amended or supplemented, this “*Consent Solicitation Statement*” and, together with the Corporation’s solicitation of Consents, the “*Consent Solicitation*”).

The Notes and the Original Indenture. The Notes were issued pursuant to an Indenture of Trust, dated as of March 1, 2013 (the “*Original Indenture*”), by and among the Corporation and U.S. Bank National Association, as trustee (the “*Trustee*”). All capitalized terms not otherwise defined herein shall have the meaning given to them in the Original Indenture.

The Supplemental Indenture. Due to (i) the uncertainty surrounding the expected discontinuance of the U.S. Dollar London Interbank Offered Rate (“LIBOR”), which is the reference rate for both the Notes and the calculation of Special Allowance Payments with respect to the financed student loans included in the Trust Estate securing the Notes under the Original Indenture (the “*Financed Eligible Loans*”); (ii) the lack of provisions that address the permanent cessation of LIBOR in the Original Indenture, (iii) the Corporation’s desire to reduce or eliminate certain costs associated with owning the Financed Eligible Loans and (iv) other business considerations, the Corporation is exploring the feasibility of redeeming all of the Notes prior to the time currently permitted by the Original Indenture. Under the Original Indenture as currently in effect, the Notes are not subject to redemption at the option of the Corporation until the outstanding principal balance of the loan portfolio is 10% or less of the original principal balance of the loan portfolio. However, the Original Indenture may be amended with respect to redemption of the Notes with the consent of registered owners of the Notes (the “*Registered Owners*”) representing not less than a majority of the aggregate principal amount of the Notes Outstanding (the “*Requisite Consents*”). The proposed Supplemental Indenture, the form of which is attached hereto as Appendix A, would amend the Original Indenture to permit the Corporation to redeem all, but not part, of the Notes from any source of available funds at a price of 100.0% of the outstanding principal amount plus accrued interest to the date of redemption on a date set by the Corporation during a period from and including the first date upon which the Requisite Consents to such execution in accordance with Section 8.02 of the Original Indenture have been obtained and to and including the 60th calendar day subsequent to such first date (the “*Redemption Window*”). Assuming the Requisite Consents are received, the Corporation currently expects to be in a position to redeem the Notes on the regularly scheduled monthly distribution date occurring on June 25, 2021.

Consent Fee. Following the satisfaction of the Conditions to the Consent Solicitation (as defined herein), Owners of Notes who deliver Consents (as defined herein) in favor of the Supplemental Indenture in accordance with this Consent Solicitation prior to the Expiration Date (and who do not validly revoke their Consent in accordance herewith) are eligible to receive a fee equal to 0.10% of the currently outstanding principal of the Notes for which the Consent is submitted (the “*Consent Fee*”).

Conditions to the Effectiveness of the Supplemental Indenture. The Supplemental Indenture will become effective upon the Corporation’s receipt of written notice from the Trustee that it has received the consent of the Registered Owners of not less than a majority of the collective aggregate principal amount of the Notes Outstanding and confirmation from the Corporation that the Conditions to the Consent Solicitation have been satisfied or waived and its election to proceed by executing the Supplemental Indenture (the “*Effective Date*”). The Corporation expressly reserves the right, in its sole discretion and regardless of whether any of the Conditions to the Consent Solicitation have been satisfied or waived, subject to applicable law, at any time prior to the earlier of the Expiration Date or the Effective Date to (i) terminate the Consent Solicitation for any reason, (ii) extend the Expiration Date, or (iii) amend the terms of the Consent Solicitation. The Corporation also expressly reserves the right not to execute the Supplemental Indenture (even after receiving the Requisite Consents). The Effective Date will be communicated to the Owners by notice thereof filed on the Corporation’s website, with EMMA (as defined herein) and delivered to DTC.

Further Information. Any questions or requests for assistance, including copies of this Consent Solicitation Statement and other related materials, may be directed to D.F. King (the “*Information and Tabulation Agent*”), at the address and telephone number set forth on the back cover of this Consent Solicitation Statement.

None of the Corporation, the Trustee, the Information and Tabulation Agent nor the Solicitation Agent (as defined herein) makes any recommendation as to whether or not the Owners should consent to the Supplemental Indenture.

The Solicitation Agent for the Consent Solicitation is:

RBC CAPITAL MARKETS

Dated: May 6, 2021

MATURITIES AND CUSIP/ISIN NUMBERS

<u>SERIES</u>	<u>ORIGINAL PRINCIPAL AMOUNT</u>	<u>CURRENT PRINCIPAL AMOUNT OUTSTANDING</u>	<u>FINAL MATURITY DATE</u>	<u>CUSIP</u>	<u>ISIN NUMBER</u>
2013A	\$144,730,000	\$30,914,038	August 25, 2031	011855CM3	US 011855 CM39

LIMITATION ON INFORMATION

No person has been authorized to give any information or make any representations other than those contained or incorporated by reference in this Consent Solicitation Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Corporation or any other person mentioned herein. The statements made in this Consent Solicitation Statement are made as of the date hereof, and the delivery of this Consent Solicitation Statement and the accompanying materials shall not, under any circumstances, create any implication that the information contained herein is correct after the date hereof. This Consent Solicitation Statement is not being made to, and no Consents are being solicited from, persons in any jurisdiction in which it is unlawful to make such Consent Solicitation or grant or withhold such Consents under applicable federal securities or blue sky laws. This Consent Solicitation Statement does not constitute an offer to sell or the solicitation of an offer to buy any of the securities described or otherwise referred to in this Consent Solicitation Statement.

NEITHER THIS CONSENT SOLICITATION STATEMENT NOR ANY RELATED DOCUMENTS HAVE BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, NOR HAVE THEY BEEN FILED WITH OR REVIEWED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY OF ANY COUNTRY. NO AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CONSENT SOLICITATION STATEMENT OR ANY RELATED DOCUMENTS, AND IT IS UNLAWFUL, AND MAY BE A CRIMINAL OFFENSE TO MAKE ANY REPRESENTATION TO THE CONTRARY.

Table of Contents

	Page
IMPORTANT NOTICE REGARDING DELIVERY OF CONSENTS.....	V
CONSENT SOLICITATION STATEMENT.....	1
THE FIRST SUPPLEMENTAL INDENTURE AND PURPOSE OF CONSENT SOLICITATION	1
AVAILABILITY OF INFORMATION; SUPPLEMENT	1
RISK FACTORS RELATING TO THE SUPPLEMENTAL INDENTURE.....	2
Failure of Solicitation.....	2
Note Call May Be Conditional.....	2
THE CONSENT SOLICITATION	2
Requirements for Consent.....	2
Requisite Consents	2
Relevant Record Date.....	2
Expiration Date; Extensions; Supplemental Indenture.....	2
Consent Procedures	3
No Letter of Transmittal or Consent Form.....	4
Revocation of Consents.....	4
Consent Fee	5
Conditions to the Consent Solicitation	5
Effective Date.....	6
Information and Tabulation Agent	6
The Solicitation Agent.....	6
The Trustee.....	6
Fees and Expenses.....	7
CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS.....	7
MISCELLANEOUS	8
APPENDIX A FORM OF SUPPLEMENTAL INDENTURE	A-1
APPENDIX B ADDITIONAL INFORMATION ON THE CORPORATION, ELIGIBLE LOANS AND THE NOTES	B-1

IMPORTANT NOTICE REGARDING DELIVERY OF CONSENTS

Only Registered Owners are eligible to consent to the Supplemental Indenture. Any beneficial owner of Notes who is not a Registered Owner must arrange with the person who is the Registered Owner or such Registered Owner's assignee or nominee to deliver their Consent on behalf of such beneficial owner. For purposes of the Consent Solicitation, DTC has confirmed that the Consent Solicitation is eligible for DTC's ATOP (defined herein) and has authorized DTC Participants ("*DTC Participants*") to electronically deliver a Consent by causing DTC to temporarily transfer and surrender their Notes and indicate delivery of a Consent to the Information and Tabulation Agent, in accordance with DTC's ATOP procedures. DTC will verify each temporary transfer and surrender of Notes and confirm the electronic delivery of a Consent by sending an Agent's Message (defined herein) to the Information and Tabulation Agent. DTC Participants must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC. Beneficial owners must contact the broker, dealer, commercial bank, custodian or DTC Participant who holds Notes for them if they wish to instruct such party to deliver a consent with respect to such beneficial owner's Notes.

Consents should not be delivered to the Corporation, the Trustee or the Solicitation Agent, or any of their respective agents. However, the Corporation reserves the right to accept any Consent received by the Corporation, the Trustee or the Solicitation Agent, or any of their respective agents.

CONSENTS MUST BE ELECTRONICALLY DELIVERED IN ACCORDANCE WITH DTC'S ATOP PROCEDURES.

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CONSENT SOLICITATION STATEMENT

The Alaska Student Loan Corporation (the “Corporation”) is issuing this Consent Solicitation Statement (this “Consent Solicitation Statement”) in order to seek consents (the “Consents” and the Corporation’s solicitation of such Consents, together with this Consent Solicitation Statement, shall be defined as the “Consent Solicitation”) of registered owners (the “Registered Owners”) of those certain Taxable Education Loan Backed Notes, Series 2013A, outstanding as of April 30, 2021 in the principal amount of \$30,914,038 (the “Notes”) pursuant to a First Supplemental Indenture (the “Supplemental Indenture”) to the Indenture of Trust, dated as of March 1, 2013 (the “Original Indenture”), by and among the Corporation and U.S. Bank National Association, as trustee (the “Trustee”), pursuant to which the Notes were issued. All capitalized terms not otherwise defined herein shall have the meaning given to them in the Original Indenture.

THE FIRST SUPPLEMENTAL INDENTURE AND PURPOSE OF CONSENT SOLICITATION

Interest on the Notes is currently indexed to the 1-month U.S. Dollar London Interbank Offered Rate (“LIBOR”), which is the also the reference rate for the calculation of Special Allowance Payments with respect to the financed student loans included in the Trust Estate securing the Notes under the Original Indenture (the “Financed Eligible Loans”). The Original Indenture, which did not contemplate the permanent cessation of LIBOR, provides that if LIBOR is unavailable with respect to any interest accrual period for the Notes, the LIBOR in effect for such interest accrual period will be the LIBOR in effect for the prior interest accrual period.

Due to: (i) the uncertainty surrounding the planned discontinuance of LIBOR; (ii) the lack of provisions that address the permanent cessation of LIBOR in the Original Indenture; (iii) the Corporation’s desire to reduce or eliminate certain costs associated with owning the Financed Eligible Loans; and (iv) other business considerations, the Corporation is exploring the feasibility of redeeming all of the Notes.

Under the Original Indenture as currently in effect, the Notes are not subject to redemption at the option of the Corporation until the outstanding principal balance of the loan portfolio is 10% or less of the original principal balance of the loan portfolio. However, the Original Indenture may be amended with respect to redemption of the Notes with the consent of registered owners of the Notes (the “Registered Owners”) representing not less than a majority of the aggregate principal amount of the Notes Outstanding (the “Requisite Consents”). The proposed Supplemental Indenture, the form of which is attached hereto as Appendix A (the “Supplemental Indenture”), would amend the Original Indenture to permit the Corporation to redeem all, but not part, of the Notes from any source of available funds at a price of 100.0% of the outstanding principal amount plus accrued interest to the date of redemption on a date set by the Corporation during a period from and including the first date upon which the Requisite Consents to execution of the Supplemental Indenture in accordance with Section 8.02 of the Original Indenture have been obtained and to and including the 60th calendar day subsequent to such first date (the “Redemption Window”).

