

*In the opinion of Burr Forman McNair, Bond Counsel, interest on the Series 2025A Taxable Bonds is included in gross income for federal income tax purposes. For a more detailed description, see the caption "TAX MATTERS" herein.*



**\$112,100,000  
SOUTH CAROLINA STUDENT LOAN CORPORATION  
Taxable Student Loan Revenue Bonds, Senior Series 2025A**

**Dated: Date of Delivery****Due: December 1, as shown on the inside front cover**

South Carolina Student Loan Corporation's \$112,100,000 Taxable Student Loan Revenue Bonds, Senior Series 2025A (the "Series 2025A Taxable Bonds"), when issued, will be issued as registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2025A Taxable Bonds. Individual purchases may be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interests in the Series 2025A Taxable Bonds purchased. So long as DTC is the registered owner of the Series 2025A Taxable Bonds, payments of the principal of, redemption premium, if any, and interest on the Series 2025A Taxable Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants and indirect participants. See the caption "THE SERIES 2025A TAXABLE BONDS—Book-Entry-Only System" herein.

The Series 2025A Taxable Bonds will bear interest from their date of delivery and mature on December 1 in the years and in the principal amounts set forth on the inside front cover hereof. The Series 2025A Taxable Bonds will bear interest at the rates per annum set forth on the inside front cover, payable semiannually on each June 1 and December 1, commencing June 1, 2026.

The Series 2025A Taxable Bonds are the second issuance of bonds pursuant to the Indenture of Trust as previously supplemented (the "Master Indenture") among the South Carolina Student Loan Corporation (the "Corporation"), the Conduit Issuers party thereto, and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), dated as of August 1, 2020, as further supplemented by a Series 2025A Supplemental Indenture of Trust, between the Corporation and the Trustee, dated as of November 1, 2025 (the "Series 2025A Supplemental Indenture" and, together with Master Indenture, the "Indenture"). The Corporation has previously issued its Taxable Student Loan Revenue Bonds, Senior Series 2020A (the "Series 2020A Taxable Bonds") under the Indenture. The Series 2025A Taxable Bonds are secured under the Indenture on a parity basis with the Series 2020A Taxable Bonds and any future senior series bonds that may be issued under the Indenture (collectively, the "Senior Bonds"). Senior subordinate series bonds (the "Senior Subordinate Bonds") and subordinate series bonds (the "Subordinate Bonds") may be issued under the Indenture (collectively, the Senior Subordinate Bonds, Subordinate Bonds, and the Senior Bonds, the "Bonds"). Senior Subordinate Bonds and Subordinate Bonds are secured under the Indenture on a subordinated basis to the Senior Bonds as described herein. The proceeds of the Series 2025A Taxable Bonds will be used for the purposes of (a) financing Eligible Loans currently held on the Corporation's balance sheet, including partially disbursed Eligible Loans and future disbursements thereof, (b) financing a deposit to the Debt Service Reserve Fund, and (c) paying certain costs of issuing the Series 2025A Taxable Bonds.

Pursuant to the Indenture, the Bonds, including the Series 2025A Taxable Bonds, are secured by a pledge of and security interest in the student loans financed under the Indenture, all revenues derived from such student loans, the moneys and securities held in certain pledged funds established under the Indenture and certain other assets constituting the trust estate under the Indenture, in each case subject to the provisions of the Indenture. See the caption "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS" herein. Upon the satisfaction of certain conditions, additional Bonds may be issued under the Indenture from time to time on a parity basis with, or subordinate to, the Senior Bonds, including the Series 2025A Taxable Bonds. See the caption "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Additional Bonds; Priority" herein.

The Series 2025A Taxable Bonds are subject to redemption prior to maturity. See the caption "THE SERIES 2025A TAXABLE BONDS—Redemption Provisions" herein.

Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Series 2025A Taxable Bonds. Attention should be given to certain investment considerations described in this Official Statement which could affect the ability of the Corporation to pay the principal of and interest on the Series 2025A Taxable Bonds, and which could have an effect on the market price of the Series 2025A Taxable Bonds to an extent that cannot be determined. See the caption "CERTAIN RISK FACTORS" herein.

THE BONDS, INCLUDING THE SERIES 2025A TAXABLE BONDS, AND ANY AGREEMENT OF THE CORPORATION MENTIONED HEREIN ARE LIMITED OBLIGATIONS OF THE CORPORATION, SECURED SOLELY BY AND PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF SOUTH CAROLINA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE SERIES 2025A TAXABLE BONDS. THE CORPORATION'S OBLIGATIONS, INCLUDING ANY BONDS, ARE NOT GENERAL, SPECIAL OR MORAL OBLIGATIONS OF THE STATE OF SOUTH CAROLINA. THE CORPORATION IS NOT AUTHORIZED UNDER THE INDENTURE OR LAWS OF THE STATE OF SOUTH CAROLINA TO CREATE, AND THE SERIES 2025A TAXABLE BONDS DO NOT CONSTITUTE, PUBLIC DEBT OF THE STATE OF SOUTH CAROLINA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE SOUTH CAROLINA CONSTITUTION OR LAWS OF THE STATE OF SOUTH CAROLINA OR DEBT OF THE STATE OF SOUTH CAROLINA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF FOR ANY OTHER PURPOSE WHATSOEVER. HOLDERS OF THE SERIES 2025A TAXABLE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION.

*The Series 2025A Taxable Bonds will be offered, subject to prior sale, when, as and if issued by the Corporation and accepted by the Underwriter, and are subject to the approving opinion of Burr Forman McNair, Bond Counsel, and certain other conditions described herein. Certain additional legal matters will be passed upon for the Underwriter by Kutak Rock LLP, counsel to the Underwriter. It is expected that the Series 2025A Taxable Bonds will be available for delivery through the facilities of DTC in New York, New York on or about November 13, 2025.*

**RBC Capital Markets**

## **MATURITY SCHEDULE**

**\$112,100,000  
SOUTH CAROLINA STUDENT LOAN CORPORATION  
TAXABLE STUDENT LOAN REVENUE BONDS  
SENIOR SERIES 2025A**

\$82,900,000 5.129% Series 2025A Taxable Term Bonds maturing December 1, 2036  
Price: 100.000%; Yield: 5.129%; CUSIP<sup>^</sup>: 83715AAZ2

\$29,200,000 5.567% Series 2025A Taxable Bonds maturing December 1, 2046  
Price: 100.000%; Yield: 5.567%; CUSIP<sup>^</sup>: 83715ABA6

<sup>^</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP© data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP numbers are included solely for the convenience of holders of Bonds, and the Corporation is not responsible for the selection or the correctness of the CUSIP numbers printed herein. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors, including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financing products.

Information set forth herein has been furnished by the Corporation and other sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to herein or that the other information or opinions are correct as of any time subsequent to the date hereof. References in this Official Statement to the Indenture do not purport to be complete and potential purchasers are referred to the Indenture for full and complete details of the provisions thereof.

No dealer, broker, salesperson or other person has been authorized by the Corporation to give any information or to make any representations with respect to the Series 2025A Taxable Bonds, other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Corporation. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2025A Taxable Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriter listed on the front cover of this Official Statement (the "Underwriter") has provided the following statement for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applicable to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information in this Official Statement concerning DTC, and DTC's book-entry-only system has been obtained from DTC. None of the Corporation, any of its advisors or the Underwriter has independently verified, makes any representation regarding or accepts any responsibility for the accuracy, completeness or adequacy of such information.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE SERIES 2025A TAXABLE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2025A TAXABLE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025A TAXABLE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Upon issuance, the Series 2025A Taxable Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the Series 2025A Taxable Bonds and the security therefor, including an analysis of the risks involved. The Series 2025A Taxable Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the Series 2025A Taxable Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the Series 2025A Taxable Bonds have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the Series 2025A Taxable Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity has passed upon the accuracy or adequacy of this Official Statement or approved the Series 2025A Taxable Bonds for sale.

There follows in this Official Statement certain information concerning the Corporation, together with descriptions of the terms of the Indenture, the Series 2025A Taxable Bonds, the Administration Agreement, the Servicing Agreement, certain other documents related to the security for the Bonds, including the Series 2025A Taxable Bonds, and certain applicable laws. All references herein to laws and documents are qualified in their entirety

by reference to such laws, as in effect, and to each such document as such document has been or will be executed and delivered on or prior to the date of the issuance of the Series 2025A Taxable Bonds, and all references to the Series 2025A Taxable Bonds are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto contained in the Indenture. This Official Statement is submitted in connection with the sale of the Series 2025A Taxable Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of the Corporation since the date hereof.

#### **FORWARD-LOOKING STATEMENTS**

This Official Statement, including the Appendices attached hereto, contains statements which should be considered “forward-looking statements”, meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as “plan”, “expect”, “estimate”, “budget” or similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Corporation does not expect or intend to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur, or fail to occur.

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## SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Official Statement and no conclusion should be drawn from the order of material or information presented in this Official Statement. The offering of South Carolina Student Loan Corporation’s Taxable Student Loan Revenue Bonds, Senior Series 2025A (the “Series 2025A Taxable Bonds”) to potential investors is made only by means of this entire Official Statement. The Series 2025A Taxable Bonds are the second issuance of bonds under the Indenture (as hereinafter defined). The Corporation has previously issued its Taxable Student Loan Revenue Bonds, Senior Series 2020A (the “Series 2020A Taxable Bonds”) under the Indenture. As of June 30, 2025, the Series 2020A Taxable Bonds were Outstanding in the aggregate principal amount of \$51,045,000. The Series 2020A Taxable Bonds and the Series 2025A Taxable Bonds and any other senior bonds that may hereafter be issued by the Corporation or any Conduit Issuer under the Indenture (collectively, the “Senior Bonds”), together with any senior subordinate bonds that may hereafter be issued by the Corporation or any Conduit Issuer under the Indenture (the “Senior Subordinate Bonds”) and any subordinate bonds that may hereafter be issued by the Corporation or any Conduit Issuer under the Indenture (the “Subordinate Bonds”), are herein referred to as the “Bonds”. The Subordinate Bonds and any Senior Subordinate Bonds that may be issued under the Indenture in the future are secured under the Indenture on a subordinated basis to the Senior Bonds as described herein. No person is authorized to detach this Summary Statement from this Official Statement or to otherwise use it without this entire Official Statement. All terms capitalized, but not defined, in this Summary Statement shall have the meaning set forth elsewhere in this Official Statement. See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Definitions” attached hereto.

**The Corporation** ..... South Carolina Student Loan Corporation (the “Corporation”) is a nonprofit, public benefit corporation established in 1973 pursuant to the laws of the State of South Carolina and is exempt from payment of federal income taxation as a 501(c)(3) corporation. The Corporation operates pursuant to Title 33, Chapter 31, Code of Laws of South Carolina, as the same may be amended from time to time (the “Act”). See the caption “THE CORPORATION” herein. The Corporation has no power to tax and does not have the power of eminent domain.

**Trustee** ..... The Bank of New York Mellon Trust Company, N.A., a national banking association, will act as trustee (the “Trustee”), paying agent (the “Paying Agent”) and registrar (the “Registrar”) pursuant to the Indenture. See the caption “THE TRUSTEE” herein.

**Administrator** ..... Initially, the South Carolina Student Loan Corporation will act as administrator (the “Administrator”) under the Indenture pursuant to an Administration Agreement, dated as of August 1, 2020 (the “Administration Agreement”), among the Corporation, the Trustee and the Administrator. Under certain conditions, another party may become the Administrator. See the captions “THE CORPORATION—The Administrator” and “—The Administration Agreement” herein. Pursuant to the Administration Agreement, the Administrator is obligated to cause the Financed Eligible Loans to be serviced by a Servicer pursuant to a Servicing Agreement.

**Servicer** ..... Initially, the Financed Eligible Loans will be serviced by Nelnet Servicing, LLC (d/b/a Firstmark Services), a wholly-owned subsidiary of Nelnet, Inc., as servicer (“Nelnet Servicing” and a “Servicer” pursuant to the Indenture) pursuant to a Private Student Loan Subservicing Agreement, dated as of January 9, 2017, between the Administrator and Nelnet Servicing (the “Nelnet Servicing Agreement” and a “Servicing Agreement” pursuant to the Indenture). See the caption “THE PROGRAM—Servicing of the Financed Eligible Loans” herein. Under certain conditions, another party may become the Servicer.

**The Series 2025A Taxable Bonds** ..... The Series 2025A Taxable Bonds are the second issuance of Bonds under the Indenture of Trust as previously supplemented (the “Master Indenture”) among the Corporation, the Conduit Issuers party thereto, and the Trustee, dated as of August 1, 2020, as further supplemented by a Series 2025A Supplemental Indenture, between the Corporation and the Trustee, dated as of November 1, 2025 (the “Series 2025A

Supplemental Indenture” and, together with the Master Indenture, the “Indenture”). The Series 2025A Taxable Bonds will constitute Senior Bonds under the Indenture and will be on a parity with the Series 2020A Taxable Bonds and any future Senior Bonds that may be issued by the Corporation or any Conduit Issuer under the Indenture. The Series 2025A Taxable Bonds will mature on the dates and in the principal amounts and bear interest at the rates set forth on the inside front cover hereof.

The proceeds of the Series 2025A Taxable Bonds will be used for the purposes of (a) financing Eligible Loans currently held on the Corporation’s balance sheet, including partially disbursed Eligible Loans and future disbursements thereof, (b) financing a deposit to the Debt Service Reserve Fund, and (c) paying certain costs of issuing the Series 2025A Taxable Bonds.

The Corporation or any Conduit Issuer may hereafter issue additional Senior Bonds under the Indenture on a parity with the Series 2020A Taxable Bonds and the Series 2025A Taxable Bonds and may issue Bonds under the Indenture that are subordinate to the Senior Bonds. The Indenture also permits the issuance of Senior Subordinate Bonds and Subordinate Bonds, which are secured on a basis subordinate to the Senior Bonds. See the caption “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Additional Bonds; Priority” herein and “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” attached hereto.

**Financing of Eligible Loans .....** The Indenture permits the financing of Eligible Loans from moneys in the Student Loan Fund established pursuant to the Indenture. The proceeds of the Series 2020A Taxable Bonds (other than proceeds used to fund reserves and costs of issuance) were used to finance student loans originated pursuant to the Palmetto Assistance Loan Program permitted by the Indenture (the “Program”). The Corporation expects to use proceeds of the Series 2025A Taxable Bonds on the delivery date of the Series 2025A Taxable Bonds (the “Closing Date”) to finance additional student loans originated pursuant to the Program. The Corporation will be permitted to use repayments on Financed Eligible Loans to finance additional Eligible Loans during any applicable recycling period (“Recycling Period”). Initially there will be no Recycling Period but a Recycling Period may be created by the Corporation upon the satisfaction of the Rating Agency Notification. The Corporation originates loans to student borrowers branded as “PAL Student Loans”, parent borrowers branded as “PAL Parent Loans” and borrowers for the purpose of refinancing existing student loans branded as “PAL Refi Loans”. PAL Student Loans, PAL Parent Loans and PAL Refi Loans are collectively referred to as “PAL Loans”.

See the caption “THE PROGRAM” herein for a further description of the Program. See, also, the captions “ESTIMATED SOURCES AND USES OF PROCEEDS” and “THE FINANCED ELIGIBLE LOANS” herein.

The loans originated pursuant to the Program and financed with proceeds of the Series 2020A Taxable Bonds and the Series 2025A Taxable Bonds, together with any other Eligible Loans financed with proceeds of other Bonds issued under the Indenture or certain other available moneys under the Indenture, are referred to herein, collectively, as the “Financed Eligible Loans”.

**Existing Eligible Loans.....** This Official Statement includes statistical information relating to Financed Eligible Loans already held under the Indenture and the Eligible Loans expected to be financed with proceeds of the Series 2025A Taxable Bonds on the Closing Date (including partially disbursed Eligible Loans and future disbursements thereof), which are referred to herein collectively as the “Existing Eligible Loans” that had an aggregate outstanding principal balance as of August 31, 2025 (the “Statistical Cut-

Off Date") of approximately \$195.5 million. See the caption "THE FINANCED ELIGIBLE LOANS" herein.

After the Closing Date, the Corporation may finance and pledge under the Indenture additional Eligible Loans during any applicable Recycling Period relating to the Series 2025A Taxable Bonds, and may issue additional Bonds under the Indenture in the future to finance and pledge additional Eligible Loans under the Indenture. Following any of these actions, the aggregate characteristics of the entire pool of Financed Eligible Loans will vary from those of the Existing Eligible Loans described in this Official Statement. The Series 2025A Taxable Bonds will be the second issuance of Bonds under the Indenture. It is a condition to the issuance of any additional Bonds that the Corporation or, if applicable, the Conduit Issuer, receive a Rating Agency Confirmation with respect to the issuance of such Additional Bonds. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—BOND DETAILS—Issuance of Bonds" attached hereto. The Corporation may only recycle if it complies with the Indenture requirements of filing a Rating Agency Notification.

**Sources of Payment and**

**Security for the Bonds.....**

The Bonds, including the Series 2025A Taxable Bonds, are limited obligations of the Corporation, secured by and payable solely from: (a) the Revenues (other than Revenues deposited in the Rebate Fund or the Operating Fund or otherwise released from the lien of the Trust Estate as provided in the Indenture); (b) all moneys and investments held in the Funds (other than the Rebate Fund and the Operating Fund); (c) the Financed Eligible Loans and any notes and documents evidencing the same and all extensions and renewals thereof; (d) the rights of the Corporation in and to the Administration Agreement and any and all Servicing Agreements, as the same relate to the Financed Eligible Loans; and (e) any and all other property, rights and interests of every kind or description from time to time granted, conveyed, pledged, transferred, assigned or delivered to the Trustee as additional security under the Indenture (collectively, the "Trust Estate"). See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—PARITY AND PRIORITY OF LIEN; OTHER OBLIGATIONS—Trust Estate" attached hereto and the caption "ESTIMATED SOURCES AND USES OF PROCEEDS" herein.

**THE BONDS, INCLUDING THE SERIES 2025A TAXABLE BONDS, AND ANY AGREEMENT OF THE CORPORATION MENTIONED HEREIN ARE LIMITED OBLIGATIONS OF THE CORPORATION, SECURED SOLELY BY AND PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF SOUTH CAROLINA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE SERIES 2025A TAXABLE BONDS. THE CORPORATION'S OBLIGATIONS, INCLUDING ANY BONDS, ARE NOT GENERAL, SPECIAL OR MORAL OBLIGATIONS OF THE STATE OF SOUTH CAROLINA. THE CORPORATION IS NOT AUTHORIZED UNDER THE INDENTURE OR LAWS OF THE STATE OF SOUTH CAROLINA TO CREATE, AND THE SERIES 2025A TAXABLE BONDS DO NOT CONSTITUTE, PUBLIC DEBT OF THE STATE OF SOUTH CAROLINA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE SOUTH CAROLINA CONSTITUTION OR LAWS OF THE STATE OF SOUTH CAROLINA OR DEBT OF THE STATE OF SOUTH CAROLINA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF FOR ANY OTHER PURPOSE WHATSOEVER. HOLDERS OF THE SERIES 2025A TAXABLE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION.**

Upon the satisfaction of certain conditions, additional Bonds may be issued under the Indenture from time to time on a parity basis with, or subordinate to, the Senior Bonds, including the Series 2025A Taxable Bonds. See the caption “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Additional Bonds; Priority” herein.

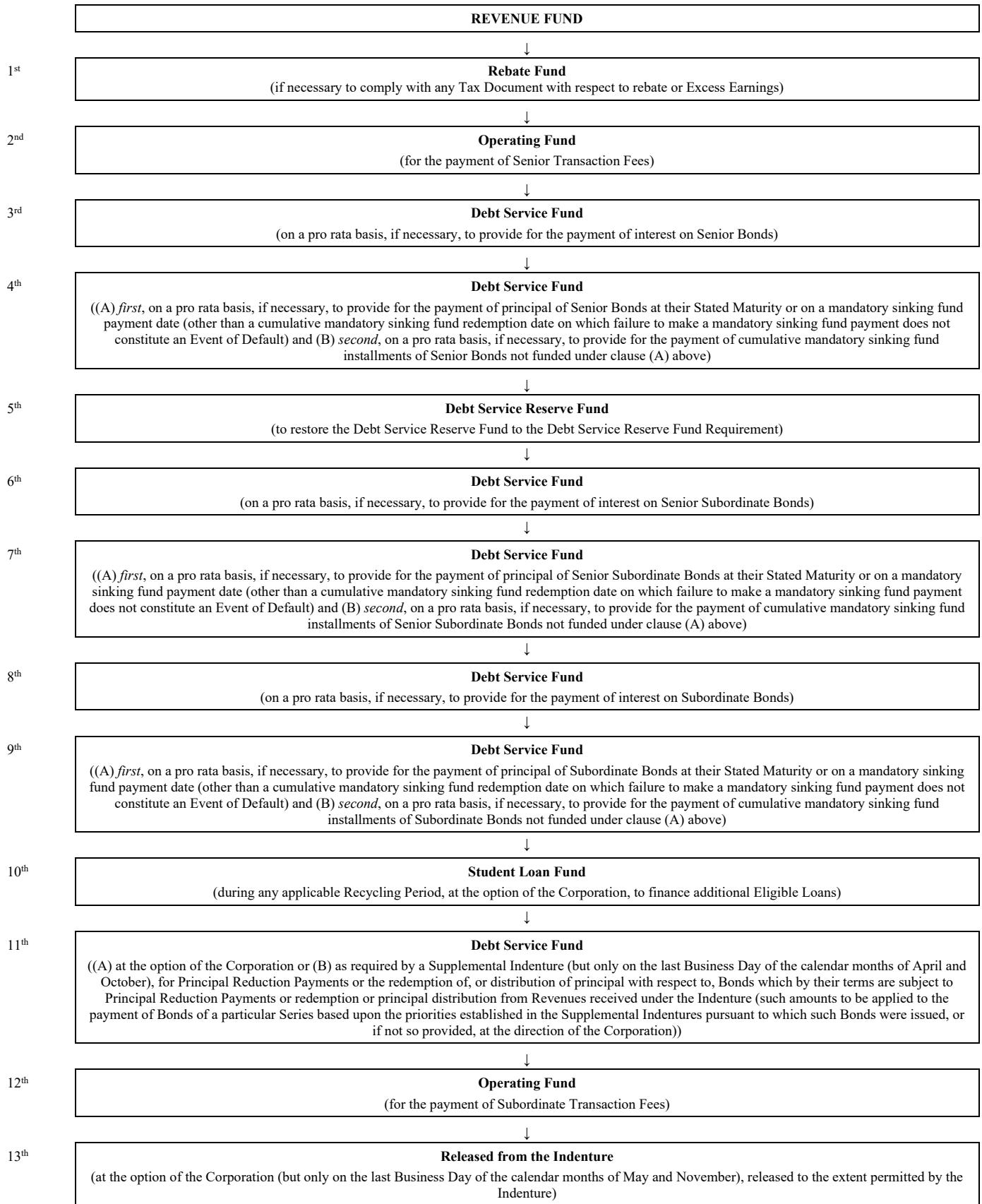
**Redemption .....** The Series 2025A Taxable Bonds will be subject to redemption as described in “THE SERIES 2025A TAXABLE BONDS—Redemption Provisions” herein.

**Overcollateralization  
and Initial Parity  
Percentages.....**

Upon the issuance of the Series 2025A Taxable Bonds, the initial Overall Parity Percentage will be approximately 128.9%.

The Indenture does not permit the release of moneys in the Revenue Fund, as described in level 13<sup>th</sup> under the caption “Flow of Funds” below, free and clear of the lien of the Indenture unless: (a) the Overall Parity Percentage after such transfer is at least equal to 140% (the “Required Overall Parity Percentage”); (b) the Value of assets constituting the Trust Estate exceeds the amount of Bonds Outstanding and other accrued but unpaid liabilities incurred under the Indenture that are Senior Transaction Fees by at least \$15,000,000 (the “Net Asset Requirement”); and (c) for transfers made on and after December 1, 2026, the cumulative principal amount of Defaulted Loans on December 1, 2026 was less than \$5,000,000 (measured from the Date of Issuance of the most recently issued Series of Bonds). In addition, if the aggregate principal amount of all Bonds Outstanding under the Indenture is equal to or less than 10% of the aggregate principal amount of all Bonds issued under the Indenture as of the last date of issuance of a Series of Bonds issued under the Indenture, then, notwithstanding the foregoing, the Corporation is required to use all Excess Taxable Revenues to mandatorily redeem Bonds subject to such redemption. These conditions are subject to change upon provision of a Rating Agency Notification. See the captions “ESTIMATED SOURCES AND USES OF PROCEEDS” and “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Overcollateralization and Initial Parity Percentage” herein and “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—FUNDS—Revenue Fund” attached hereto.

**Flow of Funds.....** Prior to an Event of Default, the Trustee will pay out of the Revenue Fund moneys deposited therein in the following order of priority as set forth in the chart below; however, Revenues related to Financed Eligible Loans allocable to the Taxable Bonds will generally be used to pay principal and interest on the Taxable Bonds, as well as fees and expenses related thereto, and Revenues related to Financed Eligible Loans allocable to the Tax-Exempt Bonds will generally be used to pay principal and interest on the Tax-Exempt Bonds, as well as fees and expenses related thereto (see “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—FUNDS—Revenue Fund” attached hereto):



**Ratings**..... Prior to the issuance and delivery of the Series 2025A Taxable Bonds, S&P Global Ratings (“S&P”) is expected to assign its bond rating of “AA (sf)” to the Series 2025A Taxable Bonds. See the caption “RATINGS” herein.

**Rating Agency Confirmation and Rating Agency Notification**.....

The Indenture provides that the Rating Agency has various rights and further requires as a condition of certain actions, inactions or other events that the Corporation or, if applicable, the Conduit Issuer, obtain or satisfy either a Rating Agency Confirmation or Rating Agency Notification. The Indenture requires that the Corporation or, if applicable, the Conduit Issuer, satisfy the Rating Agency Notification requirement for determinations of the types of private loans to be included as Eligible Loans in the future and changes to certain parameters for Eligible Loans; the appointment of a new Administrator; the appointment of a new Servicer; changes in the amount and timing of Senior Transaction Fees; changes in the Debt Service Reserve Fund Requirement; types of Investment Securities; certain material amendments or supplements to the Indenture, the Administration Agreement or a Servicing Agreement; certain sales of Financed Eligible Loans; establishment of, and changes in, the Required Senior Parity Percentage, Required Overall Parity Percentage and/or Net Asset Requirement amounts with respect to the redemption of Bonds and the release of moneys from the Trust Estate; extension of any Recycling Period; and extension of any Acquisition Period. The Indenture requires that the Corporation or, if applicable, the Conduit Issuer, satisfy the Rating Agency Confirmation requirement for the issuance of additional Bonds. The Indenture also requires that the Corporation or, if applicable, the Conduit Issuer, make any Rating Agency Confirmation and Rating Agency Notification publicly available in the manner applicable to post-issuance disclosures under Rule 15c2-12 promulgated by the Securities and Exchange Commission with respect to any Tax-Exempt Bonds and/or on its website with respect to any Taxable Bonds. See the captions “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Rating Agency Confirmation and Rating Agency Notification” and “CERTAIN RISK FACTORS—Certain Actions May Be Permitted Without Registered Owner Approval” herein.

**Weighted Average Life Analysis** .....

The estimated weighted average life, first bond retirement date, last bond retirement date and average maturity date of the Series 2025A Taxable Bonds maturing December 1, 2046 under various assumed prepayment scenarios may be found in “APPENDIX E—ESTIMATED WEIGHTED AVERAGE LIFE ANALYSIS OF THE SERIES 2025A TAXABLE BONDS MATURING DECEMBER 1, 2046” attached hereto.

**Certain Risk Factors** .....

Attention should be given to certain investment considerations described in this Official Statement which could affect the ability of the Corporation to pay debt service on the Series 2025A Taxable Bonds and which could have an effect on the market price of the Series 2025A Taxable Bonds to an extent that cannot be determined. See the caption “CERTAIN RISK FACTORS” herein. An investment in the Series 2025A Taxable Bonds involves an element of risk. Each prospective purchaser of Series 2025A Taxable Bonds should read this entire Official Statement, including the front cover page and Appendices attached hereto, in order to make a judgment as to whether the Series 2025A Taxable Bonds are an appropriate investment.

**Credit Risk Retention**.....

Section 15G of the Securities Exchange Act of 1934, as amended, and Regulation RR (17 C.F.R. Part 246) promulgated thereunder, require the Corporation, as the sponsor of an asset-backed securitization transaction, or a majority owned affiliate of the Corporation, to retain not less than 5% of the credit risk of the assets collateralizing the asset-backed securities. See the caption “CREDIT RISK RETENTION” in this

Official Statement for more information. The Corporation will satisfy the risk retention requirement of Regulation RR by initially retaining the residual certificate (the “Residual Certificate”) issued pursuant to the Indenture.

As described under the caption “CREDIT RISK RETENTION—Eligible Horizontal Residual Interest” herein, the Residual Certificate will constitute an “eligible horizontal residual interest”, and the Corporation has determined that the fair value of the Residual Certificate will be approximately \$34,735,804 as of the Closing Date, which is anticipated to exceed 5% of the sum of the fair values of the Bonds and the Residual Certificate as of the Closing Date. Unless the Corporation is no longer subject to the holding period requirements of Regulation RR, the Corporation, or a majority owned affiliate of the Corporation, is required to retain the Residual Certificate until the latest to occur of: (a) the date on which the aggregate principal balance of the Financed Eligible Loans pledged to the Trust Estate reduces to 33% of their original unpaid aggregate principal balance as of the Closing Date, (b) the date on which the unpaid principal balance of the Bonds has been reduced to 33% of the principal amount of the Bonds outstanding on the Closing Date or (c) the date which is two years after the Closing Date. The Corporation reserves the right to sell all or a portion of the Residual Certificate in the future.

**Master Indenture**

**Amendments .....**

In connection with the issuance of the Series 2025A Taxable Bonds, the Corporation has proposed and approved certain amendments to the Master Indenture (the “Master Indenture Amendments”) to be effective on the Closing Date when holders of more than 68% in principal amount of the Bonds then Outstanding agree to such Master Indenture Amendments by agreeing to become holders of Bonds. The Master Indenture Amendments are described in “APPENDIX F—MASTER INDENTURE AMENDMENTS” hereto. *By the purchase of the Series 2025A Taxable Bonds on the Closing Date, each holder of the Series 2025A Taxable Bonds will be deemed to: (a) have waived any notice set forth in the Master Indenture with respect to the Master Indenture Amendments, (b) have consented in writing to and approved the execution of the Series 2025A Supplemental Indenture and the Master Indenture Amendments to take effect contemporaneously with, and in connection with, the delivery of the Series 2025A Taxable Bonds and closing of the transaction contemplated thereby on the Closing Date and (c) have concluded that this Official Statement and any related pricing wires, trade confirmations and documents relating to the issuance and delivery of the Series 2025A Taxable Bonds constitutes “consented in writing” as contemplated by the Master Indenture.* By their purchase of the Series 2025A Taxable Bonds, the original purchasers and all subsequent holders thereof consent, and shall be deemed to have consented, to the Master Indenture Amendments. Each such consent will be effective on the date of issuance of the Series 2025A Taxable Bonds, will be binding on any subsequent purchaser of the Series 2025A Taxable Bonds, and may not be revoked after the issuance of the Series 2025A Taxable Bonds. See “APPENDIX F—MASTER INDENTURE AMENDMENTS” hereto.

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## OFFICIAL STATEMENT

### RELATING TO

**\$112,100,000**

### **SOUTH CAROLINA STUDENT LOAN CORPORATION TAXABLE STUDENT LOAN REVENUE BONDS, SENIOR SERIES 2025A**

### INTRODUCTION

This Official Statement, including the front cover page and inside front cover page hereof, the Summary Statement and the Appendices attached hereto, sets forth information regarding the issuance by South Carolina Student Loan Corporation (the “Corporation”) of its Taxable Student Loan Revenue Bonds, Senior Series 2025A (the “Series 2025A Taxable Bonds”). The Series 2020A Taxable Bonds (defined below) and the Series 2025A Taxable Bonds and any other senior bonds that may hereafter be issued by the Corporation or any Conduit Issuer under the Indenture (collectively, the “Senior Bonds”), together with any senior subordinate bonds that may hereafter be issued by the Corporation or any Conduit Issuer under the Indenture (the “Senior Subordinate Bonds”) and any subordinate bonds that may be issued in the future by the Corporation or any Conduit Issuer under the Indenture (the “Subordinate Bonds”), are herein referred to as the “Bonds”. Terms capitalized in the body of this Official Statement and not otherwise defined therein shall have the meaning set forth in “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Definitions” attached hereto.

The Corporation is a nonprofit, public benefit corporation established in 1973 pursuant to the laws of the State of South Carolina and is exempt from payment of federal income taxation as a “501(c)(3)” corporation. The Corporation also operates pursuant to Title 33, Chapter 31, Code of Laws of South Carolina, as the same may be amended from time to time. The Corporation expects to use proceeds of the Series 2025A Taxable Bonds to finance student loans originated pursuant to the Palmetto Assistance Loan Program permitted by the Indenture (the “Program”). The Corporation originates loans to student borrowers branded as “PAL Student Loans”, parent borrowers branded as “PAL Parent Loans” and borrowers for the purpose of refinancing existing student loans branded as “PAL Refi Loans”. PAL Student Loans, PAL Parent Loans and PAL Refi Loans and are collectively referred to as “PAL Loans”. See the caption “THE PROGRAM” herein.

In order to finance education loans made under the Program, the Corporation is authorized to borrow money and to issue bonds payable from specified sources, including the revenues derived from such loans.

The Series 2025A Taxable Bonds are being issued under an Indenture of Trust as previously supplemented (the “Master Indenture”) among the Corporation, the Conduit Issuers party thereto, and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), dated as of August 1, 2020, as further supplemented by a Series 2025A Supplemental Indenture of Trust, between the Corporation and the Trustee, dated as of November 1, 2025 (the “Series 2025A Supplemental Indenture” and, together with the Master Indenture, the “Indenture”). The Series 2025A Taxable Bonds are the second issuance of bonds pursuant to the Indenture. The Corporation has previously issued its Taxable Student Loan Revenue Bonds, Senior Series 2020A (the “Series 2020A Taxable Bonds”) under the Indenture. The Series 2025A Taxable Bonds will constitute Senior Bonds under the Indenture and will be on a parity basis with the Series 2020A Taxable Bonds and any future senior series bonds that may be issued under the Indenture. Senior subordinate series bonds (the “Senior Subordinate Bonds”) and subordinate series bonds (the “Subordinate Bonds”) may be issued under the Indenture (collectively, the Senior Subordinate Bonds, Subordinate Bonds and the Senior Bonds, the “Bonds”). The Series 2025A Taxable Bonds are being issued as fixed rate bonds and will bear interest at the rates shown on the inside front cover page hereof.

The proceeds of the Series 2025A Taxable Bonds are to be issued for the purposes of (a) financing Eligible Loans currently held on the Corporation’s balance sheet, including partially disbursed Eligible Loans and future disbursements thereof, (b) financing a deposit to the Debt Service Reserve Fund, and (c) paying certain costs of issuing the Series 2025A Taxable Bonds. See the caption “ESTIMATED SOURCES AND USES OF PROCEEDS” herein.

The Indenture permits the financing of only Eligible Loans from moneys in the Student Loan Fund established under the Indenture. The proceeds of the Series 2020A Taxable Bonds (other than proceeds used to fund reserves and costs of issuance) were previously used to finance Eligible Loans. The Corporation expects to use substantially all of the amounts deposited into the Student Loan Fund from the proceeds of the Series 2025A Taxable Bonds (other than amounts retained to fund future disbursements of partially disbursed Eligible Loans) to finance Eligible Loans on the Closing Date that had an aggregate outstanding balance as of August 31, 2025 (the “Statistical Cut-Off Date”) of approximately \$129.4 million (including partially disbursed Eligible Loans and future disbursements thereof), which Eligible Loans have been originated by the Corporation. This Official Statement includes statistical information relating to Financed Eligible Loans already held under the Indenture and the Eligible Loans expected to be financed with proceeds of the Series 2025A Taxable Bonds on the Closing Date, which are referred to herein collectively as the “Existing Eligible Loans”. See the caption “THE FINANCED ELIGIBLE LOANS” herein. For a description of the composition of the Existing Eligible Loans as of the Statistical Cut-Off Date, see the caption “THE FINANCED ELIGIBLE LOANS” herein. See the caption “THE PROGRAM” herein for a further description of the Program.

All Eligible Loans financed with proceeds of Bonds, including the Series 2025A Taxable Bonds, all Eligible Loans financed during any applicable Recycling Period and any Eligible Loans otherwise deposited to the Student Loan Fund, are referred to herein, collectively, as the “Financed Eligible Loans”.

The Series 2025A Taxable Bonds, and any other Bonds issued pursuant to the Indenture, are secured by and payable solely from: (a) the Revenues (other than Revenues deposited in the Rebate Fund or the Operating Fund or otherwise released from the lien of the Trust Estate as provided in the Indenture); (b) all moneys and investments held in the Funds (other than the Rebate Fund and the Operating Fund); (c) the Financed Eligible Loans and any notes and documents evidencing the same and all extensions and renewals thereof; (d) the rights of the Corporation in and to the Administration Agreement and any and all Servicing Agreements, as the same relate to the Financed Eligible Loans; and (e) any and all other property, rights and interests of every kind or description from time to time granted, conveyed, pledged, transferred, assigned or delivered to the Trustee as additional security under the Indenture (collectively, the “Trust Estate”). See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—PARITY AND PRIORITY OF LIEN; OTHER OBLIGATIONS—Trust Estate” attached hereto. Such Revenues include, without limitation, payments of interest on such Financed Eligible Loans (whether regularly scheduled, delinquent or paid in advance) and income on investments and principal payments on such Financed Eligible Loans (whether regularly scheduled, delinquent or advance). Bonds other than the Series 2020A Taxable Bonds and the Series 2025A Taxable Bonds (“Additional Bonds”) may be issued under the Indenture upon satisfaction of certain conditions specified in the Indenture. Such Additional Bonds may be payable and secured on a parity with, or subordinate to, the Senior Bonds, including the Series 2025A Taxable Bonds. Additional Bonds may be issued as obligations the interest on which is intended to be excluded from the gross income of the owners thereof for federal income tax purposes, or may be issued as obligations the interest on which is intended to be subject to federal income taxation. See the caption “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Additional Bonds; Priority” herein and “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—PARITY AND PRIORITY OF LIEN; OTHER OBLIGATIONS—Trust Estate” and “—FUNDS” attached hereto.

THE BONDS, INCLUDING THE SERIES 2025A TAXABLE BONDS, AND ANY AGREEMENT OF THE CORPORATION MENTIONED HEREIN ARE LIMITED OBLIGATIONS OF THE CORPORATION, SECURED SOLELY BY AND PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF SOUTH CAROLINA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE SERIES 2025A TAXABLE BONDS. THE CORPORATION’S OBLIGATIONS, INCLUDING ANY BONDS, ARE NOT GENERAL, SPECIAL OR MORAL OBLIGATIONS OF THE STATE OF SOUTH CAROLINA. THE CORPORATION IS NOT AUTHORIZED UNDER THE INDENTURE OR LAWS OF THE STATE OF SOUTH CAROLINA TO CREATE, AND THE SERIES 2025A TAXABLE BONDS DO NOT CONSTITUTE, PUBLIC DEBT OF THE STATE OF SOUTH CAROLINA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE SOUTH CAROLINA CONSTITUTION OR LAWS OF THE STATE OF SOUTH CAROLINA OR DEBT OF THE STATE OF SOUTH CAROLINA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF FOR ANY OTHER PURPOSE WHATSOEVER.

THE BONDS, INCLUDING THE SERIES 2025A TAXABLE BONDS, ARE NOT GENERAL OBLIGATIONS OF THE CORPORATION. THE BONDS DO NOT REPRESENT AN OBLIGATION OF OR

INTEREST IN THE CORPORATION, THE ADMINISTRATOR, THE TRUSTEE, ANY SERVICER OR THE UNDERWRITER OR ANY OF THEIR RESPECTIVE AFFILIATES.

There can be no assurances that any future law will not prospectively or retroactively affect the terms and conditions under which Eligible Loans are made in a manner that might adversely affect the ability of the Corporation to pay the principal of and interest on the Series 2025A Taxable Bonds when due. See the caption "CERTAIN RISK FACTORS" herein.

The descriptions of the Series 2025A Taxable Bonds and the documents authorizing and securing the Series 2025A Taxable Bonds contained herein do not purport to be comprehensive or definitive. All references herein to such documents and rules are qualified in their entirety by reference to such documents. Copies of certain of such documents may be inspected at an office of the Trustee at a predetermined and agreed upon time as the Trustee can accommodate.

## **SOURCES OF PAYMENT AND SECURITY FOR THE BONDS**

### **General**

The Bonds, including the Series 2025A Taxable Bonds, are limited obligations of the Corporation, payable solely from the Trust Estate pledged pursuant to the Indenture as described herein. The Bonds, including the Series 2025A Taxable Bonds, are not general obligations of the Corporation. None of the Corporation's other assets or funds pledged and held under its other financings are pledged as security for the Bonds, including the Series 2025A Taxable Bonds, under the Indenture.

The Bonds, including the Series 2025A Taxable Bonds, will be secured by and payable, subject to the terms of the Indenture, solely from the Trust Estate. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—PARITY AND PRIORITY OF LIEN; OTHER OBLIGATIONS—Trust Estate" attached hereto and the caption "ESTIMATED SOURCES AND USES OF PROCEEDS" herein. The Corporation will finance only Eligible Loans through application of the proceeds of the Bonds. For a discussion of certain of the terms applicable to the Eligible Loans, see the caption "THE PROGRAM" herein. For a more detailed description of the Funds established under the Indenture, certain Accounts established therein under the Indenture, and the purposes to which moneys in such Funds and Accounts may be applied, see "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—FUNDS" attached hereto.

### **Debt Service Reserve Fund**

The Indenture creates a Debt Service Reserve Fund that will secure all Bonds issued under the Indenture. The Indenture provides that in connection with the issuance of a Series of Bonds, the Corporation will designate in the Supplemental Indenture for such Bonds the amount required to be on deposit in the Debt Service Reserve Fund. The Debt Service Reserve Requirement may be modified by the Corporation if it complies with the Indenture requirements of filing a Rating Agency Notification.

On the Closing Date \$1,426,275 will be deposited to the Debt Service Reserve Fund in order to meet the Debt Service Reserve Fund Requirement. The Debt Service Reserve Fund was previously funded with proceeds of the Series 2020A Taxable Bonds. On the Closing Date, the definition of "Debt Service Reserve Fund Requirement" in the Master Indenture will be amended to provide that "Debt Service Reserve Fund Requirement" will have the meaning assigned thereto in the Supplemental Indenture relating to the most recent Series of Bonds issued under the Indenture.

"Debt Service Reserve Fund Requirement", as defined in the Series 2025A Supplemental Indenture, means an amount equal to 1.5% of the aggregate principal amount of the Bonds then Outstanding (calculated semi-annually on each June 1 and December 1), with a minimum balance equal to 0.35% of the aggregate principal amount of the Bonds Outstanding under the Indenture as of the date of issuance of the most recent Series of Bonds issued under the Indenture, unless a Rating Agency Notification has been given. On the Closing Date, the Debt Service Reserve Fund will have a total balance of \$2,447,175. Amounts on deposit in the Debt Service Reserve Fund shall be transferred to the Revenue Fund to the extent the funds on deposit in the Revenue Fund, after taking into account any transfers from the Capitalized Interest Fund, if any, and the Student Loan Fund, are insufficient to make the required transfers to the

Debt Service Fund. The Indenture provides that upon the issuance of any Additional Bonds, there will be deposited into the Debt Service Reserve Fund, if necessary, an amount sufficient to increase the amount therein to be equal to the Debt Service Reserve Fund Requirement, calculated after such issuance. See “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—MASTER INDENTURE AMENDMENTS” and “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—FUNDS—Debt Service Reserve Fund” attached hereto.

### **Additional Bonds; Priority**

Pursuant to the provisions of the Indenture, Additional Bonds may be issued on a parity basis with the Series 2020A Taxable Bonds and Series 2025A Taxable Bonds. The Indenture also permits the issuance of Senior Subordinate Bonds and Subordinate Bonds, which are secured on a basis which is subordinated to the Senior Bonds.

The Senior Bonds, including the Series 2025A Taxable Bonds, are entitled to payment and certain other priorities over any Senior Subordinate Bonds and Subordinate Bonds. Current payments of interest and principal due on Senior Subordinate Bonds or Subordinate Bonds on any Bond Payment Date will be made only to the extent there are sufficient moneys available for such payment after making all payments due on such date with respect to Senior Bonds. So long as any Senior Bonds remain Outstanding under the Indenture, the failure to make interest or principal payments with respect to Senior Subordinate Bonds or Subordinate Bonds will not constitute an Event of Default under the Indenture. In the event of an acceleration of the Bonds following the occurrence and continuation of an Event of Default, the principal of and accrued interest on the Senior Subordinate Bonds and the Subordinate Bonds will be paid only to the extent there are moneys available under the Indenture after payment of the principal of, and accrued interest on, all Senior Bonds. In addition, Registered Owners of Senior Bonds are entitled to direct certain actions to be taken by the Trustee prior to and upon the occurrence of an Event of Default, including election of remedies. Only after there are no Senior Bonds Outstanding will Registered Owners of Senior Subordinate Bonds or Subordinate Bonds have such rights. See the definition of “Highest Priority Bonds” in “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Definitions” and the provisions described in “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—DEFAULTS AND REMEDIES” attached hereto.

The Series 2025A Taxable Bonds will be the second issuance of Bonds under the Indenture. It is a condition to the issuance of any Additional Bonds that the Corporation or, if applicable, the Conduit Issuer, receive a Rating Agency Confirmation with respect to the issuance of such Additional Bonds. See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—BOND DETAILS—Issuance of Bonds” attached hereto.

### **Overcollateralization and Initial Parity Percentage**

Upon the issuance of the Series 2025A Taxable Bonds, the initial Overall Parity Percentage will be approximately 128.9%.

The Indenture does not permit the release of moneys in the Revenue Fund, as described in paragraph (m) in “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—FUNDS—Revenue Fund—*Taxable Account*” attached hereto, free and clear of the lien of the Indenture unless: (a) the Overall Parity Percentage after such transfer is at least equal to 140% (the “Required Overall Parity Percentage”); (b) the Value of assets constituting the Trust Estate exceeds the amount of Bonds Outstanding and other accrued but unpaid liabilities incurred under the Indenture that are Senior Transaction Fees by at least \$15,000,000 (the “Net Asset Requirement”); and (c) for transfers made on and after December 1, 2026, the cumulative principal amount of Defaulted Loans on December 1, 2026 was less than \$5,000,000 (measured from the Date of Issuance of the most recently issued Series of Bonds). In addition, if the aggregate principal amount of all Bonds Outstanding under the Indenture is equal to or less than 10% of the aggregate principal amount of all Bonds issued under the Indenture as of the last date of issuance of a Series of Bonds issued under the Indenture, then, notwithstanding the foregoing, the Corporation is required to use all Excess Taxable Revenues to mandatorily redeem Bonds subject to such redemption. These conditions are subject to change upon provision of a Rating Agency Notification. See the caption “ESTIMATED SOURCES AND USES OF PROCEEDS” and “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—FUNDS—Revenue Fund” attached hereto.

## **Senior Transaction Fees**

The Senior Transaction Fees (including Administration Fees, Standard Servicing Fees, Trustee Fees, Rating Agency Fees, the Conduit Issuer Fees and certain Extraordinary Expenses) will be transferred to the Operating Fund out of the Revenue Fund on the last Business Day of each calendar month or on other dates if directed by the Corporation prior to providing for the payment of principal and interest on the Bonds, including the Series 2025A Taxable Bonds. As provided in the Series 2025A Supplemental Indenture, (a) monthly Administration Fees shall equal one-twelfth (1/12th) of 0.10% of the average monthly outstanding principal balance of the Financed Eligible Loans for the prior calendar month, (b) the Standard Servicing Fees shall be any fees and expenses payable to the Servicers with respect to the servicing and collection of the Financed Eligible Loans consisting of periodic unit fees, default related fees, delinquency fees, and annual privacy mailing fees (including any currently contemplated increases to those amounts pursuant to existing inflationary escalator clauses relating to such Standard Servicing Fees as set forth in the Servicing Agreement on the Closing Date), but shall not include fees due as a result of the termination of a Servicing Agreement (including any deconversion fees related to Financed Eligible Loans resulting from such termination), indemnification or other extraordinary expense items, and (c) the Trustee Fees, Rating Agency Fees and Extraordinary Expenses payable as Senior Transaction Fees in each Fiscal Year, together, shall not exceed an amount equal to \$90,000, except that the dollar limit set forth in such clause (c) shall not apply with respect to Extraordinary Expenses incurred by the Trustee (i) after the occurrence and during the continuation of an Event of Default, other than an Event of Default under paragraph (d) under the caption “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—DEFAULTS AND REMEDIES—Event of Default Defined” attached hereto, or (ii) after an acceleration of the maturity of the Bonds as described under the caption “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—DEFAULTS AND REMEDIES—Accelerated Maturity” attached hereto. The Indenture permits the Corporation or any Conduit Issuer to change the amount of such fees after providing a Rating Agency Notification. See the caption “Rating Agency Confirmation and Rating Agency Notification” below and the caption “CERTAIN RISK FACTORS—Certain Actions May Be Permitted Without Registered Owner Approval” herein.

## **Rating Agency Confirmation and Rating Agency Notification**

The Indenture provides that the Rating Agency has various notice rights and further requires as a condition of certain actions, inactions or other events that there be (a) a Rating Agency Confirmation for the issuance of Additional Bonds or (b) a Rating Agency Notification, including, but not limited to, for determinations of the types of private loans to be included as Eligible Loans in the future and changes to certain parameters for Eligible Loans; the appointment of a new Administrator; the appointment of a new Servicer; changes in the amount and timing of Senior Transaction Fees; a modification of the Debt Service Reserve Fund Requirement; types of Investment Securities; certain material amendments or supplements to the Indenture, the Administration Agreement or a Servicing Agreement; certain sales of Financed Eligible Loans; establishment of, and changes in, certain conditions governing the redemption of Bonds and the release of moneys from the Trust Estate, including but not limited to the Required Senior Parity Percentage, if any, Required Overall Parity Percentage and/or the Net Asset Requirement; extension of any Recycling Period; and extension of any Acquisition Period. The Indenture also requires that the Corporation or any Conduit Issuer make any Rating Agency Confirmation and Rating Agency Notification publicly available in the manner applicable to post-issuance disclosures under Rule 15c2-12 promulgated by the Securities and Exchange Commission with respect to any Tax-Exempt Bonds or on its website with respect to any Taxable Bonds. “Rating Agency Confirmation” means a letter or press release or other written release from each Rating Agency rating any of the Bonds confirming that its Ratings on the Bonds will not be reduced, withdrawn, conditioned or placed under review with negative implications as a result of a Proposed Action to be taken by the Corporation or any Conduit Issuer. “Rating Agency Notification” means, with respect to a Proposed Action, that the Corporation or any Conduit Issuer shall have given written notice of such Proposed Action to each Rating Agency then rating the Bonds at least twenty (20) Business Days prior to the proposed effective date thereof. “Proposed Action” means any proposed action, failure to act or other event which, under the terms of the Indenture, is conditional upon a Rating Agency Notification or a Rating Agency Confirmation. For those Proposed Actions that may be taken upon making a Rating Agency Notification, if the Corporation provides the required Rating Agency Notification, it may act as proposed in the Proposed Action even if such action would result in a change in the rating on the Bonds. See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” attached hereto and the caption “CERTAIN RISK FACTORS—Certain Actions May Be Permitted Without Registered Owner Approval” herein.

## Certain Risk Factors

Attention should be given to certain investment considerations described in this Official Statement which could affect the ability of the Corporation to pay the principal of and interest on the Series 2025A Taxable Bonds, and which could have an effect on the market price of the Series 2025A Taxable Bonds in the future to an extent that cannot be determined at the present time. See the caption “CERTAIN RISK FACTORS” herein. Each prospective purchaser of Series 2025A Taxable Bonds should read this entire Official Statement, including the Appendices attached hereto.

## Amendments to Master Indenture

In connection with the issuance of the Series 2025A Taxable Bonds, the Corporation has proposed and approved certain amendments to the Master Indenture (the “Master Indenture Amendments”) to be effective on the Closing Date when holders of more than 68% in principal amount of the Bonds then Outstanding agree to such Master Indenture Amendments by agreeing to become holders of Bonds. The Master Indenture Amendments are described in “APPENDIX F—MASTER INDENTURE AMENDMENTS” hereto. *By the purchase of the Series 2025A Taxable Bonds on the Closing Date, each holder of the Series 2025A Taxable Bonds will be deemed to: (a) have waived any notice set forth in the Master Indenture with respect to the Master Indenture Amendments, (b) have consented in writing to and approved the execution of the Series 2025A Supplemental Indenture and the Master Indenture Amendments to take effect contemporaneously with, and in connection with, the delivery of the Series 2025A Taxable Bonds and closing of the transaction contemplated thereby on the Closing Date, and (c) have concluded that this Official Statement and any related pricing wires, trade confirmations and documents relating to the issuance and delivery of the Series 2025A Taxable Bonds constitutes “consented in writing” as contemplated by the Master Indenture.* By their purchase of the Series 2025A Taxable Bonds, the original purchasers and all subsequent holders thereof consent, and shall be deemed to have consented, to the Master Indenture Amendments. Each such consent will be effective on the date of issuance of the Series 2025A Taxable Bonds, will be binding on any subsequent purchaser of the Series 2025A Taxable Bonds, and may not be revoked after the issuance of the Series 2025A Taxable Bonds. See “APPENDIX F—MASTER INDENTURE AMENDMENTS” hereto.

## THE SERIES 2025A TAXABLE BONDS

### General Terms of the Series 2025A Taxable Bonds

The Series 2025A Taxable Bonds will bear interest from the Closing Date. Interest will be payable on June 1 and December 1 of each year, commencing June 1, 2026 (each, an “Interest Payment Date”), to the Registered Owners of the Series 2025A Taxable Bonds as of the record date, which is the Business Day immediately preceding an Interest Payment Date. The Series 2025A Taxable Bonds will bear interest at the interest rates per annum, and will mature on December 1 in each of the years and in the principal amounts, shown on the inside front cover of this Official Statement. Interest on the Series 2025A Taxable Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The Series 2025A Taxable Bonds will be issued in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof. Individual purchases of the Series 2025A Taxable Bonds will be made in book-entry form only. Purchasers of the Series 2025A Taxable Bonds will not receive certificates representing their interest in the Series 2025A Taxable Bonds purchased. See the caption “Book-Entry-Only System” below.

### Redemption Provisions

The Indenture sets forth the provisions for the redemption of the Series 2025A Taxable Bonds prior to maturity, as described below. The Trustee shall provide notice of the redemption of Series 2025A Taxable Bonds in accordance with the provisions described under the caption “Notice and Effect of Redemption” below. The Series 2025A Taxable Bonds maturing December 1, 2036 are hereinafter referred to as the “Series 2025A Taxable Term Bonds”. The Series 2020A Taxable Bonds maturing December 1, 2039 are hereinafter referred to as the “Series 2020A Taxable Term Bonds”.

*Optional Redemption.* The Series 2025A Taxable Bonds maturing on December 1, 2046 are subject to redemption prior to maturity at the option of the Corporation from moneys in the Revenue Fund and any other source available therefor in accordance with the Indenture, in whole or in part, at any time, commencing December 1, 2035, at a redemption price equal to 100% of the principal amount being redeemed, without premium, plus accrued interest to but not including the Redemption Date.

*Optional Redemption from Excess Taxable Revenue.* The Series 2025A Taxable Bonds maturing December 1, 2046 and any Additional Bonds (excluding any Additional Bonds to the extent so provided in a Supplemental Indenture), are subject to redemption, prior to maturity, in whole or in part, in any Authorized Denominations, at the option of the Corporation, on any Interest Payment Date, from funds that constitute Excess Taxable Revenue on deposit in the Taxable Account of the Revenue Fund pursuant to the Master Indenture, at a redemption price equal to 100% of the principal amount being redeemed, without premium, plus accrued interest to but not including the Redemption Date with respect to such Bonds. Notwithstanding the foregoing, for so long as the Series 2020A Taxable Term Bonds are Outstanding, “Excess Taxable Revenue” as used in this paragraph shall not include Revenue derived from Financed Eligible Loans allocable to the Series 2020A Taxable Bonds. In the case of any such optional redemption from Excess Taxable Revenues, (a) the Senior Bonds subject to such redemption (currently the Series 2025A Taxable Bonds maturing December 1, 2046) shall be redeemed in their entirety prior to Subordinate Bonds, if any, as set forth in a Supplemental Indenture authorizing the issuance of Subordinate Bonds unless otherwise set forth in a Corporation Order, and (b) Bonds of each class that are subject to such redemption shall be selected for redemption (i) on a pro rata basis among the Stated Maturities of such Bonds of such class based upon the respective Outstanding principal amounts of such Bonds of such class and Stated Maturity that are subject to such redemption from Excess Taxable Revenues at the time of determination without regard to Series (and pro rata within a maturity) or (ii) from the Stated Maturities of such Bonds of such class as are set forth in a Corporation Order.

“*Excess Taxable Revenue*” means any funds remaining in the Taxable Account of the Revenue Fund after all transfers required or permitted by paragraphs (a) through (j) and all transfers, if any, required or permitted by paragraph (k) as described in “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—FUNDS—Revenue Fund—*Taxable Account*” attached hereto have been made.

*Mandatory Redemption from Excess Taxable Revenue.* Except during any applicable Recycling Period, the Series 2025A Taxable Bonds maturing December 1, 2046 and any Additional Bonds (excluding any Additional Bonds to the extent so provided in a Supplemental Indenture) are subject to mandatory redemption, in whole or in part, on each Interest Payment Date, from Excess Taxable Revenue on deposit in the Taxable Account of the Revenue Fund, at a redemption price equal to 100% of the principal amount being redeemed, without premium, plus accrued interest to but not including the Redemption Date with respect to such Bonds, in an amount equal to the greater of (a) the least amount required to increase the Overall Parity Percentage to at least the Required Overall Parity Percentage, and (b) the least amount required to satisfy the Net Asset Requirement. In addition, if (a) the aggregate principal amount of all Bonds Outstanding under the Indenture is equal to or less than 10% of the aggregate principal amount of all Bonds issued under the Indenture as of the last date of issuance of a Series of Bonds issued under the Indenture or (b) on and after December 1, 2026, the cumulative principal amount of Defaulted Loans on December 1, 2026 was equal to or greater than \$5,000,000 (measured from the Date of Issuance of the most recently issued Series of Bonds) then, notwithstanding the foregoing, the Corporation is required to use all Excess Taxable Revenue to mandatorily redeem Bonds subject to such redemption as described above. See “APPENDIX E—ESTIMATED WEIGHTED AVERAGE LIFE ANALYSIS OF THE SERIES 2025A TAXABLE BONDS MATURING DECEMBER 1, 2046” attached hereto. Notwithstanding the foregoing, for so long as the Series 2020A Taxable Term Bonds are Outstanding, “Excess Taxable Revenues” as used in this paragraph will not include Revenue derived from Financed Eligible Loans allocable to the Series 2020A Taxable Bonds. In the case of any such mandatory redemption from Excess Taxable Revenues, (a) the Senior Bonds subject to such redemption (currently the Series 2025A Taxable Bonds maturing December 1, 2046) shall be redeemed in their entirety prior to Subordinate Bonds, if any, as set forth in a Supplemental Indenture authorizing the issuance of Subordinate Bonds, and (b) Bonds of each class that are subject to such redemption shall be selected for redemption (i) on a pro rata basis among the Stated Maturities of such Bonds of such class based upon the respective Outstanding principal amounts of such Bonds of such class and Stated Maturity that are subject to such redemption from Excess Taxable Revenues at the time of determination without regard to Series (and pro rata within a maturity) or (ii) from the Stated Maturities of such Bonds of such class as are set forth in a Corporation Order.

*Extraordinary Redemption to Avoid an Event of Default.* The Series 2025A Taxable Bonds are subject to extraordinary redemption by the Corporation, upon the written direction of an Authorized Representative, in whole or in part, on any Interest Payment Date, in such maturities and amounts as may be directed by the Corporation and pro rata within each maturity (with such adjustments as the Corporation may determine to enable the Series 2025A Taxable Bonds to be redeemed in Authorized Denominations), at a redemption price equal to 100% of the principal amount of the Bonds being redeemed, without premium, plus accrued interest to but not including the Redemption Date, from moneys identified to the Trustee by an Authorized Representative of the Corporation, in an aggregate amount deemed by the Corporation to be necessary to avoid an Event of Default under the Indenture.

*Cumulative Sinking Fund Redemption of the Series 2025A Taxable Term Bonds.* The Series 2025A Taxable Term Bonds are subject to cumulative sinking fund redemption (each a “Sinking Fund Installment”) prior to Stated Maturity, in part pro rata, at a redemption price equal to 100% of the principal amount of the Bonds being redeemed, without premium, plus accrued interest to but not including the Redemption Date, in the amounts, and on December 1 in each of the years, set forth below.

<b><u>December 1</u></b>	<b><u>Sinking Fund Installment</u></b>
2027	\$ 400,000
2028	7,600,000
2029	11,300,000
2030	11,650,000
2031	12,250,000
2032	11,100,000
2033	9,200,000
2034	8,600,000
2035	6,200,000
2036 <sup>1</sup>	4,600,000

<sup>1</sup>Final maturity.

If the amounts available to make the Sinking Fund Installment are less than the scheduled Sinking Fund Installment, the amount of the insufficiency will be due on the next Sinking Fund Installment due date, to the extent funds are available therefor, until paid in full. A failure to make a Sinking Fund Installment prior to the scheduled maturity of the Series 2025A Taxable Term Bonds, that results from insufficient Revenues being available to fund such payment in accordance with the Master Indenture, is not a default and will not give rise to an Event of Default under the Master Indenture. The amounts which would otherwise be available for a Sinking Fund Installment may be applied to the purchase, for cancellation, of the Series 2025A Taxable Term Bonds in which event the principal amount of Series 2025A Taxable Term Bonds scheduled to be redeemed on the immediately succeeding Sinking Fund Installment due date will be reduced by the principal amount of Series 2025A Taxable Term Bonds so purchased.

*Terms Regarding Redemptions.* Redemptions of the Series 2025A Taxable Bonds shall be made in whole or in part from the largest integral multiple of the minimum Authorized Denomination derived from the amounts to be applied to such redemption; provided that a Series 2025A Taxable Bond may only remain Outstanding in an Authorized Denomination.

*Selection of Series 2025A Taxable Bonds to be Redeemed.* If less than all of the Series 2025A Taxable Bonds of a Stated Maturity are to be redeemed, the Trustee will notify DTC of the particular amount of such Stated Maturity to be redeemed. DTC, if the Series 2025A Taxable Bonds are in book-entry form, will determine pro rata the amount of each participant’s interest in such Stated Maturity to be redeemed, and each participant will then select pro rata the beneficial ownership interests in such Stated Maturity to be redeemed and if the Series 2025A Taxable Bonds are not in book-entry form, the Trustee will determine the Series 2025A Taxable Bonds of a Stated Maturity to be redeemed pro rata or in such other manner the Trustee deems fair and reasonable. No redemption, however, shall cause the Series 2025A Taxable Bonds of any Stated Maturity that remain outstanding to be in an amount other than an Authorized Denomination and the amount to be so redeemed shall be increased or decreased as directed by the Corporation to avoid such a result.

*Notice and Effect of Redemption.* The Trustee, at the written request of the Corporation, shall give notice of any such redemption by providing a copy of the notice not less than 15 days, and not more than 60 days (or such shorter period as may be set forth in the applicable Supplemental Indenture), before the Redemption Date to the

Registered Owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses appearing upon the registration records, but failure so to mail any such notice to a given Registered Owner shall not affect the validity of the proceedings for the redemption of Bonds to other Registered Owners. Such notice may however state that it is a conditional notice and that the redemption shall be cancelled if moneys are not available on the Redemption Date.

### **Book-Entry-Only System**

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2025A Taxable Bonds, payment of principal, redemption premium, if any, and interest and other payments with respect to the Series 2025A Taxable Bonds to Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in such Series 2025A Taxable Bonds and other related transactions by and among The Depository Trust Company, New York, New York (“DTC”), the Direct Participants and Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. Information concerning DTC and the Book-Entry Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Corporation.

DTC will act as securities depository for the Series 2025A Taxable Bonds. The Series 2025A Taxable Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2025A Taxable Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com), which website is not part of, and is not incorporated by reference into, this Official Statement

Purchases of the Series 2025A Taxable Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025A Taxable Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2025A Taxable Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025A Taxable Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025A Taxable Bonds, except in the event that use of the book-entry system for the Series 2025A Taxable Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025A Taxable Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025A Taxable Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025A Taxable Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025A Taxable Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2025A Taxable Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025A Taxable Bonds, such as redemptions, tenders, defaults and proposed amendments to the security documents. For example, Beneficial Owners of the Series 2025A Taxable Bonds may wish to ascertain that the nominee holding the Series 2025A Taxable Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025A Taxable Bonds within a Series are being redeemed, DTC's practice is to determine by lot (unless directed to determine pro rata) the amount of the interest of each Direct Participant in such Series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025A Taxable Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025A Taxable Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Series 2025A Taxable Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC). DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Corporation, the Conduit Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025A Taxable Bonds at any time by giving reasonable notice to the Corporation, the Conduit Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2025A Taxable Bond certificates are required to be printed and delivered.

The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2025A Taxable Bond certificates will be printed and delivered to DTC.

The Trustee, the Corporation and, if applicable, the Conduit Issuer, will recognize DTC or its nominee as the Registered Owner of the Series 2025A Taxable Bonds for all purposes, including notices and voting, and so long as a book-entry-only system is used, will send any notice of redemption or other notices to Owners of the Series 2025A Taxable Bonds only to DTC. Any failure of DTC to advise any DTC Participants, or of any DTC Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Series 2025A Taxable Bonds called for redemption or of any other action premised on such notice.

**The Corporation, the Trustee and, if applicable, the Conduit Issuer, shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC or any DTC Participant with respect to any beneficial ownership interest in the Series 2025A Taxable Bonds, (b) the delivery to any Beneficial Owner of the Series 2025A Taxable Bonds or other person, other than DTC, of any notice with respect to the Series 2025A Taxable Bonds or (c) the payment to any Beneficial Owner of the Series 2025A Taxable Bonds or other person, other than DTC, of any amount with respect to the principal of or interest on the Series 2025A Taxable Bonds. Neither the Corporation nor the Trustee shall have any responsibility with respect to obtaining consents from anyone other than the Registered Owners.**

The Trustee, the Corporation and, if applicable, the Conduit Issuer, cannot and do not give any assurance that DTC will distribute payments of debt service on the Series 2025A Taxable Bonds to DTC Participants or that the DTC Participants or others will distribute payments of debt service on the Series 2025A Taxable Bonds paid to DTC or its nominee, as the Registered Owner thereof, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

The information under this caption concerning DTC and DTC's book-entry system has been obtained from sources that the Corporation believes to be reliable, but the Corporation takes no responsibility for the accuracy thereof.

## **THE TRUSTEE**

The Bank of New York Mellon Trust Company, N.A. is a national banking association with an address at 6200B, Floor 62, Mailbox #44, 311 South Wacker Drive, Chicago, Illinois 60606, Attention: Corporate Trust Administration. The Bank of New York Mellon Trust Company, N.A. has acted as trustee on numerous asset-backed transactions, including the structure of the transaction referred to herein. While the structure of each transaction may differ, The Bank of New York Mellon Trust Company, N.A. is experienced in administering transactions of this kind.