The Supplemental Indenture will become effective upon the Trustee’s notice to the Corporation that it has received the Requisite Consents to the Supplemental Indenture and confirmation from the Corporation that the Conditions to the Consent Solicitation have been satisfied or waived and its election to proceed by executing the Supplemental Indenture (the “Effective Date”). The Corporation expressly reserves the right in its sole discretion and regardless of whether any of the Conditions to the Consent Solicitation have been satisfied or waived, subject to applicable law, at any time prior to the earlier of the Expiration Date or the Effective Date to (i) terminate the Consent Solicitation for any reason, (ii) extend the Expiration Date, or (iii) amend the terms of the Consent Solicitation. The Corporation also expressly reserves the right not to execute the Supplemental Indenture (even after receiving the Requisite Consents).

AVAILABILITY OF INFORMATION; SUPPLEMENT

The Corporation has posted certain information with respect to the Original Indenture and the Notes on its website at https://acpe.alaska.gov/Investor_Relations. The Corporation has also filed certain documents with the Electronic Municipal Market Access system (“EMMA”) of the Municipal Securities Rulemaking Board pursuant to the Continuing Disclosure Agreement entered into in connection with the initial offering of the Notes. The Official Statement for the Notes is available on the EMMA website, but has not been updated since the date of issuance of the

Notes. The foregoing internet addresses or references are included for reference only, and the information on these internet sites is not incorporated by reference herein.

In order to assist the Owners in determining whether to consent to the Supplemental Indenture, Appendix B provides certain additional information concerning the Corporation, the Financed Eligible Loans, and estimates for the remaining weighted average life of the Notes based upon a range of prepayment assumptions for the Financed Eligible Loans.

RISK FACTORS RELATING TO THE SUPPLEMENTAL INDENTURE

Failure of Solicitation

It is possible that the Supplemental Indenture will not go into effect, either because Owners of a majority of the collective aggregate principal amount of the Notes outstanding do not consent, or because the Corporation elects to withdraw the Consent Solicitation prior to the Effective Date (which it may do in its sole and absolute discretion). In either case, the price or marketability of the Notes may be adversely affected during the solicitation period. See “THE CONSENT SOLICITATION – Consent Procedures” below.

Note Call May Be Conditional

Even if the Supplemental Indenture is approved, the redemption of the Notes may not be completed during the Redemption Window. The notice of redemption of the Notes may be conditioned upon the Corporation providing sufficient money to the Trustee to redeem the Notes. If sufficient moneys are not available to redeem the Notes on the specified redemption date, the redemption may be postponed or cancelled; provided, however, the Corporation’s right of redemption will expire at the end of the Redemption Window.

THE CONSENT SOLICITATION

The Corporation is soliciting Consents from the Registered Owners, upon the terms and subject to the conditions set forth in this Consent Solicitation Statement and, except as expressly set forth herein and therein, the Original Indenture.

Requirements for Consent

The Corporation and the Trustee will not enter into or approve the Supplemental Indenture unless the Registered Owners of a majority of the collective aggregate principal amount of the Notes Outstanding or their authorized proxies consent to the execution of the Supplemental Indenture (the “*Requisite Consents*”).

Requisite Consents

The registered owner of the Notes, DTC or its authorized proxies, must validly deliver the Requisite Consents in order for the Supplemental Indenture to be approved. A total of \$30,914,038 principal amount of the Notes was Outstanding as of April 30, 2021.

Relevant Record Date

The Record Date for the purposes of this Consent Solicitation is 5:00 p.m., New York City time, on May 5, 2021. The delivery of a Consent will not affect an Owner’s right to sell or transfer the applicable Notes. Only the DTC Participants holding positions in the Notes at that time and their duly authorized proxies may give Consents, as described more fully under “Consent Procedures” below.

Expiration Date; Extensions; Supplemental Indenture

The Consent Solicitation will expire on the Expiration Date at 5:00 p.m., New York City time, unless terminated, shortened or extended by the Corporation.

If the Consent Conditions (as defined herein) are satisfied prior to the Expiration Date, the Corporation may treat such date of satisfaction as the Expiration Date.

The Corporation expressly reserves the right to extend the Consent Solicitation at any time and from time to time by giving oral or written notice to the Solicitation Agent and the Trustee. For purposes of the Consent Solicitation, a notice given by the Corporation before 12:00 p.m., New York City time, on any day shall be deemed to have been made on the preceding day. Any such extension will be followed as promptly as practicable by notice thereof filed on the Corporation's website, with EMMA (as defined herein) and sent to DTC. Such announcement or notice may state that the Corporation is extending the Consent Solicitation for a specified period of time or on a daily basis.

The Corporation expressly reserves the right for any reason to abandon, terminate or amend the Consent Solicitation, including for the purpose of increasing the Redemption Price, at any time prior to the Expiration Date by giving oral or written notice of such abandonment of, termination of or amendment to the Consent Solicitation to the Solicitation Agent. In the event the Redemption Price is increased pursuant to any amendment, any Consents received by the Information and Tabulation Agent prior to such date will be considered to be effective consent to a higher Redemption Price. Any action by the Corporation to abandon, terminate or amend the Consent Solicitation will be followed as promptly as practicable by notice thereof filed on the Corporation's website, with EMMA and delivered to DTC.

Consent Procedures

The delivery of Consents pursuant to the Consent Solicitation in accordance with the procedures described below will constitute a valid delivery of Consents to the Supplemental Indenture. Any Consent delivered and validly revoked will be deemed not to have been validly delivered.

All of the Notes are held in book-entry form and registered in the name of Cede & Co., as the nominee of DTC. Only Registered Owners are authorized to deliver Consents with respect to their Notes. Therefore, to deliver Consents with respect to the Notes that are held through a broker, dealer, commercial bank, trust company or other nominee, the beneficial owner thereof must instruct such nominee to deliver the Consents on the beneficial owner's behalf according to the ATOP procedures described below.

DTC has confirmed that the Consent Solicitation is eligible for DTC's Automated Tender Offer Program ("ATOP"). Accordingly, DTC Participants must electronically deliver a Consent to the Information and Tabulation Agent in accordance with DTC's ATOP procedures. DTC Participants will be deemed to have delivered a Consent with respect to any such Notes for which an electronic Consent is so delivered. DTC will verify each temporary transfer and surrender and confirm the electronic delivery of such consent by sending an Agent's Message to the Information and Tabulation Agent.

The term "*Agent's Message*" means a message transmitted by DTC and received by the Information and Tabulation Agent, which states that DTC has received an express acknowledgement from the DTC Participant delivering consents that such DTC Participant (i) has received and agrees to be bound by the terms of the Consent Solicitation as set forth in this Consent Solicitation Statement and that the Corporation may enforce such agreement against such DTC Participant, and (ii) consents to the Supplemental Indenture and the execution and delivery of the Supplemental Indenture as described in this Consent Solicitation Statement.

The Information and Tabulation Agent will establish a new ATOP account or utilize an existing account with respect to the Notes at DTC (the "*Book-Entry Transfer Facility*") promptly after the date of this Consent Solicitation Statement (to the extent that such arrangement has not already been made by the Information and Tabulation Agent), and any financial institution that is a participant in the Book-Entry Transfer Facility system and whose name appears on a security position listing as the owner of Notes may make book-entry delivery of Notes into the Information and Tabulation Agent's account in accordance with the Book-Entry Transfer Facility's procedures for such transfer. Delivery of documents to the Book-Entry Transfer Facility in accordance with such Book-Entry Transfer Facility does not constitute delivery to the Information and Tabulation Agent.

Consents may be delivered only in original principal amounts equal to minimum denominations of \$100,000 and integral multiples of \$1,000 in excess thereof.

The Notes for which a Consent has been delivered through ATOP as part of the Consent Solicitation at or prior to 5:00 p.m., on the Expiration Date will be held under one or more temporary CUSIP numbers (i.e., Contra CUSIP) during the period beginning at the time the DTC Participant electronically delivers a Consent and ending on the earlier of (i) the Expiration Date and (ii) the date on which the DTC participant validly revokes its Consent.

CONSENTS MUST BE ELECTRONICALLY DELIVERED IN ACCORDANCE WITH DTC'S ATOP PROCEDURES.

An Owner of Notes held through a broker, dealer, commercial bank, custodian or DTC Participant must provide appropriate instructions to such person in order to cause a delivery of Consents through ATOP with respect to such Notes.

Owners desiring to deliver their Consents at or prior to the Expiration Date should note that they must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such respective date. Consents not delivered prior to the Expiration Date will be disregarded and of no effect.

The method of delivery and consent through the ATOP procedures and any other required documents to the Information and Tabulation Agent is at the election and risk of the Owner, and delivery will be deemed made only when made through ATOP in accordance with the procedures described herein.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance and revocations of Consents will be resolved by the Corporation, whose determinations will be binding. The Corporation reserves the absolute right to reject any or all Consents and revocations that are not in proper form or the acceptance of which could, in the opinion of the Corporation or its counsel, be unlawful. The Corporation also reserves the right to waive any irregularities in connection with deliveries of Consents and revocations, which the Corporation may require to be cured within such time as the Corporation determines. None of the Corporation, the Trustee, the Information and Tabulation Agent, the Solicitation Agent, their agents or any person shall have any duty to give notification of any irregularities or waiver, nor shall any of them incur any liability for failure to give such notification. Deliveries of Consents or notices of revocation will not be deemed to have been made until such irregularities have been cured or waived. The Corporation's interpretation of the terms and conditions of the Consent Solicitation (including this Consent Solicitation Statement and the instructions hereto) will be final and binding on all parties.

No Letter of Transmittal or Consent Form

No consent form or letter of transmittal needs to be executed in relation to the Consent Solicitation or the Consents delivered through DTC. The valid electronic delivery of consents in accordance with DTC's ATOP procedures shall constitute a written consent to the Consent Solicitation.

Revocation of Consents

A properly delivered Consent received at or prior to the Expiration Date will be given effect in accordance with its terms unless validly revoked at any time prior to (but not after) the earlier of (a) the Effective Date and (b) the Expiration Date. Consents may not be revoked after the earlier of (i) the Effective Date and (ii) the Expiration Date.

Prior to the receipt of the Requisite Consents, however, any Owner may revoke any Consent given as to its Notes or any portion of such Notes (provided that such Owner's Notes for which it has consented and for which it has not consented are both in original minimum denominations of \$100,000 and integral multiples of \$1,000 in excess thereof). Owners who wish to exercise their right of revocation with respect to a Consent must give a properly transmitted "*Requested Message*" through ATOP, which must be received by the Information and Tabulation Agent at its address set forth on the back cover of this Consent Solicitation through ATOP, prior to the Corporation's receipt of the Requisite Consents. In order to be valid, a notice of revocation must specify the Registered Owner in the Book-Entry Transfer Facility whose name appears on the security position listing as the Registered Owner of such Notes and the principal amount of the Notes to be revoked. Validly revoked Consents may be redelivered by following the procedures described elsewhere in this Consent Solicitation Statement at any time prior to the Expiration Date. **Under no circumstances may Consents be revoked after the Requisite Consents have been received (which may occur prior to the Expiration Date), or after the earlier of (i) the Effective Date and (ii) the Expiration Date.**

Any notice of revocation received after the Requisite Consents have been received will not be effective, even if received prior to the Expiration Date and even if the Supplemental Indenture has not yet become effective. A Consent to the Supplemental Indenture by an Owner will bind the Owner and every subsequent registered or beneficial owner of Notes or portion of such Notes, even if notation of the Consent is not made on such Notes. **A revocation of a Consent to the Supplemental Indenture by an Owner can only be accomplished in accordance with the foregoing procedures.**

Consent Fee

Subject to the occurrence of the Effective Date, upon the redemption of the Notes within the Redemption Window, the Corporation will promptly pay to D.F. King for payment to each Owner of Notes who has validly delivered (and not validly revoked) a duly executed Consent consenting to the Supplemental Indenture at or prior to the Expiration Date or, if earlier, the Effective Date a fee equal to 0.10% of the currently outstanding principal of the Notes to which the Consent pertains (the “Consent Fee”). The Consent Fee is in consideration for the work entailed in considering the Consent Solicitation and the Supplemental Indenture.

The Corporation’s payment obligations with respect to the Consent Fee will be discharged by its payment to D.F. King, and under no circumstances will the Corporation be liable for the payment of interest on the Consent Fee or for any delay in D.F. King transmitting payment of the Consent Fee to the Owners entitled thereto or with respect to any period after the date of such payment to D.F. King or for any other reason.

The Corporation will not be obligated to pay the Consent Fee if the Corporation does not receive the Requisite Consents at or prior to the Expiration Date, the Consent Solicitation is terminated for any reason before the Expiration Date, the Conditions to the Consent Solicitation are not satisfied or waived, the Effective Date does not occur or the Notes are not redeemed within the Redemption Window.

Any Owner who does not timely deliver or who validly revokes a valid Consent will not be entitled to receive the Consent Fee in respect thereof, even if the Supplemental Indenture becomes operative and, as a result, becomes binding on all Owners of Notes. See “Consent Procedures” above.

Conditions to the Consent Solicitation

The execution of the Supplemental Indenture and the payment of the Consent Fee are conditioned on (a) the Requisite Consents being validly delivered prior to the Expiration Date, (b) the delivery of an opinion of Note Counsel to the effect that the Supplemental Indenture was executed in accordance with the Original Indenture, (c) the absence of any action taken or threatened, or any statute, rule, regulation, judgment, order, stay, decree or injunction promulgated, enacted, entered, enforced or deemed applicable to the Consent Solicitation by or before any court or governmental, regulatory or administrative agency or authority or tribunal, domestic or foreign, which (i) challenges the making of the Consent Solicitation or might directly or indirectly prohibit, prevent, restrict or delay consummation of, or otherwise adversely affect in any material manner, the Consent Solicitation or (ii) in the reasonable judgment of the Corporation, could materially adversely affect the business, financial condition, income, operations, properties, assets, liabilities or prospects of the Corporation before and after giving effect to the Consent Solicitation, (d) the absence of any other actual or threatened legal impediment to the Consent Solicitation or any other circumstances that would materially adversely affect the transactions contemplated by the Consent Solicitation or the contemplated benefits of the Consent Solicitation to the Corporation, or (e) in the reasonable judgment of the Corporation, no change, event or occurrence that could prohibit, prevent, restrict or delay consummation of the Consent Solicitation or make it impractical or inadvisable to proceed with the Consent Solicitation has occurred or is reasonably expected to occur. Payment of the Consent Fee is also conditioned on the Notes being redeemed within the Redemption Window.

The foregoing conditions for the Consent Solicitation are collectively referred to as the “Conditions to the Consent Solicitation.” The foregoing conditions are for the sole benefit of the Corporation and except for receipt of the Requisite Consents, may be waived with respect to the Consent Solicitation at any time, in whole or in part, in its sole discretion. Any determination made by the Corporation concerning an event, development or circumstance described or referred to above will be final and binding. The Corporation in its sole discretion may abandon the Consent Solicitation even after receipt of Requisite Consents as described elsewhere in this Consent Solicitation Statement.

Effective Date

If the Requisite Consents are received and accepted by the Corporation on or before the Expiration Date, and assuming that the other Conditions to the Consent Solicitation have been satisfied or waived by the Corporation, the Corporation shall have the sole discretion to elect to effect the Supplemental Indenture by executing and delivering and causing the Trustee to execute and deliver the Supplemental Indenture on the date selected by the Corporation in its sole discretion.

Information and Tabulation Agent

D.F. King & Co., Inc. has been appointed Information Agent and Tabulation Agent for the Consent Solicitation. As Information Agent, D.F. King & Co., Inc. will provide Owners of Notes with information relating to this Consent Solicitation Statement. As Tabulation Agent, D.F. King & Co., Inc. will be responsible for collecting and tabulating Consents. D.F. King will provide the Corporation and the Trustee with a report detailing the results of the Consent Solicitation, on which the Trustee and the Corporation may conclusively rely. D.F. King will also act as agent for the Owners giving Consents for the purpose of receiving the Consent Fee from the Corporation and then transmitting payments to such Owners. The Corporation will pay D.F. King customary fees for its services and will reimburse them for their reasonable out-of-pocket expenses in connection therewith.

Questions and requests for assistance or additional copies of this Consent Solicitation Statement or the Consent Form may be directed to D.F. King at the address and telephone numbers set forth on the back cover of this Consent Solicitation Statement. Registered Owners may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Consent Solicitation.

D.F. King assumes no responsibility for the accuracy or completeness of the information contained or incorporated by reference in this Consent Solicitation Statement or any failure by the Corporation to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Solicitation Agent

The Corporation has retained RBC Capital Markets, LLC as Solicitation Agent (the “Solicitation Agent”). The Solicitation Agent will solicit Consents and will receive a customary fee for such services and reimbursement for reasonable out-of-pocket expenses incurred in connection with such services.

The Solicitation Agent and its affiliates have from time to time provided or may provide certain commercial banking, financial advisory and investment banking services to the Corporation and its respective affiliates for which they have received or will receive customary fees, commissions or other remuneration. In the ordinary course of business, the Solicitation Agent and its affiliates may at any time hold long or short positions, and may trade for their own account or the accounts of customers, in the debt securities of the Corporation, including the Notes and, to the extent that the Solicitation Agent or its affiliates is an Owner of Notes, it may deliver Consents pursuant to the terms of this Consent Solicitation Statement. The Solicitation Agent and its affiliates may from time to time in the future engage in transactions with the Corporation or its respective affiliates and provide services to them in the ordinary course of business, including without limitation the provision of investment banking services and the making of bank loans.

The Solicitation Agent does not assume any responsibility for the accuracy or completeness of the information contained or incorporated by reference in this Consent Solicitation Statement or any failure by the Corporation to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Trustee

U.S. Bank National Association, serves as the Trustee with respect to the Original Indenture. The Trustee, other than during the occurrence and continuance of an Event of Default under the Original Indenture, undertakes to perform only those duties that are specifically set forth in the Original Indenture. Except for the contents of this caption, the Trustee has not reviewed or participated in the preparation of this Consent Solicitation Statement and

assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth herein, or for the recitals contained in the Original Indenture, the Supplemental Indenture or the Notes, or for the validity, sufficiency or legal effect of any of such documents.

The Trustee has not evaluated any risk, benefits or propriety of this Consent Solicitation Statement, the Consent Solicitation, or the Supplemental Indenture, and makes no representation, and has reached no conclusions, regarding the investment quality of the Notes, about which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Fees and Expenses

The Corporation will bear all the costs of the Consent Solicitation and will reimburse the Trustee for the reasonable and customary expenses that the Trustee incurs in connection with the Consent Solicitation and the execution of the Supplemental Indenture. The Corporation will not pay any fees or commissions to any broker, dealer or other person (other than the Solicitation Agent, the Tabulation Agent, the Trustee and the Information Agent) in connection with the Consent Solicitation.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The Proposed Supplemental Indenture. Each of the beneficial owners of the Notes should be aware that the execution of the Supplemental Indenture (which, upon receipt of the Requisite Consents, could cause a redemption of the Notes at a specified price) and/or a related redemption of the Notes may have U.S. federal income tax consequences to such beneficial owner. Beneficial owners of the Notes should consult their own tax advisors with respect to the Consent Solicitation, the Supplemental Indenture, any deemed exchange of Notes (described below), any redemption of Notes, and any related matter.

U.S. federal income tax consequences could result, for example, if the execution of the Supplemental Indenture is deemed to be a significant modification of the Notes under §1.1001-3 of the U.S. Treasury Regulations. A significant modification could be deemed to occur if, based on all facts and circumstances by execution of the Supplemental Indenture, the legal rights or obligations with respect to the Notes are altered to a degree that is economically significant. There is no precise definition of economic significance in this context. However, if the execution of the Supplemental Indenture resulted in an alteration of legal rights or obligations that was economically significant, the current Notes (the “*Old Notes*”) would be deemed to be exchanged for the Notes subject to the optional redemption feature under the Supplemental Indenture (the “*New Notes*”). As a result, a beneficial owner of the Notes would realize tax gain or loss upon the deemed exchange equal to the difference between (i) the fair market value of its New Notes and (ii) the adjusted basis in its Old Notes. The Corporation expects that if a deemed exchange is considered to occur before an actual exchange, the time of such deemed exchange would be when the Supplemental Indenture becomes effective, irrespective of whether the New Notes subsequently were called for redemption by the Corporation.

Although not free from doubt, the Corporation intends to take the position for U.S. federal income tax purposes that the execution of the Supplemental Indenture will not result in a significant modification of the Old Notes under the applicable U.S. Treasury Regulations and will not therefore result in a deemed exchange of the Old Notes for the New Notes. No assurance can be given, however, that such position would be sustained if challenged by the Internal Revenue Service (the “IRS”).

With respect to the tax consequences of the Consent Solicitation, the Supplemental Indenture, any deemed exchange of Notes, any redemption of Notes, and any related matter, (i) each beneficial owner of the Notes should understand that the information above is general in nature and does not describe all of the tax consequences that may be relevant to it and (ii) each beneficial owner of the Notes is strongly urged to consult with its own tax advisors.

The Consent Fee. The U.S. federal income tax treatment of the Consent Fee is unclear. The receipt of the Consent Fee by a beneficial owner may be characterized as: (1) an additional payment with respect to the Notes or (2) a separate fee (taxable as ordinary income) for considering the Supplemental Indenture, though other treatments of the Consent Fee may be possible. Although the matter is not free from doubt, the Corporation intends to take the position that the Consent Fee is a separate fee for the work entailed in considering the Supplemental Indenture (and

not interest income), which would generally be taxable as ordinary income at the time the Consent Fee is received or accrued in accordance with the beneficial owner's regular method of tax accounting. No assurance can be given, however, that such position would be sustained if challenged by the Internal Revenue Service. Each beneficial owner should consult its own tax advisor as to: (i) possible alternative treatments of the Consent Fee and (ii) the impact of the Consent Fee on the beneficial owner's tax accounting in respect of the Notes.

A beneficial owner may be subject to information reporting and backup withholding when such owner receives the Consent Fee.