In the ordinary course of business, The Bank of New York Mellon, The Bank of New York Mellon Trust Company, N.A., and BNY Mellon Trust of Delaware (collectively, "BNY Mellon") are named as a defendant in legal actions. In connection with its role as trustee of certain residential mortgage-backed securitization ("RMBS") transactions, BNY Mellon has been named as a defendant in a number of legal actions brought by RMBS investors. These lawsuits allege that the trustee had expansive duties under the governing agreements, including the duty to investigate and pursue breach of representation and warranty claims against other parties to the RMBS transactions. While it is inherently difficult to predict the eventual outcomes of pending actions, BNY Mellon denies liability and intends to defend the litigations vigorously.

The Trustee has not furnished or verified any information or statements contained in this Official Statement other than the information contained in the first two paragraphs of this caption "THE TRUSTEE", and the Trustee is not responsible for the sufficiency, completeness or accuracy of any information or statement contained in this Official Statement other than the information provided directly by the Trustee.

Under the Indenture, The Bank of New York Mellon Trust Company, N.A. will act as Trustee for the Bonds, including the Series 2025A Taxable Bonds, and will act on behalf of the Registered Owners and represent their interests in the exercise of their rights under the Indenture. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—THE TRUSTEE" attached hereto for additional information regarding the responsibilities of the Trustee.

## **CERTAIN RISK FACTORS**

Potential investors in the Series 2025A Taxable Bonds should consider the following risk factors together with all other information in this Official Statement in deciding whether to purchase the Series 2025A Taxable Bonds. The following discussion of possible risks is not meant to be an exhaustive list of the risks associated with the purchase of the Series 2025A Taxable Bonds and does not necessarily reflect the relative importance of the various risks. Additional risk factors relating to an investment in the Series 2025A Taxable Bonds are described throughout this Official Statement, whether or not specifically designated as risk factors. There can be no assurance that other risk factors will not become material in the future. Except as specifically provided in the Indenture with respect to

Subordinate Bonds and Senior Subordinate Bonds, all Bonds, including the Series 2025A Taxable Bonds, will be equally and ratably secured by all Financed Eligible Loans and other assets comprising the Trust Estate.

### **Limited Obligations**

The Bonds, including the Series 2025A Taxable Bonds, are limited, not general, obligations of the Corporation secured solely by and payable solely from the Trust Estate, including all Revenues and moneys and securities on deposit in any of the Funds and Accounts or Subaccounts thereof established by the Indenture (other than the Rebate Fund and the Operating Fund), including the investments, if any, thereof (other than earnings and income derived from amounts on deposit in the Rebate Fund and the Operating Fund), subject to the application thereof to the purposes and on the conditions permitted by the Indenture. Neither the full faith and credit nor the taxing power of the State of South Carolina or any agency or political subdivision thereof is pledged for the payment of the Series 2025A Taxable Bonds. The Corporation's obligations, including any Bonds, are not general, special or moral obligations of the State of South Carolina. The Corporation is not authorized under the Indenture or laws of the State of South Carolina to create, and the Series 2025A Taxable Bonds do not constitute, public debt of the State of South Carolina or any agency or political subdivision thereof within the meaning of the South Carolina Constitution or laws of the State of South Carolina or debt of the State of South Carolina or any agency or political subdivision thereof for any other purpose whatsoever. Holders of the Series 2025A Taxable Bonds shall never have the right to demand payment thereof out of money raised or to be raised by taxation. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—PARITY AND PRIORITY OF LIEN; OTHER OBLIGATIONS—Trust Estate" attached hereto.

Payment of principal of and interest on the Bonds, including the Series 2025A Taxable Bonds, is primarily dependent upon collections on the Financed Eligible Loans. If the combined payment of principal of and interest on the Financed Eligible Loans does not at least equal the amounts necessary to pay, when due, interest with respect to the Bonds, principal of the Bonds, payment of any related Rebate Amounts and Excess Earnings to the U.S. Treasury and expenses relating to the servicing of the Financed Eligible Loans and administration of the Indenture, the Corporation may have insufficient funds to repay the Bonds, including the Series 2025A Taxable Bonds.

### **Potential FAFSA Delays**

Delays in the release of the Free Application for Federal Student Aid ("FAFSA") to families or delays by the Department of Education or any successor entity in the distribution of FAFSA applicant information to colleges and universities could possibly cause delays in notifying new or continuing students and parents of financial aid packages or extend the new student enrollment decision deadline in order to accommodate such delays. Any delay in families receiving their federal financial aid packages may then delay the application process for potential borrowers of Financed Eligible Loans. It is unclear if any delay in FAFSA would impact the Corporation's traditional timing of receiving and processing Eligible Loan applications or the volume of applications, including a potential increase in applications to offset uncertainty in the availability of other financial assistance. These factors could impact the funding of new Eligible Loans typically in August and September. A delay in FAFSA may cause students to defer their educations due to the uncertainty of the amount of financial aid they may receive or cause families to over or under-estimate their financial needs, potentially negatively impacting the amount of Eligible Loans ultimately needed. Any of these issues may adversely impact the Corporation's Eligible Loan volume or time of origination, and projections thereof, and may adversely impact investors.

### **Potential Closure of the Department of Education, Reduction in Workforce and Changes to Federal Loan Program**

The current administration is continuing its efforts to reduce the size and functions of the Department of Education. On March 20, 2025, President Trump signed an executive order which would allow the current Secretary of Education to take, to the maximum extent appropriate and permitted by law, "all necessary steps to facilitate the closure of the Department of Education and return authority over education to the States and local communities while ensuring the effective and uninterrupted delivery of services, programs, and benefits". Subsequently, on March 24, 2025, two lawsuits were filed in federal court to challenge actions taken by the current administration. This followed a reduction in the Department of Education's workforce by nearly 50% that occurred earlier in March. On July 14, 2025 the United States Supreme Court ruled 6-3 to lift the injunction put into place during the federal lawsuits challenging these actions taken by the current administration. In response to the United States Supreme Court decision,

the Secretary of Education responded with a statement that the Department of Education will proceed with laying off approximately 1,300 employees or about 31% of the workforce of the Department of Education.

On July 4, 2025 the One Big Beautiful Bill Act (“OBBA”) became law. The OBBA contains significant implications for the Federal Direct Loan Program. First, the federal Direct PLUS Loans for Graduate or Professional Students program, which was introduced in 2006 and allows students to borrow up to the cost of their graduate school program, will be eliminated. Second, OBBA placed new limits on Federal Direct Loan Program borrowing. Graduate students will be limited to \$20,500 annually and \$100,000 total, while professional students will be limited to \$50,000 annually and \$200,000 total. There will also be a \$257,500 lifetime borrowing cap on all Federal Direct Loan Program loans (excluding Direct PLUS Loans to parents). Direct PLUS Loan parent borrowers will be limited to \$20,000 annually per child with a total cap of \$65,000 per child. Third, OBBA replaces all Federal Direct Loan Program repayment plans with a standard plan and a new income-driven repayment plan called the Repayment Assistance Plan. All of these changes to the Federal Direct Loan Program are effective July 1, 2026.

There can be no assurance whether (a) the additional actions by the current administration relating to the Department of Education will be upheld by the federal court system, (b) additional legislation will be introduced by Congress to dissolve the Department of Education, or (c) any additional legislation impacting the Department of Education or any Federal Direct Loan Program loans will be passed by Congress and enacted into law. Accordingly, no assurance can be given as to how the reduction in size and functions of the Department of Education, the impacts from the OBBA or additional actions or legislation may affect the Corporation, its operations and financial condition, the Corporation’s student loan program, the Financed Eligible Loans, the Bonds, including, but not limited to, the Series 2025A Taxable Bonds, applications of borrowers of education loans and the processing thereof.

### **Resumption of Collections on Defaulted Federal Loans**

On April 21, 2025, the Department of Education announced that its Office of Federal Student Aid would resume collections of its defaulted Federal Direct Loan Program student loan portfolio on May 5, 2025. Prior to such date, the Department of Education had not collected on defaulted loans since March 2020. The Office of Federal Student Aid has emailed borrowers in default urging them to make a monthly payment, enroll in an income-driven repayment plan, or sign up for loan rehabilitation. The Office of Federal Student Aid has stated that it will send required notices beginning administrative wage garnishment, although no specific date has been established. The Department of Education also announced that it will authorize guaranty agencies to begin involuntary collections activities on loans made under the Federal Family Education Loan Program (“FFELP”). Additionally, on July 9, 2025, the Department of Education announced that Federal Direct Loan Program student loans in the Saving on Valuable Education Plan (the “SAVE Plan”) will begin accruing interest again on August 1, 2025, following a pause in interest accrual and forbearance during litigation, though SAVE Plan loans will remain in forbearance status. The Corporation cannot predict what impact, if any, the resumption of collections on defaulted federal student loans and the resumption of interest accrual on SAVE Plan loans will have on the Corporation, its student loan program, the Financed Eligible Loans or the Bonds, including, but not limited to, the Series 2025A Taxable Bonds. There may be a delay in, or reduction of, collections on the Financed Eligible Loans due to borrowers electing to change from the SAVE Plan to another repayment plan and the resulting end of forbearance or resumed collections activity on federal loans held by such borrowers or actions such as wage garnishment, which in turn could affect the repayment of the Bonds prior to their maturity.

### **An Outbreak Similar to the COVID-19 Pandemic Could Adversely Affect the Value of the Series 2025A Taxable Bonds or Borrowers’ Ability to Repay Their Financed Eligible Loans**

The spread of any illness similar to COVID-19 and its variants, the mitigation measures implemented, including potential business closures, travel restrictions, and workforce reductions and furloughs, and related behavioral adaptations could cause disruption in global, national, and local economies, as well as global financial markets, and significant volatility in the United States capital markets.

There can be no assurance that future local, state or federal legislation intended to mitigate the economic effects of a pandemic, or otherwise, will not directly or indirectly affect the Financed Eligible Loans or the Corporation. Federal, state and local governments adopted with respect to COVID-19, and may further adopt with respect to a future outbreak, laws, regulations, executive orders and policy statements that required or encouraged financial services companies to make accommodations to borrowers affected by a pandemic. Accommodations may

include allowing borrowers to forego making scheduled payments for some period of time, requiring loan modifications such as payment deferrals or extensions of repayment terms, waivers of amounts due or past due, and restrictions on collection activities and enforcement of remedies. Such actions could adversely affect the Corporation's ability to pay principal of and interest on the Bonds, including the Series 2025A Taxable Bonds.

The extent to which a future pandemic may affect the Bonds, including the Series 2025A Taxable Bonds, will largely depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of such pandemic and the actions taken to contain it or alleviate its effects. The Corporation cannot predict how legal and regulatory responses to a pandemic and related economic problems would affect the Corporation or the Bonds, including the Series 2025A Taxable Bonds. However, any of the foregoing could have a negative impact on the performance of the Financed Eligible Loans and, as a result, there could be delays in payments or losses on the Bonds, including the Series 2025A Taxable Bonds.

### **The Financed Eligible Loans Are Unsecured and Do Not have the Benefit of a Guaranty Agency**

The Financed Eligible Loans are private, or alternative, student loans, are not financed pursuant to the Higher Education Act of 1965, as amended (the "Higher Education Act"), and are not, and will not be, guaranteed by any governmental entity or third-party guarantor, and there are no reserves available to pay defaulted Financed Eligible Loans. In addition, the Financed Eligible Loans to be pledged to the Trust Estate will be unsecured. Certain of the Financed Eligible Loans have cosigners. Therefore, the receipt by the Trustee of principal and interest on the Financed Eligible Loans will be dependent on the ability and willingness of the borrowers and, if applicable, the cosigners to make these payments. See the caption "Variety of Factors Affecting Borrowers" below and the caption "THE FINANCED ELIGIBLE LOANS" herein.

### **Discontinuation of LIBOR May Affect Certain Financed Eligible Loans**

The interest rates payable on certain of the variable rate Financed Eligible Loans were previously based on a spread over one month London Interbank Offered Rate. The London Interbank Offered Rate, or "LIBOR," served as a global benchmark for home mortgages, student loans and what various issuers paid to borrow money. As a result of longstanding initiatives, LIBOR was discontinued as a floating rate benchmark on June 30, 2023.

Financed Eligible Loans made with one month LIBOR as the index have converted to the One Month FTSE USD IBOR Consumer Cash Fallback index. See "THE PROGRAM—PAL Student Loan Eligibility and Terms—*Interest Rates*" and "—PAL Parent Loan Eligibility and Terms—*Interest Rates*" for a description of the interest rates applicable to the variable rate Financed Eligible Loans.

SOFR was selected by the Alternative Reference Rates Committee, or "ARRC," of the Federal Reserve Bank of New York as the replacement index for LIBOR plus, in the case of existing LIBOR contracts and obligations, an established spread adjustment.

SOFR is not representative of LIBOR as described under "RISK FACTORS—Risks relating to SOFR."

### **Risks Relating to SOFR**

As described in the risk factor captioned "—Discontinuation of LIBOR May Affect Certain Financed Eligible Loans," the interest rates on the variable rate Financed Eligible Loans are currently determined by reference to SOFR-based indexes. Such Financed Eligible Loans are subject to risks associated with SOFR, including that:

- SOFR is a relatively new reference rate that may be more volatile than other benchmark or market rates;
- the composition and characteristics of SOFR are not the same as LIBOR; LIBOR was a forward-looking rate that was intended to be sensitive to bank credit risk and to term interest rate risk, while SOFR is a secured, risk-free rate intended to be a broad measure of the cost of borrowing funds overnight in transactions collateralized by U.S. Treasury securities;
- there is uncertainty about SOFR's differences from LIBOR, including its composition and characteristics;
- SOFR may be changed or eliminated in the future;

- the Corporation's exercise of discretion in both replacing LIBOR with SOFR-based indexes and other discretionary changes (such as including a spread to make SOFR more representative of LIBOR) could give rise to disputes or litigation; and
- the lack of market standards regarding SOFR-based indexes and the methodology used to determine SOFR rates.

Risks associated with the use of SOFR-based indexes could adversely affect the variable rate Financed Eligible Loans and the ability of the Corporation to pay principal of and interest on the Bonds, including the Series 2025A Taxable Bonds.

### **Interest Rate “Basis” Risk May Affect Repayment of the Bonds**

The Series 2025A Taxable Bonds will bear interest at the fixed rates per annum set forth on the inside front cover of this Official Statement. The interest rates payable on the variable rate Financed Eligible Loans (as of the Statistical Cut-Off Date, approximately 13.0% by principal amount of the Existing Eligible Loans) are based on a spread over the One Month Term SOFR index or the One Month FTSE USD IBOR Consumer Cash Fallback index and may fluctuate from one interest accrual period to another in response to changes in the applicable index. If there is a decline in the rates payable on the variable rate Financed Eligible Loans, the amount of funds representing interest deposited into the Revenue Fund may be reduced. If the yield on all of the Financed Eligible Loans does not generally exceed the interest rates payable on the Bonds and the Senior Transaction Fees, the Corporation may have insufficient funds to repay the Bonds, including the Series 2025A Taxable Bonds.

### **The Financed Eligible Loans May be Subject to Discharge in Bankruptcy**

Under the United States Bankruptcy Code, educational loans are generally non-dischargeable, unless excepting a loan from discharge would impose an undue hardship on the debtor and the debtor's dependents. A number of bankruptcy reform proposals that would alter the treatment of student loans similar to the Financed Eligible Loans under the United States Bankruptcy Code have been discussed and/or introduced in Congress in recent years under the former federal administration, including proposals to liberalize the exceptions to the current general nondischargeability of student loans in bankruptcy. In addition, bankruptcy courts may interpret the exception for undue hardship on the debtor for dischargeability more liberally than historic judicial precedent. No assurance can be given as to whether any bankruptcy reform legislative proposals will be enacted at the federal level or whether judicial interpretations may change, in each case, in a manner that might affect the Corporation's ability to enforce collection of the Financed Eligible Loans. The discharge of a significant amount of the Financed Eligible Loans could adversely affect the ability of the Corporation to pay principal of and interest on the Bonds, including the Series 2025A Taxable Bonds.

### **Possible Future Changes in Federal and State Law and Regulations**

There are from time to time proposed changes at the federal and state level, which if pursued, could have an adverse effect on student loan issuers, such as the Corporation. Such proposed changes considered in recent years include, but are not limited to, the following: a student loan borrower's ability to discharge a student loan under the United States Bankruptcy Code without the need to show undue hardship, including bills proposing to amend Title 11 of the United States Bankruptcy Code to make student loans dischargeable or to liberalize the exceptions to the current general nondischargeability of private student loans in bankruptcy; legislation that would change borrowing availability under federal programs which could potentially affect borrowing under private student loan programs; and various tax and budgetary changes which could impact the Corporation. Additionally, administrative agencies charged with implementation of existing laws have the ability to take actions that may adversely impact the Corporation.

The Corporation cannot predict whether any or all of these proposals will become effective. Furthermore, there can be no assurance that any future federal or state law or regulation will not prospectively or retroactively affect the terms and conditions under which student loans are made in a manner that might adversely affect the ability of the Corporation to pay the principal of and interest on the Bonds, including the Series 2025A Taxable Bonds, when due.

## **Changes in Applicable Law**

A significant portion of the Corporation's business activity pertains to its portfolio of loans made under the FFELP of the Higher Education Act. While such loans are not a part of the Trust Estate, events that significantly impact such loans could have a detrimental effect on the Corporation. See "APPENDIX D—FINANCIAL STATEMENTS OF THE CORPORATION".

On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 (the "Reconciliation Act") was enacted into law. The Reconciliation Act eliminated the FFELP effective July 1, 2010 and the origination of new FFELP loans after June 30, 2010. As of July 1, 2010, all loans made under the Higher Education Act have been, and will be, originated under the Federal Direct Loan Program. The terms of existing FFELP loans are not materially affected by the Reconciliation Act.

Because no new FFELP loans are permitted to be made and outstanding FFELP loans available for purchase by student loan secondary markets, including the Corporation, have become more scarce, the Corporation's outstanding FFELP portfolios have begun to age and decline in size. To the extent this causes the Corporation's cost related to the servicing of its FFELP portfolio to increase, this trend may have a negative impact on the Corporation.

The Corporation cannot predict whether any further changes will be made to the Higher Education Act, other relevant federal or state laws, and rules and regulations in future legislation, or the effect of such legislation on the Corporation, the Administrator, a Servicer, the Financed Eligible Loans or the Program.

## **Application of Consumer Protection Laws to the Financed Eligible Loans May Increase Costs and Uncertainties about the Financed Eligible Loans**

Numerous federal and state consumer protection laws, including various state usury laws, and related regulations impose substantial requirements upon lenders and servicers involved in consumer finance. Also, some state laws impose finance charge ceilings and other restrictions on certain consumer transactions. Certain of these requirements may apply to originators such as the Corporation and may result in both liability for penalties for violations and a material adverse effect upon the enforceability of the Financed Eligible Loans. For example, federal law such as the Truth-in-Lending Act can impose statutory damages on assignees and defenses to enforcement of the Financed Eligible Loans, if errors were made in disclosures that must be made to borrowers. Certain state disclosure laws, such as those protecting cosigners, may also affect the enforceability of the Financed Eligible Loans if appropriate disclosures were not given or records of those disclosures were not retained. If the interest rate on the Financed Eligible Loans in question exceeds applicable usury laws, that violation could materially adversely affect the enforceability of the Financed Eligible Loans.

If the Financed Eligible Loans were marketed or serviced in a manner that is unfair, deceptive or abusive, or if marketing, origination or servicing violated any applicable law, then state and federal laws applicable to unfair, deceptive or abusive acts or practices may impose liability on the loan holder, as well as creating defenses to enforcement. Under certain circumstances, the holder of a Financed Eligible Loan is subject to all claims and defenses that the borrower on that Financed Eligible Loan could have asserted against the educational institution that received the proceeds of the Financed Eligible Loans. If pricing of private student loans has an adverse impact on classes of protected persons under the federal Equal Credit Opportunity Act and other similar laws, claims under those acts may be asserted against the originator and, possibly, the Financed Eligible Loan holder.

In addition, several states have recently passed laws requiring the licensing of student loan servicers by the state and adherence to new state regulations governing student loan servicing. To the extent that a Servicer of the Financed Eligible Loans fails to obtain such licenses or to adhere to such regulations, sanctions imposed could impair their ability to adequately perform their role as prescribed under the Indenture. Additional state regulatory fees and expenses may cause the Corporation's costs relating to servicing the Financed Eligible Loans to increase, which may have a negative impact on the Corporation.

The Consumer Financial Protection Bureau ("CFPB") or other federal, state, and local regulators may adopt new laws and regulations that may reduce the Corporation's revenues, cause its expenses to increase and/or require it to substantially modify its business practices. Additionally, further regulation by Congress, state legislatures or regulatory agencies, or changes in the regulatory application or judicial interpretation of existing laws and regulations

applicable to consumer lending, could make it more difficult for servicers to collect payments on the Financed Eligible Loans or otherwise affect the manner in which servicers conduct their business. The regulatory environment in which financial institutions, creditors and servicers operate has become increasingly complex.

The federal and state consumer protection laws, rules and regulations applicable to the solicitation and advertising for, underwriting of, granting, servicing and collection of personal loans, and the protection of sensitive customer data, frequently provide for administrative penalties, as well as civil (and in some cases, criminal) liability resulting from their violation. An administrative proceeding, litigation, investigation or regulatory action relating to one or more allegations or findings of the violation of such laws by the Corporation, other parties to the transaction or any of their respective affiliates (whether by an administrative agency, a borrower or a group or class of borrowers), could result in modifications in any such entity's methods of doing business which could impair such entity's ability to service or collect the Financed Eligible Loans or result in the requirement that the aforementioned parties pay damages and/or cancel the balance or other amounts owing under a Financed Eligible Loan associated with such violations.

The Corporation operates in an environment of heightened political and regulatory scrutiny of education loan lending, servicing and originations. The rising cost of higher education, questions regarding the quality of education provided, particularly among for-profit institutions, and the increasing level of student loan debt in the United States have prompted this heightened and ongoing scrutiny. This environment could lead to further laws and regulations applicable to, or limiting, the Corporation's activities. For instance, over the last several years, numerous proposals on spending have been discussed by executive branch officials and political candidates, and/or introduced by legislators, to make higher education "free" or "substantially free". Some proposals have included the potential forgiveness of substantial amounts of existing outstanding student loan indebtedness. Also, various states have proposed and/or enacted legislation providing for "free" or "substantially free" higher education to residents of the state having incomes below a certain level and who attend publicly funded universities in the state. Moreover, since 2010, a number of bills have been introduced in the Congress to promote federal financing for consolidation or refinancing of existing student loans. The regulatory environment at the state level has shifted such that many states recently have enacted new legislation specifically restricting the conduct and practices of student loan servicers. The enactment of the proposed legislation or policies described above, even if they do not apply specifically to Financed Eligible Loans, could have a material adverse impact on the Corporation's activities, financial condition or results of operations, or impair collections on the Financed Eligible Loans.

### **Electronic Based Loan Servicing and Origination**

The Corporation uses electronic and internet-based loan origination, servicing and collection processes. These electronic and internet-based processes may entail greater risks than would paper-based loan origination, servicing and collection processes, including risks in connection with compliance with consumer protection laws and challenges as to authenticity of documents. Such electronic and internet-based processes are also subject to certain cybersecurity risks including, but not limited to, data breaches. If any of these factors were to (a) cause certain provisions of the Financed Eligible Loans to be unenforceable against the borrowers, (b) create liability of the Corporation to borrowers with respect to data breaches or (c) otherwise have a material adverse effect on the Corporation's operation of the Program, the ability of the Corporation to make principal and interest payments on the Bonds, including the Series 2025A Taxable Bonds, may be adversely affected.

### **Privacy, Data Protection and Cybersecurity Laws**

The Corporation is also subject to a dynamically changing landscape of privacy, data protection, and cybersecurity laws, regulations, and requirements. Various federal and state regulators, including governmental agencies, have adopted, or are considering adopting, laws and regulations regarding personal information and data privacy and security. This patchwork of legislation and regulation may lead to conflicts or differing views of personal privacy rights. State laws regarding personal information may be broader in scope or more stringent than federal laws or the laws of other states regarding personal information. The enactment of new federal data protection and privacy laws also is possible and could impact the Corporation and its activities. The Securities and Exchange Commission recently adopted rules regarding the public reporting of certain cybersecurity events.

The Corporation relies on computing and other digital networks to conduct its operations. The Corporation faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware and other

attacks. To mitigate the risk of business operations impact or damage from cybersecurity incidents or cyber-attacks, the Corporation invests in proactive monitoring and security of its technology systems and limits access to system controls to supervisory level staff. No assurances can be given that such efforts will ensure against cybersecurity threats and attacks. Cybersecurity breaches could cause material disruption to the Corporation's operation and finances.

Violations of, or changes in, federal or state consumer protection, privacy, data protection, or cybersecurity laws or related regulations, or in the prevailing interpretations thereof, may expose the Corporation to litigation, administrative fines, penalties and restitution, result in greater compliance costs, constrain the marketing and origination of Eligible Loans or other products, adversely affect the collection of balances due on the loan assets held by the Corporation, or otherwise adversely affect the Corporation's business. Compliance with laws and regulations can be difficult and costly, and changes to laws and regulations, as well as increased intensity in compliance and supervision activities, often impose additional compliance costs. Accordingly, the Corporation could incur substantial additional expense complying with these requirements and may be required to create new processes and information systems.

### **Military Service Obligations, Natural Disasters and Pandemics**

Military service obligations, national disasters and pandemics may result in delayed payments from borrowers. Congress has enacted, and may enact in the future, statutes and other guidelines that provide relief to borrowers who enter active military service, to borrowers in reserve status who are called to active duty after the origination of their student loan, to borrowers in eligible national guard duty and to individuals who live in a disaster area or suffer a direct economic hardship as a result of a national emergency or pandemic.

The number and aggregate principal balance of the Financed Eligible Loans that may be affected by the application of these statutes and other guidelines will not be known at the time the Series 2025A Taxable Bonds are issued. If a substantial number of borrowers of the Financed Eligible Loans become eligible for the relief under these statutes and other guidelines, or any actions Congress may take to respond to natural disasters, there could be an adverse effect on the total collections on those Financed Eligible Loans and the Corporation's ability to provide for payments of principal and interest payments on the Bonds, including the Series 2025A Taxable Bonds.

The Servicemembers Civil Relief Act (the "Relief Act"), 50 U.S.C. App. § 501 *et seq.* provides persons in military service with certain legal protections and benefits, such as a reduction of interest on debts incurred prior to entering military service, protection from court actions and default judgments, and stays on proceedings such as garnishments.

Pursuant to the Relief Act, student loan borrowers who enter military service shall not incur interest in excess of 6% per year and are exempted from late fees during their military service. Any interest greater than 6% is forgiven by the Corporation. The Corporation does not know how many of the Financed Eligible Loans may be affected by the application of the Relief Act. Payments on the Financed Eligible Loans may be delayed as a result of these requirements, which may reduce the funds available to pay principal and interest on the Bonds, including the Series 2025A Taxable Bonds.

### **Federal Financial Regulatory Legislation May Affect the Series 2025A Taxable Bonds**

The Dodd-Frank Wall Street Reform and Consumer Protection Act (as may be amended from time to time, the "Dodd-Frank Act"), enacted in July 2010, represented a comprehensive overhaul of the financial services industry within the United States, and established the CFPB. The CFPB is an independent agency that is housed within the Federal Reserve Board but is not subject to Federal Reserve Board jurisdiction or to the Congressional appropriations process, and is tasked with regulating consumer financial products, including education loans, and other financial services offered primarily for personal, family, or household purposes, and the CFPB and other federal agencies, including the Securities and Exchange Commission and the Commodity Futures Trading Commission (the "CFTC"), are required to undertake various assessments and rulemakings to implement the law. The majority of the provisions in the Dodd-Frank Act are aimed at financial institutions. However, there are components of the law that have an impact on the Corporation, including requirements for securitizations as discussed below.

The Dodd-Frank Act affects the Corporation's student loan portfolio securitization financing transactions which result in the issuance of asset-backed securities. In December 2014, the Securities and Exchange Commission and federal banking agencies published final regulations, effective December 24, 2016, for issuers of student loan asset-backed securities, requiring issuers of asset-backed securities or persons who organize and initiate asset-backed securities transactions to retain a portion of the underlying assets' credit risk. See the caption "CREDIT RISK RETENTION" herein. In addition, the Securities and Exchange Commission approved changes to the rules applicable to issuers and sponsors of asset-backed securities under the Securities Act and the Securities Exchange Act of 1934, as amended, which substantially revise Regulation AB and other rules governing the offering process, disclosure and reporting for asset-backed securities issued in registered and certain unregistered transactions. It is not clear how the revisions to Regulation AB will be implemented, and to what extent the Corporation may be affected. No assurance can be given that the new standards contained in the amended Regulation AB will not have an adverse impact on the Corporation or on the value or marketability of the Bonds, including the Series 2025A Taxable Bonds.

The Dodd-Frank Act gave the CFPB authority to supervise private education lenders. In addition, the CFPB adopted a rule in December 2013 that enables it to federally supervise certain non-bank student loan servicers that service more than one million borrower accounts, to ensure that bank and non-bank servicers follow the same rules in the student loan servicing market. The rule covers both federal and private student loans. Nelnet Servicing, LLC (d/b/a Firstmark Services) ("Nelnet Servicing"), the current Servicer, services more than one million student loan borrower accounts. If the CFPB were to determine that a Servicer is not in compliance, it is possible that this could result in material adverse consequences to such Servicer, including, without limitation, settlements, fines, penalties, adverse regulatory actions, changes in a Servicer's business practices, or other actions. However, it is not possible to estimate at this time any potential financial or other impact to any of the Corporation, the Administrator or a Servicer, including any impact on its ability to satisfy its obligations with respect to the Financed Eligible Loans to be pledged to the Indenture, that could result from the CFPB's examinations, in the event that any adverse regulatory actions occur.

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

Also in December 2013, the banking regulators and other agencies principally responsible for banking and financial market regulation in the United States implemented the final rule under the so-called Volcker Rule under the Dodd-Frank Act, which in general prohibits "banking entities" (as defined therein) from (a) engaging in proprietary trading, (b) acquiring or retaining an ownership interest in or sponsoring certain hedge funds, private equity funds (broadly defined to include any entity that would be an investment company under the Investment Company Act but for the exemptions provided in Section 3(c)(1) or 3(c)(7) of the Investment Company Act) and certain similar funds and (c) entering into certain relationships with such funds. Although the Corporation does not rely upon the exemptions in Section 3(c)(1) or 3(c)(7) of the Investment Company Act for an exemption from being an investment company under the Investment Company Act and, as such, is not a covered fund, the general effects of the final rules implementing the Volcker Rule remain uncertain. Any prospective investor in the Series 2025A Taxable Bonds, including a United States or foreign bank or an affiliate or subsidiary thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule and regulatory implementation.

In November 2023, the Securities and Exchange Commission adopted Rule 192 (conflicts of interest relating to certain securitizations) to implement Section 27B of the Securities Act that was added by the Dodd-Frank Act. Rule 192 prohibits a securitization participant from engaging, directly or indirectly, in any transaction that would involve or result in any material conflict of interest between the securitization participant and an investor in the asset-backed securitization. Rule 192 became effective on February 5, 2025, and any securitization participant must comply with the requirements of Rule 192 with respect to any asset-backed securities the first closing of the sale of which occurs on or after June 9, 2025. Market participants are still reviewing Rule 192 in its final form and there is no market consensus as to the scope of the final rule as well as how such rule will be implemented and applied. As such, there remains uncertainty regarding Rule 192 and its potential impact on securitization participants.

The new administration has ordered many of the activities of the CFPB, including supervision and examination activities, to be suspended. There is no guaranty the activities of the CFPB, in whole or in part, will remain suspended. There remains considerable uncertainty as to the future of the CFPB and the areas of focus or

priorities of the CFPB. There is also considerable uncertainty as to how other federal and state regulators will respond to any changes at the CFPB, including with respect to its focus or priorities. Such developments could affect Eligible Loans, including the Financed Eligible Loans. In the event that the CFPB changes regulations adopted in the past by other regulators, or modifies past regulatory guidance, the Corporation's compliance costs and litigation exposure could increase.

In February 2025, the new administration attempted to terminate the majority of employees of the CFPB. This termination is subject to ongoing litigation. It is possible that President Trump may take further executive actions that impact the regulatory authority of the CFPB or the Dodd-Frank Act generally.

The full effect of the Dodd-Frank Act will depend significantly upon the content and implementation of the rules and regulations issued or modified, and still to be issued or modified, pursuant to its provisions and to the administration and enforcement of such requirements. It is unclear what the operational impact of these developments will be on the Corporation, the Administrator or the Servicer, but it is possible that compliance with these new laws and regulations may result in additional costs and may otherwise adversely impact the Corporation's, the Administrator's or a Servicer's results of operations, financial condition, or liquidity.

### **Investigations and Inquiries of the Student Loan Industry**

A number of state attorneys general and the United States Senate Committee on Health, Education, Labor and Pensions have conducted broad inquiries or investigations of the activities of various participants in the student loan industry, including, but not limited to, activities that may involve perceived conflicts of interest. The new administration has indicated that it plans to diminish certain of the regulatory activities of the CFPB, but the full success of these evolving efforts cannot be predicted at this time. Whether or not CFPB regulatory activities are diminished, as discussed herein, certain state regulators are active in monitoring and enforcing consumer laws in the student loan area. These state efforts may accelerate if the CFPB becomes less active in this area.

There is no assurance that the Corporation, the Administrator or a Servicer will not be subject to inquiries or investigations. While the ultimate outcome of any inquiry or investigation cannot be predicted, it is possible that these inquiries or investigations and regulatory developments may materially affect each of the Corporation's or the Administrator's ability to perform its obligations under the Indenture and a Servicer's ability to perform its obligations with respect to the Financed Eligible Loans or the Corporation's ability to pay principal of and interest on the Bonds, including the Series 2025A Taxable Bonds, from assets in the Trust Estate.