MISCELLANEOUS

Some of the statements included in this Consent Solicitation Statement and the documents incorporated by reference may include forward-looking statements within the meaning of federal or state securities laws. These forward-looking statements include statements concerning the Corporation's plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, business trends and other information that is not historical information. When used in this Consent Solicitation Statement and the documents incorporated herein by reference, the words "*estimates*," "*expects*," "*anticipates*," "*projects*," "*plans*," "*intends*," "*believes*," "*forecasts*," or future or conditional verbs, such as "*should*," "*could*" or "*may*," and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, management's examination of historical operating trends and data, are based upon the Corporation's current expectations and various assumptions. The Corporation's expectations, beliefs and projections are expressed in good faith and it believes there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs, and projections will be achieved.

The Consent Solicitation is not being made to, nor will electronically delivered consents be accepted from or on behalf of, Owners in any jurisdiction in which the making of the Consent Solicitation or the acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Corporation may in its discretion take such action as it may deem necessary to make the Consent Solicitation in any such jurisdiction and extend the Consent Solicitation to Owners in such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Consent Solicitation to be made by a licensed broker or dealer, the Consent Solicitation will be deemed to be made on behalf of the Corporation by the Solicitation Agent, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

The statements contained in this Consent Solicitation Statement are made as of the date hereof, and the delivery of this Consent Solicitation Statement and the accompanying materials will not, under any circumstances, create any implication that the information contained herein is correct at any time subsequent to the date hereof.

Recipients of this Consent Solicitation Statement are not to construe the contents of this Consent Solicitation Statement as legal, business or tax advice. Each recipient should consult its own attorney, business advisor and tax advisor as to legal, business, tax and related matters concerning this Consent Solicitation.

Owners are requested to read and consider carefully the information contained in this Consent Solicitation Statement and, if determined to be desirable, to give their Consent to the Supplemental Indenture by delivering their consents through DTC's ATOP procedures described herein. Neither the Corporation, the Trustee, the Information and Tabulation Agent or the Solicitation Agent makes any recommendation as to whether or not the Owners should provide Consents to the Supplemental Indenture.

APPENDIX A

FORM OF SUPPLEMENTAL INDENTURE

FIRST SUPPLEMENTAL INDENTURE

Dated as of _____, 2021

between

ALASKA STUDENT LOAN CORPORATION

and

U. S. BANK NATIONAL ASSOCIATION,
as Trustee

INDEX TO
ALASKA STUDENT LOAN CORPORATION
FIRST SUPPLEMENTAL INDENTURE

Table of Contents

	Page
ARTICLE I SHORT TITLE, DEFINITIONS AND AUTHORITY	
Section 1.1. <u>Short Title</u>	3
Section 1.2. <u>Definitions</u>	3
Section 1.3. <u>Authority</u>	3
ARTICLE II AMENDMENT OF ORIGINAL INDENTURE	
Section 2.1. <u>Amendment to Original Indenture</u>	4
Section 2.2. <u>Written Consents</u>	4
ARTICLE III MISCELLANEOUS	
Section 3.1. <u>First Supplemental Indenture Construed with Original Indenture</u>	5
Section 3.2. <u>Original Indenture as Supplemented to Remain in Effect</u>	5
Section 3.3. <u>Execution in Counterparts</u>	5
Section 3.4. <u>Severability</u>	5
Section 3.5. <u>Governing Law</u>	5
Section 3.6. <u>Receipt of Opinion</u>	5
EXHIBIT A EVIDENCE OF NOTEHOLDER CONSENT	A-1

FIRST SUPPLEMENTAL INDENTURE

This First Supplemental Indenture, dated as of _____ 1, 2021, is entered into by and between the ALASKA STUDENT LOAN CORPORATION (the “Corporation”) and U.S. BANK NATIONAL ASSOCIATION (the “Trustee”).

WHEREAS, the Corporation and the Trustee have previously entered into the Indenture of Trust dated as of March 1, 2013 (the “Original Indenture”), pursuant to which the Corporation has issued its Taxable Education Loan Backed Notes, Series 2013A (the “Notes”); and

WHEREAS, the Corporation has determined that an amendment to the Original Indenture is necessary in order to permit the redemption of the Notes; and

WHEREAS, Section 8.02 of the Original Indenture permits the Registered Owners of a majority of the collective aggregate principal amount of the Notes Outstanding to consent to and approve the execution by the Corporation and the Trustee of such indenture or indentures supplemental to the Original Indenture as shall be deemed necessary and desirable by the Corporation and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Original Indenture; provided, however, such other indenture or indentures supplemental to the Original Indenture may not permit (a) without the consent of the Registered Owner of Notes then Outstanding, (i) an extension of the stated maturity date or the date of payment of the interest on any such Note, or (ii) a reduction in the principal amount of any Note or the rate of interest thereon, or (iii) a privilege or priority of any Note or Notes over any other Note or Notes except as otherwise provided in the Original Indenture, or (iv) a reduction in the aggregate principal amount of the Notes required for consent to such Supplemental Indenture, or (v) the creation of any lien other than a lien ratably securing all of the Notes at any time Outstanding thereunder except as otherwise provided in the Original Indenture; 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; and

WHEREAS, the Corporation has determined that this First Supplemental Indenture does not result in (i) an extension of the stated maturity date of or the date of payment of interest on any Note, or (ii) a reduction in the principal amount of any Note or the rate of interest thereon, or (iii) a privilege or priority of any Note or Notes over any other Note or Notes, or (iv) a reduction in the aggregate principal amount of the Notes required for consent to such Supplemental Indenture, or (v) the creation of any lien other than a lien ratably securing all of the Notes at any time Outstanding thereunder; and

WHEREAS, the Trustee has determined that this First Supplemental Indenture does not modify any of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee in the Original Indenture; and

WHEREAS, the Corporation has requested that the Trustee enter into this First Supplemental Indenture; and

WHEREAS, the Trustee has caused notice of the proposed execution of this First Supplemental Indenture to be mailed by registered or certified mail to each Registered Owner at the address shown on the registration books (or, in the case of DTC, in accordance with its procedures) and to be provided to the Rating Agencies pursuant to Section 7.15 of the Original Indenture; and

WHEREAS, such notice was prepared by the Corporation and briefly set forth the nature of this First Supplemental Indenture and stated that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Registered Owners; and

WHEREAS, within 60 days following the mailing of such notice, the Registered Owners of not less than a majority of the collective aggregate principal amount of the Notes Outstanding at the time of the execution of this First Supplemental Indenture consented in writing to and approved the execution thereof; and

WHEREAS, the Trustee has received and is entitled to rely upon an Opinion of Bond Counsel stating that this First Supplemental Indenture has been duly and lawfully entered into in accordance with the provisions of the Original Indenture, is authorized or permitted by the Original Indenture and is valid and binding on the Corporation;

WHEREAS, the necessary written consents of the owners of the Outstanding Notes relating to the execution of this First Supplemental Indenture have been received which consents are evidenced in Exhibit A; and

NOW THEREFORE, the Corporation and the Trustee (for good and valuable consideration) hereby agree as follows:

ARTICLE I

SHORT TITLE, DEFINITIONS AND AUTHORITY

Section 1.1. Short Title. This supplemental indenture shall be known as and may be designated by the short title “First Supplemental Indenture” (this “First Supplemental Indenture”).

Section 1.2 Definitions. All words and phrases defined in Article I of the Original Indenture shall have the same meaning in this First Supplemental Indenture.

Section 1.3 Authority. This First Supplemental Indenture is executed pursuant to the provisions of the Original Indenture.

ARTICLE II

AMENDMENT OF ORIGINAL INDENTURE

Section 2.1 Amendment to Original Indenture Section 2.01 of the Original Indenture is hereby amended to insert new paragraphs therein, as follows:

The Notes are subject to redemption prior to maturity in whole, but not in part, at the option of the Corporation on any date from _____, 202_ through _____, 202_ as may be directed by the Corporation at a redemption price of ___% of the principal amount thereof plus accrued interest to the redemption date.

Upon Corporation Order, the Trustee shall cause notice of any redemption to be given by electronic means or by mailing a copy of the redemption notice to the Registered Owner of any Notes designated for redemption at its address as the same shall last appear upon the registration books, not more than 60 days prior to the redemption date and not less than 10 days prior to the redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the owner of such Notes receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Registered Owners shall not affect the validity of the proceedings for the redemption of the Notes.

Each notice of redemption shall state the following: (A) the full designated name of the issue, including the series or subseries designation, (B) the CUSIP number, (C) the date of redemption, (D) the redemption price, (E) the name of the Trustee and the address and phone number of the Trustee's office handling the redemption, (F) the date of the Notes, (G) the maturity date, (H) the publication date of the notice, (I) the place or places of payment, (J) that payment will be made upon presentation and surrender of the Notes to be redeemed, and (K) that on and after said date interest thereon will cease to accrue.

If at the time of giving any notice of optional redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Notes called for redemption, such notice shall state that such redemption shall be conditioned upon receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Notes to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the Corporation shall not be required to redeem such Notes. In the event that such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

Section 2.2 Written Consents. As provided in Section 8.02 of the Original Indenture, the necessary written consents of the owners of the Outstanding Notes have been provided relating to the amendment in Section 2.01, which consents are evidenced in Exhibit A hereto.

ARTICLE III

MISCELLANEOUS

Section 3.1. First Supplemental Indenture Construed with Original Indenture. All of the provisions of this First Supplemental Indenture shall be deemed to be and construed as part of the Original Indenture to the same extent as if fully set forth therein.

Section 3.2. Original Indenture as Supplemented to Remain in Effect. Save and except as herein supplemented by this First Supplemental Indenture, the Original Indenture shall remain in full force and effect.

Section 3.3 Execution in Counterparts, Electronic Signatures. This First Supplemental Indenture shall be valid, binding, and enforceable against a party when executed and delivered by an authorized individual on behalf of the party by means of (i) an original manual signature; (ii) a faxed, scanned, or photocopied manual signature, or (iii) any other electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the State of Alaska including the Uniform Electronic Transactions Act, Alaska Code Title 9, Chapter 80 and/or any other relevant electronic signatures law, including any relevant provisions of the Uniform Commercial Code (collectively, “Signature Law”), in each case to the extent applicable. Each faxed, scanned, or photocopied manual signature, or other electronic signature, shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any other party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. This First Supplemental Indenture may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute one and the same instrument. For the avoidance of doubt, original manual signatures shall be used for execution or indorsement of writings when required under the Uniform Commercial Code or other Signature Law due to the character or intended character of the writings.

Section 3.4. Severability. If any section, paragraph, clause or provision of this First Supplemental Indenture shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this First Supplemental Indenture.

Section 3.5. Governing Law. This First Supplemental Indenture shall be construed in accordance with the laws of the State of Alaska.

Section 3.6. Receipt of Opinion. In connection with the execution of this First Supplemental Indenture, the Corporation has caused to be filed with the Trustee an Opinion of Bond Counsel pursuant to the Original Indenture, including Section 8.02, stating that this First Supplemental Indenture has been duly and lawfully entered into in accordance with the provisions of the Original Indenture, is authorized or permitted by the Original Indenture and is valid and binding on the Corporation.

IN WITNESS WHEREOF, the undersigned Executive Officer and Chief Finance Officer of the ALASKA STUDENT LOAN CORPORATION and the undersigned officers of U.S. BANK NATIONAL ASSOCIATION as Trustee have hereunto executed this First Supplemental Indenture as of the date first written above.

ALASKA STUDENT LOAN CORPORATION

(SEAL)

By: _____
Executive Officer

ATTEST:

By: _____
Chief Finance Officer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Its: _____

EXHIBIT A

EVIDENCE OF BONDHOLDER CONSENT

APPENDIX B**ADDITIONAL INFORMATION ON THE CORPORATION, ELIGIBLE LOANS AND THE NOTES****The Corporation**

The Alaska Student Loan Corporation was created under laws of the State of Alaska and codified at Alaska Statutes 14.42.100 through 14.42.990, as amended (Act). The Corporation is a public corporation and government instrumentality within the Department of Education and Early Development with a legal existence independent of and separate from the State of Alaska. Its primary purpose is to finance state education loans. A combination of proceeds generated from the issuance of bonds and loan repayments have been used to fund its education loan programs.

The Corporation is governed by a Board of Directors, appointed by the Governor. The supervision of the administration of Corporation activities is delegated to the Executive Officer, who is also the Executive Director of the Alaska Commission on Postsecondary Education. The board's primary responsibilities are to:

- authorize and oversee investments
- fund the State of Alaska's education loan programs
- set investment policies, loan fees, interest rates, and program benefits

Authorization for Consent Solicitation

At its January 28, 2021 meeting, the Corporation adopted a resolution authorizing the consent solicitations for the purpose of amending the Indenture, including this Consent Solicitation Statement.

LIBOR Developments

The Notes bear interest at a variable rate that is periodically adjusted as a function of the London Interbank Offered Rate ("LIBOR") for one-month deposits in United States dollars ("One-Month LIBOR"). The Financed Eligible Loans that secure the Notes are also effectively variable rate instruments due to their eligibility for special allowance payments in accordance with the federal Higher Education Act ("HEA" and "Special Allowance Payments"). Such Special Allowance Payments are also periodically adjusted for the Financed Eligible Loans, as a function of One-Month LIBOR.

On July 27, 2017, the U.K. Financial Conduct Authority (the "FCA"), which currently is the governmental regulator that supervises the periodic setting of LIBOR, stated its intention that it would no longer be necessary for it to use its influence or legal powers to persuade or compel panel banks to participate in such rate-setting by submitting indicative rate quotes after December 31, 2021. The Federal Reserve Bank of New York (the "New York Federal Reserve Bank") has acted as the lead United States regulator responsible for coordinating efforts to prepare for the anticipated resulting phase-out of broad capital market reliance upon LIBOR and has convened an Alternative Reference Rate Committee (the "ARRC") to facilitate the participation of other public and private capital market participants in these efforts. The New York Federal Reserve Bank has posted certain information concerning its and the ARRC's LIBOR-related work at www.newyorkfed.org/arrc. On March 27, 2020, the ARRC released a Consultation Regarding More Robust LIBOR Fallback Language for New Variable Rate Private Student Loans (the "March 27, 2020 Consultation"). On May 27, 2020, the ARRC released "ARRC Recommended Best Practices for Completing the Transition From LIBOR", which includes date based recommendations for cessation of new issues or remarketing of instruments utilizing LIBOR as a primary reference rate.

The March 27, 2020 Consultation does not address Special Allowance Payments applicable to Federal Family Education Loan Program (FFELP) Loans. Applicable provisions of the HEA do not currently expressly address the effect upon Special Allowance Payment rate-setting of a cessation of One-Month LIBOR rate-setting or of other consequences of reduced capital market reliance on LIBOR. No assurance can be had as to whether such provisions of the HEA may be amended or, if they are amended, as to either the timing or the effect of such amendment.

8.) Consent Solicitation Update

On December 4, 2020, ICE Benchmark Administration, the benchmark administrator for LIBOR (“IBA”) announced a detailed plan for the discontinuation of LIBOR and adoption of the Secured Overnight Financing Rate (“SOFR”), specifying that it would consult with the industry on their plan to: (i) discontinue the publication of 1-week USD LIBOR and 2-month USD LIBOR after December 31, 2021; and (ii) discontinue the publication of all other USD LIBOR tenors, including the 1-month tenor that is the reference rate for both the Notes and the calculation of Special Allowance Payments with respect to the Financed Eligible Loans that secure the Notes, after June 30, 2023. On March 5, 2021 the FCA confirmed the aforementioned plan for the cessation of all USD LIBOR tenors, and announced that such date also constituted the “Spread Fixing Event”, pursuant to which fallback spreads to daily compounded SOFR were determined. Pursuant to spreads established in connection with the Spread Fixing Event, the reference rate for instruments that currently reference USD 1-month LIBOR and include LIBOR fallback language, such as that recommended by the ARRC, would reference 30-day compounded SOFR, plus a fixed spread of 0.11448%, after June 30, 2023.

The Original Indenture, which did not contemplate the permanent cessation of LIBOR, provides that if LIBOR is unavailable with respect to any interest accrual period for the Notes, the LIBOR in effect for such interest accrual period will be the LIBOR in effect for the prior interest accrual period.

It is possible that events relating to LIBOR may result in one or more of: (i) additional basis risk between the effective rate of interest on Notes and the effective yield on the Financed Eligible Loans; (ii) increased volatility in the effective yield on one or both of the Notes and the Financed Eligible Loans; and (iii) one or both of the Notes and the Financed Eligible Loans bearing interest at a rate that is effectively a fixed rate as a result of the unavailability of a continued series of published LIBOR, rates or at a variable rate that is not fully representative of contemporaneous rates in the applicable variable rate market.

COVID-19 Pandemic

On January 31, 2020, the United States Department of Health and Human Services Secretary declared a public health emergency in response to the spread of the novel coronavirus (“COVID-19” and the “COVID-19 Emergency”). On March 13, 2020, the President of the United States declared a national emergency beginning March 1, 2020. To support borrowers with a Financed Eligible Loan experiencing financial hardship relating to COVID-19, the Alaska Commission on Postsecondary Education (ACPE) has provided relief by suspending repayment through a COVID-19 Hardship Forbearance or an Income Based Repayment plan.

Forbearance usage rates by principal amount of Financed Eligible Loans in forbearance as a percentage of all Financed Eligible Loans was approximately as shown in the table below:

<u>Month</u>	<u>Forbearance Rate (2013 Loans)</u>
January 2020	10.2%
February 2020	10.2%
March 2020	12.9%
April 2020	17.4%
May 2020	22.1%
June 2020	18.1%
July 2020	16.9%
August 2020	13.7%
September 2020	15.0%
October 2020	15.0%
November 2020	10.0%
December 2020	10.6%
January 2021	12.2%
February 2021	12.7%
March 2021	12.4%

The Corporation reserves the right to adopt additional relief measures in response to the COVID-19 Pandemic.

During the first few weeks following the issuance of the national emergency declaration referred to above, the Corporation successfully increased the percentage of operations performed in a remote or “work at home” manner utilizing full system interfaces. Since that time, approximately 85% of staff have been working remotely, with plans to return select staff gradually to on-site work contingent on the developing status of the COVID-19 Pandemic.

The Federal CARES Acts. The United States Congress has enacted several COVID-19- related bills, including the Coronavirus Aid, Relief, and Economic Security Act, signed into law on March 27, 2020, the Paycheck Protection and Health Care Enhancement Act, signed into law on April 24, 2020 and the Student Veteran Coronavirus Response Act, signed into law on April 28, 2020 (collectively, the “CARES Acts”), that authorize numerous measures in response to the economic effects of the COVID-19 Pandemic. Such measures include, but are not limited to: direct financial aid to American families; temporary relief from certain federal tax requirements; the scheduled payment of federally owned education loans, including federally owned FFELP Loans and loans originated under the Federal Direct Student Loan Program, and from certain other federal higher education aid requirements; temporary relief for borrowers with federally-related mortgage loans; payroll and operating expense support for small businesses and nonprofit entities; federal funding of higher education institutions’ emergency aid to students and operations and support for the capital markets loan assistance for distressed industries; and capital market support.

The CARES Acts also authorize the United States Department of the Treasury (the “Treasury”) to provide up to approximately \$450 billion in loans, loan guarantees and other investments to support programs and facilities established by the Board of Governors of the Federal Reserve System (the “Federal Reserve”) that are intended to provide liquidity to the financial system and facilitate lending to eligible businesses and to States, political subdivisions and instrumentalities. Such injection of liquidity follows actions by the Federal Reserve, including the purchase of Treasury securities and mortgage-backed securities, facilitating the flow of credit to municipalities by expanding its Money Market Mutual Fund Liquidity Facility to include a wider range of securities, including certain municipal variable rate demand bonds, and facilitating the flow of credit to municipalities by expanding its Commercial Paper Funding Facility to include high-quality, tax-exempt commercial paper as eligible securities. No assurance can be given that such liquidity assistance from the federal government will assure that a secondary market exists for any of the Corporation’s obligations, including the Notes, or the availability to the Corporation of adequate liquidity to fully fund its program needs at any particular time.

The Proposed Federal Heroes Act. On May 15, 2020, the United States House of Representatives approved the Health and Economic Recovery Omnibus Emergency Solutions Act (the “Heroes Act.”). As so approved, the Heroes Act includes provisions that would directly affect the payment performance of privately held portfolios of FFELP Loans, such as the Financed Eligible Loans, and of other post-secondary education loans, such as the Financed Eligible Loans, and numerous other provisions that might indirectly affect such performance and the administrative and servicing costs and revenues associated with such post-secondary education loans.

With respect to privately held FFELP Loan, such as the Financed Eligible Loans, such directly applicable provisions include: (i) suspended borrower payment obligations during a period beginning on March 13, 2020 and ending on September 30, 2021; (ii) federal payment to holders of reasonable compensation for their resulting losses; (iii) federal payment of interest that would otherwise be payable by the borrower during a period beginning on March 13, 2020 and ending on the later of (x) September 30, 2021 or (y) the date of satisfaction of certain reduced unemployment tests; (iv) federal prepayment in amounts equivalent to interest payments that were made by borrowers during the period beginning on March 13, 2020 and ending on the date of enactment; and (v) additional federal prepayment of up to \$10,000 with respect to such loans whose borrowers, as of March 12, 2020, were economically distressed on the basis of FFELP Loan default, delinquency, forbearance or deferment status or of having a monthly payment amount of \$0.00 pursuant to a FFELP income-contingent payment plan. If the Heroes Act were to become law, such provisions might apply to Financed Eligible Loans and to other FFELP Loans that are owned or serviced by the Corporation or are guaranteed or otherwise administered by the Alaska Student Loan Corporation.

With respect to other privately held loans that (a) were made expressly to fund post- secondary educational expenses, (b) were neither made under either Title IV of the federal Higher Education Act or an open-ended consumer credit plan nor secured by real property, and (c) whose borrowers, as of March 12, 2020, were economically distressed on the basis of post-secondary educational expense loan default, delinquency, forbearance or deferment status or on the basis that the borrower’s income would have qualified the borrower for a monthly payment due of \$0.00 pursuant to certain HEA income-contingent repayment plans if such a plan were applicable to her or his loan, such directly applicable provisions include: (i) federal payment of the total scheduled amount due on such loans from the date of enactment though September 30, 2021, up to \$10,000 per borrower; (ii) federal prepayment by December 29, 2020 of

8.) Consent Solicitation Update

the then outstanding principal amount of such loans, up to the difference between \$10,000 and the amount of prior federal payments made on behalf of the borrower as described in clause (i) of this sentence; (iii) requirements that borrowers be granted forbearance with respect to any delinquent amounts, and cessation of all payment requirements with respect to any additional amounts, that would otherwise be due on such loans during such period; (iv) a prohibition upon capitalization of interest, involuntary collection activity and furnishing adverse credit information with respect to such loans that are in repayment during such period (which period shall not toll any applicable state statute of limitations); and (v) a requirement that such loans be modified to provide for the same repayment plan and forgiveness terms that were available to Federal Direct Student Loan Program borrowers under the Revised Pay As You Earn repayment plan as provided on January 1, 2020 by Section 685.209(c) of Title 34 of the Code of Federal Regulations. If the Heroes Act were to become law such provisions might apply to post-secondary educational expense loans, other than FFELP Loans, that are owned or serviced by the Corporation.