### **Potential Risks Related Specifically to the Servicer**

Nelnet Servicing will initially service all the Financed Eligible Loans pursuant to a Private Student Loan Subservicing Agreement, dated as of January 9, 2017, between the Corporation and Nelnet Servicing (as amended, the "Nelnet Servicing Agreement" and a "Servicing Agreement" pursuant to the Indenture). The Corporation is dependent on Nelnet Servicing to service the Financed Eligible Loans. See the caption "THE PROGRAM—Servicing of the Financed Eligible Loans—*The Nelnet Servicing Agreement*" herein. In the event of Nelnet Servicing's insolvency or bankruptcy, a court, conservator, receiver or liquidator may have the power to prevent the appointment of a successor servicer and delays in collections in respect of those affected Financed Eligible Loans may occur. Any delay in the collections of Financed Eligible Loans may delay payments of principal of and interest on the Bonds, including the Series 2025A Taxable Bonds.

### **The Corporation May Be Subject to Litigation**

The Corporation is, and may in the future be, subject to various claims, lawsuits, and proceedings that arise in the normal course of business. These matters frequently involve claims by student loan borrowers disputing the manner in which their student loans have been originated or serviced or the accuracy of reports to credit bureaus or claims by student loan borrowers alleging that state or federal consumer protection laws have been violated in the process of originating or collecting loans, including with respect to defaulted loans sold to third-parties. On the basis of present information, anticipated insurance coverage, and advice received from counsel, it is the opinion of the Corporation's management that the disposition or ultimate determination of any such claims, lawsuits, and proceedings will not have a material adverse effect on its financial position. See the caption "ABSENCE OF CERTAIN LITIGATION" herein.

## **Repurchase Obligations**

Under certain circumstances the Corporation may have the right to require a Servicer under its Servicing Agreement to purchase a Financed Eligible Loan. This right against a Servicer arises generally as the result of a breach of certain covenants with respect to such Financed Eligible Loan in the Servicing Agreement in the event such breach materially adversely affects the interests of the Corporation in that Financed Eligible Loan and is not cured within the applicable cure period. The Corporation presently has such a right against Nelnet Servicing under the Nelnet Servicing Agreement. See the caption “THE PROGRAM—Servicing of the Financed Eligible Loans—*The Nelnet Servicing Agreement*” herein. There is no guarantee that a Servicer will have the financial resources to make a purchase or substitution, and if a Servicer under the Servicing Agreement is unable to make a required purchase or substitution, investors in the Bonds, including the Series 2025A Taxable Bonds, will bear any resulting loss.

## **Bankruptcy Could Result in Accelerated Prepayment**

The Corporation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and is not a “moneyed, business or commercial corporation”. As such, the Corporation cannot be the subject of an involuntary bankruptcy proceeding under the United States Bankruptcy Code. The Corporation is, however, eligible to file a voluntary bankruptcy proceeding under the United States Bankruptcy Code. Also, if the Corporation were to convert to a taxable organization or lose its tax-exempt status for any reason, the Corporation would become eligible to be the subject of an involuntary bankruptcy proceeding.

If, despite all steps taken to prevent such an occurrence, the Corporation were to become the subject of a bankruptcy proceeding, the United States Bankruptcy Code could materially limit or prevent the enforcement of the Corporation’s obligations, including its obligations with respect to the Bonds, including the Series 2025A Taxable Bonds. The Corporation’s trustee in bankruptcy or the Corporation itself as debtor in possession may seek to accelerate payment on the Bonds, including the Series 2025A Taxable Bonds, and liquidate the assets held under the Indenture. If principal of the Bonds, including the Series 2025A Taxable Bonds, is declared due and payable, Registered Owners may lose the right to future payments and face reinvestment risks.

## **Risks Relating to Commingling of Payments on Student Loans**

Payments received on the Financed Eligible Loans generally are deposited into an account in the name of the Servicer each business day. Payments received on the Financed Eligible Loans may not always be segregated from payments the Servicer receives on other student loans it services, and payments received on the Financed Eligible Loans that are part of the Trust Estate may not be segregated from payments received on the Corporation’s other student loans that are not part of the Trust Estate. Such amounts that relate to the Financed Eligible Loans are required by the Indenture to be forwarded to the Trustee for deposit into the Revenue Fund within two Business Days of identification. If a Servicer fails to transfer such funds to the Trustee, Registered Owners may suffer a loss.

## **The Obligations of Each of the Trustee, the Administrator and the Servicer are Limited**

The duties, actions and obligations of each of the Trustee, the Administrator and the Servicer are limited to such duties, actions and obligations specifically set forth in the transaction documents and no implied covenants, duties or obligations are read into the transaction documents. None of the Trustee, the Administrator or the Servicer has any duty or obligation to take any additional action unless specifically directed to take such action and satisfactorily indemnified therefor. Additionally, certain of the duties and obligations of such parties are dependent upon receipt of information from other parties. Any failure of one party to timely and accurately deliver any information, or perform its duties and obligations, could prevent another party from being able to fulfill its duties and obligations.

## **Other Parties May Have or May Obtain Superior Interests in the Financed Eligible Loans**

If, through inadvertence or fraud, Financed Eligible Loans were sold to a purchaser who purchases in good faith without knowledge that the purchase violates certain provisions of the Indenture and rights of the Trustee in the Financed Eligible Loans, the purchaser could defeat the Corporation’s and the Trustee’s interest in those Financed Eligible Loans.

## **A Secondary Market for the Series 2025A Taxable Bonds May Not Develop**

There currently is no secondary market for the Series 2025A Taxable Bonds. There is no assurance that any market will develop or, if it does develop, that it will continue or will provide investors with a sufficient level of liquidity of investment. If a secondary market for the Series 2025A Taxable Bonds does develop, the spread between the bid price and the asked price for the Series 2025A Taxable Bonds may widen, thereby reducing the net proceeds to an investor from the sale of an investor's Series 2025A Taxable Bonds. The Corporation does not intend to list the Series 2025A Taxable Bonds on any exchange, including any exchange in either Europe or the United States. Under current market conditions, holders may not be able to sell their Series 2025A Taxable Bonds when they want to do so, and, as a result, they may be required to bear the financial risks of an investment in the Series 2025A Taxable Bonds for an indefinite period of time, or they may not be able to obtain the price that they wish to receive. The market values of the Series 2025A Taxable Bonds may fluctuate and movements in price may be significant.

Events in the global financial markets including those described in the risk factors captioned "Variety of Factors Affecting Borrowers" and "An Outbreak Similar to the COVID-19 Pandemic Could Adversely Affect the Value of the Series 2025A Taxable Bonds or Borrowers' Ability to Repay their Financed Eligible Loans" herein; the failure, acquisition or government seizure of major financial institutions; rapid inflation; the establishment of government initiatives such as government bailout programs for financial institutions and assistance programs designed to increase credit availability, support economic activity and facilitate renewed consumer lending; disrupted credit markets; the devaluation of currencies by foreign governments; a slowing growth or recession in the United States or other world economies; the rating agency downgrade of U.S. Treasury bonds and other debt instruments backed by the full faith and credit of the United States or similar downgrades of other European sovereign debt; an European Union member state's voluntary exit from the European Union, such as the United Kingdom's discontinuation of its membership in the European Union, have caused, or may in the future cause, a significant reduction in liquidity in the secondary market for asset-backed securities, which could adversely affect the market value of the Series 2025A Taxable Bonds or limit the ability of an investor to resell its Series 2025A Taxable Bonds. If U.S. Treasury bonds and other debt instruments backed by the full faith and credit of the United States are further downgraded, the market price and/or the marketability of the Series 2025A Taxable Bonds could be adversely affected.

As a result, no assurance can be given that the Series 2025A Taxable Bonds may be sold by a purchaser thereof at any time or at acceptable prices. Therefore, an investment in the Series 2025A Taxable Bonds should only be made by investors who are able to hold such Series 2025A Taxable Bonds to maturity notwithstanding the possibility that the Series 2025A Taxable Bonds may experience a severe reduction in value while held.

## **Investment Contracts**

The Corporation may enter into investment agreements or contracts with one or more financial institution counterparties with respect to certain proceeds of the Series 2025A Taxable Bonds. A default under such an investment agreement could result in a loss that could adversely affect the security for the Bonds, including the Series 2025A Taxable Bonds, or ratings currently assigned to the Bonds, including the Series 2025A Taxable Bonds.

## **Uncertainty of Available Remedies**

The remedies available to the Trustee or the Registered Owners upon an Event of Default under the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the United States Bankruptcy Code, the remedies specified by the Indenture or any other applicable transaction documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025A Taxable Bonds and the Indenture will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, moratorium, insolvency or other similar laws affecting the rights or remedies of creditors generally and by limitations on the availability of equitable remedies.

## **The Series 2025A Taxable Bonds May Not Be Repaid on their Respective Final Maturity Dates**

The Corporation expects that final payment of each Series 2025A Taxable Bond will occur on or prior to its respective final maturity date. Failure to make final payment of a Series 2025A Taxable Bond on its respective final maturity date would constitute an Event of Default under the Indenture. However, no assurance can be given that

sufficient funds will be available to pay each Series 2025A Taxable Bond in full on or prior to its respective final maturity date. If sufficient funds are not available, final payment of a Series 2025A Taxable Bond could occur later than its respective final maturity date or a Registered Owner could suffer a loss on its investment.

### **There Will Be No Market Valuation of the Financed Eligible Loans**

The Financed Eligible Loans are not being valued at their fair market value as determined by any independent advisor, but will be valued based upon the principal of and accrued interest on the Financed Eligible Loans.

### **Factors Affecting Sufficiency and Timing of Receipt of Revenues**

The Corporation expects that the Revenues to be received under the Indenture will be sufficient to pay principal of and interest on the Series 2025A Taxable Bonds, and any other Bonds issued pursuant to the Indenture, when due and also to pay all Senior Transaction Fees and Subordinate Transaction Fees until the final maturity of the Series 2025A Taxable Bonds. This expectation is based upon an analysis of cash flow utilizing assumptions which the Corporation believes are reasonable and are derived from the Corporation's experience in the student loan industry and the expected performance of the Program, regarding the timing of the financing of such Financed Eligible Loans to be held pursuant to the Indenture, the future composition of and yield on the Financed Eligible Loan portfolio, the rate of return on moneys to be invested in various Funds and Accounts under the Indenture, and the occurrence of future events and conditions. For a description of the anticipated composition of the Existing Eligible Loans, see the caption "THE FINANCED ELIGIBLE LOANS" herein. There can be no assurance, however, that all of the Financed Eligible Loans will be financed as anticipated, that interest and principal payments from Financed Eligible Loans will be received as anticipated or that the reinvestment rates assumed on the amounts in various Funds and Accounts will be realized. Furthermore, future events over which the Corporation has no control may adversely affect the Corporation's actual receipt of Revenues pursuant to the Indenture.

Receipt of principal of and interest on Financed Eligible Loans may be accelerated due to various factors, including, without limitation: (a) default claims or claims due to the disability, death or bankruptcy of the borrowers greater than those assumed; (b) actual principal amortization periods which are shorter than those assumed based upon the current analysis of the Eligible Loans expected to be held pursuant to the Indenture; (c) the commencement of principal repayment by borrowers on earlier dates than are assumed based upon the current analysis of the Eligible Loans expected to be held pursuant to the Indenture; and (d) economic conditions that induce borrowers to refinance or repay their loans prior to maturity. Growth in the size and number of companies specializing in refinancing student loans, and/or an increase in their marketing intensity, could cause the number of Financed Eligible Loans that are refinanced to increase or exceed current assumptions.

Delay in the receipt of principal of and interest on Financed Eligible Loans may adversely affect the payment of principal of and interest on the Bonds, including the Series 2025A Taxable Bonds, when due. Principal of and interest on Financed Eligible Loans may be delayed due to numerous factors, including, without limitation: (a) borrowers utilizing deferment periods due to a return to school or other eligible purposes, (b) forbearance being granted to borrowers under the Program, (c) loans becoming delinquent for periods longer than assumed, (d) actual loan principal amortization periods which are longer than those assumed based upon the current analysis of the Eligible Loans expected to be held pursuant to the Indenture, and (e) the commencement of principal repayment by borrowers at dates later than those assumed based upon the current analysis of the Financed Eligible Loan portfolio expected to be held pursuant to the Indenture.

If actual receipt of Revenues under the Indenture or actual expenditures vary materially from those projected, the Corporation may be unable to pay the principal of and interest on the Bonds, including the Series 2025A Taxable Bonds, and other amounts owing on other obligations when due. In the event that Revenues to be received under the Indenture are insufficient to pay the principal of and interest on the Bonds, including the Series 2025A Taxable Bonds, and amounts owing on other obligations when due, the Indenture authorizes, and under certain circumstances requires, the Trustee to declare an Event of Default and to enforce the rights of the Registered Owners, including selling the Financed Eligible Loans and other assets comprising the Trust Estate and acceleration of the payment of the Bonds, including the Series 2025A Taxable Bonds. It is possible that the Trustee would not be able to sell the Financed Eligible Loans and the other assets comprising the Trust Estate in a timely manner or for an amount sufficient to permit payment of the principal of and accrued interest on all Outstanding Bonds, including the Series 2025A Taxable Bonds, then due and all amounts due with respect to other obligations.

## **Variety of Factors Affecting Borrowers**

Collections on the Financed Eligible Loans may vary greatly in both timing and amount from the payments actually due on such Financed Eligible Loans for a variety of economic, social, and other factors. Economic factors include interest rates, unemployment levels, housing price declines, commodity prices, adjustments in the borrower's payment obligations under other indebtedness, the rate of inflation and consumer perceptions of economic conditions generally. Social factors include changes in consumer confidence levels and changing attitudes in respect of incurring debt and changing attitudes regarding the stigma of personal bankruptcy. Economic conditions may also be impacted by terrorist acts against the United States or other nations or the commencement of hostilities between the United States and a foreign nation or nations, civil or social unrest, or by global or localized economic or political conditions, political turmoil and civil unrest in the United States, political gridlock on United States federal budget matters (including full or partial prolonged or recurring government shutdowns), conflicts or wars, regional hostilities, including the war between Russia and Ukraine, conflict in the Middle East and the prospect or occurrence of more widespread conflicts, social upheaval, fiscal and monetary policies, sanctions, trade wars and tariffs, safety concerns related to travel and tourism, limitations on travel and mobility, disruptions in air travel and other forms of travel, weather events and natural, man-made or environmental disasters, national or localized outbreaks of a highly contagious or epidemic disease or pandemics and any related quarantines and terrorist events or wars or a deterioration or improvement in economic conditions in one of the markets where borrowers of the Financed Eligible Loans are concentrated. As a result, the Corporation may not receive all the payments that are actually due on the Financed Eligible Loans. Failures by borrowers to make timely payments of the principal and interest due on the Financed Eligible Loans or an increase in forbearances could affect the revenues of the Trust Estate, which may reduce the amounts available to pay principal and interest due on the Bonds, including the Series 2025A Taxable Bonds. The Corporation cannot predict with accuracy the effect of these factors, including the effect on the timing and amount of funds available and the ability to pay principal and interest on the Bonds, including the Series 2025A Taxable Bonds.

Additionally, unstable real estate values, resetting of adjustable rate mortgages to higher interest rates, increased regulation in the financial industry, political gridlock on United States federal budget matters, rating agency downgrades of U.S. Treasury bonds and other debt instruments backed by the full faith and credit of the United States, the sovereign debt crisis and continuing political and economic instability in the United States and overseas, pandemics, rapid inflation and other factors have impaired access to consumer credit, consumer confidence and disposable income in the United States, and may affect delinquencies and defaults on the Financed Eligible Loans, although the severity or duration of these effects are unknown. A downturn in the economy, a significant tightening of the credit markets, the rate of inflation and consumer perceptions generally may adversely affect the Corporation's ability to collect on Defaulted Loans.

There is also domestic uncertainty regarding changes in regulations, fiscal policy, social programs, cuts to the federal workforce and federal funding freezes which could impact the Corporation and the Financed Eligible Loans. For example, the Office of Management and Budget issued a memorandum on January 27, 2025, calling for a funding freeze on thousands of federal programs. The memorandum followed an executive order requiring all federal agencies to temporarily pause all activities related to disbursement of federal financial assistance. The memorandum was rescinded on January 29, 2025 after a federal judge issued a temporary pause on implementation. The administration is expected to challenge the ruling and other court decisions involving federal financial assistance, and it is unclear whether such disbursements are now being made. The freeze is part of a broader effort by the administration, with the aid of the Department of Government Efficiency, to dramatically reduce and restructure the federal workforce and reduce government spending. The Corporation and the Eligible Loans may be impacted to the extent that the administration continues to pursue policies limiting or withholding federal funding and reducing the federal workforce by executive order, regulatory action or otherwise. The rapidly evolving domestic political landscape may also lead to significant shifts in requirements for obtaining federal contracts, grants, subsidies or other federal financial assistance, which could affect both new awards as well as existing agreements. The Corporation does not receive direct federal funding.

The amount of student loan debt has grown steadily over the last several years, reflecting rising costs of education. It is impossible to predict how this, when combined with a variety of economic, social and other factors and employment trends, might affect the timing and amount of payments received on the Financed Eligible Loans.

The Trust Estate may include Financed Eligible Loans that are in deferment or forbearance for which payments are temporarily postponed for a specific period of time and accrued interest at the end of the period will be

capitalized and will include Financed Eligible Loans for which the borrower is currently required to make payments of principal and interest. In addition, payments on Financed Eligible Loans are not required while the borrower is enrolled on at least a half-time basis and for the six month period after graduation or ceasing to be enrolled at least half-time although interest will accrue. Any unpaid, accrued interest outstanding at the end of the six-month grace period will be capitalized. The Corporation's cash flow, and its ability to make payments due on the Bonds, including the Series 2025A Taxable Bonds, will be reduced to the extent interest is not currently payable on the Financed Eligible Loans. As of the Statistical Cut-Off Date, the borrowers on approximately 25.9% of the aggregate principal amount of Existing Eligible Loans are not required to make payments during certain authorized periods as described under the caption "THE PROGRAM" herein. The proportions of the Financed Eligible Loans that are in forbearance for which payments are temporarily postponed and accrued interest will be capitalized and those currently in repayment will vary during the period that the Series 2025A Taxable Bonds are Outstanding. If defaults occur on the Financed Eligible Loans and the remedies or amounts held under the Indenture are not sufficient, Registered Owners may suffer a delay in payment or a loss on their Bonds, including the Series 2025A Taxable Bonds.

### **Risk of Geographic Concentration of the Financed Eligible Loans**

Currently, under the Program, Eligible Loans are only made to persons who are South Carolina residents or attend a school located in South Carolina at the time of origination. Financed Eligible Loan borrowers who are South Carolina residents at the time of origination of the loan may subsequently relocate outside of the state. The Corporation cannot predict how many borrowers may reside in or relocate to other states. The concentration of the Financed Eligible Loans in specific geographic areas may increase the risk of losses on the Financed Eligible Loans. Economic conditions in the states where borrowers reside may affect the delinquency, loan loss and recovery experience with respect to the Financed Eligible Loans. As of the Statistical Cut-Off Date, approximately 84.3% of the Existing Eligible Loans by principal balance were to borrowers with current billing addresses in the State of South Carolina. Economic conditions in any state or region may decline over time and from time to time. Because of the concentrations of the borrowers in the State of South Carolina, any adverse economic conditions adversely and disproportionately affecting the State of South Carolina may have a greater effect on the repayment of the Bonds, including the Series 2025A Taxable Bonds, than if this concentration did not exist.

### **The Trustee May Be Forced To Sell the Financed Eligible Loans at a Loss After an Event of Default**

Generally, if an Event of Default occurs and continues under the Indenture, the Trustee, at the direction of Registered Owners (in the percentage specified in the Indenture), will sell the Financed Eligible Loans. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—DEFAULTS AND REMEDIES—Remedies on Default; Sale of Trust Estate" attached hereto. However, even though the assets making up the Trust Estate may be at or above parity at any given time, the Trustee may not find a purchaser for the Financed Eligible Loans or the market value of the Financed Eligible Loans plus other assets in the Trust Estate might not equal the principal amount of outstanding Bonds, including the Series 2025A Taxable Bonds, plus accrued interest and redemption premium, if any. In particular, in a higher overall interest rate environment, the value of the Financed Eligible Loans may be reduced. The market for private student loans, including the Financed Eligible Loans, is not as developed as the market for FFELP loans made pursuant to the Higher Education Act. There may be fewer potential buyers for the Financed Eligible Loans, and therefore lower prices available in the secondary market. Investors in the Bonds may suffer a loss if the Trustee is unable to find purchasers willing to pay prices for the Financed Eligible Loans sufficient to pay the principal amount of the Bonds, including the Series 2025A Taxable Bonds, plus accrued interest.

### **Principal Amount of Bonds Outstanding May Exceed Principal Amount of Assets in the Trust Estate; Possible Loss After an Event of Default**

The principal amount of Bonds, including the Series 2025A Taxable Bonds, at any time may exceed the principal amount of Financed Eligible Loans and other assets in the Trust Estate held by the Trustee under the Indenture. If an Event of Default occurs and the assets in the Trust Estate are liquidated, the Financed Eligible Loans might have to be sold at a premium in order for the holders of the Bonds to avoid a loss. The Corporation cannot predict the rate or timing of accelerated payments of principal or the occurrence of an Event of Default.

Payment of principal of and interest on the Bonds, including the Series 2025A Taxable Bonds, is dependent upon collections on the Financed Eligible Loans. If the yield on the Financed Eligible Loans does not generally exceed

the interest rates on the Bonds and the Senior Transaction Fees, the Corporation may have insufficient funds to repay the Bonds, including the Series 2025A Taxable Bonds.

### **The Composition and Characteristics of the Loan Portfolio Will Change Over Time**

The statistical information in this Official Statement reflects only the characteristics of the Existing Eligible Loans as of the Statistical Cut-Off Date. See the caption “THE FINANCED ELIGIBLE LOANS” herein. The Existing Eligible Loans pledged under the Indenture as of the Closing Date will have characteristics that differ somewhat from the characteristics of the Existing Eligible Loans described herein due to payments received on and other changes in such Existing Eligible Loans that occur during the period from the Statistical Cut-Off Date to the Closing Date.

The Corporation may also finance additional Eligible Loans during any applicable Recycling Period relating to the Series 2025A Taxable Bonds. The Corporation may only recycle if it complies with the Indenture requirements of filing a Rating Agency Notification. The characteristics of the Financed Eligible Loan portfolio included in the Trust Estate could also change from time to time due to the financing of new types of Eligible Loans that may be financed pursuant to the Program (upon satisfaction of the Rating Agency Notification), changes in terms of the Program, sales or exchanges of loans and scheduled amortization, prepayments, delinquencies and defaults on the Financed Eligible Loans.

### **Prepayment of Financed Eligible Loans**

Financed Eligible Loans may be prepaid by borrowers at any time without penalty. For this purpose, the term “prepayments” includes repayments in full or in part and liquidations due to default. The rate of prepayments on the Financed Eligible Loans may be influenced by a variety of economic, social and other factors affecting borrowers, including interest rates, the availability of alternative financing and the general job market for graduates of institutions of higher education.

To the extent the Financed Eligible Loans are prepaid or liquidated, the Corporation may use the proceeds of such prepayments to prepay the Bonds, including the Series 2025A Taxable Bonds, as permitted by the redemption provisions relating to the Bonds. If the Series 2025A Taxable Bonds are redeemed prior to their respective stated maturities, holders of the Series 2025A Taxable Bonds may not be able to reinvest their funds at the same yield as the yield on the Series 2025A Taxable Bonds and may receive a yield less than the expected yield on investment if such Series 2025A Taxable Bonds were purchased at a premium or discount. The Corporation cannot predict the prepayment rate of any Financed Eligible Loans, and reinvestment risks or reductions in yield resulting from the prepayment will be borne entirely by the affected holders of the Bonds, including the Series 2025A Taxable Bonds. See the caption “THE SERIES 2025A TAXABLE BONDS—Redemption Provisions”.

### **Certain Actions May Be Permitted Without Registered Owner Approval**

The Indenture permits the Corporation to issue Additional Bonds pursuant to a Supplemental Indenture without Registered Owner consent, and further permits the Corporation to take a range of actions in connection with its administration of the assets comprising the Trust Estate without either an amendment or supplement to the Indenture or Registered Owner consent, but requires that the Corporation satisfy certain other conditions prior to undertaking, or in conjunction with, certain of such actions. The Indenture requirements applicable to such actions may include satisfying a Rating Agency Notification or Rating Agency Confirmation requirement; however, implementation of such actions which require only a Rating Agency Notification are not conditioned upon any response, or absence thereof, of any Rating Agency. See the caption “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Rating Agency Confirmation and Rating Agency Notification” herein. The Indenture requires that the Corporation make any Rating Agency Confirmation and Rating Agency Notification publicly available in the manner applicable to post-issuance disclosures under Rule 15c2-12 promulgated by the Securities and Exchange Commission with respect to any Tax-Exempt Bonds or on its website with respect to any Taxable Bonds. To the extent such actions are taken, investors in the Series 2025A Taxable Bonds will be relying primarily upon the evaluation by the Corporation of the potential impact of such actions upon the ability of the assets comprising the Trust Estate to provide for the full and timely payment of scheduled principal and interest on the Bonds, including the Series 2025A Taxable Bonds, and payment of all Senior Transaction Fees and Subordinate Transaction Fees. In addition, to the extent that such actions are taken, a resulting adverse rating action by any Rating Agency in response to such Corporation action could materially decrease the market value or existence of a secondary market for the Series 2025A Taxable Bonds.

Moreover, the market price or marketability of the Series 2025A Taxable Bonds could be adversely affected by such actions even in the absence of such an adverse rating action. See the caption “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Rating Agency Confirmation and Rating Agency Notification” herein and “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” attached hereto.

**Less than All of the Registered Owners can Approve Amendments to the Indenture or Waive Defaults under the Indenture**

Under the Indenture, Registered Owners of specified percentages of the aggregate principal amount of the Bonds (including, in many cases, only a specified percentage of the aggregate principal amount of the Highest Priority Bonds outstanding) may amend or supplement provisions of the Indenture and the Bonds and waive Events of Defaults and compliance provisions without the consent of the other Registered Owners. Non-consenting Registered Owners have no recourse if such other Registered Owners vote in a manner with which such non-consenting Registered Owners do not agree. The other Registered Owners may vote in a manner which impairs the ability to pay principal and interest on the Bonds.

**Suitability for Investors**

The Series 2025A Taxable Bonds are complex investments that should be considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyze the reinvestment, default and market risk of such an investment, the tax consequences of such an investment, and the interaction of these factors.

**Certain Factors Relating to Security**

The Corporation has covenanted in the Indenture that the assets constituting the Trust Estate pledged by the Corporation under the Indenture are and will be owned by the Corporation free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, of equal rank with or subordinate to the respective pledges created by the Indenture, and that all action on the part of the Corporation to that end has been duly and validly taken. Notwithstanding the foregoing, under applicable law, other security interests in such loans may exist, and may not be known to the Corporation. Therefore, no absolute assurance can be given that liens other than the lien of the Indenture do not and will not exist.

**Incentive or Borrower Benefit Programs**

The Financed Eligible Loans receive a 0.25% interest rate reduction when they are set up to have regular monthly payments deducted electronically from a savings or checking account. Any incentive program that effectively reduces borrower payments on Financed Eligible Loans will result in a reduction of the Revenues received from such Financed Eligible Loans. The Corporation cannot accurately predict the number of borrowers that will utilize the borrower benefits provided under the rate relief program currently offered by the Corporation. The greater the number of borrowers that utilize such benefits with respect to Financed Eligible Loans, the lower the total loan receipts on such Financed Eligible Loans.

**Risks Relating to Book-Entry Registration**

The Series 2025A Taxable Bonds will be represented by one or more certificates registered in the name of Cede & Co., the nominee for The Depository Trust Company, and will not be registered in an individual investor’s name or the name of its nominee. Unless and until definitive securities are issued, holders of the Series 2025A Taxable Bonds will not be recognized by the Trustee as Registered Owners as that term is used in the Indenture. Until definitive securities are issued, holders of the Series 2025A Taxable Bonds will only be able to exercise the rights of Registered Owners indirectly through The Depository Trust Company and its participating organizations. See the caption “THE SERIES 2025A TAXABLE BONDS—Book-Entry-Only System” herein.

**Potential Conflicts of Interest Relating to the Underwriter**

The Underwriter may from time to time perform investment banking services for, or solicit investment banking business from, any person named in this Official Statement. The Underwriter and/or its employees or customers may from time to time have a long or short position in the Series 2025A Taxable Bonds. These long or

short positions may be as a result of any market making activities with respect to the Series 2025A Taxable Bonds. The Underwriter and/or its employees or customers may from time to time enter into hedging positions with respect to the Series 2025A Taxable Bonds.

### **There is the Potential for Conflicts of Interest and Regulatory Scrutiny with Respect to the Rating Agency Rating the Series 2025A Taxable Bonds**

It may be perceived that the Rating Agency has a conflict of interest that may have affected the ratings assigned to the Series 2025A Taxable Bonds where, as is the industry standard and the case with the ratings of the Series 2025A Taxable Bonds, the Corporation pays the fees charged by the Rating Agency for its rating services.

Furthermore, rating agencies have in the past been, and in the future may be, under scrutiny by federal and state legislative and regulatory bodies for its role in the 2008 financial crisis and such scrutiny and any actions such legislative and regulatory bodies may take as a result thereof may also have an adverse effect on the price that a subsequent purchaser would be willing to pay for the Series 2025A Taxable Bonds and a Registered Owner's ability to resell its Series 2025A Taxable Bonds.

### **Ratings of the Series 2025A Taxable Bonds**

It is a condition to the issuance of the Series 2025A Taxable Bonds that they be rated as indicated under the caption "RATINGS" herein. Ratings are based primarily on the creditworthiness of the underlying Financed Eligible Loans, the amount of credit enhancement and the legal structure of the transaction. The ratings are not a recommendation to investors to purchase, hold or sell the Series 2025A Taxable Bonds inasmuch as the ratings do not comment as to the market price or suitability for individual investors. An additional rating agency may rate the Series 2025A Taxable Bonds, and that rating may not be equivalent to the initial rating described in this Official Statement. Ratings may be increased, lowered or withdrawn by any Rating Agency at any time if in such Rating Agency's judgment circumstances so warrant. A downgrade in the rating of the Series 2025A Taxable Bonds is likely to decrease the price a subsequent purchaser will be willing to pay for the Series 2025A Taxable Bonds.

A rating is not a recommendation to buy or sell Series 2025A Taxable Bonds or a comment concerning suitability for any investor. A rating only addresses the likelihood of the ultimate payment of principal and stated interest and does not address the likelihood of redemption of the Series 2025A Taxable Bonds prior to maturity or the market liquidity of the Series 2025A Taxable Bonds. A rating may not remain in effect for the life of the Series 2025A Taxable Bonds. See the caption "RATINGS" herein.

Certain actions affecting the Financed Eligible Loans and the Trust Estate may be taken upon a Rating Agency Confirmation or a Rating Agency Notification. See the caption "Certain Actions May Be Permitted Without Registered Owner Approval" above and the caption "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Rating Agency Confirmation and Rating Agency Notification" herein. The giving of a Rating Agency Notification would not limit the ability of the Rating Agency to downgrade its ratings on the Series 2025A Taxable Bonds on the basis of the related Proposed Action.

There can be no assurance that the ratings of the Series 2025A Taxable Bonds will not be downgraded or placed on negative watch by a Rating Agency in the future.

### **Ratings of Other Securities Issued by the Corporation May Be Reviewed or Downgraded**

Certain student loan-backed bonds have been downgraded in connection with rating agencies revising their rating methodologies with respect to basis risk and loan default expectations, among other factors. Adverse action by any rating agency regarding other securities issued by the Corporation may adversely affect the market value of the Series 2025A Taxable Bonds or any secondary market for the Series 2025A Taxable Bonds that may develop.

### **State Not Liable for the Bonds**

The Series 2025A Taxable Bonds do not constitute a recourse debt or general obligation of the State of South Carolina or any political subdivision thereof, but are payable solely from the Trust Estate created by the Indenture. Neither the faith and credit nor the taxing power of the State of South Carolina or any political subdivision thereof is

pledged to the payment of the principal of or interest on the Series 2025A Taxable Bonds. The Corporation has no taxing power.

### **Corporation's Exempt Status**

The Corporation has been determined by the Internal Revenue Service (the "IRS") to be exempt from taxation as a 501(c)(3) organization. The IRS has announced its intention to increase the frequency of audits of the 501(c)(3) tax-exempt status of organizations. The Corporation has not been notified that it will be the subject of such an audit, but believes that in the event the IRS conducted such an audit, the Corporation would be successful in any audit proceeding. However, if the Corporation were to lose its tax-exempt status, it would have an adverse effect on the Corporation's ability to make payments of principal of and interest on the Bonds, including the Series 2025A Taxable Bonds, and to pay costs and expenses from assets in the Trust Estate, as and when due.

## **THE CORPORATION**

### **General**

The Corporation is a nonprofit, public benefit corporation established in 1973 pursuant to the laws of the State of South Carolina and is exempt from payment of federal income taxation as a 501(c)(3) corporation. The Corporation received its final 501(c)(3) determination letter from the IRS on June 30, 1979, which determination letter has not been amended, revoked, withdrawn or rescinded. The Corporation is located at 1901 Main Street, Suite 400, Columbia, South Carolina 29201. Certain responsibilities of the Corporation under the Indenture will be administered by the Administrator pursuant to the Administration Agreement. See the caption "The Administration Agreement" below.

The Corporation's activities are governed by its Board of Directors. The Corporation assists students and families in financing and refinancing the cost of higher education by making "private student loans". "Private student loans" generally refer to any loan that is made to a student, parent or other person for the purpose of financing all or part of the student's or former student's cost of attendance at an accredited institution. Such loans are not guaranteed student loans like those originated pursuant to FFELP.

Under its Restated and Amended Articles of Incorporation, the Corporation has the power to receive, invest, administer, and disburse funds for educational purposes so as to enable persons to attend eligible educational institutions beyond the secondary school level and to make, handle, service and deal with student and parent loans as provided in the Higher Education Act.