The Amended Heroes Act. On October 1, 2020, the United States House of Representatives passed an updated version of the Heroes Act (the “Amended Heroes Act”) which would amend the CARES Act to define “federal student loan” to include commercially held FFELP loans such as the Financed Eligible Loans, and require the Secretary of Education to pay the amount of interest due on the unpaid principal to the holders of commercially held FFELP loans on a monthly basis. The Amended Heroes Act would also amend the CARES Act to extend suspension of principal payments, no interest accrual and other benefits for FFELP student loan borrowers through September 30, 2021. It also would allow FFELP student loan borrowers repaying under an income driven repayment plan to not recertify their income or family size until after December 31, 2021.

There can be no assurance as to whether the Heroes Act or the Amended Heroes Act will become law or, if any become law, as to the nature of any changes to their current provisions or as to the timing of their enactment or implementation. There can also be no assurance as to the likelihood that any of their current provisions may not become law, in their current or a modified form, by operation of other legislation.

Administrative Actions and Extensions. On August 8, 2020, President Trump issued a publicly available Memorandum on Continued Student Loan Payment Relief During the COVID 19 Pandemic (the “Presidential Extension of Student Loan Payment Relief Memorandum”), which ordered the Department of Education to take action pursuant to applicable law to continue the suspension of federal student loan payments and interest accruals on student loans held by the Department of Education until December 31, 2020. On August 21, 2020, the Department of Education announced that it had fully implemented the Presidential Extension of Student Loan Payment Relief Memorandum through December 31, 2020. On December 4, 2020 Education Secretary Betsy DeVos extended the suspension of loan payments and interest accrual provisions on federally owned student loans through January 31, 2021.

Through executive order, President Biden and the acting Secretary of the US Department of Education have extended the suspension of principal and interest payments on federal direct loans until September 30, 2021.

These administrative actions do not apply to the Financed Eligible Loans. However, legislation has been discussed and introduced during 2020 and again in 2021 to extend these benefits to loans such as the Financed Eligible Loans. In addition, there are currently other federal legislative proposals that would provide borrower relief with respect to privately held FFELP loans, such as the Financed Eligible Loans. Due to uncertainties regarding, among other things, the duration of the COVID 19 Pandemic and any new legislation, regulations, guidance, or widely accepted practices with respect to relief to loan borrowers, the Corporation is not able to estimate the ultimate impact that debt relief measures will have on its operations or the Financed Eligible Loans.

Uncertainty of Future Impacts. As of the date hereof, the Corporation is not aware of federal or state consumer lending law changes in response to the COVID-19 Pandemic that it expects to materially and adversely affect the operation of its loan program. The Corporation notes that recent guidance provided by the US Department of Education strongly encourages FFELP lenders to continue to apply administrative forbearances and encourages FFELP guarantors to take all reasonable measures to further such forbearances, for the duration of the COVID-19 national emergency. Any further COVID-19 Pandemic relief measures that may be required by law or voluntarily implemented by the Corporation and that are applicable to Financed Eligible Loans would be expected to result in a delay in the receipt of, or in a reduction of, the revenues received from the Financed Eligible Loans. The Corporation cannot accurately predict the number of Financed Eligible Loan borrowers that would utilize any benefit program that requires borrower action. The greater the number of borrowers that utilize any relief measures, the lower the total current loan receipts on Financed Eligible Loans. If actual receipt of Financed Eligible Loans Revenues or actual

Eligible Loan administrative expenditures were to vary materially from those projected, the ability of the Trust Estate to provide sufficient revenues to fund interest and administrative costs and to amortize the Notes might be adversely affected.

The full impact of the COVID-19 Pandemic, and of directly and indirectly related developments, on the Corporation's finances and operations, on the performance of FFELP Loans, including Financed Eligible Loans constituting security for Notes, and on the security, market value and liquidity of Notes cannot be predicted at this time. It is not currently possible to project with certainty the nature, degree and duration of economic and legal changes that may result from the COVID-19 Pandemic. The COVID-19 Pandemic could adversely affect global, national, regional or local economies in a manner that might reduce the ability of certain Eligible Loan borrowers to make full and timely loan repayment. The number and aggregate principal balance of Financed Eligible Loans for which repayment may be so affected by the COVID-19 Pandemic is not known at this time, but may be significant. As a result, there may be a delay in, or reduction of, total Financed Eligible Loan collections that might materially and adversely affect the ability of the Trust Estate to provide sufficient Revenues to fund interest and administrative costs and to amortize the Notes, as initially projected or as projected herein. Further federal legislative or administrative action could result in an increase in the percentage of incidence of on-time payments of Financed Eligible Loan or of prepayments of Financed Eligible Loans. There can be no assurance, however, that such further federal action will occur, or as to the number or aggregate principal balance of Financed Eligible Loans that might be so affected. The Corporation is monitoring and assessing the economic and legal impact of the COVID-19 Pandemic and of governmental responses thereto, including orders, laws, regulations and mandates adopted by the State of Alaska or the federal government, on its operations and financial position.

Certain Recent Rating Agency Actions

On August 6, 2020, Fitch Ratings revised the "Rating Watch Outlook" for the Notes from "Negative" to "Stable." On March 3, 2021 Fitch Ratings downgraded the rating on the Notes from "AAAsf" to "AAsf" with a continued "Negative" outlook. The downgrade announcement provided that the action "reflects Fitch's stressed cashflow results, which indicate the bonds are not paid in full by the legal final maturity date under Fitch's 'AAAsf' maturity scenarios and marginally pass 'AAsf' and 'Asf' maturity scenarios. Although the bonds are not paid in full under the 'AAAsf' maturity scenario, there is no indication of principal shortfall. The increased maturity risk in the transaction stems primarily from increasing remaining loan term and a reduction in payment rate." The announcement also stated that "[t]he Negative Outlook highlights that the transaction may be susceptible to further negative rating pressure if the prepayment rate declines and/or the remaining term continues to increase." The Notes are rated by Fitch Ratings and Standard & Poor's Ratings Services ("S&P"). The Corporation cannot accurately predict whether S&P) will take any similar actions or what the outcome may be.

Continuing Disclosure

The Corporation may, but does not hereby undertake to, provide periodic disclosures of developments with respect to the above matters to the extent that the Corporation considers such developments to be potentially material to holders of its debt obligations, by posting such disclosures on EMMA. Any such disclosures that are not made as part of annual financial information or material event filings that are required under continuing disclosure agreements that the Corporation has entered into for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 would be voluntary filings. As such, the Corporation is not committing to posting such disclosures and, if any such voluntary filings are posted, does not thereby commit to posting any additional voluntary disclosures.

CHARACTERISTICS OF THE ELIGIBLE LOANS

Alaska Student Loan Corporation
Taxable Education Loan Backed Notes, Series 2013A
Loan Characteristics as of March 31, 2021

Summary Characteristics

Aggregate Outstanding Principal Balance	\$35,735,691
Accrued Interest to be Capitalized ^(a)	1,394,181
Number of Borrowers	2,381
Average Outstanding Principal Balance Per Borrower	15,009
Number of Loans	8,683
Average Outstanding Principal Balance Per Loan	4,116
Weighted Average Remaining Term to Scheduled Maturity (Months) ^(b)	143
Weighted Average Loan Seasoning (Months) ^(c)	158
Weighted Average Statutory Borrower Interest Rate ^(d)	6.02
Weighted Average Interest Rate Reductions ^(e)	0.21
Weighted Average Effective Interest Rate	5.81
Weighted Average SAP Repayment Margin to 1 mo LIBOR	2.15

^(a) Including accrued interest on loans in Partial Financial Hardship payment plans.

^(b) Without giving effect to any current deferment of forbearance periods or any that may be granted in the future.

^(c) Based on months since first disbursement date.

^(d) Calculated based on the current borrower interest rate, without giving effect to any borrower benefits.

^(e) Includes currently utilized incentives for both ACH and timely payment.

<u>Loan Program</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
Stafford Unsubsidized	\$18,405,555	51.5%	4,268
Stafford Subsidized	10,389,884	29.1	3,824
Consolidation Unsubsidized	3,570,157	10.0	261
Consolidation Subsidized	2,454,272	6.9	276
PLUS	<u>915,823</u>	<u>2.6</u>	<u>54</u>
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

<u>Borrower Interest Rate</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
Less than 2.000%	\$296,652	0.8%	113
2.000% to 2.999%	3,923,546	11.0	1,376
3.000% to 3.999%	635,713	1.8	60
4.000% to 4.999%	1,832,268	5.1	133
5.000% to 5.999%	3,763,703	10.5	1,228
6.000% to 6.999%	23,390,486	65.5	5,627
7.000% or greater	<u>1,893,322</u>	<u>5.3</u>	<u>146</u>
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

<u>School Type</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
4- Year +	\$27,034,766	75.7%	7,419
2- or 3-Year	1,608,882	4.5	535
Vocational/Proprietary	347,048	1.0	107
Other/Consolidation/Unknown	<u>6,744,995</u>	<u>18.9</u>	<u>622</u>
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

<u>SAP Index</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
1-Month LIBOR Index	\$35,735,691	100.0%	8,683
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

<u>Loan Status</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
School	\$202,174	0.6%	38
Grace	23,839	0.1	6
Deferment	3,294,053	9.2	810
Forbearance	4,430,815	12.4	869
Repayment	27,307,768	76.4	6,859
Claims in Progress	<u>477,042</u>	<u>1.3</u>	<u>101</u>
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

<u>Delinquency</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
Not in Repayment	\$8,574,071	26.6%	1,841
0-30 days	23,260,729	64.9	5,946
31-60 days	879,686	2.5	161
61-90 days	337,973	0.9	79
91-120 days	466,962	1.3	109
121-150 days	408,259	1.1	113
151-180 days	196,346	0.5	62
181 days and above	<u>1,611,666</u>	<u>2.1</u>	<u>372</u>
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

<u>Origination Date</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
On or After October 1, 2007	\$21,568,144	60.4%	5,341
April 1, 2006 - September 30, 2007	9,476,565	26.5	1,853
Before April 1, 2006	<u>4,690,982</u>	<u>13.1</u>	<u>1,489</u>
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

<u>Guarantee Percentage</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
On or After July 1, 2006 (97%)	\$30,425,520	85.1%	7,065
October 1, 1993 – June 30, 2006 (98%)	5,310,171	14.9	1,618
Before October 1, 1993 (100%)	<u>0</u>	<u>0.0</u>	<u>0</u>
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

8.) Consent Solicitation Update

<u>Current Loan Balance</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
\$0 to \$4,999	\$13,872,652	38.8%	6,514
\$5,000 to \$9,999	10,590,514	29.6	1,546
\$10,000 to \$14,999	4,471,829	12.5	377
\$15,000 to \$19,999	1,780,728	5.0	103
\$20,000 to \$24,999	1,528,546	4.3	69
\$25,000 or more	<u>3,491,422</u>	<u>9.8</u>	<u>74</u>
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