In 1973, the Corporation initiated a program to fund and service FFELP loans and loans originated under its predecessor programs, and served as the State of South Carolina's "eligible lender" thereunder. The Corporation has funded FFELP loans from the proceeds of bonds issued pursuant to trust estates separate and apart from the Indenture. Between 1996 and 2015, the Corporation closed 14 separate investment grade bond issues that provided FFELP loans to students and families. Effective July 1, 2010, the Affordable Care Act of 2010 eliminated new originations under the FFELP.

Between 1973 and 2010 the Corporation financed approximately \$8.0 billion of guaranteed loans.

In 1996, the Corporation introduced the Palmetto Assistance Loan Program, pursuant to which it provides credit-underwritten fixed rate and variable rate loan options to South Carolina residents and certain non-residents attending a post-secondary institution located in South Carolina. Since the inception of the Palmetto Assistance Loan Program the Corporation has made approximately \$710 million of loans to or on behalf of approximately 36,500 students. See the caption "THE PROGRAM" herein.

Between its lending and secondary market activities under the FFELP from 1973 to 2010 and its lending activities under the Palmetto Assistance Loan Program from 1996 to present, the Corporation has financed over 2.1 million loans to 487,000 students and parents totaling \$8.7 billion.

The Corporation also operates various higher education outreach programs designed to promote awareness of higher education opportunities among South Carolina residents, and conducts training programs and provides administrative assistance to financial aid administrators and guidance counselors.

### **Board of Directors**

The Corporation is governed by a Board of Directors currently consisting of 11 Directors. The Corporation's Bylaws provide for at least 7 but not more than 15 Directors. All Directors are appointed by the Corporation. The Corporation may remove Directors of the Corporation at any time for cause by a majority vote. Directors serve three-year staggered terms of office, with terms expiring on June 30th of the year indicated below. No officer or employee of the Corporation is eligible for appointment as a member of the Board of Directors except for the President as noted below.

<u>Name of Director</u>	<u>Principal Occupation</u>	<u>Term Ends June 30</u>
J. Thornton Kirby, Esq., Chair	President & Chief Executive Officer, South Carolina Hospital Association	2026
R. Jason Caskey, CPA, Vice Chair	President & Chief Executive Officer, University of South Carolina Foundations	2027
Fred L. Green, III, Treasurer	President & Chief Executive Officer, South Carolina Bankers Association	2028
Octavia Williams-Blake	Chief Human Resources Officer & Senior Vice President, McLeod Health	2026
A. Neill Cameron, Jr.	President Solvent Network, Retired; Consultant Brand Marketing	2027
Neil E. Grayson, Esq.	Partner, Nelson Mullins Riley & Scarborough LLP	2026
Renee R. Brooks	Chief Operating Officer, South State Bank	2027
Barbara F. Weston	Educator	2026
Willie F. Jeffries	Educator, Retired Coach	2026
Dr. Gautam S. Ghatnekar, DVM, Ph.D.	Chairman & Chief Executive Officer, Regranion	2028
Charlie C. Sanders, Jr.	Retired President & Chief Executive Officer, South Carolina Student Loan Corporation	2028
David A. "Trey" Simon, III*	President & Chief Executive Officer, South Carolina Student Loan Corporation	Ex Officio

\* David A. "Trey" Simon, III is an ex officio voting member of the Board of Directors resulting from his position as President.

The Corporation's principal office is located at 1901 Main Street, Suite 400, Columbia, South Carolina 29201, and its telephone number is (803) 772-9480. The Corporation employs a staff of 39 people. The Corporation's Senior Management is as follows:

David A. "Trey" Simon, III, *President and Chief Executive Officer*  
William C. Bochette, III, *Chief Financial Officer / Chief Operating Officer*  
Dave Nadler, *Chief Risk Officer*  
Ray Jones, *Chief Product Officer*  
Amber Miller, *Vice President of Administrative Services and Human Resources*  
Claire Gibbons, *Executive Director of Power:Ed*  
Josh Buzhardt, *Vice President of Business Intelligence*  
Destra Capers, *Director of Marketing and Outreach*  
Ericka Green, *Director of Risk Management*

**David A. "Trey" Simon, III**, serves as President and Chief Executive Officer of the Corporation. His work is focused on providing programs of financial assistance to students to pursue their educational goals and become workforce-ready. Before his current role, he served as the Chief Information Officer of the Corporation.

Mr. Simon has over 33 years of professional experience and has been with the Corporation for over 30 years, working in both administration and information technology. He received his B.S. in Management Science from the University of South Carolina's Darla Moore School of Business. Mr. Simon is on the South Carolina Chamber of Commerce Board of Directors, and the University of South Carolina Business Partnership Foundation Board of Advisors.

**William C. Bochette, III**, serves as Chief Financial Officer and Chief Operating Officer of the Corporation since June of 2020. Prior to joining the Corporation, Mr. Bochette served South State Bank as its Executive Vice President, Treasurer, and Corporate Secretary. Mr. Bochette has over 36 years of professional experience in banking and received his Bachelor of Science in Finance from The University of South Carolina.

**Dave Nadler** serves as the Chief Risk Officer at the Corporation. Mr. Nadler earned his undergraduate degree from the University of Wisconsin - Madison and went on to earn a Master of Arts in Mathematics from the University of Kentucky and a Master of Business Administration (Finance) from Ohio University. He oversees the overall risk management processes of the Corporation, including compliance, audit, and credit. Mr. Nadler has over 37 years of professional experience in financial services, all of which focused on the enterprise risk and credit risk functions.

**Ray Jones** serves as the Chief Product Officer at the Corporation. In this role, he oversees loan originations, repayment services, marketing/outreach, and product development. Mr. Jones has over 28 years of professional experience with the Corporation and over his tenure he has held a variety of positions, including roles in repayment services, Loan Counselor, and Assistant Program Director of Default Prevention.

Mr. Jones attended Spartanburg Methodist College, as well as the University of South Carolina in Lancaster and Columbia. Mr. Jones is also an active contributor to the financial aid community both locally and nationally. He currently serves as Vice Chairman of the National Council of Higher Education Resources, the Executive Board of the South Carolina Association of Financial Aid Administrators, and the South Carolina Teacher Loan Advisory Board.

**Amber Miller** serves as the Vice President of Administrative Services and Human Resources at the Corporation, where she also holds the position of Secretary of the Board of Directors. Ms. Miller has over 23 years of professional experience. Since joining the Corporation in 2005, she has taken on various roles, with a focus on Human Resources and Administrative Services since 2017. Ms. Miller earned a Bachelor of Science in Mathematics from Coastal Carolina University and obtained her Certified Administrative Professional certificate from the International Institute of Administrative Professionals in 2024.

**Claire Gibbons** is a dedicated leader with over 30 years of professional experience guiding communications, media, and community relations strategies for global communications agencies, state government, political campaigns, and an economic development public-private partnership. In 2022 she joined the Corporation to lead its philanthropic program, Power:Ed. Ms. Gibbons oversees outreach, grant, partnership operations, and growth strategies, aiming to build a statewide network of collaborative partners focused on making an impact on students' lives and career opportunities.

Ms. Gibbons is a former executive communications advisor for leading public relations agencies in Washington DC, Los Angeles, and Charleston SC. She holds a MA in political management from George Washington University and earned BAs in political science and psychology from the University of North Carolina at Chapel Hill.

**Josh Buzhardt** serves as Vice President of Business Intelligence for the Corporation. In this role, he leads a team responsible for the acquisition, modeling, and management of data related to the Corporation's loan and debt programs, as well as the development and delivery of reporting used both internally and by outside parties. Mr. Buzhardt has over 18 years of professional experience. Since 2009, he has been part of the financing team that brought each of the Corporation's debt offerings to market, and has designed and managed the Corporation's investor and rating agency reporting.

**Destra Capers** is the Director of Marketing & Outreach at the Corporation where she has served since 2022. Ms. Capers has over 10 years of professional experience. Over her tenure with the Corporation, Ms. Capers has played a role in strengthening the organization's brand presence and deepening its connection with students, families, and educational partners across the State of South Carolina. Her strategic leadership has driven innovative outreach campaigns, enhanced stakeholder engagement, and contributed to measurable growth in public awareness and increased loan volume. Ms. Capers' commitment to clear, inclusive communication and data-informed marketing has positioned the Corporation as a trusted resource in the higher education financing landscape.

**Ericka Green** is the Director of Risk Management for the Corporation. She is certified as a Certified Public Accountant (CPA) and Certified Internal Auditor (CIA), and she holds a Master of Accountancy and a Bachelor of Science in Business Administration from the University of South Carolina. She has over 18 years of combined professional experience in auditing, compliance, and risk management. Ms. Green has been with the Corporation since 2020.

### **Outstanding Revenue Bonds of the Corporation**

The Corporation has issued student loan revenue bonds pursuant to other indentures, which bonds are secured by separate and distinct trust estates. The assets of each trust estate are not cross-collateralized or cross-defaulted with the assets of any other trust estate. The total aggregate outstanding principal amount of all bonds issued by the Corporation as of June 30, 2025, was approximately \$205.5 million.

### **Other Programs and Activities**

**Power:Ed**. A philanthropy of the Corporation, Power:Ed was established in early 2019 with the goal of helping South Carolinians prepare for the workforce by eliminating educational barriers regardless of age, race, gender, or economic status. Power:Ed gives grants to local nonprofits, colleges, and organizations that help South Carolina students succeed in school, their careers, and life. Areas of focus include assisting first generation college students, providing advanced educational opportunities to those in rural and underserved areas, and funding programs that prepare students to be workforce ready. Since 2019, Power:Ed has awarded 103 grants to nonprofit corporations totaling more than \$5.1 million that has impacted an estimated 147,000 South Carolina students ranging from middle school to working age adults.

**Forgivable Loan Programs**. During fiscal year 1984-85, the Corporation assumed responsibility for the administration of the Teacher Loan Program that was established by the Education Improvement Act of 1984 (the "Education Improvement Act"). In the Education Improvement Act, the Corporation was named as the administrator of this program. The funds for operations and for making loans are provided from appropriations from the South Carolina legislature. In 2018, the Corporation began administering the Rural Practice Loan Forgiveness Program, a program developed to help supplement the healthcare workforce in the State of South Carolina. None of the assets or liabilities for these programs are included in the Corporation's financial statements.

### **Bankruptcy Status of the Corporation**

Under current law the Corporation cannot be forced into an involuntary bankruptcy proceeding under the federal bankruptcy code, nor can it file a voluntary petition for bankruptcy under the federal bankruptcy code without the approval of all members of its Board of Directors entitled to vote at the time any petition is authorized.

### **Additional Unsecured Debt**

The Corporation has the ability to incur additional unsecured indebtedness in such amounts as its Board of Directors may deem appropriate subject to any covenant limitation contained in any loan or finance documentation (currently \$25,000,000). The Corporation may also incur additional secured indebtedness. To the extent that any such additional secured indebtedness is so incurred, it would be secured by, and payable only from, assets that are not pledged to the Trust Estate.

## **No Prior Defaults**

The Corporation has not previously experienced any defaults with respect to the payment of principal or interest on any of its bonds, notes or lines of credit.

## **Financial Statements**

The financial statements of the Corporation at June 30, 2025 and for the year then ended, included in Appendix D to this Official Statement, have been audited by Elliott Davis, LLC, Independent Auditor, as set forth in their report related thereto. Elliott Davis, LLC, the Corporation's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Elliott Davis, LLC also has not performed any procedures related to this Official Statement. The Corporation's financial statements include information with respect to its loan programs generally, including its FFELP program and other information regarding the Corporation. These financial statements are included for general background purposes only.

Since the Bonds, including the Series 2025A Taxable Bonds, are limited obligations of the Corporation, payable solely from the Financed Eligible Loans and other assets pledged to the Trustee under the Indenture, the overall financial status of the Corporation, or that of its other programs, does not indicate and does not affect whether the Trust Estate will be sufficient to fund the timely and full payment of principal and interest on the Bonds, including the Series 2025A Taxable Bonds. See the caption "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS" herein.

## **The Administrator**

Initially the Administrator is the Corporation. The Administrator can be contacted at 1901 Main Street, Suite 400, Columbia, South Carolina 29201.

The Administrator has agreed to perform various administrative activities and obligations on behalf of the Corporation under the Administration Agreement. These include providing all necessary personnel, facilities, equipment, forms and supplies for operating the Program and the Corporation's financing activities in accordance with the Indenture; disseminating information to the Trustee and to other persons under the Indenture; controlling and accounting for the receipt and expenditure of the Corporation's funds; reviewing all statements and reports to the Corporation required of the Trustee in accordance with the provisions of the Indenture; and preparing and submitting to the Trustee the Monthly Reports required to be made available to the Registered Owners pursuant to the Indenture.

## **The Administration Agreement**

The Corporation has entered into the Administration Agreement with the Administrator pursuant to which the Corporation authorizes and appoints the Administrator to act as its exclusive agent for the purpose of managing the Servicers of the Financed Eligible Loans and performing certain administrative duties under the Indenture as provided therein. The Corporation authorizes the Administrator to meet administrative obligations of the Corporation that are set forth in the Administration Agreement. The Administrator covenants and agrees to cause the Servicers to service each Financed Eligible Loan in compliance with all requirements of the Program Manual and all other laws and regulations applicable to their activities under the Indenture, and in accordance with the terms and conditions of the Indenture, and to perform all services and duties customary to the servicing of the Financed Eligible Loans, including all collection practices. In connection therewith, the Administrator may designate a collection agent or agents to undertake reasonable collection efforts, on behalf of the Corporation with respect to any Defaulted Loans in accordance with customary industry standards and practices. All such collection efforts are required to be conducted in material compliance with all applicable federal, state and local laws, including any applicable consumer protection laws. If a designated collection agent successfully collects amounts owed from borrowers on Defaulted Loans, such designated collection agent may be compensated for such collection efforts by deducting and retaining a customary percentage of amounts collected from borrowers, as well as any related collection expenses, with all remaining amounts collected from borrowers being promptly deposited to the Revenue Fund under the Indenture. A designated collection agent is permitted to reschedule, revise, defer or otherwise compromise payments or take other reasonable actions with respect to Financed Eligible Loans that are Defaulted Loans in connection with maximizing the recovery on such Financed Eligible Loans. A designated collection agent shall also be permitted to cease collection and

servicing efforts with respect to any Financed Eligible Loan when and if the Corporation or the Administrator determines that the probable costs of collection and servicing exceed the expected proceeds of collection or that the Financed Eligible Loan is unsuitable for continued collection efforts.

The Administrator is required to cause the duties and responsibilities of the Corporation under the Indenture to be performed. The Administrator advises the Corporation when action by the Corporation is necessary to comply with the Corporation's duties under the Indenture and the agreements relating thereto. The Administrator will prepare for execution, if required, by the Corporation, or shall cause the preparation by other appropriate persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Corporation to prepare, file or deliver pursuant to the Indenture. The Administrator covenants to satisfy all of its obligations set forth in the Administration Agreement.

As compensation for its services pursuant to the Administration Agreement, the Administrator will receive the Administration Fee payable pursuant to the Indenture. See the caption "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Senior Transaction Fees" herein.

The Administration Agreement will terminate upon the occurrence of the earlier of (a) the termination of the Indenture, and (b) early termination following an Administrator Default, as defined and described below. No resignation or termination will become effective until a successor Administrator has assumed the Administrator's administrative obligations and duties under the Administration Agreement.

Each of the following constitutes an "Administrator Default" under the Administration Agreement:

(a) any breach of a representation or warranty of the Administrator contained in the Administration Agreement or failure by the Administrator duly to observe or to perform in any material respect any term, covenant or agreement set forth in the Administration Agreement (other than any breach of a representation or warranty or failure to observe any, term covenant or agreement which is specifically dealt with in another "Administrator Default"), which breach or failure shall (i) materially and adversely affect the rights of holders of Bonds and (ii) continue unremedied for a period of 60 days after the date of discovery of such failure by an officer of the Administrator or on which written notice of such breach or failure, requiring the same to be remedied, shall have been given (A) to the Administrator, by the Trustee or the Corporation, or (B) to the Administrator or the Trustee by holders of Bonds representing not less than two-thirds of the Highest Priority Bonds Outstanding; or

(b) the Administrator has commenced a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property, or shall have made a general assignment for the benefit of creditors, or shall have declared a moratorium with respect to its debts or shall have failed generally to pay its debts as they become due, or shall have taken any action to authorize any of the foregoing, and such action would materially and adversely affect the ability of the Administrator to perform its obligations under the Administration Agreement or materially and adversely affect the rights of holders of Bonds; or

(c) an involuntary case or other proceeding shall have been commenced against the Administrator seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property, provided such action or proceeding is not dismissed within 180 days, and such action would materially and adversely affect the ability of the Administrator to perform its obligations under the Administration Agreement or materially and adversely affect the rights of holders of Bonds.

If an Administrator Default has occurred and is continuing, the Corporation and the Trustee acting together may or, at the written direction of 100% of the Registered Owners of the Highest Priority Bonds then Outstanding, the Corporation and the Trustee will, by notice then given in writing to the Administrator, terminate all the rights and obligations (other than the indemnification rights and obligations described below) of the Administrator under the Administration Agreement. The Trustee covenants, represents and agrees that upon any termination of the

Administrator pursuant to the Administration Agreement, the Trustee, at its sole election, (a) may perform the duties of the Administrator specified in the Administration Agreement or (b) if the Trustee is unable or unwilling to act, will appoint a successor Administrator to perform such duties whose regular business includes similar administrative and servicing duties. If the Trustee is unable to appoint a successor Administrator within four months of any Administrator Default that results in the termination of an administrator as described above, the Trustee shall petition a court for the appointment of, a successor whose regular business includes similar administrative duties relating to Financed Eligible Loans and for which a Rating Agency Notification shall first be satisfied and for which the Corporation has consented to in writing which consent shall not be unreasonably withheld. The Administrator agrees to cooperate with the successor Administrator, the Trustee and the Corporation in effecting the termination of the responsibilities and rights of the Administrator under the Administration Agreement.

The Administration Agreement may be amended, supplemented or modified only by written instrument duly executed by the Administrator, the Corporation and the Trustee. So long as any Bonds remain Outstanding under the Indenture, a Rating Agency Notification is required to be satisfied with respect to any such amendment, supplement or modification; provided that, the Administration Agreement may be amended at any time upon the mutual written consent of the parties to cure any ambiguity, defect, or omission in the Administration Agreement without a Rating Agency Notification upon receipt of an opinion of Bond Counsel that any such amendment or modification will not materially adversely affect the rights or security of the Registered Owners, is authorized and permitted by the Administration Agreement and all conditions precedent have been satisfied.

The Administrator shall not have any liability to the Corporation or the holders of Bonds for taking any action or for refraining from taking any action pursuant to the Administration Agreement, or for errors in judgment; provided, however, that the Administrator will not be protected against any liability that would otherwise be imposed by reason of willful misfeasance, bad faith or negligence in the performance of the Administrator's duties under the Administration Agreement or by reason of reckless disregard of its obligations and duties under the Administration Agreement.

The Corporation is required to indemnify and hold the Administrator harmless from all loss, liability, or expense (including reasonable attorneys' fees and expenses) except for any loss, liability or expense arising out of or relating to the Administrator's willful misconduct or negligence with regard to the performance of services under the Administration Agreement or breach of its obligations under the Administration Agreement. Subject to the limitations described below, the Administrator is required to indemnify and hold the Corporation harmless from all loss, liability and expense (including reasonable attorneys' fees) arising out of or relating to the Administrator's willful misconduct or negligence with regard to performance of services under the Administration Agreement or breach of its obligations under the Administration Agreement, provided that in no event shall the Administrator be responsible or liable for any incidental, special or consequential damages with respect to any matter whatsoever arising out of the Administration Agreement.

## **PLAN OF FINANCE**

The Corporation plans to use the proceeds of the Series 2025A Taxable Bonds for the purposes of (a) financing Eligible Loans currently held on the Corporation's balance sheet, including partially disbursed Eligible Loans and future disbursements thereof, (b) financing a deposit to the Debt Service Reserve Fund, and (c) paying certain costs of issuing the Series 2025A Taxable Bonds. Upon the issuance of the Series 2025A Taxable Bonds, the initial Overall Parity Percentage will be approximately 128.9%.

## ESTIMATED SOURCES AND USES OF PROCEEDS

The Corporation estimates the sources and uses of funds relevant to the Series 2025A Taxable Bonds as follows:

### SOURCES OF FUNDS:

Principal Amount of Series 2025A Taxable Bonds .....	<u>\$112,100,000</u>
<b>Total Sources:</b> .....	<u><b>\$112,100,000</b></u>

### USES OF FUNDS:

Deposit to Student Loan Fund	
To finance Eligible Loans on the Closing Date.....	\$108,672,286
Deposit to Debt Service Reserve Fund .....	1,426,275
Costs of Issuance (Including Underwriter Discount).....	2,001,439
<b>Total Uses:</b> .....	<u><b>\$112,100,000</b></u>

All of the funds deposited to the Student Loan Fund on the Closing Date and not used to pay costs of issuance of the Series 2025A Taxable Bonds will be used on the Closing Date to finance Eligible Loans previously originated by the Corporation.

The Existing Eligible Loans are the Financed Eligible Loans referred to and described under “THE FINANCED ELIGIBLE LOANS” herein. After the Closing Date, the Corporation may finance and pledge under the Indenture additional Eligible Loans during any applicable Recycling Period relating to the Series 2025A Taxable Bonds, and may issue Additional Bonds under the Indenture in the future to finance and pledge additional Eligible Loans under the Indenture. Following any of these actions, the aggregate characteristics of the entire pool of Financed Eligible Loans will vary from those of the Existing Eligible Loans described in this Official Statement.

## THE PROGRAM

### General

The Corporation introduced the Palmetto Assistance Loan Program in 1996 to provide credit-based, fixed rate and variable rate loan options to residents of the State of South Carolina or certain non-residents attending a post-secondary institution located in South Carolina, referred to herein as PAL Loans. Initially, the Corporation made loans to students and their parents for the purpose of financing tuition, fees, room and board and other eligible education expenses at the inception of the Palmetto Assistance Loan Program, referred to herein as PAL School Loans. In 2007, it began making loans to existing PAL Loan borrowers for the purpose of consolidating PAL Loans with qualified loans made by other lenders.

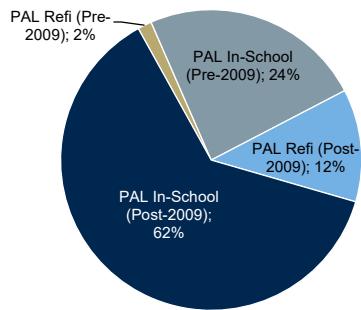
After suspending new loan originations under the Palmetto Assistance Loan Program in 2008 during the Great Recession of 2007-09, in 2009 the Corporation resumed originating its PAL School Loan for the 2009-10 academic year, with enhanced credit underwriting criteria. In addition to requiring borrowers and cosigners to meet higher standards of creditworthiness, the Corporation also modified its loan origination strategy in order to reduce the proportion of new loans with deferred payments and increase the proportion of new loans requiring either the payment of interest or a portion of interest while enrolled.

In 2013, the Corporation resumed originating its consolidation loans, with enhanced credit underwriting criteria, and extended the product to borrowers without existing PAL Loans. In 2015 the Corporation branded its consolidation loan program into a comprehensive student loan refinancing product known as the PAL Refi Loan, referred to herein as such. At that time, the Corporation added additional repayment options and further enhancements to credit underwriting criteria. In 2018, the Corporation created a more customized PAL School Loan designed specifically for parent borrowers, which it branded and is referred to herein as the PAL Parent Loan. At the same time the Corporation branded loans made to student borrowers as PAL Student Loans, which are referred to herein as such.

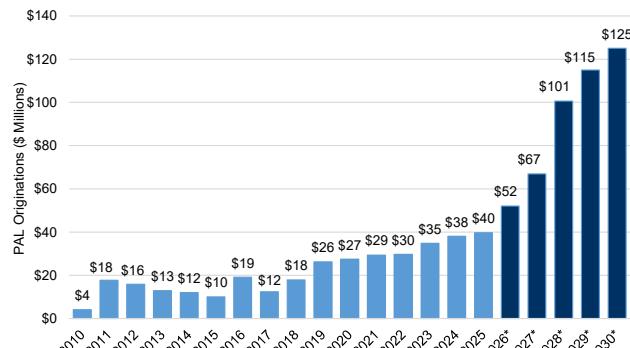
Since the inception of the Palmetto Assistance Loan Program the Corporation has made approximately \$710 million of loans to or on behalf of approximately 36,500 students. In the chart below on the left is the Corporation’s current PAL Loan holdings as of June 30, 2025 broken down by year and product category. The chart below on the right provides the Corporation’s historical PAL Loan volume from fiscal year 2010 through fiscal year 2025, and its

projected PAL Loan origination volume through its 2030 fiscal year. The Corporation projects increases in originations beginning in 2026 as a result of additional lending in out-of-state product offerings. These projections do not reflect the impact of changes to federal student loan programs made by the OBBB. The achievement of these projections or other expectations contained in these projections involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or projections described to be materially different.

### Breakdown of PAL Loan Holdings



### PAL Loan Originations & Projections



\* Figures are projections

All loans made under the Program are unsecured loans structured to meet the requirements for “qualified education loans”, and thus are intended to generally be non-dischargeable (absent a showing of undue hardship) under Section 523(a)(8) of the United States Bankruptcy Code.

The Corporation reserves the right to alter the terms and conditions of the Program and to apply proceeds of the Series 2025A Taxable Bonds, Additional Bonds and other Indenture funds to finance loans under the Program that are subject to such altered terms and conditions upon the satisfaction of the Rating Agency Notification. See the caption “CERTAIN RISK FACTORS—Certain Actions May Be Permitted Without Registered Owner Approval” herein.

### Program Overview

PAL Student Loans and PAL Parent Loans. The Corporation makes PAL Student Loans and PAL Parent Loans to students and their parents who meet the Program’s eligibility criteria and creditworthiness standards for the purpose of financing tuition, fees, room and board and other eligible education expenses. All PAL Student Loans and PAL Parent Loans are certified by the applicable school using either ELM or ScholarNet as to the following: loan period, grade level, anticipated graduation date, student enrollment status and loan amount. The amount of PAL Student Loans and PAL Parent Loans are limited to the total cost of attendance less other available financial aid (excluding Federal PLUS Loans), in each case as certified by the school, subject to an aggregate limit of \$150,000.

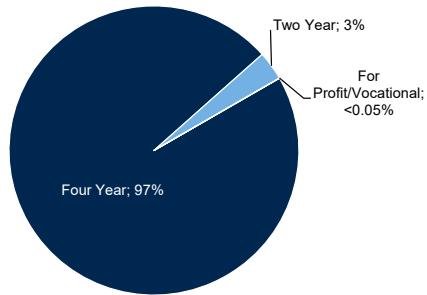
Borrowers of PAL Student Loans and PAL Parent Loans may choose from among three different payment options applicable during the enrolled and grace periods, as listed below:

- Fixed payment of \$25 per month (PAL Student Loans and PAL Parent Loans)
- Interest only payments (PAL Student Loans and PAL Parent Loans)
- Fully deferred (PAL Student Loans only)
- Immediate repayment (PAL Parent Loans only)

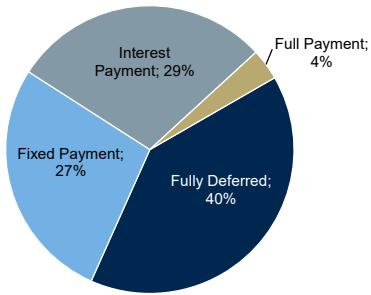
Fixed interest rates and variable interest margins for PAL Student Loans and PAL Parent Loans are tiered based upon the borrower’s or cosigner’s FICO score, the enrolled / grace payment plan selected and repayment term (5-years (parent borrowers only), 10-years or 15-years). All borrowers are eligible for a 0.25% interest rate reduction provided they enroll in an automated payment plan. While the Corporation assessed loan origination fees on PAL Student Loans and PAL Parent Loans in the past, it eliminated such fees beginning with the 2014-15 academic year.

The pie charts below illustrate the Corporation's PAL Student Loan and PAL Parent Loan origination activity for the 2020 through 2025 fiscal years, on a combined basis, broken down by school type and by the enrolled / grace period payment option selected by the borrower.

**Originations by School Type**



**Originations by In-School Payment Options**



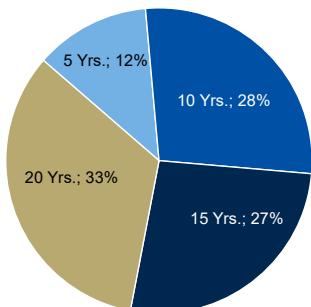
**PAL Refi Loans.** The Corporation makes PAL Refi Loans available to borrowers who meet their eligibility criteria and creditworthiness standards for the purpose of refinancing certain previously incurred education loans. Prior loans made either for the purpose of preparing for the Bar Exam or to cover expenses incurred during a medical residency (including relocation), and direct-to-consumer loans are not eligible to be refinanced with a PAL Refi Loan. All applications for PAL Refi Loans are completed on the Corporation's website using the Campus Door loan origination platform.

The amount of prior education debt that can be refinanced with a PAL Refi Loan is subject to a maximum of \$350,000, inclusive of any loans incurred under the Program. The aggregate borrowing limit was increased from \$150,000 to \$250,000 effective December 2019 and from \$250,000 to \$350,000 effective July 2023. Interest rates on PAL Refi Loans, which currently range from 4.50% to 10.50%, are based upon the repayment term selected. Initially PAL Refi Loans were available with repayment terms of 5-years, 10-years or 15-years. In December 2019 the Corporation introduced a 20-year repayment term.

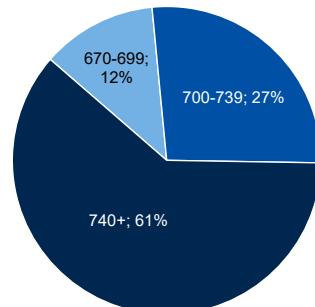
As with the Corporation's PAL Student Loans and PAL Parent Loans, PAL Refi Loan borrowers are eligible for a 0.25% interest rate reduction provided they enroll in an automated payment plan. The Corporation does not assess loan origination fees on PAL Refi Loans.

The pie charts below illustrate the Corporation's PAL Refi Loan origination activity for the 2020 through 2025 fiscal years on a combined basis, broken down by original loan term and range of FICO score at the time of origination. The weighted average FICO score at origination for PAL Refi Loans originated during the 2020 through 2025 fiscal years was 759.

**Originations by Repayment Term**



**Originations by FICO Score**



## **Origination and Disbursement Process**

Under the Program, all Eligible Loans are originated by the Corporation. The Corporation currently utilizes the Campus Door loan origination system. Campus Door was founded in 1995 to deliver student loans to borrowers and their families via web-based application systems. Having processed over \$36 billion in private student loan applications, Campus Door has assisted over 2.5 million applicants. Campus Door currently supports over 420 financial institutions. Campus Door collaborates with its clients to define, develop and deliver branded private loan products to meet its clients' needs and the needs of their customers. In May of 2017, Campus Door was acquired by Incenter, a Blackstone portfolio company, providing even greater access to resources and funding to fuel the expansion of Campus Door's product and service offerings.

The Corporation performs all origination services in a good and workmanlike manner in accordance with the applicable Program Manual for the Eligible Loans and federal, state or local statutes, rules, regulations, orders or similar legal requirements applicable to properly originating Eligible Loans (collectively, "Applicable Law"). All forms of the application and solicitation disclosure, the approval disclosure, the final disclosure, notices, loan applications, promissory notes and the credit agreement with respect to Eligible Loans (the "Loan Documents") to be utilized by the Corporation in connection with the origination of the Eligible Loans are prepared by the Corporation. The Corporation is responsible for ensuring that the specific borrower information and specific loan terms, including proper calculation of the annual percentage rate, relating to each Eligible Loan are accurately, correctly and completely populated into all the Loan Documents. The Corporation shall be solely responsible to ensure that at all times the Loan Documents are presented to applicants and/or borrowers in the form, substance and timeframes as are required by Applicable Law.

The Corporation performs all origination processes, including application processing, credit underwriting, all required verifications, and disbursement delivery for the Eligible Loans. Potential applicants are directed to a dedicated Corporation website where an applicant can apply for a loan under the Program. The Corporation performs origination processes in accordance with the provisions of the applicable Program Manual with respect to such applications. Origination processes include, but are not limited to, (a) reviewing all Loan Documents to ensure all required information has been completed by the borrower, (b) performing credit underwriting, and reviewing and approving applications in accordance with the parameters set forth in the Program Manual and (c) performing all verifications required under the Program Manual and delivery and disclosure to applicant and/or borrower of all required Loan Documents, as provided by the Loan Documents, Program Manual, and Applicable Law (collectively, the "Applicable Requirements").

The proceeds of Eligible Loans are paid by the Corporation directly to the holders or servicers of the loans being refinanced, in the case of refinance loans, or to schools in the case of school loans. No cash is disbursed directly to any borrower of an Eligible Loan.

Once disbursed, loans under the Program are converted to Nelnet Servicing's servicing system for servicing. Under the Nelnet Servicing Agreement, Nelnet Servicing is required to obtain and maintain all information that is necessary to properly service the loans. See the captions "Servicing of the Financed Eligible Loans—Nelnet Servicing" and "—The Nelnet Servicing Agreement" below.

## **PAL Student Loan Eligibility and Terms**

*Eligibility.* To be eligible for PAL Student Loan under the Program an applicant must meet certain eligibility requirements, including that the applicant must:

- be a United States citizen, national, or permanent resident;
- be a South Carolina resident attending an eligible college or university within the United States or an out-of-state resident attending an eligible South Carolina college or university;
- be the natural or adoptive parent of a student who is enrolled on at least a half-time basis in a certificate or degree granting program at an eligible school and who is maintaining satisfactory academic progress as defined by the institution for other financial aid programs;
- not be incarcerated;

- be enrolled on at least a half-time basis in a certificate or degree granting program at an eligible school;
- have attained the age of majority in the borrower's state of residence at the time of application; applicants who have not reached the age of majority must supply a cosigner; and
- be able to meet the credit requirements (as described below).

For applications received on or after March 23, 2022, with a summer only loan period, applicants are exempt from the half-time enrollment requirement.

**Bankruptcy.** The Corporation will not deny a loan to an applicant solely based on a bankruptcy discharge but may require a cosigner. Both the borrower and the cosigner must meet credit underwriting criteria.

**Credit Requirements.** The credit requirements for a PAL Student Loan require: (a) that either the borrower or cosigner have a minimum FICO score of 670; and (b) that the borrower be in good standing on all other private education loans held by the Corporation.

**Cosigners.** Borrowers that cannot meet the credit requirements may qualify with an eligible cosigner. To be eligible, a cosigner must pass the credit requirements described above. The Program does not currently include a cosigner release provision.

**Eligible Schools.** To be eligible to receive proceeds from a PAL Student Loan under the Program a school must meet certain eligibility requirements, including that the school must:

- be deemed eligible by the U.S. Department of Education for participation in the Title IV, Higher Education Act programs;
- be located in the United States, and;
- be a public or not-for-profit institution.

**Loan Limits.** PAL Student Loans are subject to a minimum loan amount of \$2,500, up to an annual limit that equals the cost of attendance, less other financial assistance awarded during the same academic period. The lifetime aggregate limit per borrower is \$150,000. For applications received on or after May 2, 2019, if the applicant already had an approved PAL Student Loan for the same academic year, the minimum loan amount may be less than \$2,500.

**Interest Rates.** The PAL Student Loan is offered with either a fixed or variable interest rate. The PAL Student Loan has tiered, risk and term-based pricing. For the fixed rate, the interest rate is determined based on the credit score of the borrower and, if applicable, the cosigner, the repayment term selected, and the enrolled period repayment option selected.

The variable interest rate is equal to the "rate index" described below plus the margin. The interest rate margin is determined based upon the credit score of the borrower and, if applicable, the cosigner, the repayment term selected, and the enrolled period repayment option selected.

The variable interest rate may change on the first day of the calendar quarter after the rate index is determined (a "Change Date"). A change in the variable interest rate will cause the monthly payment amount to change.

Prior to November 1, 2021, the rate index for variable interest rate loans was One Month LIBOR. From November 1, 2021, to present, the rate index for new variable interest rate loans is One Month Term SOFR. On July 1, 2023, all variable interest rate loans with an index of One Month LIBOR were converted to the One Month FTSE USD IBOR Consumer Cash Fallback.

The applicable rate index will be adjusted on each Change Date based upon the rate index available as of two business days prior to the applicable Change Date (the "Current Index"), provided that if the Current Index is less than zero, then the Current Index will be deemed to be zero for purposes of calculating the interest rate on the loan.

Before each Change Date, the Corporation calculates the new interest rate by rounding the Current Index to the nearest one-eighth of one percent (0.125% or 0.00125) and adding a margin to the Current Index. The margin may change if the index is replaced in the future by the Corporation in accordance with the promissory note.

Current fixed rates offered range from 6.50% to 13.875%. Current variable rate margins range from 2.125% to 9.50% over One Month Term SOFR.

If One Month Term SOFR or the One Month FTSE USD IBOR Consumer Cash Fallback is discontinued or substantially altered, a comparable substitute for such rate will be determined by the Corporation.

All borrowers are eligible for a 0.25% interest rate reduction when they are set up to have their regular monthly payments deducted electronically from a savings or checking account (the “Auto-Pay Discount”). If a borrower is receiving the Auto Pay Discount and subsequently enters an approved forbearance period (as described below), the interest rate reduction will cease. A borrower may receive the Auto Pay Discount benefit again if they re-enroll in auto debit after their forbearance ends.

Fees. The PAL Student Loan does not include any origination fees or application fees. The PAL Student Loan is subject to a late payment fee of 5% of the entire payment that was not paid when due, if the borrower fails to make any part of a payment within 15 days of its due date.

Repayment. While the borrower is enrolled at least half-time, PAL Student Loan borrowers are offered enrolled period payment options consisting of fully deferred payments, monthly interest only payments, or monthly fixed payments of \$25. After the borrower falls beneath half-time status, the enrolled period payment continues for a 6-month grace period.

PAL Student Loan borrowers are offered repayment terms of 10 or 15 years. Full principal and interest repayment begins immediately after the grace period. PAL Student Loans offer only a standard repayment plan in which a borrower makes approximately equal monthly payments of principal and interest over the term of the loan. All loans include a minimum monthly payment of \$50. The PAL Student Loan does not currently offer any graduated or income-based repayment options.

The PAL Student Loan may be prepaid in whole or in part at any time without penalty.

Under certain circumstances described below, borrowers may be eligible for loan forbearance. In this case, the borrower is permitted to temporarily postpone making monthly loan payments for a specific period of time. The four types of payment forbearance offered are:

- a hardship forbearance that is approved for up to twelve (12) months within any twenty-four (24) month period, with an aggregate limit not to exceed twelve (36) months;
- a natural disaster (as verified via the FEMA website) forbearance in up to three (3) month increments;
- a military forbearance that covers active duty status in any of the United States Armed Forces if either the borrower or cosigner is on active duty, in up to twelve (12) month increments and;
- an in-school forbearance for borrowers that return to school at least half-time or are in a period of internship or residency after the initial enrolled and grace period, with an aggregate limit not to exceed thirty-six (36) months.

Interest continues to accrue during periods of forbearance and is capitalized in certain cases. At the end of the forbearance period, the loan is reamortized to ensure the loan pays off in the applicable repayment term.

Total and Permanent Disability. Prior to October 1, 2021, there were no provisions in the loan documentation allowing for the release of an applicant or cosigner from the debt obligation due to total and permanent disability (“TPD”). Both the applicant and cosigner remained liable for the debt owed.

Effective October 1, 2021, upon notification from the applicant, benefitting student, or cosigner of a TPD condition, the Servicer will immediately suspend due diligence and billing by applying an administrative forbearance to the account for 60 days to allow for documentation of TPD and lender approval to be received. The Servicer should

provide the borrower an option to designate an individual to have the legal authority to act on behalf of the applicant or cosigner with respect to the PAL Student Loan. If appropriate documentation is not received within 60 days of initial notification, due diligence and billing processes will resume. If appropriate documentation is received and deemed acceptable, the Servicer will forward a request for approval of discharge to the Corporation. If approved, the Servicer will discharge the remaining loan obligation, in the case of a borrower TPD condition, or remove the cosigner from the account in the case of a cosigner TPD condition.

*Treatment of Payments Received after Date of Discharge Determination.* If discharged, payments received from the borrower or paid on behalf of the borrower after the date of disability discharge determination will be returned to the sender.

### **PAL Parent Loan Eligibility and Terms**

*Eligibility.* To be eligible for a PAL Parent Loan under the Program an applicant must meet certain eligibility requirements, including that the applicant must:

- be a United States citizen, national, or permanent resident;
- be a resident of the State of South Carolina whose benefitting student is attending an eligible college or university within the United States, or an out-of-state resident whose benefitting student is attending an eligible South Carolina college or university;
- be the natural or adoptive parent of a student who is enrolled on at least a half-time basis in a certificate or degree granting program at an eligible school and who is maintaining satisfactory academic progress as defined by the institution for other financial aid programs;
- be able to meet the credit requirements (as described below);
- not be incarcerated;
- have attained the age of majority in the borrower's state of residence at the time of application; applicants who have not reached the age of majority must supply a cosigner; and
- be employed, unemployed with sufficient income, retired, or disabled.

*Bankruptcy.* The Corporation will not deny a PAL Parent Loan to an applicant solely based on a bankruptcy discharge but may require a cosigner. Both the applicant and the cosigner must meet credit underwriting criteria.

*Credit Requirements.* The credit requirements for a PAL Parent Loan require: (a) that either the borrower or cosigner have a minimum FICO score of 670; and (b) that the borrower be in good standing on all other private education loans held by the Corporation.

*Cosigners.* Borrowers that cannot meet the credit requirements may qualify with an eligible cosigner. To be eligible, a cosigner must pass the credit requirements described above. The Program does not currently include a cosigner release provision.

*Eligible Schools.* To be eligible to receive proceeds from a PAL Parent Loan under the Program a school must meet certain eligibility requirements, including that the school must:

- be deemed eligible by the U.S. Department of Education for participation in the Title IV, Higher Education Act programs;
- be located in the United States, and;
- be a public or not-for-profit institution.

*Loan Limits.* PAL Parent Loans are subject to a minimum loan amount of \$2,500, up to an annual limit that equals the cost of attendance, less other financial assistance awarded during the same academic period. The lifetime aggregate limit per borrower is \$150,000. For applications received on or after May 2, 2019, if the applicant already had an approved PAL Parent Loan for the same academic year, the minimum loan amount may be less than \$2,500.

Interest Rates. The PAL Parent Loan is offered with either a fixed or variable interest rate. The PAL Parent Loan has tiered, risk and term-based pricing. The interest rate is determined based on the credit score of the borrower and, if applicable, the cosigner, the repayment term selected, and the enrolled period repayment option selected.

The variable interest rate is equal to the “rate index” described below plus the margin. The interest rate margin is determined based upon the credit score of the borrower and, if applicable, the cosigner, the repayment term selected, and the enrolled period repayment option selected.

The variable interest rate may change on the first day of the calendar quarter after the rate index is determined (a “Change Date”). A change in the variable interest rate will cause the monthly payment amount to change.

Prior to November 1, 2021, the rate index for variable interest rate loans was One Month LIBOR. From November 1, 2021, to present, the rate index for new variable interest rate loans is One Month Term SOFR. On July 1, 2023, all variable interest rate loans with an index of One Month LIBOR were converted to the One Month FTSE USD IBOR Consumer Cash Fallback.

The applicable rate index will be adjusted on each Change Date based upon the rate index available as of two business days prior to the applicable Change Date (the “Current Index”), provided that if the Current Index is less than zero, then the Current Index will be deemed to be zero for purposes of calculating the interest rate on the loan.

Before each Change Date, the Corporation calculates the new interest rate by rounding the Current Index to the nearest one-eighth of one percent (0.125% or 0.00125) and adding a margin to the Current Index. The margin may change if the index is replaced in the future by the Corporation in accordance with the promissory note.

Current fixed rates offered range from 5.50% to 10.75%. Current variable rate margins range from 1.125% to 6.375% over One Month Term SOFR.

If One Month Term SOFR or the One Month FTSE USD IBOR Consumer Cash Fallback is discontinued or substantially altered, a comparable substitute for such rate will be determined by the Corporation.

All borrowers are eligible for the Auto Pay Discount. If a borrower is receiving the Auto Pay Discount and subsequently enters an approved forbearance period (as described below), the interest rate reduction will cease. A borrower may receive the Auto Pay Discount benefit again if they re-enroll in auto debit after their forbearance ends.

Fees. The PAL Parent Loan does not include any origination fees or application fees. The PAL Parent Loan is subject to a late payment fee of 5% of the entire payment that was not paid when due, if the borrower fails to make any part of a payment within 15 days of its due date.

Repayment. While the benefiting student is enrolled at least half-time, PAL Parent Loans are offered the option of an enrolled period payment consisting of full monthly principal and interest payments, monthly interest only payments, or monthly fixed payments of \$25. After the benefiting student falls beneath half-time status, the enrolled period payment continues for a 6-month grace period.

PAL Parent Loan borrowers are offered repayment terms of 5, 10, or 15 years. If the applicant did not choose to pay full principal and interest during the enrolled and grace periods, full principal and interest repayment begins immediately after the grace period. PAL Parent Loans offer only a standard repayment plan in which a borrower makes approximately equal monthly payments of principal and interest over the term of the loan. All loans include a minimum monthly payment of \$50. The PAL Parent Loan does not currently offer any graduated or income-based repayment options.

The PAL Parent Loan may be prepaid in whole or in part at any time without penalty.

Under certain circumstances described below, borrowers may be eligible for loan forbearance. In this case, the borrower is permitted to temporarily postpone making monthly loan payments for a specific period of time. The four types of payment forbearance offered are:

- a hardship forbearance that is approved for up to twelve (12) months within any twenty-four (24) month period, with an aggregate limit not to exceed thirty-six (36) months;
- a natural disaster (as verified via the FEMA website) forbearance in up to three (3) month increments; and
- a military forbearance that covers active duty status in any of the United States Armed Forces if either the borrower or cosigner is on active duty, in up to twelve (12) month increments.

Interest continues to accrue during periods of forbearance and is capitalized in certain cases. At the end of the forbearance period, the loan is reamortized to ensure the loan pays off in the applicable repayment term.

*Total and Permanent Disability.* Prior to October 1, 2021, there were no provisions in the loan documentation allowing for the release of an applicant or cosigner from the debt obligation due to TPD. Both the applicant and cosigner remained liable for the debt owed.

Effective October 1, 2021, upon notification from the applicant, benefitting student, or cosigner of a TPD condition, the Servicer will immediately suspend due diligence and billing by applying an administrative forbearance to the account for 60 days to allow for documentation of TPD and lender approval to be received. The Servicer should provide the borrower an option to designate an individual to have the legal authority to act on behalf of the applicant or cosigner with respect to the PAL Parent Loan. If appropriate documentation is not received within 60 days of initial notification, due diligence and billing processes will resume. If appropriate documentation is received and deemed acceptable, the Servicer will forward a request for approval of discharge to the Corporation. If approved, the Servicer will discharge the remaining loan obligation, in the case of a borrower TPD condition, or remove the cosigner from the account in the case of a cosigner TPD condition.

*Treatment of Payments Received after Date of Discharge Determination.* If discharged, payments received from the borrower or paid on behalf of the borrower after the date of disability discharge determination will be returned to the sender.

## **PAL Refi Loan Eligibility and Terms**

*Eligibility.* To be eligible for a PAL Refi Loan under the Program an applicant must meet certain eligibility requirements, including that the applicant must:

- be a United States citizen or national, or permanent resident;
- be a resident of the State of South Carolina or, for loan applications received on or after November 1, 2021, be a resident of a state that has been approved for participation;
- be named the borrower on the loans being refinanced;
- be able to meet the credit requirements (as described below);
- be employed, retired, or disabled;
- not be incarcerated;
- be in a grace period or post-enrollment repayment status and not in default on all eligible education loans being refinanced; or for a loan application received on or after December 11, 2019, be an enrolled graduate student in good standing on all eligible education loans being refinanced;
- have attained the age of majority in the borrower's state of residence at the time of application; applicants who have not reached the age of majority must supply a cosigner; and
- From June 1, 2015 – December 31, 2016, the applicant was required to include at least one loan not made by the Corporation.

Loans eligible to be refinanced using the proceeds of a PAL Refi Loan include any school-certified private or federal education loan.

**Bankruptcy.** The Corporation will not deny a loan to an applicant solely based on a bankruptcy discharge but may require a cosigner. Both the applicant and the cosigner are required to meet credit underwriting criteria.

**Credit Requirements.** The credit requirements for a PAL Refi Loan require: (a) that either the borrower or cosigner has a minimum FICO score of 670; (b) that the borrower be in good standing on all education loans being refinanced; and (c) that the borrower or cosigner (if applying with an eligible cosigner) has a debt-to-income ratio of 43% or less.

**Income Verification.** Applicants are required to provide documentation of income if their FICO score is less than 725 or the requested PAL Refi Loan amount is equal to or greater than \$150,000.

**Cosigners.** Borrowers that cannot meet the credit requirements may qualify with an eligible cosigner. To be eligible, a cosigner must pass the credit requirements described above. The Program does not currently include a cosigner release provision.

**Loan Limits.** PAL Refi Loans are subject to a minimum loan amount of \$5,000 and a maximum loan amount of \$350,000.

**Interest Rates.** The PAL Refi Loan is offered only with a fixed interest rate. The PAL Refi Loan has tiered, term-based pricing. The interest rate is determined based upon the repayment term selected. Fixed rates offered range from 4.50% to 10.50%.

All borrowers are eligible for the Auto-Pay Discount. If a borrower is receiving the Auto-Pay Discount and subsequently enters into an approved forbearance period (as described below), the interest rate reduction will cease. A borrower may receive the Auto-Pay Discount benefit again, if they re-enroll in auto debit after their forbearance ends.

**Fees.** The PAL Refi Loan does not include any origination fees or application fees. The PAL Refi Loan is subject to a late payment fee of 5% of the entire payment that was not paid when due, if the borrower fails to make any part of a payment within 15 days of its due date.

**Repayment.** PAL Refi Loan borrowers are offered repayment terms of 5, 10, 15 or 20 years. Repayment begins immediately upon disbursement. There is no grace period. PAL Refi Loans offer only a standard repayment plan in which a borrower makes approximately equal monthly payments of principal and interest over the term of the loan. All loans include a minimum monthly payment of \$50. The PAL Refi Loan does not currently offer any graduated income-based repayment options.

The PAL Refi Loan may be prepaid in whole or in part at any time without penalty.

Under certain circumstances described below, borrowers may be eligible for loan forbearance. In this case, the borrower is permitted to temporarily postpone making monthly loan payments or a portion of monthly loan payments for a specific period of time. The three types of payment forbearance offered are:

- a hardship forbearance that is approved in up to three (3) month increments, with an aggregate limit not to exceed thirty six (36) months, and a \$50 minimum required monthly payment during the forbearance period;
- a natural disaster (as verified via the FEMA website) forbearance in up to three (3) month increments; and
- a military forbearance that covers active duty status in any of the United States Armed Forces if the borrower is on active duty, in up to twelve (12) month increments.

Interest continues to accrue during periods of forbearance and is capitalized in certain cases. At the end of the forbearance period, the loan is reamortized to ensure the loan pays off in the applicable repayment term.

*Total and Permanent Disability.* Prior to October 1, 2021, there were no provisions in the loan documentation allowing for the release of an applicant or cosigner from the debt obligation due to TPD. Both the applicant and cosigner remained liable for the debt owed.

Effective October 1, 2021, upon notification from the applicant or cosigner of a TPD condition, the Servicer will immediately suspend due diligence and billing by applying an administrative forbearance to the account for 60 days to allow for documentation of TPD and lender approval to be received. The Servicer should provide the applicant an option to designate an individual to have the legal authority to act on behalf of the borrower or cosigner with respect to the loan. If appropriate documentation is not received within 60 days of initial notification, due diligence and billing processes will resume. If appropriate documentation is received and deemed acceptable, the Servicer will forward a request for approval of discharge to the Corporation. If approved, the Servicer will discharge the remaining loan obligation, in the case of a borrower TPD condition, or remove the cosigner from the account in the case of a cosigner TPD condition.

*Treatment of Payments Received after Date of Discharge Determination.* If discharged, payments received from the borrower or paid on behalf of the borrower after the date of disability discharge determination will be returned to the sender.

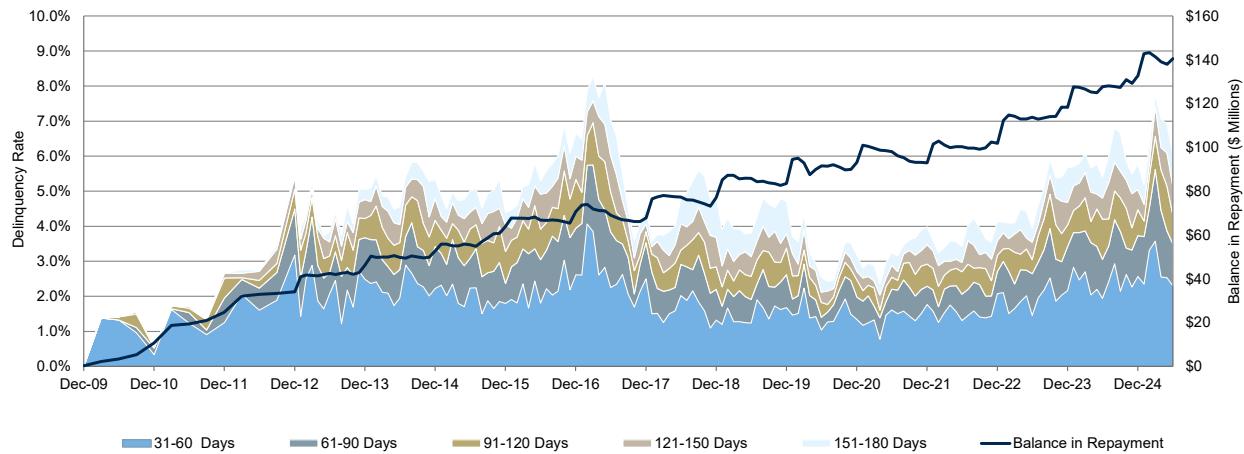
### **Historical Performance of Loans Originated Pursuant to the Palmetto Assistance Loan Program**

The Corporation has 24 years of prior experience financing and originating private student loans, and as of June 30, 2025 had originated over \$710 million of such loans on behalf of over 36,500 borrowers. Like many other nonprofit student lenders, the Corporation recalibrated its credit underwriting criteria during the Great Recession of 2007-09 and introduced a new phase of its Palmetto Assistance Loan Program for the 2009-10 academic year. In addition to requiring borrowers and cosigners to meet a higher standard of creditworthiness, the Corporation also modified its loan origination strategy in order to reduce the proportion of new loans with deferred payments and increase the proportion of new loans requiring either the payment of interest or a portion of interest while enrolled.

In connection with its student lending activities the Corporation maintains an extensive database of historical information related to PAL Loans. This includes separate loan origination, default, recovery and prepayment information for PAL Student Loans, PAL Parent Loans and PAL Refi Loans. The information presented below regarding the historical delinquency, default and recovery rates for PAL Loans is as of June 30, 2025 unless otherwise noted. While the Corporation first began originating private student loans under a previous phase of the Palmetto Assistance Loan Program in 1996, unless otherwise noted the information presented in this section pertains only to loans originated beginning with the 2009-10 academic year.

*Delinquency Trends (All PAL Loans).* As shown in the chart below, delinquency rates for PAL Loans, expressed as percentages of the balance in repayment, peaked in late 2016 and during the first half of 2017 during the transfer of loan servicing responsibilities from the Corporation to its new vendor (the Servicer), hitting a high of approximately 8.3% for 31+ day delinquencies in March 2017. In response to the increase in delinquency rates the Corporation actively managed the Servicer, and negotiated a transition to an enhanced level of servicing that was more consistent with its previous, in-house servicing approach. From June 2017 through March 2020, the average 31+ day delinquency rate was approximately 4.5%. More recently, delinquencies for PAL Loans have been increasing due to borrowers resuming repayment following COVID-19 pandemic payment pauses.

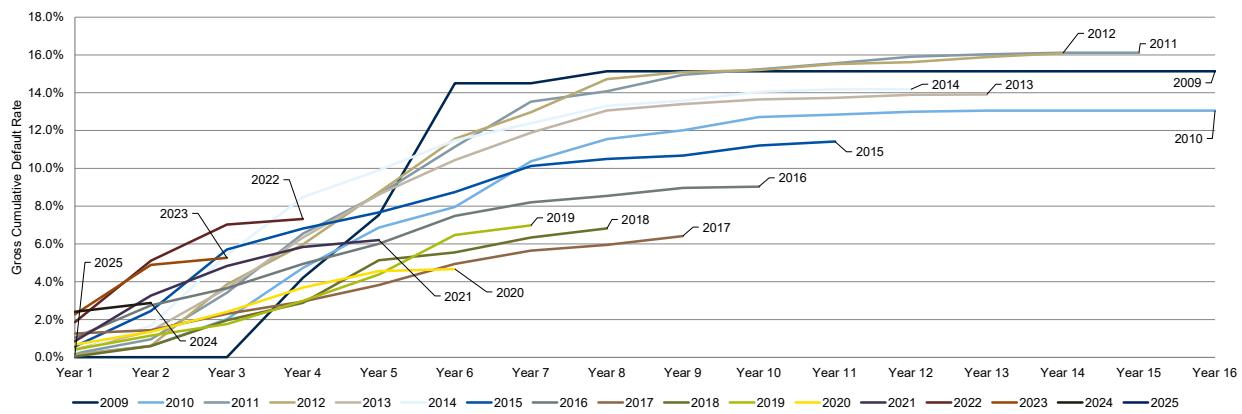
## Program Delinquency History: December 31, 2009 to June 30, 2025



**Default Trends.** Elevated PAL Loan delinquency rates related to the conversion of loan servicing to the Servicer led to a temporary increase in PAL Loan default rates, which temporarily reversed what had been a downward trend in annual defaults for the 2009 through 2013 repayment cohorts. As shown in the chart below, the timing of defaults shifted to earlier in the repayment terms for the less seasoned 2014, 2015 and 2016 repayment cohorts compared to the more seasoned pre-2014 cohorts, which were less impacted by the servicing conversion. The Corporation's post-conversion efforts to manage elevated delinquencies through enhanced vendor management and servicing due diligence contributed to default trends ultimately returning to pre-conversion levels. Since the inception of the Program, as of June 30, 2025, approximately 6.4% by principal balance of PAL Loans have defaulted.

## Program Default History: Gross Defaults by Repayment Cohort (PAL Student Loans and PAL Parent Loans)

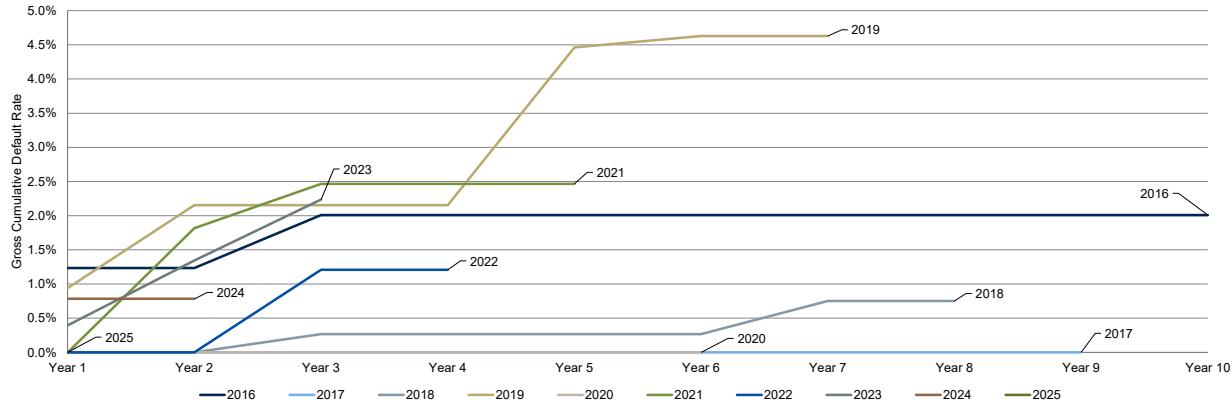
As shown in the chart below, the gross default curves for the PAL Student and Parent Loan repayment cohorts that entered repayment after the impact of the servicing conversion to the Servicer appear to be flattening at lower levels. The weighted average cumulative default rate for cohorts in repayment for at least three years is approximately 4.0% in year 3 and the weighted average cumulative default rate for cohorts in repayment for at least five years is approximately 6.6% in year 5. For cohorts in repayment at least five years, more recent, post-conversion cohorts have an average cumulative default rate of approximately 5.1% in year 5, compared to approximately 7.7% for cohorts that entered repayment in 2017 or earlier.



## Program Default History: Gross Defaults by Repayment Cohort (PAL Refi Loans)

As shown in the chart below, which includes cohorts that entered repayment in 2016 or after, the Corporation's PAL Refi Loans have exhibited very low default rates, ranging from 0% to approximately 4.6%. The cumulative default rates for cohorts that entered repayment in 2020 or after are all approximately 2.5% or less. The weighted average cumulative default rate for cohorts in repayment for at least three years is approximately 1.6% in

year 3 and the weighted average cumulative default rate for cohorts in repayment for at least five years is approximately 1.9% in year 5. Prior to July 1, 2016, there was no debt-to-income ratio requirement. For this reason, the below chart excludes the 2013, 2014, and 2015 repayment cohorts.



**Default Recovery Trends.** As shown in the tables below, PAL Loan default recovery rates vary depending upon the number of years since the default occurred. For default cohorts with at least three full years of recovery history (2022 and earlier) and excluding the 2010 and 2011 default cohorts due to their de minimis sizes, the cumulative, net recovery rate ranges from approximately 2.6% to 63.4% with an overall cumulative, net recovery rate of approximately 14.4%.

### Program Recovery History: Net Recoveries by Default Cohort (PAL Loans)

Recoveries Net of Collection Costs																		
Calendar Year of Default	Defaulted Principal Amount	Recoveries																
		Net of Collection Costs	Year 1 After Default	Year 2 After Default	Year 3 After Default	Year 4 After Default	Year 5 After Default	Year 6 After Default	Year 7 After Default	Year 8 After Default	Year 9 After Default	Year 10 After Default	Year 11 After Default	Year 12 After Default	Year 13 After Default	Year 14 After Default		
2010	\$13,139	\$100	\$100															
2011	24,784	10,898	2,381	6,130	698	1,166	502		21									
2012	236,698	150,039	9,615	14,534	14,579	16,450	16,259	15,460	16,926	8,898	9,844	6,984	6,125	6,205	5,276	2,885		
2013	732,617	294,439	32,027	47,824	58,687	37,366	30,074	20,211	20,052	13,362	12,134	11,673	7,684	3,270				
2014	1,384,897	585,362	68,471	67,185	60,638	114,840	92,650	57,591	31,443	37,641	21,151	8,067	25,687					
2015	1,712,578	325,619	66,161	47,132	33,678	41,270	33,536	34,544	24,942	13,630	10,420	20,307						
2016	1,815,158	90,016	31,476	13,855	10,165	8,974	7,526	5,692	3,978	3,310	4,340	701						
2017	3,186,417	83,251	23,480	18,303	10,387	8,890	14,503	5,525	1,200	962								
2018	1,022,036	148,208	32,682	17,185	25,273	19,808	23,607	20,475	8,677	501								
2019	1,486,408	80,006	20,098	14,880	11,829	14,530	10,409	6,524	1,736									
2020	958,602	161,575	36,148	28,566	57,755	30,562	8,379	164										
2021	1,446,350	143,458	46,250	28,321	28,017	38,467	2,403											
2022	1,742,391	194,490	64,299	67,023	53,000	10,168												
2023	2,328,548	108,230	80,463	24,888	2,879													
2024	3,751,514	77,786	71,812	5,974														
2025	1,647,356	19,335	19,335															
<b>Total</b>	<b>\$23,489,493</b>	<b>\$2,472,811</b>	<b>\$604,797</b>	<b>\$401,799</b>	<b>\$367,584</b>	<b>\$342,492</b>	<b>\$239,848</b>	<b>\$166,186</b>	<b>\$108,975</b>	<b>\$78,305</b>	<b>\$57,889</b>	<b>\$47,730</b>	<b>\$39,496</b>	<b>\$9,475</b>	<b>\$5,351</b>	<b>\$2,885</b>		

As Cumulative % of Defaulted Principal																		
Calendar Year of Default	Defaulted Principal Amount	Recoveries																
		Net of Collection Costs	Year 1 After Default	Year 2 After Default	Year 3 After Default	Year 4 After Default	Year 5 After Default	Year 6 After Default	Year 7 After Default	Year 8 After Default	Year 9 After Default	Year 10 After Default	Year 11 After Default	Year 12 After Default	Year 13 After Default	Year 14 After Default		
2010	100.00%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	
2011	100.00%	43.97%	9.61%	34.34%	37.15%	41.86%	43.89%	43.97%	43.97%	43.97%	43.97%	43.97%	43.97%	43.97%	43.97%	43.97%	43.97%	
2012	100.00%	63.39%	4.06%	10.20%	16.36%	23.31%	30.18%	36.71%	43.86%	47.62%	51.78%	54.73%	57.32%	59.94%	62.17%	63.39%		
2013	100.00%	40.19%	4.37%	10.90%	18.91%	24.01%	28.12%	30.87%	33.61%	35.44%	37.09%	38.65%	39.73%	40.18%	40.19%			
2014	100.00%	42.27%	4.94%	9.80%	14.17%	22.47%	29.16%	33.31%	35.59%	38.30%	39.83%	40.41%	42.27%	42.27%				
2015	100.00%	19.01%	3.86%	6.62%	8.58%	10.99%	12.95%	14.97%	16.42%	17.22%	17.83%	19.01%						
2016	100.00%	4.96%	1.73%	2.50%	3.06%	3.55%	3.97%	4.28%	4.50%	4.68%	4.92%	4.96%						
2017	100.00%	2.61%	0.74%	1.31%	1.64%	1.92%	2.37%	2.54%	2.58%	2.61%								
2018	100.00%	14.50%	3.20%	4.88%	7.35%	9.29%	11.60%	13.60%	14.45%	14.50%								
2019	100.00%	5.36%	1.35%	2.35%	3.15%	4.13%	4.83%	5.27%	5.38%									
2020	100.00%	16.86%	3.77%	6.75%	12.78%	15.96%	16.84%	16.86%										
2021	100.00%	9.92%	3.20%	5.16%	7.09%	9.75%	9.92%											
2022	100.00%	11.16%	3.69%	7.54%	10.58%	11.16%												
2023	100.00%	4.65%	3.46%	4.52%	4.65%													
2024	100.00%	2.07%	1.91%	2.07%														
2025	100.00%	1.17%	1.17%															

### Servicing of the Financed Eligible Loans

**Loan Servicing Due Diligence Requirements.** The Corporation requires the basic servicing due diligence procedures shown in the table below to be performed by the Servicer for all PAL Loans reaching the 15<sup>th</sup> day of delinquency. Additional, enhanced due diligence procedures currently required by the Corporation are listed immediately below the table.