<u>Remaining Term</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
0 to 24	\$794,674	0.2%	1,062
25 to 36	791,620	0.4	602
37 to 48	959,726	0.7	505
49 to 60	1,534,268	1.4	536
61 to 72	1,380,251	3.1	468
73 to 84	1,592,402	5.6	506
85 to 96	1,750,153	9.3	434
97 to 108	2,777,503	13.5	580
109 to 120	4,959,670	45.9	986
121 to 180	10,050,703	3.77	1,816
181 to 240	5,528,936	2.58	738
241 to 300	2,377,339	8.76	293
Over 300	<u>1,238,445</u>	<u>4.71</u>	<u>157</u>
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

<u>Payment Schedule</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
IBR-PFH in Repayment Status	\$8,828,791	24.7%	1,542
IBR-PFH in Other Statuses	1,920,594	5.4	266
Other Payment Plans	<u>24,986,306</u>	<u>69.9</u>	<u>6,875</u>
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

<u>ACH/EFT Rate Reductions</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
Currently Receiving 25 bp	\$7,562,081	21.2%	2,075
Currently Not Utilizing	<u>28,173,610</u>	<u>78.8</u>	<u>6,608</u>
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

<u>Timely Pay Rate Reductions</u>	<u>Current Balance</u>	<u>% Total Balance</u>	<u>Number of Loans</u>
1% Rate Reduction - Qualified	\$1,319,831	3.7%	155
1% Rate Reduction - Eligible	907,868	2.5	28
2% Rate Reduction - Qualified	2,117,428	5.9	941
2% Rate Reduction - Eligible	7,713,509	21.6	1,526
None	<u>23,677,055</u>	<u>66.3</u>	<u>6,033</u>
Totals	<u>\$35,735,691</u>	<u>100.0%</u>	<u>8,683</u>

**WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES AND PERCENTAGES OF
ORIGINAL PRINCIPAL REMAINING AT CERTAIN MONTHLY DISTRIBUTION DATES FOR
THE SERIES 2013A NOTES**

Projected prepayments of the Financed Eligible Loans may be measured by a variety of models. The general model used below is the constant prepayment rate and is referred to herein as the “CPR” model. CPR represents a constant rate of prepayment on Financed Eligible Loans each month relative to the then outstanding aggregate principal balance of Financed Eligible Loans for the life of such Financed Eligible Loans. The CPR model does not purport to describe historical prepayment experience or to predict the prepayment rate of any actual student loan pool. The Financed Eligible Loans pledged under the Indenture should not be expected to prepay according to the indicated CPRs, nor will all of the Financed Eligible Loans prepay at the same rate.

In addition to prepayments, several other factors may affect the weighted average life of the Series 2013A Notes. These factors include, but are not limited to: interest rates, bond redemptions, reinvestment income, borrower repayment plans, borrower delinquencies and defaults, default recoveries, periods of deferment and forbearance, the utilization rate of timely pay and ACH borrower rate reductions, and permitted cash releases and program expenses. Actual results may, and likely will, vary from the assumptions made in this analysis.

The tables below indicate the percentages of the current principal balance of the Series 2013A Notes expected to be outstanding on certain monthly distribution dates, as well as the estimated weighted average life (“WAL”), average maturity date and final payment date of the Series 2013A Notes, based on the assumption that Financed Eligible Loans prepay at the respective indicated percentages of CPR (the “CPR Prepayment Assumption Rates”). It is unlikely that Financed Eligible Loans will prepay at any of the CPR Prepayment Assumption Rates presented, and the timing of changes in the rate of prepayments actually experienced on Financed Eligible Loans is unlikely to follow the pattern described for the CPR Prepayment Assumption Rates presented. The percentages of the current principal balance of the Series 2013A Notes expected to be outstanding, WALs, average maturity, and final payment dates are likely to vary, perhaps significantly, from those set forth in the tables below due to the differences between the actual performance of Financed Eligible Loans and the assumptions described herein. WALs are computed from April 1, 2021, using balance projections based on the cutoff date of March 31, 2021.

All financial projection models, including the model used in preparing these tables, are subject to inherent limitations. There is substantial variation among the pricing models offered by third-party pricing services and there can be no assurance that the results projected by third-party pricing services will be the same as those used in the tables below.

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PERCENTAGES OF CURRENT PRINCIPAL BALANCE REMAINING AT CERTAIN MONTHLY
DISTRIBUTION DATES, WEIGHTED AVERAGE LIFE, AVERAGE MATURITY DATE AND
FINAL PAYMENT DATE FOR THE SERIES 2013A NOTES
AT VARIOUS PERCENTAGES OF CPR

<u>Date</u>	<u>0% CPR*</u>	<u>2% CPR</u>	<u>4% CPR</u>	<u>6% CPR</u>	<u>8% CPR</u>
4/25/2021	100%	100%	100%	100%	100%
4/25/2022	88%	87%	85%	83%	82%
4/25/2023	77%	74%	71%	67%	64%
4/25/2024	66%	61%	57%	53%	49%
4/25/2025	56%	51%	45%	40%	36%
4/25/2026	46%	40%	34%	29%	24%
4/25/2027	37%	30%	24%	19%	14%
4/25/2028	27%	21%	15%	10%	6%
4/25/2029	19%	13%	8%	3%	0%
4/25/2030	11%	5%	1%	0%	-
4/25/2031	4%	0%	0%	-	-
4/25/2032	0%	-	-	-	-
WAL (Yrs.)	4.93	4.43	4.01	3.66	3.35

Weighted Average Life (Years)

<u>0% CPR*</u>	<u>2% CPR</u>	<u>4% CPR</u>	<u>6% CPR</u>	<u>8% CPR</u>
4.93	4.43	4.01	3.66	3.35

Expected Final Maturity Dates

<u>0% CPR*</u>	<u>2% CPR</u>	<u>4% CPR</u>	<u>6% CPR</u>	<u>8% CPR</u>
25-Jan-2032	25-Mar-2031	25-Jun-2030	25-Oct-2029	25-Mar-2029

Expected Payment Windows

<u>0% CPR*</u>	<u>2% CPR</u>	<u>4% CPR</u>	<u>6% CPR</u>	<u>8% CPR</u>
4/25/21 - 1/25/32	4/25/21 - 3/25/31	4/25/21 - 6/25/30	4/25/21 - 10/25/29	4/25/21 - 3/25/29
1-130 Months	1-120 Months	1-111 Months	1-103 Months	1-96 Months

* Based upon the characteristics of the Financed Eligible Loans described herein and various other assumptions the Corporation believes to be reasonable, the Notes are not repaid in full by their August 25, 2031 legal final maturity date in the 0% CPR cash flow scenario.

The Information and Tabulation Agent is:

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Memorandum

To: Alaska Student Loan Corporation Members
Thru: Sana Efird, Executive Officer
From: Julie Pierce, Chief Finance Officer
Date: May 13, 2021
Re: Proposed 2021-2022 Interest Rate for Variable Rate Alaska Supplemental Education Loans

Pursuant to AS 14.42.215 and 20 AAC 14.050, the Corporation sets the annual interest rate for variable rate Alaska Supplemental Education Loans (ASEL) on or after May 1 of each year. This rate will be in effect for the 12-month period beginning July 1, 2021 and ending June 30, 2022. The Corporation issued variable rate ASEL loans from July 1, 2002, through June 30, 2006.

Corporation regulations specify the ASEL variable interest rate be based on “the bond equivalent rate of the 91-day U.S. Treasury bills auctioned at the final auction held before May 1 of the loan year plus up to 2.8 percent.” The final auction held before May 1st occurred on April 26, 2021.

Staff recommends the interest rate for variable rate ASEL loans be set as follows for the 12-month period beginning July 1, 2021:

1. During the in-school period and applicable grace and deferment periods, 2.70%¹ (91-day U.S. Treasury Bill rate set April 26th of 0.01% plus 2.70 %.)
2. During the repayment period and applicable forbearance periods, 2.80%¹, (91-day U.S. Treasury Bill rate set April 26th of 0.01% plus 2.80 %.)

Requested Motion:

Move approval of variable interest rates for variable rate ASEL loans as recommended by staff.

¹ The base rate has been rounded to the nearest tenth of a percent, consistent with past practice.

Alaska Student Loan Corporation

EXECUTIVE OFFICE

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THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

RESOLUTION TO SUPPORT SENATE BILL 94 AND HOUSE BILL 114

WHEREAS, the Alaska Student Loan Corporation (ASLC), in partnership with Alaska Commission on Postsecondary Education (ACPE), provides financial and educational resources to Alaskans, enabling them to achieve their career training or college credentials aspirations; and

WHEREAS, as an enterprise instrumentality of the State of Alaska, ASLC exists to fund Alaska's education loan programs without use of the state's General Fund; and

WHEREAS, in its role as a state fiduciary, the Board of Directors has an obligation to ensure the sustainability of the state's loan programs while continuing to offer financing at the lowest possible cost for Alaska's borrowers; and

WHEREAS, the goal of SB 94 and HB 114 is to increase responsiveness to Alaska's higher education community, especially students, by enhancing ASLC's ability to meet the financial needs of Alaska's current and future student loan borrowers; and

WHEREAS, the three proposed changes, expansion of refinance loan eligibility, elimination of in-school loan limits from statute, and clarity for ASLC to offer a loan program with immediate repayment, benefit both the Corporation and its borrowers; and

WHEREAS, the proposed legislation would positively impact the viability of ASLC by responsibly increasing loan volume and originations, which translates into lower per-loan servicing costs as well as lower interest rates and overall costs (economies of scale) for Alaska's student loan borrowers and their families.

THEREFORE BE IT RESOLVED, the Alaska Student Loan Corporation Board supports SB 94 and HB 114 and requests the Alaska State Legislature's favorable action in passing this legislation.

ADOPTED May 13, 2021



Alaska Commission on Postsecondary Education

P.O. Box 110505
Juneau, Alaska 99811-0505

Customer Service Center
Toll Free: (800) 441-2962
In Juneau: (907) 465-2962
TDD: (907) 465-3143
Fax: (907) 465-5316
acpe.alaska.gov

RESOLUTION TO SUPPORT SENATE BILL 94 AND HOUSE BILL 114

WHEREAS, the mission of the Alaska Commission on Postsecondary (ACPE) is to promote access to and success in education and career training beyond high school; and

WHEREAS, ACPE, in partnership with the Alaska Student Loan Corporation (ASLC), provides financing and educational resources to Alaskans through early awareness, college and career planning, financial aid and education loan programs; and

WHEREAS, when scholarships and federal aid do not meet Alaska students' full financial needs, Alaska state education loans fill the gap with low-cost, high quality loans; and

WHEREAS, the goal of SB 94 and HB 114 is to increase responsiveness to Alaska's higher education community, especially students, by enhancing ACPE's ability to meet the financial needs of Alaska's current and future student loan borrowers; and

WHEREAS, current loan limits in Alaska statutes are becoming a barrier to Alaska students who may not be able to cover the full cost of attendance with an Alaska education loan or who may be unable to obtain funding from private lenders; and

WHEREAS, removing loan limits from statute would provide ASLC the flexibility to adjust loan limits to match rising education costs, ensuring the full financial needs of Alaska's borrowers are met; and

WHEREAS, Alaska Refinance Loans offer Alaska residents the ability to consolidate multiple Alaska loans and/or loans from other lenders into one low interest rate Alaska loan; and

WHEREAS, refinance loan volume has decreased over the last two years, and the proposed legislation would expand eligibility for the program while ensuring qualifying applicants still have a nexus to Alaska; and

WHEREAS, expanding eligibility of the refinance program would increase the pool of qualified applicants without lowering current credit based underwriting criteria and more borrowers with an Alaska nexus would benefit from the competitive lending rates offered by ASLC; and

WHEREAS, studies have shown that borrowers with loans that enter repayment status immediately (even interest-only payments) have lower delinquency and default rates than loans that fully defer payment until after the in-school period ends; and

WHEREAS, clarifying ASLC's authority to offer a loan program with immediate repayment would benefit new borrowers that choose to enter the program by reducing their overall education loan costs; and

WHEREAS, the proposed legislation would positively impact the viability of ASLC by responsibly increasing loan volume and originations, which translates into lower per-loan servicing costs as well as lower interest rates and overall costs (economies of scale) for Alaska's student loan borrowers and their families.