Basic PAL Program Loan Servicing Due Diligence Procedures		
Time Frame	Category	Servicing, Default Prevention & Collection Activities
15 to 29 Days Past Due	Delinquent	<ul style="list-style-type: none"> <li>Eighteen Collection Attempts (borrower and cosigner, if applicable)</li> <li>One (1) Collection Letter (borrower and cosigner, if applicable)</li> </ul>
30 to 59 Days Past Due	Delinquent	<ul style="list-style-type: none"> <li>Eighteen Collection Attempts (borrower and cosigner, if applicable)</li> <li>One (1) Collection Letter (borrower and cosigner, if applicable)</li> </ul>
60 to 89 Days Past Due	Delinquent	<ul style="list-style-type: none"> <li>Eighteen Collection Attempts (borrower and cosigner, if applicable)</li> <li>One (1) Collection Letter (borrower and cosigner, if applicable)</li> </ul>
90 to 119 Days Past Due	Delinquent	<ul style="list-style-type: none"> <li>Eighteen Collection Attempts (borrower and cosigner, if applicable)</li> <li>One (1) Collection Letter (borrower and cosigner, if applicable)</li> </ul>
120 to 149 Days Past Due	Delinquent	<ul style="list-style-type: none"> <li>Eighteen Collection Attempts (borrower and Cosigner, if applicable)</li> <li>One (1) Collection Letter (borrower and cosigner, if applicable)</li> </ul>
150 to 179 Days Past Due	Delinquent	<ul style="list-style-type: none"> <li>Eighteen Collection Attempts (borrower and cosigner, if applicable)</li> <li>One (1) Collection Letter (borrower and cosigner, if applicable)</li> </ul>
15 to 179 Days Past Due	Skip Tracing	The Servicer is encouraged to pursue all available sources of information to obtain a valid address or telephone number for the borrower (and co-signer, if applicable)
180 Days Past Due	Default	The failure of a borrower (or cosigner, if any) to make payments when due, or to meet other terms of the promissory note or other written agreement(s) with the Corporation, or its agents, and it is reasonably concluded that the borrower no longer intends to honor the obligation to repay the loan, provided that this failure persists for the most recent period of 180 consecutive days.
181+ Days Past Due	Post-Default	The Corporation may permit third-party collections agencies to modify or seek settlement on defaulted loans in an attempt to maximize collections on such loans.
210 Days Past Due	Write-Off	The Servicer will begin the write-off process the first week after the month-end during which a loan became 210 days delinquent.

In addition, the Servicer is currently required to perform certain enhanced due diligence procedures with respect to delinquent PAL Loans, which provide for a variety of contact types and range of contact frequencies, as summarized below:

- All Palmetto Assistance Loan Program loans that roll to 30-days delinquent are assigned to a recovery specialist, whose focus is on mid-stage roll rates and default prevention. Delinquency roll rates are monitored through data visualization software to identify trending that may benefit from additional focus.
- Text messages are sent weekly to borrowers from 30 days past due to default;
- Varying frequency of phone calls and contact types, including manual dialing, e-mails, text messages, phone calls to references and skip tracing as necessary (including for the cosigner, if applicable);
- The Servicer sets internal performance goals and also works with the Corporation to set goals specific for its portfolio; and
- The Servicer's agents attend on-going delinquency management training and round tables that focus on effective problem solving, and have the opportunity to earn incentives based on the attainment of internal and Corporation goals.

Nelnet Servicing. Nelnet Servicing, LLC, d/b/a Firstmark Services (“Nelnet Servicing”), a Nebraska limited liability company, is the Servicer. Nelnet Servicing is a subsidiary of Nelnet, Inc. (“Nelnet”). Nelnet is a diversified hybrid holding company with primary businesses being consumer lending, loan servicing, payments, and technology – with many of these businesses serving customers in the education space. The largest operating businesses engage in loan servicing and education technology services and payments. A significant portion of the Nelnet’s revenue is net interest income earned on a portfolio of federally insured student loans. Nelnet also makes and manages investments to further diversify both within and outside of its historical core education-related businesses including, but not limited to, investments in a fiber communications company, early-stage and emerging growth companies, real estate, reinsurance, and renewable energy. Substantially all revenue from external customers is earned, and all long-lived assets are located, in the United States.

Nelnet’s service organization has decades of experience in servicing consumer and educational loans including unsecured personal loans, home improvement loans, educational loans, and point-of-sale installment loans. Nelnet began its loan servicing operations on January 1, 1978, and provides, through its subsidiaries, student loan servicing and consumer loan servicing that includes customer service, account maintenance, federal reporting and billing, payment processing, default aversion, claim filing and delinquency servicing services. These servicing activities are performed internally for Nelnet’s portfolio and for third-party clients. Nelnet has offices located in,

among other cities, Centennial, Colorado; Madison, Wisconsin; and Lincoln, Nebraska. Nelnet Servicing services approximately \$516 billion in total loan volume and is one of the nation's largest servicers of private or consumer loans, with approximately \$38 billion principal balance outstanding as of June 30, 2025. Nelnet's principal offices are located at 121 South 13th Street, Suite 100, Lincoln, Nebraska, 68508, and its telephone number is (402) 458-2370.

Nelnet's most recent audited financial reports are available at [www.nelnetinvestors.com](http://www.nelnetinvestors.com).

*The Nelnet Servicing Agreement.* The Nelnet Servicing Agreement was executed on January 9, 2017. After the Eligible Loans are fully originated and disbursed, Nelnet Servicing will begin post-origination services and will service the Eligible Loans in accordance with the Nelnet Servicing Agreement, the Applicable Requirements and any servicing guidelines.

Not later than the second payment processing day after any payment received from a third party is identified by Nelnet Servicing as a payment on a specific Financed Eligible Loan, Nelnet Servicing will post and deposit such funds into the Revenue Fund.

In consideration for its services pursuant to the Nelnet Servicing Agreement, Nelnet Servicing is compensated in accordance with the fee schedule provided in the Nelnet Servicing Agreement subject to annual increases, as it may be amended from time to time. See the caption "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Senior Transaction Fees" herein.

If Nelnet Servicing commits an error in connection with the services provided pursuant to the Nelnet Servicing Agreement, which error directly results in such Eligible Loan becoming unenforceable or uncollectable, Nelnet Servicing may cure the error in a reasonable time from when Nelnet Servicing learns of the error. In the event the error cannot be cured, Nelnet Servicing will purchase or arrange for purchase of the Eligible Loan at an amount equal to the outstanding principal balance and accrued but unpaid interest thereon (the "Repurchase Obligation"). The foregoing shall be the Corporation's sole remedy for errors by Nelnet Servicing.

Other than as described above, Nelnet Servicing also provides general indemnities for breach of confidentiality of the Corporation's information or information security obligations under the Nelnet Servicing Agreement. The general indemnities are limited to an amount equal to the fees paid under the Nelnet Servicing Agreement by or on behalf of the Corporation for the twelve (12) month period immediately preceding the date such liability accrues; provided, however, that the foregoing limitation of liability does not apply with respect to liabilities arising from or relating to its Repurchase Obligation described above.

Subject to the termination provisions described below, the Nelnet Servicing Agreement has an initial term of five (5) years from the date the agreement was executed and automatically renews for successive three (3) year terms, unless either party gives written notice to terminate the Nelnet Servicing Agreement. The Nelnet Servicing Agreement may be terminated: (a) at the expiration of any term, if a party has provided written notice of termination to the other party at least one hundred eighty (180) days prior to the end of such term; (b) upon the refusal or failure of a party to perform any material obligation of the Nelnet Servicing Agreement, and the failure or refusal to correct or cure such performance or lack thereof, within sixty (60) days after the party's receipt of written notice of the failure or refusal; (c) upon the failure of the parties to reach agreement with respect to a change in the fees; (d) at Nelnet Servicing's option for nonpayment of fee within sixty (60) days of any billing statement; (e) in the event of a data breach which results in the unauthorized disclosure of confidential information; and (f) if (1) there exists a material breach by either party, or (2) an insolvency, bankruptcy or similar proceeding shall have been commenced, or a decree or order of an appropriate court, agency or supervisory authority for the appointment of a conservator, receiver or liquidator shall have been entered against a party, the other party may terminate the Nelnet Servicing Agreement upon ninety (90) days' notice. Nelnet Servicing is entitled to deconversion fees for converting the Eligible Loans to another servicer, unless the Nelnet Servicing Agreement is terminated under certain conditions by the Corporation.

In the event of a termination of the Nelnet Servicing Agreement by the Corporation due to a material breach by Nelnet Servicing, and at the option of the Corporation, Nelnet Servicing shall continue to service Financed Eligible Loans being serviced by Nelnet Servicing at the time of termination, until the Financed Eligible Loans are deconverted off Nelnet Servicing's system as described in the fee schedule; provided, however, that if such period after termination exceeds two hundred seventy (270) days, Nelnet Servicing reserves the right to increase all applicable fees by fifteen percent (15%).

## **Custody of Financed Eligible Loans**

The promissory notes evidencing the Existing Eligible Loans, together with other materials included in student loan files pledged to the Trustee under the Indenture, are held by the Corporation with an imaged copy provided to Nelnet Servicing, as custodian, for the benefit of the Corporation and the Trustee pursuant to the Nelnet Servicing Agreement and that certain Custodian Agreement among the Corporation, the Trustee and Nelnet Servicing.

Similarly, it is anticipated that any additional Eligible Loans which are financed with proceeds of Series 2025A Taxable Bonds during any applicable Recycling Period relating to the Series 2025A Taxable Bonds will similarly be held by the Corporation with an imaged copy being provided to Nelnet Servicing, as custodian, pursuant to the Nelnet Servicing Agreement and the Custodian Agreement.

## **THE FINANCED ELIGIBLE LOANS**

The Corporation has originated certain Eligible Loans with its own funds prior to the Closing Date and has financed certain Eligible Loans with proceeds of the Series 2020A Taxable Bonds. The Eligible Loans expected to be financed with amounts deposited to the Student Loan Fund include (a) Eligible Loans previously originated by the Corporation and (b) additional Eligible Loans to be financed during any applicable Recycling Period relating to the Series 2025A Taxable Bonds. See the captions "ESTIMATED SOURCES AND USES OF PROCEEDS" and "THE PROGRAM" herein.

If any Recycling Period is established for the Series 2025A Taxable Bonds, the aggregate characteristics of the entire pool of Financed Eligible Loans will vary from those of the Existing Eligible Loans set forth in the tables below and described in this Official Statement. Furthermore, the issuance of Additional Bonds and the financing of Eligible Loans with the proceeds thereof will cause the aggregate characteristics of the pool of Financed Eligible Loans to vary still further from those of the Existing Eligible Loans. Financed Eligible Loans as to which any payment has been delinquent for 181 days or more will be deemed to have a value of \$0 for all purposes under the Indenture, but will continue to constitute Financed Eligible Loans.

The following tables describe certain characteristics of the Existing Eligible Loans as of the Statistical Cut-Off Date. The Corporation expects that the characteristics of the Existing Eligible Loans reflected in these tables will vary due to the continued amortization of the Existing Eligible Loans between the Statistical Cut-Off Date and the Closing Date. Although the statistical distribution as of the Closing Date of the characteristics of the Existing Eligible Loans anticipated to be financed on the Closing Date will vary somewhat in other respects from the statistical distribution of those characteristics shown below, the Corporation does not believe that those characteristics will differ materially. The sum of the characteristics may not add up to the total therefor in the following tables due to rounding.

### **Existing Eligible Loans Summary As of the Statistical Cut-Off Date**

Total Principal Balance	\$195,497,200
Total Accrued Interest	\$8,005,229
Total Number of Loans	16,097
Total Number of Accounts	8,083
Average Principal Balance per Borrower	\$24,186
Average Principal Balance per Loan	\$12,145
Weighted Average Gross Borrower Interest Rate	8.14%
Weighted Average Net Borrower Interest Rate	8.06%
Weighted Average Remaining Term (months)	132.75
Weighted Average Interim Months	10.66
Weighted Average Seasoning (months)	19.13
Fixed Rate Loans as a % of Total Principal	86.98%
Variable Rate Loans as a % of Total Principal	13.02%
Weighted Average FICO Score	745

**Distribution of the Existing Eligible Loans by Loan Status  
As of the Statistical Cut-Off Date**

<u>Loan Status</u>	Outstanding <u>Balance</u>	Percent of Loans by Outstanding <u>Balance</u>	<u>Number of Loans</u>
School	\$ 59,282,038	30.32%	4,515
Grace	25,113,284	12.85	1,877
Forbearance	11,548,241	5.91	888
Repayment	<u>99,553,637</u>	<u>50.92</u>	<u>8,817</u>
<b>TOTALS</b>	<b><u>\$195,497,200</u></b>	<b><u>100.00%</u></b>	<b><u>16,097</u></b>

**Distribution of the Existing Eligible Loans by FICO Score at Origination  
As of the Statistical Cut-Off Date**

<u>FICO Score at Origination</u>	Outstanding <u>Balance</u>	Percent of Loans by Outstanding <u>Balance</u>	<u>Number of Loans</u>
Below 670	\$ 21,094	0.01%	1
670-699	40,123,490	20.52	3,680
700-739	57,322,556	29.32	4,781
740-799	64,380,926	32.93	5,187
800-850	<u>33,649,134</u>	<u>17.21</u>	<u>2,448</u>
<b>TOTALS</b>	<b><u>\$195,497,200</u></b>	<b><u>100.00%</u></b>	<b><u>16,097</u></b>

**Distribution of the Existing Eligible Loans by Remaining Term to Scheduled Maturity (months)  
As of the Statistical Cut-Off Date**

<u>Remaining Term to Scheduled Maturity (months)</u>	Outstanding <u>Balance</u>	Percent of Loans by Outstanding <u>Balance</u>	<u>Number of Loans</u>
0 to 12 months	\$ 260,448	0.13%	352
13 to 24 months	1,223,620	0.63	485
25 to 36 months	1,857,654	0.95	451
37 to 48 months	2,854,670	1.46	570
49 to 60 months	5,769,250	2.95	741
61 to 72 months	5,347,980	2.74	697
73 to 84 months	8,587,382	4.39	910
85 to 96 months	10,413,571	5.33	1,015
97 to 108 months	14,138,098	7.23	1,145
109 to 120 months	61,407,317	31.41	5,090
121 to 132 months	3,248,923	1.66	230
133 to 144 months	4,574,214	2.34	281
145 to 156 months	6,844,403	3.50	366
157 to 168 months	9,192,040	4.70	496
169 to 180 months	48,517,863	24.82	3,099
181 to 192 months	266,155	0.14	7
193 to 204 months	1,003,070	0.51	19
205 to 216 months	2,317,466	1.19	39
217 to 228 months	4,129,604	2.11	54
229 to 240 months	<u>3,543,471</u>	<u>1.81</u>	<u>50</u>
<b>TOTALS</b>	<b><u>\$195,497,200</u></b>	<b><u>100.00%</u></b>	<b><u>16,097</u></b>

**Distribution of the Existing Eligible Loans by Current Net Borrower Interest Rate  
As of the Statistical Cut-Off Date**

<u>Current Net Borrower Interest Rate</u>	<u>Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>	<u>Number of Loans</u>
2.000% to 2.999%	\$ 231,863	0.12%	26
3.000% to 3.999%	1,066,976	0.55	51
4.000% to 4.999%	4,816,600	2.46	483
5.000% to 5.999%	14,975,364	7.66	1,487
6.000% to 6.999%	31,686,011	16.21	3,003
7.000% to 7.999%	37,893,316	19.38	2,966
8.000% to 8.999%	47,755,165	24.43	3,564
9.000% to 9.999%	32,698,387	16.73	2,468
10.0000% or greater	<u>24,373,518</u>	<u>12.47</u>	<u>2,049</u>
<b>TOTALS</b>	<b><u>\$195,497,200</u></b>	<b><u>100.00%</u></b>	<b><u>16,097</u></b>

**Distribution of the Existing Eligible Loans by Delinquency Status  
As of the Statistical Cut-Off Date**

<u>Delinquency Status</u>	<u>Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>	<u>Number of Loans</u>
Not in Repayment	\$ 95,943,563	49.08%	7,280
Current	91,682,668	46.90	8,166
31-60 days	3,964,956	2.03	321
61-90 days	1,419,367	0.73	111
91-120 days	872,759	0.45	73
121-150 days	601,593	0.31	65
151-180 days	<u>1,012,294</u>	<u>0.52</u>	<u>81</u>
<b>TOTALS</b>	<b><u>\$195,497,200</u></b>	<b><u>100.00%</u></b>	<b><u>16,097</u></b>

**Distribution of the Existing Eligible Loans by Outstanding Loan Balance  
As of the Statistical Cut-Off Date**

<u>Outstanding Loan Balance</u>	<u>Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>	<u>Number of Loans</u>
\$0 to \$4,999	\$ 12,608,467	6.45%	4,495
\$5,000 to \$9,999	32,024,368	16.38	4,444
\$10,000 to \$14,999	32,572,846	16.66	2,680
\$15,000 to \$19,999	30,686,687	15.70	1,791
\$20,000 to \$24,999	24,076,473	12.32	1,092
\$25,000 to \$29,999	17,127,488	8.76	635
\$30,000 to \$34,999	10,930,419	5.59	342
\$35,000 to \$39,999	5,754,171	2.94	155
\$40,000 to \$44,999	4,232,578	2.17	100
\$45,000 to \$49,999	3,918,334	2.00	83
\$50,000 to \$54,999	2,759,734	1.41	53
\$55,000 to \$59,999	2,858,601	1.46	50
\$60,000 to \$64,999	1,568,325	0.80	25
\$65,000 to \$69,999	1,893,286	0.97	28
\$70,000 to \$74,999	1,586,067	0.81	22
\$75,000 and above	<u>10,899,355</u>	<u>5.58</u>	<u>102</u>
<b>TOTALS</b>	<b><u>\$195,497,200</u></b>	<b><u>100.00%</u></b>	<b><u>16,097</u></b>

**Geographic Distribution of the Existing Eligible Loans  
As of the Statistical Cut-Off Date**

<u>Location<sup>1</sup></u>	<u>Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>	<u>Number of Loans</u>
South Carolina	\$164,844,431	84.32%	14,041
North Carolina	6,655,903	3.40	468
Georgia	3,171,342	1.62	285
New Jersey	2,806,278	1.44	129
New York	2,682,073	1.37	141
Florida	2,525,189	1.29	156
Maryland	1,878,771	0.96	85
Virginia	1,337,538	0.68	103
Pennsylvania	1,313,264	0.67	97
Connecticut	1,100,413	0.56	48
Texas	718,693	0.37	61
Massachusetts	706,661	0.36	42
Illinois	686,623	0.35	41
Ohio	660,957	0.34	53
Tennessee	443,918	0.23	37
California	431,295	0.22	37
Alabama	405,755	0.21	24
Arizona	311,837	0.16	21
Wisconsin	270,896	0.14	21
Delaware	260,496	0.13	14
Colorado	253,022	0.13	24
Louisiana	236,681	0.12	12
Minnesota	191,586	0.10	19
Michigan	184,809	0.09	18
Missouri	163,164	0.08	9
New Hampshire	134,947	0.07	8
District of Columbia	133,315	0.07	9
Kentucky	126,413	0.06	7
Nebraska	125,874	0.06	9
Indiana	121,392	0.06	5
Iowa	83,493	0.04	5
Oregon	77,316	0.04	6
Rhode Island	71,223	0.04	9
Maine	68,139	0.03	9
Washington	48,459	0.02	11
Hawaii	46,538	0.02	3
Oklahoma	45,478	0.02	10
Vermont	40,565	0.02	6
Alaska	38,847	0.02	2
Mississippi	27,825	0.01	2
Idaho	15,408	0.01	1
Nevada	15,181	0.01	1
Armed Forces	9,237	0.00*	2
Utah	7,942	0.00*	3
Foreign Country	7,742	0.00*	1
Montana	5,502	0.00*	1
New Mexico	4,772	0.00*	1
<b>TOTALS</b>	<b><u>\$195,497,200</u></b>	<b><u>100.00%</u></b>	<b><u>16,097</u></b>

<sup>1</sup> Based upon the billing address.

\* Less than 0.01%, but greater than 0.00%.

**Distribution of the Existing Eligible Loans by Loan Program and Repayment Plan  
As of the Statistical Cut-Off Date**

<u>Loan Program and Repayment Plan</u>	<u>Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>	<u>Number of Loans</u>
PAL Student IO	\$ 43,068,754	22.03%	5,001
PAL Student Fixed Payment	44,518,045	22.77	3,728
PAL Student Deferred	65,811,640	33.66	5,602
PAL Parent IO	4,517,130	2.31	359
PAL Parent Immediate	3,155,027	1.61	281
PAL Parent Fixed Payment	4,478,452	2.29	315
PAL Refi Immediate	<u>29,948,152</u>	<u>15.32</u>	<u>811</u>
TOTALS	<u>\$195,497,200</u>	<u>100.00%</u>	<u>16,097</u>

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

<u>School Type</u>	<u>Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>	<u>Number of Loans</u>
4-Year +	\$160,575,845	82.14%	14,562
2-Year	4,929,145	2.52	721
Vocational / Proprietary	44,058	0.02	3
Unknown (Consolidation)	<u>29,948,152</u>	<u>15.32</u>	<u>811</u>
TOTALS	<u>\$195,497,200</u>	<u>100.00%</u>	<u>16,097</u>

**Distribution of the Existing Eligible Loans by Seasoning (months)  
As of the Statistical Cut-Off Date**

<u>Seasoning (months)</u>	<u>Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>	<u>Number of Loans</u>
0 to 12 months	\$115,765,519	59.22%	8,433
13 to 24 months	23,626,366	12.09	1,444
25 to 36 months	18,160,704	9.29	1,283
37 to 48 months	12,043,150	6.16	1,038
49 to 60 months	7,416,807	3.79	797
61 to 72 months	5,842,463	2.99	637
73 months or more	<u>12,642,192</u>	<u>6.47</u>	<u>2,465</u>
TOTALS	<u>\$195,497,200</u>	<u>100.00%</u>	<u>16,097</u>

**Distribution of the Existing Eligible Loans by EFT<sup>1</sup> Interest Rate Reduction Benefit  
As of the Statistical Cut-Off Date**

<u>EFT Interest Rate Reduction Benefit</u>	<u>Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>	<u>Number of Loans</u>
Not Receiving 0.25% Benefit	\$134,820,970	68.96%	10,806
Receiving 0.25% Benefit	<u>60,676,230</u>	<u>31.04</u>	<u>5,291</u>
TOTALS	<u>\$195,497,200</u>	<u>100.00%</u>	<u>16,097</u>

<sup>1</sup> Electronic Funds Transfer.

**Distribution of the Existing Eligible Loans by Borrower or Co-Borrower Age (years)**  
**As of the Statistical Cut-Off Date**

<u>Borrower or Co-Borrower Age</u>	Outstanding Balance	Percent of Loans by Outstanding Balance	<u>Number of Loans</u>
<=25 years	\$ 25,694,894	13.14%	2,057
>25 to <=30 years	8,726,402	4.46	760
>30 to <=35 years	4,092,598	2.09	374
>35 to <=40 years	4,642,267	2.37	471
>40 to <=50 years	35,982,400	18.41	2,830
>50 to <=60 years	74,372,836	38.04	5,885
>60 years	<u>41,985,803</u>	<u>21.48</u>	<u>3,720</u>
TOTALS	<u>\$195,497,200</u>	<u>100.00%</u>	<u>16,097</u>

**Distribution of the Existing Eligible Loans by Borrower Interest Rate Type**  
**As of the Statistical Cut-Off Date**

<u>Borrower Interest Rate Type</u>	Outstanding Balance	Percent of Loans by Outstanding Balance	<u>Number of Loans</u>
PAL Fixed	\$170,039,865	86.98%	13,968
PAL Variable	<u>25,457,335</u>	<u>13.02</u>	<u>2,129</u>
TOTALS	<u>\$195,497,200</u>	<u>100.00%</u>	<u>16,097</u>

**Distribution of the Existing Eligible Loans by SOFR Margin (Variable Rate Loans Only)**  
**As of the Statistical Cut-Off Date**

<u>SOFR Margin (Variable Rate Loans Only)</u>	Outstanding Balance	Percent of Loans by Outstanding Balance	<u>Number of Loans</u>
Less than 2.0000%	\$ 316,103	1.24%	28
2.0000% to 2.9999%	2,467,599	9.69	170
3.0000% to 3.9999%	3,794,828	14.91	310
4.0000% to 4.9999%	5,869,115	23.05	508
5.0000% to 5.9999%	5,436,851	21.36	460
6.0000% to 6.9999%	3,999,856	15.71	350
7.0000% to 7.9999%	2,997,450	11.77	242
8.0000% to 8.9999%	548,488	2.15	58
9.0000% to 9.9999%	<u>27,046</u>	<u>0.11</u>	<u>3</u>
TOTALS (Variable Rate Loans Only)	<u>\$25,457,335</u>	<u>100.00%</u>	<u>2,129</u>

**Distribution of the Existing Eligible Loans by Cosigner Status**  
**As of the Statistical Cut-Off Date**

<u>Cosigner Status</u>	Outstanding Balance	Percent of Loans by Outstanding Balance	<u>Number of Loans</u>
Cosigned	\$139,800,890	71.51%	11,438
Non-Cosigned	<u>55,696,311</u>	<u>28.49</u>	<u>4,659</u>
TOTALS	<u>\$195,497,200</u>	<u>100.00%</u>	<u>16,097</u>

**Distribution of the Existing Eligible Loans by Debt-to-Income Ratio (Refi Loans Only)**  
**As of the Statistical Cut-Off Date**

<u>Debt-to-Income Ratio (Refi Loans Only)</u>	<u>Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>	<u>Number of Loans</u>
0.00%	\$ 126,916	0.42%	6
0.01% to 19.99%	6,905,301	23.06	184
20.00% to 39.99%	16,871,385	56.34	415
40.00% to 59.99%	4,167,474	13.92	104
60.00% to 79.99%	76,949	0.26	5
80.00% to 99.99%	9,770	0.03	1
No Data	<u>1,790,358</u>	<u>5.98</u>	<u>96</u>
<b>TOTALS (Refi Loans Only)</b>	<b><u>\$29,948,152</u></b>	<b><u>100.00%</u></b>	<b><u>811</u></b>

**Distribution of the Existing Eligible Loans by Annual Income (Refi Loans Only)**  
**As of the Statistical Cut-Off Date**

<u>Annual Income (Refi Loans Only)</u>	<u>Outstanding Balance</u>	<u>Percent of Loans by Outstanding Balance</u>	<u>Number of Loans</u>
\$0 to \$25,000	\$ 606,225	2.02%	34
\$25,000 to \$50,000	7,352,166	24.55	208
\$50,000 to \$75,000	8,237,399	27.51	230
\$75,000 to \$100,000	5,426,250	18.12	145
\$100,000 to \$125,000	2,767,600	9.24	72
\$125,000 to \$150,000	1,392,586	4.65	28
\$150,000 to \$175,000	1,563,009	5.22	37
\$175,000 to \$200,000	435,286	1.45	11
\$200,000 or more	1,258,457	4.20	35
No Data	<u>909,174</u>	<u>3.04</u>	<u>11</u>
<b>TOTALS (Refi Loans Only)</b>	<b><u>\$29,948,152</u></b>	<b><u>100.00%</u></b>	<b><u>811</u></b>

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**Distribution of the Existing Eligible Loans by School (School Loans Only)**  
**As of the Statistical Cut-Off Date**

School (School Loans Only)	Outstanding Balance	Percent of Loans by Outstanding Balance	Number of Loans
University of South Carolina - Columbia	\$ 40,134,824	24.24%	3,638
Clemson University	30,419,033	18.37	2,636
Citadel, The Military College of South Carolina	8,949,026	5.41	578
College of Charleston	8,602,101	5.20	757
Coastal Carolina University	7,651,764	4.62	747
Anderson University	7,036,224	4.25	689
Winnipeg University	6,087,152	3.68	712
Wofford College	4,106,513	2.48	240
Charleston Southern University	3,439,877	2.08	366
Lander University	2,960,968	1.79	383
University of South Carolina Upstate	2,492,104	1.51	364
Medical University of South Carolina	2,490,105	1.50	163
Furman University	2,462,538	1.49	154
Tri-County Technical College	2,090,955	1.26	229
Limestone College	1,671,441	1.01	200
Newberry College	1,625,836	0.98	179
Presbyterian College	1,582,299	0.96	166
Francis Marion University	1,575,370	0.95	236
University of South Carolina - Beaufort	1,516,722	0.92	187
University of South Carolina - Aiken	1,323,981	0.80	212
Midlands Technical College	1,320,250	0.80	203
Savannah College of Art and Design	1,270,307	0.77	53
North Greenville University	1,226,281	0.74	158
Coker College	1,003,094	0.61	106
Converse College	952,466	0.58	100
Others	21,557,815	13.02	1,830
TOTALS (School Loans Only)	<u>\$165,549,048</u>	<u>100.00%</u>	<u>15,286</u>

**Financed Eligible Loan Portfolio Post Closing**

The issuance of Additional Bonds and the financing of Eligible Loans with the proceeds thereof will cause the aggregate characteristics of the pool of Financed Eligible Loans to vary from those of the Existing Eligible Loans and the additional Eligible Loans financed during any applicable Recycling Period relating to the Series 2025A Taxable Bonds.

**CREDIT RISK RETENTION**

Regulation RR was adopted jointly by the Securities and Exchange Commission and various federal banking and housing agencies in October 2014, pursuant to the requirements of the Dodd-Frank Act. Regulation RR applies to sponsors of virtually all asset backed securitizations, whether the asset backed securities are publicly or privately offered, and requires the sponsor of an asset backed securitization transaction or a majority owned affiliate of the sponsor to retain an economic interest in not less than 5% of the credit risk of securitized assets using specific methods prescribed by Regulation RR. The required interest may be retained in one of several forms, including vertical, horizontal, or a combined method. Retained credit risk exposure generally may not be transferred (other than to a sponsor's majority owned affiliate), hedged, or financed by nonrecourse debt, though there are sunset timeframes under which most of these restrictions will expire.

In no event shall the Trustee have any responsibility to monitor compliance with Regulation RR or any other rules or regulations regarding risk retention. The Trustee shall not be charged with knowledge of such rules, nor shall they be liable to any Registered Owner or any other party or person for a violation of such rules and regulations now or hereinafter in effect.

## Eligible Horizontal Residual Interest

The Corporation, as the sponsor, will satisfy the risk retention requirement of Regulation RR by retaining the Residual Certificate issued pursuant to the Indenture, which Residual Certificate has been structured to satisfy the requirements of an “eligible horizontal residual interest” under Regulation RR. The fair value of the Residual Certificate is anticipated to exceed 5% of the sum of the fair values of the Bonds and the Residual Certificate on the Closing Date. Unless the Corporation is no longer subject to the risk retention requirements of Section 15G of the Securities Exchange Act of 1934, and the regulations promulgated thereunder, the Indenture prohibits the transfer of the Residual Certificate to any person or entity other than the Corporation, or a majority-owned affiliate of the Corporation until the latest to occur of: (a) the date which is two years after the Closing Date, (b) the date the aggregate principal balance of the Financed Eligible Loans pledged to the Trust Estate is reduced to 33% or less of the aggregate principal balance of all Financed Eligible Loans pledged to the Trust Estate on the Closing Date, or (c) the date the principal balance of the Bonds is reduced to 33% or less of the outstanding principal balance of the Bonds on the Closing Date. The Residual Certificate will not bear interest and will not have a principal balance. Distributions, if any, on the Residual Certificate will be made from amounts permitted to be released from the Indenture. In addition, except as provided in Regulation RR, the Corporation, and any affiliate of the Corporation is prohibited from directly or indirectly hedging or otherwise transferring the credit risk that the Corporation is required to retain pursuant to Regulation RR.

Pursuant to Regulation RR, the Corporation is required to determine the fair values of the Bonds and the Residual Certificate using a fair value measurement framework under United States generally accepted accounting principles. The amount of the eligible horizontal residual interest, expressed as a percentage, is equal to the fair value of the eligible horizontal residual interest divided by the fair value of all ABS interests issued in the securitization transaction, being the Bonds and the Residual Certificate. Under United States generally accepted accounting principles, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase consistency and comparability in fair value measurements and related disclosures, the fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs, each as described below:

- Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;
- Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for identical or similar assets or liabilities; and
- Level 3 – inputs are unobservable inputs for the asset or liability, including the reporting entity’s own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

*Fair Value of the Bonds.* The fair value of the Bonds is categorized within Level 1 of the hierarchy, reflecting the actual pricing of the Bonds. Based upon the pricing of the Bonds, the fair value of the Bonds is assumed to equal 100% of the outstanding principal balance of the Bonds on the Closing Date, at fixed interest rates on the Bonds in a range of 2.47% to 5.57%.

*Fair Value of the Residual Certificate.* The fair value of the Residual Certificate is determined using the Corporation’s key inputs and assumptions and its internal valuation models as the inputs are generally not observable (Level 3 inputs). The Corporation’s model projects the anticipated collections and payments in respect of the Financed Eligible Loans, including interest and principal payments of the Financed Eligible Loans, defaults and recovery payments of the Financed Eligible Loans, interest and principal payments on the Bonds, required payments from the reserve account, transaction fees and expenses and the servicing fee. The resulting cash flows to the Residual Certificate are discounted to the present value based on a discount rate that reflects the credit exposure to these cash flows.

In making these calculations, the Corporation made the following assumptions:

- interest accrues on Bonds at the rates described above;

- Estimated cost of funds is assumed to be approximately 4.98% while the Bonds are Outstanding;
- principal and interest payments for the Financed Eligible Loans are calculated using the characteristics described under the caption “THE FINANCED ELIGIBLE LOANS” herein;
- a cumulative default rate of 13.0% on the Financed Eligible Loans applied to the principal balance of the Financed Eligible Loans;
- a recovery rate of 20% on the defaulted principal balance of the Financed Eligible Loans;
- a constant prepayment rate of 9.0% on the Financed Eligible Loans applied in accordance with the constant prepayment rate model described in “APPENDIX E—ESTIMATED WEIGHTED AVERAGE LIFE ANALYSIS OF THE SERIES 2025A TAXABLE BONDS MATURING DECEMBER 1, 2046” hereto;
- the discount rate applied to the cash flows for the Residual Certificate is 12.0%, as determined in accordance with the discount rate methodology described below; and
- The Corporation’s fees are consistent with the fees described in the Indenture.

The Corporation developed these inputs and assumptions considering the following factors:

- *Discount rate* – The discount rate represents the rate used in discounted cash flow analysis to determine the present value of future cash flows of the Residual Certificate. This rate represents our estimate of the sum of the risk-free rate, a market premium reflecting the perceived riskiness of this cash flow, and a liquidity premium. The discount rate is further informed by observed discount rates at which similar cash flows have been recently traded, if any.