THEREFORE BE IT RESOLVED, the Alaska Commission on Postsecondary Education supports SB 94 and HB 114 and requests the Alaska State Legislature's favorable action in passing this legislation.

ADOPTED April 8, 2021



Memorandum

To: Alaska Student Loan Corporation Board Members
Thru: Sana Efird, Executive Officer
From: Joe Felkl, Executive Secretary
Date: May 13, 2021
Re: 2021 & 2022 Meeting Calendars

Included as an attachment is Chief Finance Officer Julie Pierce's Proposed Annual Meeting Calendar memorandum from the March 11, 2021, meeting. The memo outlines annual meeting topics and a proposed meeting schedule. In accordance with that outline, below is an amended 2021 meeting schedule and a proposed 2022 meeting schedule for consideration by the board. The 2022 dates are starting points. If members have any conflicts with these dates, we can discuss alternative options during the meeting.

Please note, Ms. Pierce's original memorandum recommends annual approval of the investment policy in May. As members are aware, we are currently undergoing a substantial review of the Corporation's investment policy with the Alaska Department of Revenue. Once the review and recommendations are finalized, the recommended policy changes will be brought before the board as soon as possible at the next regularly scheduled meeting or at a special meeting of the board. After the conclusion of the current policy review, the topic will be addressed annually at the May meeting.

Additionally, in Ms. Pierce's original memorandum, the meeting date for the Corporation's annual fall meeting was proposed for the end of October. With ACPE's fall meeting annually occurring around the same time, staff recommends keeping ASLC's fall meeting scheduled in early November moving forward.

Lastly, as stated in Ms. Pierce's original memorandum, ad hoc meetings may be set if the need arises to address other topics of interest to the board outside of these proposed dates and times.

11.) Adoption of Meeting Schedules

ASLC Amended 2021 Meeting Schedule		
Currently Scheduled	Purpose	Proposed
Thursday, August 12, 2021 1:30-2:30 pm	N/A	Eliminate meeting
Thursday, November 4, 2021 1:30-2:30 pm	Review annual audited financial statements & determine SOA dividend	Remain as set

ASLC 2022 Meeting Schedule	
Purpose	Proposed
Set fixed rates	Thursday, February 10, 2022 1:30-2:30 pm
Set variable rates & investment policy approval	Thursday, May 12, 2022 1:30-2:30 pm
Review audited financial statements & determine SOA dividend	Thursday, November 3, 2022 1:30-2:30 pm



Memorandum

To: Alaska Student Loan Corporation Board Members
Thru: Sana Efird, Executive Officer
From: Julie Pierce, Chief Finance Officer
Date: March 11, 2021
Re: Proposed Annual Meeting Calendar

Staff have developed a schedule of annual topics for ASLC meetings. Staff are presenting this schedule for information and planning purposes. Adoption of the changes proposed in this schedule will be an agenda item for the board's consideration at the May 13, 2021, meeting.

ASLC Annual Meeting Schedule			
Currently Scheduled	Proposed	Meeting Purpose	Note
March	Beginning of February	Set Fixed Rates	Rates can be set as deemed appropriate but at least annually. Proposed annual rate setting scheduled at the beginning of February allows for rates to be set and approved by the Board in advance of the annual program year project.
May	May	Set Variable Rates	Corporation regulations specify the ASEL variable interest rate be based on "the bond equivalent rate of the 91-day U.S. Treasury bills auctioned at the final auction held before May 1 of the loan year plus up to 2.8 percent."
Annually in November	May	Investment Policy Approval	Schedule Investment Policy Approval at an ideal timeframe for working with DOR in consideration of DOR's process of working with DOR's Financial Advisor to develop and adopt capital market assumptions and benchmark recommendations for the coming fiscal year.

11.) Adoption of Meeting Schedules

August	Eliminate Mtg.		From the end of June to the beginning of September is a period of significant work compression for the Finance Division focused on preparing the next fiscal year budget, closing the fiscal year end, preparing financial statements, and preparing for and undergoing the annual financial statement audit.
November	End of October	Review Annual Audited Financial Statements	Annually in October as a standalone or joint meeting with the Commission. Benefit of not juggling with Veterans or Thanksgiving Holiday in November.
November	End of October	Approve Dividend back to SOA	
ad hoc	ad hoc	Various	Legislative proposals. Statutory/regulation changes. 2013 Note Redemption or other Financing topics. Other special purpose.



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Alaska Student Loan Corporation

FINANCE OFFICE

P.O. Box 110505
Juneau, Alaska 99811-0505
Phone: 907.465.6740
Toll Free: 800.441.2962
TTY: Dial 711 or 800.770.8973
Fax: 907.465.3293
acpe.alaska.gov

Memorandum

To: Alaska Student Loan Corporation Board Members
Thru: Sana Efird, Executive Officer
From: Julie Pierce, Chief Finance Officer
Date: May 13, 2021
Re: Audit Engagement Cover Memo

FY2021 Audit

Included with your packet is a copy of the engagement letter for the annual financial statement and federal single audit for the fiscal year ended June 30, 2021. The most recent peer review report with a rating of pass is also included for information.

Audit fieldwork is scheduled for the first week of September and the audited Financial Statements are expected to be finalized by the beginning of October. The audited Financial Statements will be presented by our auditors, Elgee Rehfeld LLC., at the next ASLC Board meeting following statement finalization.

If you have any questions or wish to discuss this information further, please do not hesitate to contact me at 907-465-6757 or julie.pierce@alaska.gov.



Elgee Rehfeld Alaska's CPA Firm

Janelle Anderson, CPA
Ryan Beason, CPA
Sarah Griffith, CPA
Mark Mesdag, CPA
Adam Sycks, CPA
Karen Tarver, CPA

May 7, 2021

Founders: George Elgee, CPA & Robert Rehfeld, CPA

Julie Pierce
Chief Finance Officer
Alaska Student Loan Corporation
3030 Vintage Boulevard
Juneau, AK 99801

Dear Julie:

You have requested that we audit the financial statements of the net position, statements of revenues, expenses and changes in net position and cash flows of Alaska Student Loan Corporation, as of June 30, 2021, and for the year then ended, and the related notes to the financial statements, which collectively comprise Alaska Student Loan Corporation's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal award programs for the period ended June 30, 2021. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of

federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of Alaska Student Loan Corporation's basic financial statements. Our report will be addressed to the governing body of Alaska Student Loan Corporation. We cannot provide assurance that unmodified opinions will

be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of Alaska Student Loan Corporation's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We plan to use the results of your third-party servicer's audit for portions of your audit and will exclude the compliance areas covered by their audit report, as allowed by the U.S. Office of Management and Budget *OMB Compliance Supplement* for Alaska Student Loan Corporation's major program (the Federal Family Education Loan (FFEL) Program). We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For the design, implementation, and maintenance of internal control over federal awards;
7. For establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the nonfederal entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
8. For identifying and ensuring that the entity complies with federal statutes, regulations, and the terms and conditions of federal award programs and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
9. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package to the appropriate parties;

15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

With respect to any nonattest services we perform, Alaska Student Loan Corporation's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

We will not assume management responsibilities on behalf of Alaska Student Loan Corporation. However, we will provide advice and recommendations to assist management of Alaska Student Loan Corporation in performing its responsibilities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Limitation of Liability

In no event will Elgee Rehfeld, LLC be liable for any consequential, special, indirect, incidental, punitive, or exemplary losses, damages, or expenses, regardless of whether or not Elgee Rehfeld, LLC has been advised of the possibility of such damages. In circumstances where all or any portion of the provisions of this Agreement are finally judicially determined to be unavailable, void, or impermissible for any reason, the aggregate liability of Elgee Rehfeld, LLC for any Claim shall not exceed the amount of compensation Elgee Rehfeld, LLC received pursuant to the terms of this Agreement.

Other

Karen Tarver is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. We will contact you regarding the audit start date, and will issue our reports no later than sixty days subsequent to the receipt of all data and schedules.

We estimate that our fees for these services will be \$40,225 for the audit. You will also be billed for other out-of-pocket costs such as report production, typing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, our fees may exceed the quote but we will coordinate with you prior to any additional time is incurred and will not proceed without written approval. We utilize a web portal, Suralink, to request date specific items that need to be provided to us to complete the audit. These include items from you, and possibly others. Our fee quote assumes that you agree to provide the items we request in Suralink by the dates specified and monitor Suralink to meet these dates. Our experience has been that when items are provided late, it adds to the time and cost of the audit. We will bill you for additional time.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes sixty days or more overdue and may not be resumed until your account is paid in full. A finance charge of 1% per month (12% annually) will be assessed to all accounts over sixty days old. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we had not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

During the course of the engagement, we may communicate with you or your personnel via our portal (Suralink), zoom, fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

You agree that any dispute (other than our efforts to collect outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the State of Alaska, by local chapter of the American Arbitration Association, according to its mediation rules, and any ensuing litigation shall be conducted within Alaska, according to Alaska law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of mediation shall be shared equally by the participating parties.

The audit documentation for this engagement is the property of Elgee Rehfeld, LLC and constitutes confidential information. However, we may be requested to make certain audit

documentation available to federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Elgee Rehfeld, LLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter (electronic copy via email is fine) to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Sincerely,

Elgee Rehfeld

Elgee Rehfeld, LLC

RESPONSE:

This letter correctly sets forth our understanding.

Alaska Student Loan Corporation

Acknowledged and agreed on behalf of Alaska Student Loan Corporation by:

Executive Director: *Sana Efird*

Printed Name: Sana Efird

Date: 5/10/2021

Chief Financial Officer: *Julie Pierce*

Printed Name: Julie Pierce

Date: 5/10/2021

ATTACHMENT A



Report on the Firm's System of Quality Control

October 19, 2020

To Elgee Rehfeld, LLC and the Peer Review
Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Elgee Rehfeld, LLC (the firm) in effect for the year ended April 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

190 Camino Oruga, Suite 1 • Napa, CA 94558 • telephone: 707.255.0677 • fax: 707.255.0687
Member: American Institute of CPAs • California, Hawaii, & Oregon Societies of CPAs

ATTACHMENT A (continued)

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Elgee Rehfeld, LLC in effect for the year ended April 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Elgee Rehfeld, LLC has received a peer review rating of *pass*.

Coughlan Napa CPA Company, Inc.

Coughlan Napa CPA Company, Inc.