The Corporation developed these inputs and assumptions for each of its various loan products by reviewing several factors, including the composition of the Financed Eligible Loan pool, the performance of certain student loans owned by the Corporation, including its prior securitized pools and economic conditions. The inputs and assumptions described above include all inputs and assumptions that could reasonably be expected to have a material impact on the fair value calculation or would be material to a prospective investor’s ability to evaluate the sponsor’s fair value calculation.

### Fair Value Calculations

Based on the assumptions and methodologies described above, as of the Closing Date, the fair values of the Bonds and the Residual Certificate are expected to be:

<u>ABS Interests</u>	<u>Fair Value</u>	<u>Percentage</u>
Bonds	\$163,145,000	82.4%
Residual Certificate	<u>34,735.804</u>	<u>17.6</u>
Total	\$197,880,804	100.0%

The Corporation will recalculate the fair value of the Bonds and the Residual Certificate following the Closing Date to reflect the issuance of the Bonds and any changes in the methodologies or inputs and assumptions described above. The fair value of the Residual Certificate as a percentage of the fair value of all ABS interests issued in the transaction will be included in the first distribution report, together with a description of any changes in the methodologies or inputs and assumptions used to calculate the fair value.

Any information contained herein with respect to the Residual Certificate is provided only to facilitate a better understanding of the Bonds. The Corporation reserves the right to sell all or a portion of the Residual Certificate in the future.

## TAX MATTERS

### Certain United States Federal Income Tax Matters

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2025A Taxable Bonds. This summary does not address any aspect of state, local or foreign taxation. The summary is based upon the provisions of the Code, the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Series 2025A Taxable Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including, but not limited to, financial institutions, insurance companies, dealers and traders in securities or currencies, persons holding such Series 2025A Taxable Bonds as a hedge against currency risks or as a position in a "straddle," "hedge," "constructive sale transaction" or "conversion transaction" for tax purposes, certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies, certain United States expatriates, REITs, RICs, partnerships, S corporations, trust, estates, tax exempt organizations, a former United States citizen or resident, or persons whose functional currency is not the United States dollar. In addition, this summary does not address (i) alternative minimum tax issues, (ii) the net investment income tax imposed (3.8% surtax) under Section 1411 of the Code, (iii) the indirect effects on persons who hold equity interests in a holder, or (iv) holders other than original purchasers that acquire Series 2025A Taxable Bonds pursuant to this offering at their initial issue price except where otherwise specifically noted. Potential purchasers of the Series 2025A Taxable Bonds should consult their own tax advisors in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Series 2025A Taxable Bonds.

As used herein, the term "U.S. Holder" means a beneficial owner of Series 2025A Taxable Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if (1) a court within the United States can exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or (2) it has a valid election in effect to be treated as a United States person.

As used herein, a "Non-U.S. Holder" is a beneficial owner of Series 2025A Taxable Bonds that is not a U.S. Holder or a partnership (including an entity or arrangement treated as a partnership for United States federal income tax purposes).

If a partnership (or other entity or arrangement treated as a partnership for United States federal income tax purposes) is a beneficial owner of Series 2025A Taxable Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships (and partners in such partnerships) that are beneficial owners of Series 2025A Taxable Bonds are urged to consult their own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Series 2025A Taxable Bonds.

The Corporation has not sought and will not seek any rulings from the IRS with respect to any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below. Prospective purchasers of the Series 2025A Taxable Bonds are advised to consult their tax advisors regarding the U.S. federal, state, local and foreign income and other tax consequences of the purchase, ownership and disposition of the Bonds.

### **U.S. Holders**

#### *Taxation of Interest Generally*

Interest on the Series 2025A Taxable Bonds is not excluded from gross income for United States federal income tax purposes and will be included in the income of a U.S. Holder. U.S. Holders will be subject to federal

income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2025A Taxable Bonds. Subject to the discussions below addressing original issue discount and bond premium, interest paid on the Series 2025A Taxable Bonds generally will be treated as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for United States federal income tax purposes.

#### ***Sale or Redemption of Bonds***

A U.S. Holder's adjusted tax basis for a Series 2025A Taxable Bond is the price such holder pays for the Series 2025A Taxable Bond plus the amount of original issue discount previously included in income and reduced on account of any payments received on such Series 2025A Taxable Bond other than "qualified stated interest" and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2025A Taxable Bond, measured by the difference between the amount realized and the bondholder's tax basis as so adjusted, generally will give rise to capital gain or loss if the Series 2025A Taxable Bond is held as a capital asset.

If the terms of a Series 2025A Taxable Bond are materially modified, in certain circumstances, a new debt obligation would be deemed "reissued," or created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. In addition, the defeasance of a Series 2025A Taxable Bond under the defeasance provisions of the Master Indenture could result in a deemed sale or exchange of such Series 2025A Taxable Bond.

Each potential holder of Series 2025A Taxable Bonds should consult its own tax advisor concerning (i) the treatment of gain or loss on sale, redemption or defeasance of the Series 2025A Taxable Bonds, and (ii) the circumstances in which Series 2025A Taxable Bonds would be deemed reissued and the likely effects, if any, of such reissuance.

#### ***Information Reporting and Backup Withholding***

A U.S. Holder may be subject to information reporting and backup withholding when such holder receives payments on a Series 2025A Taxable Bond or receives proceeds from the sale or other taxable disposition of a Series 2025A Taxable Bond (including a redemption or retirement of a Series 2025A Taxable Bond). Certain U.S. Holders are exempt from information reporting and backup withholding, including corporations and certain tax-exempt organizations. A U.S. Holder will be subject to backup withholding if such holder is not otherwise exempt and:

- the holder fails to furnish the holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;
- the holder furnishes an incorrect taxpayer identification number;
- the applicable withholding agent is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or
- the holder fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

## **Non-U.S. Holders**

### ***Taxation of Interest Generally***

Subject to the discussions below under “Information Reporting and Backup Withholding” and “FATCA,” payments of interest on the Series 2025A Taxable Bonds to a Non-U.S. Holder generally will not be subject to United States federal income or withholding tax under the “portfolio interest exemption,” provided that:

- such interest is not effectively connected with such Non-U.S. Holder’s conduct of a trade or business within the United States;
- the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;
- the Non-U.S. Holder is not a “controlled foreign corporation” with respect to which we are a “related person” within the meaning of the Code;
- the Non-U.S. Holder is not a bank for United States federal income tax purposes whose receipt of interest is described in Section 881(c)(3)(A) of the Code; and
- the beneficial owner of the Bonds provides a properly completed and executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, (or successor form) certifying, under penalties of perjury, that it is not a United States person (within the meaning of Section 7701(a)(30) of the Code) and providing its name and address; or the Non-U.S. Holder holds the Bonds through certain foreign intermediaries and satisfies the certification requirements of applicable Treasury regulations.

For purposes of the discussion below, interest and gain on the sale, exchange, retirement or other disposition of the Series 2025A Taxable Bonds will be considered to be “U.S. trade or business income” if such income or gain is effectively connected with the conduct of a United States trade or business (and, if required by an applicable income tax treaty, attributable to a permanent establishment or fixed base within the United States). A Non-U.S. Holder that receives interest that is United States trade or business income generally will be taxed on a net income basis at regular graduated rates, in substantially the same manner as a U.S. Holder, but will be exempt from United States federal withholding tax as long as the Non-U.S. Holder provides us or another relevant withholding agent with the appropriate documentation (typically, a properly executed IRS Form W-8ECI (or applicable successor form)). In the case of a Non-U.S. Holder that is classified as a corporation, such United States trade or business income also may be subject to a branch profits tax of 30% (subject to reduction or elimination under an applicable income tax treaty).

The gross amount of payments of interest that do not qualify for the portfolio interest exemption, and that are not United States trade or business income, generally will be subject to United States federal withholding tax at a rate of 30% unless a tax treaty applies to reduce or eliminate withholding. To claim the benefits of a tax treaty, a Non-U.S. Holder must provide a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form). A Non-U.S. Holder claiming the benefits of a tax treaty may be required to obtain a United States TIN and to provide certain documentary evidence issued by foreign governmental authorities to prove residence in the foreign country. Also, under Treasury regulations, special procedures are provided for payments through qualified intermediaries.

### ***Sale or Redemption of Bonds***

Subject to the discussions below under “Information Reporting and Backup Withholding,” and “FATCA,” a Non-U.S. Holder generally will not be subject to United States federal income or withholding tax in respect of gain recognized on a sale, exchange, retirement or other taxable disposition of the Bonds (other than amounts attributable to accrued but unpaid interest, which will be treated in the manner described above under “Non-U.S. Holders—Taxation of Interest Generally”) unless:

- the gain is United States trade or business income (as defined above), in which case the Non-U.S. Holder generally will be subject to United States federal income tax on such gain on a net income basis at regular graduated rates, in substantially the same manner as a U.S. Holder (and a branch profits tax also may apply to a corporate Non-U.S. Holder); or

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and meets certain other requirements (unless an applicable income tax treaty provides otherwise), in which case the gain generally will be taxable at a flat 30% rate (or a lower tax treaty rate, if available), subject to offset by certain United States-source capital losses.

### ***Information Reporting and Backup Withholding***

Payments of interest to a Non-U.S. Holder generally will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder certifies its non-U.S. status as described above under “Taxation of Interest Generally.” However, information returns are required to be filed with the IRS in connection with any interest paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of a Series 2025A Taxable Bond (including a retirement or redemption of the Series 2025A Taxable Bond) within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the statement described above and does not have actual knowledge or reason to know that such holder is a United States person or the holder otherwise establishes an exemption. Proceeds of a disposition of a Series 2025A Taxable Bond paid outside the United States and conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder’s U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

### ***FATCA***

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or “FATCA”) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on payments of interest on or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, a Series 2025A Taxable Bond paid to a “foreign financial institution” or a “non-financial foreign entity” (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any “substantial United States owners” (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain “specified United States persons” or “United States owned foreign entities” (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of interest on a Series 2025A Taxable Bond. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of a Series 2025A Taxable Bond, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their purchase of Series 2025A Taxable Bonds.

## **Changes in Law and Post Issuance Events**

The opinions of Bond Counsel are based on current legal authority, cover certain matters not directly addressed by such authorities, and represent Bond Counsel's judgment as to the proper treatment of the Series 2025A Taxable Bonds for federal income tax purposes. Such opinions are not binding on the IRS or the courts. Furthermore, legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the treatment of interest on the Series 2025A Taxable Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2025A Taxable Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It is not possible to predict whether any such legislative or administrative actions or court decisions will occur or have an adverse impact on the federal or state income tax treatment of holders of the Series 2025A Taxable Bonds. Prospective purchasers of the Series 2025A Taxable Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2025A Taxable Bonds.

## **ERISA Considerations**

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA ("ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein ("Qualified Retirement Plans"), and on Individual Retirement Accounts ("IRAs") described in Section 408(b) of the Code (collectively, "Tax-Favored Plans"). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) ("Governmental Plans"), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) ("Church Plans"), are not subject to ERISA requirements. Additionally, such Governmental and Church Plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law ("Similar Laws") which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the Series 2025A Taxable Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, "Benefit Plans") and persons who have certain specified relationships to the Benefit Plans ("Parties in Interest" or "Disqualified Persons"), unless a statutory or administrative exemption is available. The definitions of "Party in Interest" and "Disqualified Person" are expansive. While other entities may be encompassed by these definitions, they include, most notably: (i) fiduciary with respect to a plan; (ii) a person providing services to a plan; (iii) an employer or employee organization any of whose employees or members are covered by the plan; and (iv) the owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available. Without an exemption an IRA owner may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Series 2025A Taxable Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of the Corporation were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the "Plan Assets Regulation"), the assets of the Corporation would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 of the Code if the Benefit Plan acquires an "equity interest" in the Corporation and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on this matter, it appears that the Series 2025A Taxable Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Series 2025A Taxable Bonds, including the reasonable expectation of purchasers of Series 2025A Taxable Bonds that the Series

2025A Taxable Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features.

However, without regard to whether the Series 2025A Taxable Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2025A Taxable Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Corporation or the Trustee, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Series 2025A Taxable Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Series 2025A Taxable Bond. Included among these exemptions are: Prohibited Transaction Class Exemption (“PTCE”) 96-23, regarding transactions effected by certain “in-house asset managers”; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by “insurance company general accounts”; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by “qualified professional asset managers”. Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving “adequate consideration” with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate’s) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Series 2025A Taxable Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2025A Taxable Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the Series 2025A Taxable Bond (or interest therein) with the assets of a Benefit Plan, Governmental Plan or Church Plan; or (ii) the acquisition and holding of the Series 2025A Taxable Bond (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Laws. A purchaser or transferee who acquires Series 2025A Taxable Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

Because the Corporation, the Trustee, the Underwriters or any of their respective affiliates may receive certain benefits in connection with the sale of the Series 2025A Taxable Bonds, the purchase of the Series 2025A Taxable Bonds using plan assets of a Benefit Plan over which any of such parties has investment authority or provides investment advice for a direct or indirect fee may be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code or Similar Laws for which no exemption may be available. Accordingly, any investor considering a purchase of Series 2025A Taxable Bonds using plan assets of a Benefit Plan should consult with its counsel if the Corporation, the Trustee or the Underwriters or any of their respective affiliates has investment Corporation or provides investment advice for a direct or indirect fee with respect to such assets or is an employer maintaining or contributing to the Benefit Plan.

Any ERISA Plan fiduciary considering whether to purchase the Series 2025A Taxable Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of Similar Laws.

**PROSPECTIVE PURCHASERS OF THE SERIES 2025A TAXABLE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2025A TAXABLE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2025A TAXABLE BONDS.**

## **CERTAIN INVESTMENT COMPANY ACT CONSIDERATIONS**

The Corporation is not registered or required to be registered as an “investment company” under the Investment Company Act of 1940, as amended (the “Investment Company Act”), pursuant to Section 3(c)(10) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Corporation. The Corporation does not rely upon the exclusions from the definition of “investment company” set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. The Corporation does not constitute a “covered fund” for purposes of Section 619 of the Dodd-Frank Act, also known as the Volcker Rule. Since the Corporation has not registered, and does not intend to register, as an investment company under the Investment Company Act, Registered Owners will not be afforded protections of the provisions of the Investment Company Act designed to protect investment company investors.

## **ABSENCE OF CERTAIN LITIGATION**

To the knowledge of the Corporation, there is no controversy or litigation of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Series 2025A Taxable Bonds, or in any way contesting or affecting the validity of the Series 2025A Taxable Bonds, any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the Series 2025A Taxable Bonds or the due existence of powers of the Corporation.

## **LEGALITY**

The legality of the authorization, issuance and sale of the Series 2025A Taxable Bonds is subject to the approving opinion of Burr Forman McNair, as Bond Counsel to the Corporation. The opinion of Bond Counsel will be delivered substantially in the forms attached hereto as Appendix B. Certain legal matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP.

## **UNDERWRITING**

The Series 2025A Taxable Bonds are to be purchased by RBC Capital Markets, LLC (the “Underwriter”) pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Corporation and the Underwriter. The Underwriter will purchase the Series 2025A Taxable Bonds at a price equal to \$110,845,786.16 (which is equal to the par amount of the Series 2025A Taxable Bonds less an underwriting discount of \$1,254,213.84). The Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2025A Taxable Bonds if any are purchased. The obligation of the Underwriter to purchase the Series 2025A Taxable Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement.

The initial public offering prices of the Series 2025A Taxable Bonds set forth on the inside front cover page may be changed without notice by the Underwriter. The Underwriter may offer and sell the Series 2025A Taxable Bonds to certain dealers (including dealers depositing Series 2025A Taxable Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriter) and others at prices lower than the offering prices set forth on the inside front cover page hereof. The Underwriter has entered into a distribution arrangement with its affiliate City National Securities, Inc. (CNS). As part of this arrangement, the Underwriter may distribute municipal securities to investors through the financial advisor network of CNS. As part of this arrangement, the Underwriter may compensate CNS for its selling efforts with respect to the Series 2025A Taxable Bonds.

## **MUNICIPAL ADVISOR TO THE CORPORATION**

Hilltop Securities Inc. (the “Municipal Advisor”) serves as independent municipal advisor to the Corporation on matters relating to debt issuance and management. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Series 2025A Taxable Bonds and has reviewed and commented on certain legal documentation, including this Official Statement. The advice on the plan of financing and the structuring of the Series 2025A Taxable Bonds was based on materials provided by the Corporation and other sources of information believed by the Municipal Advisor to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Corporation or the information set forth in this Official Statement or any other information available to the Corporation with respect to the appropriateness, accuracy, or completeness of disclosure of such information or other information and no guarantee, warranty, or other representation is made by the Municipal

Advisor with respect to the accuracy and completeness of or any other matter related to such information or this Official Statement.

## **RELATIONSHIP AMONG FINANCING PARTICIPANTS**

The Underwriter and its affiliates are full service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Corporation. The Underwriter and its affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Corporation.

## **RATINGS**

Prior to the issuance and delivery of the Series 2025A Taxable Bonds, S&P Global Ratings (“S&P”), is expected to assign its bond rating of “AA (sf)” to the Series 2025A Taxable Bonds and upgrade its bond rating assigned to the Series 2020A Taxable Bonds currently rated “A (sf)”, from “A (sf)” to “AA (sf)”.

Such ratings reflect only the views of S&P at the time such ratings are given and the Corporation makes no representation as to the appropriateness of the ratings. An explanation of the significance of such ratings can only be obtained from S&P. There is no assurance that a particular rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2025A Taxable Bonds. The ratings are not a recommendation to buy or sell the Series 2025A Taxable Bonds, and are not a comment as to the suitability of the Series 2025A Taxable Bonds for any investor. See the caption “CERTAIN RISK FACTORS—Certain Actions May Be Permitted Without Registered Owner Approval” herein.

## **INVESTOR REPORTING**

The Corporation will enter into a continuing disclosure certificate with respect to the Series 2025A Taxable Bonds (the “Continuing Disclosure Certificate”) setting forth the undertaking of the Corporation regarding continuing disclosure with respect to the Series 2025A Taxable Bonds. The proposed form of the Continuing Disclosure Certificate is set forth in Appendix C attached hereto.

Investor Reports shall be posted on a quarterly basis on or before the 15th calendar day of each March, June, September and December setting forth the information set forth in the sample report attached to the Continuing Disclosure Certificate. These quarterly Investor Reports will contain information during the period since the previous Investor Report. The Corporation initially intends to post these reports on the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board located at <http://emma.msrb.org> and on the investor page of the Corporation’s website located at <https://www.scstudentloan.org/2020-master-indenture> (or successors to such sites). The Corporation reserves the right (a) to alter the format in which such periodic information is presented, (b) to make such periodic information available either by posting as set forth in a Supplemental Indenture or by posting on a publicly accessible website, or (c) to make such periodic information available by including it as part of the Monthly Report that is delivered during that period.

In addition, the Corporation shall cause the Administrator to prepare and furnish to the Trustee a Monthly Report at least two Business Days prior to the last Business Day of each calendar month. The Trustee shall make available a copy of each Monthly Report on its website at <https://getinvestorreporting.bnymellon.com>, or such other internet address as the Trustee may specify from time to time, to each Registered Owner requesting a copy thereof, and to each Rating Agency then rating Outstanding Bonds. The Trustee may cease making such Monthly Reports available on its website, provided that it provides an alternate means of delivery.

## **MISCELLANEOUS**

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Corporation and the purchasers or owners of any of the Series 2025A Taxable Bonds.

The Indenture provides that all covenants, stipulations, promises, agreements and obligations of the Corporation contained in the Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Corporation and not of any officer, director or employee of the Corporation in his individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Series 2025A Taxable Bonds or for any claim based thereon or on the Indenture against any officer or employee of the Corporation or against any person executing the Series 2025A Taxable Bonds.

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The execution and delivery of this Official Statement have been duly authorized by the Corporation.

SOUTH CAROLINA STUDENT LOAN  
CORPORATION

By: */s/ David A. Simon, III*  
President

Dated: October 24, 2025

**APPENDIX A**

**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

**APPENDIX A**

**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

**Definitions**

In the Indenture, the following words and terms, unless the context otherwise requires, have the following meanings:

“*Account*” shall mean any of the accounts created and established within any Fund by the Indenture.

“*Acquisition Period*” shall mean, for each Series of Bonds, the period beginning on the Date of Issuance for such Series of Bonds and ending on the date set forth in the related Supplemental Indenture for such Series of Bonds.

“*Administration Agreement*” shall mean the Administration Agreement, dated as of August 1, 2020, among the Corporation, the Administrator and the Trustee, and any other administration agreement with any successor Administrator, each as amended from time to time.

“*Administration Fees*” shall mean the fees of the Administrator under the Administration Agreement.

“*Administrator*” shall mean the South Carolina Student Loan Corporation, and shall also mean any other Person (a) with which the Corporation has entered into an Administration Agreement and (b) for which the Corporation shall have satisfied a Rating Agency Notification.

“*Administrator Default*” shall mean an event designated as such in the Administration Agreement.

“*Aggregate Value*” shall mean, on any calculation date, the sum of the Values of all assets of the Trust Estate, and excluding purpose and non-purpose arbitrage liability amounts, if any, which, as of any date of calculation, have not been deposited into the Rebate Fund.

“*Approved Undisbursed Loans*” shall mean those Eligible Loans for which the acquisition of such Eligible Loans has been approved, but such Eligible Loans have not been fully disbursed by the Corporation prior to the end of the Recycling Period or Acquisition Period with respect to a Series of Bonds, as applicable, and for which amounts are available in the corresponding Account or Subaccount of the Student Loan Fund to acquire such Eligible Loan.

“*Authorized Denominations*” shall mean the Authorized Denominations specified for a Series of Bonds in the Supplemental Indenture relating to such Series of Bonds.

“*Authorized Officer*” shall mean (a) when used with reference to the Corporation, the Administrator, the Corporation’s President, the Corporation’s Chief Financial Officer, the Corporation’s Controller and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Administrator or the Corporation then authorized to perform such act or discharge such duty, or (b) when used with reference to a Conduit Issuer, the Conduit Issuer’s President, the Conduit Issuer’s Chief Financial Officer, the Conduit Issuer’s Controller and, in the case of any act to be performed or duty to be discharged, any other officer or employee of the Conduit Issuer then authorized to perform such act or discharge such duty.

“*Authorized Representative*” shall mean, when used with reference to the Corporation, (a) an Authorized Officer, or (b) an individual designated in writing by an Authorized Officer of the Corporation to act on the Corporation’s behalf under the Indenture.

“*Bond*” or “*Bonds*” shall mean any bonds, notes or other debt obligations issued pursuant to the Indenture.

“*Bond Counsel*” shall mean counsel of nationally recognized standing in the field of law relating to municipal, state and public agency financing selected by the Issuer.

*“Bond Payment Date”* shall mean, for any Bond, any Interest Payment Date, its Stated Maturity or the date of any debt service payment with respect thereto designated in a Supplemental Indenture.

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

*“Business Day”* shall have the meaning, with respect to any Series of Bonds, set forth in the Supplemental Indenture pursuant to which such Series of Bonds is issued.

*“Capitalized Interest Fund”* shall mean the Fund by that name created pursuant to the Indenture, including any Accounts and Subaccounts created therein.

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

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

*“Conduit Issuer”* shall mean a governmental conduit issuer issuing Bonds for the benefit of the Corporation and secured pursuant to the Indenture, and any successor thereto.

*“Conduit Issuer Fees”* shall mean the regular fees and expenses of a Conduit Issuer for the issuance of Tax-Exempt Bonds.

*“Continuing Disclosure Agreement”* shall mean any Continuing Disclosure Agreement or Continuing Disclosure Certificate entered into or executed by the Corporation pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as such rule may be amended from time to time.

*“Corporation”* shall mean South Carolina Student Loan Corporation, a nonprofit corporation created and established pursuant to, and existing under, the laws of the State of South Carolina, or any successor thereto.

*“Corporation Order”* shall mean a written order signed in the name of the Corporation (or as applicable, any Conduit Issuer) by an Authorized Representative. Such order shall conform to the requirements of the Indenture and shall be delivered to the Trustee.

*“Credit Risk Retention Rules”* shall mean Regulation RR, 17 C.F.R. § 246.1, *et seq.*

*“Date of Issuance”* shall mean the date of original issuance and delivery of any Bonds to an Underwriter or other initial purchaser of Bonds from the Issuer.

*“Debt Service Fund”* shall mean the Fund by that name created in the Indenture, including any Accounts and Subaccounts created therein.

*“Debt Service Reserve Fund”* shall mean the Fund by that name created in the Indenture, including any Accounts and Subaccounts created therein.

*“Debt Service Reserve Fund Requirement”* shall mean, as of any particular day of calculation, the definition assigned thereto in the Supplemental Indenture relating to the most recent Series of Bonds issued under the Master Indenture as the Debt Service Reserve Fund Requirement for the Bonds Outstanding; provided, however, any such requirement may be modified if the Corporation shall have satisfied the Rating Agency Notification.

*“Defaulted Loan”* shall mean, except as otherwise provided in a Supplemental Indenture, an Eligible Loan which has reached 181 days of delinquency and has been classified in the Corporation’s loan files as a Defaulted Loan.

*“Eligible Account”* shall mean, at any time, a segregated account with an Eligible Institution, which will be a segregated account with the corporate trust department of a depository institution organized under the laws of the United States of America or any one of the States or the District of Columbia (or any domestic branch of a foreign bank), having corporate trust powers and acting as trustee or paying agent for funds deposited in such account.

*“Eligible Institution”* shall mean a depository institution organized under the laws of the United States of America or any one of the States or the District of Columbia (or any domestic branch of a foreign bank) (a) whose deposits are insured by the FDIC, and (b) which has (i) a long-term unsecured debt rating of at least “A” by S&P, so long as S&P maintains a rating on the Bonds, and (ii) carries a rating from each other Rating Agency at any time rating the Bonds in one of their generic rating categories which signifies investment grade. If so qualified, the Paying Agent or the Trustee may be considered an Eligible Institution.

*“Eligible Loan”* shall mean any loan made to finance or refinance post-secondary education that is (a) made or acquired by the Corporation pursuant to the Program Manual and any Supplemental Indenture or (b) if the Corporation shall have satisfied the Rating Agency Notification, otherwise permitted to be financed by the Corporation pursuant to its Program. The Trustee shall have no obligation to determine whether a loan constitutes an “Eligible Loan”.

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

*“Event of Default”* shall have the meaning specified under the caption “DEFUALTS AND REMEDIES – Events of Default Defined” in this Appendix A.

*“Excess Earnings”* shall mean, with respect to Financed Eligible Loans held in the Student Loan Fund and Financed with the proceeds of Tax-Exempt Bonds, the amount by which the earnings on such Financed Eligible Loans exceeds the applicable materially higher spread pursuant to § 1.148-2(d)(2) of the Treasury Regulations.

*“Extraordinary Expenses”* shall mean (a) with respect to the Trustee, indemnification payments, legal fees and other expenses incurred with respect to the Trust Estate or in connection with the enforcement of remedies, and other amounts payable to the Trustee hereunder that are not included in the Trustee Fees, (b) with respect to the Administrator, any indemnification payments and other amounts payable to the Administrator under the Administration Agreement in excess of the Administration Fee, and (c) with respect to the Servicers, any amounts payable to a Servicer under the related Servicing Agreement in excess of the Standard Servicing Fees.

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

*“Financed”* or *“Financing”* shall, when used with respect to Eligible Loans, mean or refer to (a) Eligible Loans acquired, financed or refinanced by the Corporation with balances in the Student Loan Fund or otherwise deposited in or accounted for in the Student Loan Fund or otherwise constituting a part of the Trust Estate and

(b) Eligible Loans substituted or exchanged for Financed Eligible Loans; but does not include Eligible Loans released from the lien of the Indenture and sold or transferred, to the extent permitted by the Indenture.

*“Fiscal Year”* shall mean the fiscal year of the Corporation as established from time to time; currently, the Fiscal Year of the Corporation commences each July 1 and ends on the following June 30.

*“Funds”* shall mean each of the Funds created pursuant to the Indenture.

*“GAAP”* shall mean generally accepted accounting principles consistently applied.

*“Highest Priority Bonds”* shall mean, (a) at any time when Senior Bonds are Outstanding, the Senior Bonds; and (b) at any time when no Senior Bonds are Outstanding, the Senior Subordinate Bonds; and (c) at any time when no Senior Bonds or Senior Subordinate Bonds are Outstanding, the Subordinate Bonds.

*“Indenture”* shall mean the Indenture of Trust, including all supplements and amendments thereto.

*“Interest Payment Date”* shall mean the Interest Payment Dates specified for a Series of Bonds in the Supplemental Indenture relating to such Series of Bonds.

*“Investment Securities”* shall mean:

- U.S. Treasury Obligations (all direct or fully guaranteed obligations); U.S. Department of Housing and Urban Development Public housing agency bonds (previously known as local authority bonds); Federal Housing Administration debentures; Government National Mortgage Association (GNMA) guaranteed mortgage backed securities (MBS) or participation certificates; Resolution Funding Corporation (RefCorp) debt obligations; or Small Business Association guaranteed participation certificates and guaranteed pool certificates, each with a maturity of 12 months or less;
- interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with a maturity of 365 days or less with any bank, trust company, national banking association or other depository, including those of the Trustee; provided that such depository has a rating of AA-/A-1+ by S&P;
- bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following agencies: Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation; the Federal National Mortgage Association; Federal Home Loan Banks; Tennessee Valley Authority; provided such obligation is rated “AA+” or higher by S&P;
- repurchase agreements and reverse repurchase agreements, other than overnight repurchase agreements and overnight reverse repurchase agreements, with banks, including the Trustee and any of its affiliates, which are members of the Federal Deposit Insurance Corporation, in each case whose outstanding, short-term debt obligations are rated no lower than “A-1+” by S&P; provided further that if there is a downgrade below a long-term rating of “A” by S&P, the Corporation shall replace or cause to be replaced the provider within 90 days of such downgrade at no cost to the Trust Estate;
- guaranteed investment contracts providing for the investment of funds in an account or insuring a minimum rate of return on investments of such funds, which contract shall:
  - be an obligation of or guaranteed by an insurance company or other corporation or financial institution whose debt obligations or insurance financial strength or claims-paying ability are rated “A-” or better by S&P, provided further that if there is a downgrade below “A-” by S&P, the Corporation shall replace or cause to be replaced the provider within 90 days of such downgrade at no cost to the Trust Estate, provide a written guarantee acceptable to the Corporation from a guarantor meeting the S&P guarantor criteria with a long-term debt rating of “A-” or better, by S&P, or repay the principal of an accrued but unpaid interest on the investment and either case with no termination penalty or premium to the Corporation or Trustee; and

- provide that the Trustee may (but shall be under no obligation to) exercise all of the rights of the Corporation under such contract without the necessity of the taking of any action by the Corporation;
- investment agreements or guaranteed investment contracts that are entered into on the Date of Issuance for a Series of Bonds that are issued pursuant to the provisions of the Indenture;
- commercial paper, including that of the Trustee and any of its affiliates, which is rated in the single highest classification, “A-1+ by S&P, and which matures not more than 270 days after the date of purchase;
- investments in a money market fund rated “AAAm” by S&P, including funds for which the trustee or an affiliate thereof acts as an investment advisor or provides other similar services for a fee; and
- any other investment for which the Corporation shall have satisfied the Rating Agency Notification.

Ratings on “Investment Securities” are to be determined at the time of purchase.

“*Issuer*” shall mean the actual issuer of the Bonds, being either the Corporation or a Conduit Issuer.

“*Majority-Owned Affiliate*” of a person shall mean an entity (other than the Corporation) that, directly or indirectly, majority controls, is majority controlled by or is under common majority control with, such person. For purposes of this definition, majority control means ownership of more than 50% of the equity of an entity, or ownership of any other controlling financial interest in the entity, as determined under GAAP.

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

“*Monthly Report*” shall mean a report prepared by the Administrator on behalf of the Corporation setting forth collection activity with respect to the Financed Eligible Loans and investment earnings with respect to the pledged Funds and Accounts during such specified period and the application of Revenues on the last Business Day of each calendar month pursuant to the Indenture.

“*Net Asset Requirement*” shall mean, and shall be satisfied when, the Value of assets constituting the Trust Estate exceeds the amount of Bonds Outstanding and other accrued but unpaid liabilities incurred under the Indenture that are Senior Transaction Fees by an amount established in the most recent Supplemental Indenture with Bonds Outstanding; provided, any such requirement may be reduced if the Corporation shall have satisfied the Rating Agency Notification.

“*Nexus Loan*” shall mean an Eligible Loan made for or on behalf of a student who was at the time the Eligible Loan was made a resident of the State of South Carolina and/or who was, at the time the Eligible Loan was made, enrolled at an educational institution located in the State of South Carolina, as determined pursuant to the Code and related regulations.

“*Operating Fund*” shall mean the fund by that name described in the Indenture.

“*Opinion of Counsel*” shall mean (a) with respect to the Corporation one or more written opinions of counsel who may be counsel (including in-house counsel) to the Corporation or the Administrator; (b) with respect to a Conduit Issuer one or more written opinions of counsel who may be counsel (including in-house counsel) to the Conduit Issuer; (c) with respect to the Administrator or a Servicer, one or more written opinions of counsel who may be counsel (including in-house counsel) to the Administrator or a Servicer; and (d) with respect to the Trustee one or more written opinions of counsel who may be counsel (including in-house counsel) to the Trustee, the Corporation or the Administrator and who shall be reasonably satisfactory to the Trustee.

“*Outstanding*” shall mean, when used in connection with any Bond, a Bond which has been executed and delivered pursuant to the Indenture which at such time remains unpaid as to principal and interest, unless in all cases

provision has been made for such payment pursuant to the Indenture, excluding Bonds which have been exchanged for or replaced pursuant to the Indenture.

*“Overall Parity Percentage”* shall mean the ratio, expressed as a percentage, of (a) the Aggregate Value to (b) the aggregate principal amount of and accrued interest on all Bonds then Outstanding, plus any allocable accrued but unpaid Senior Transaction Fees, if any, as of the date of such calculation.

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

*“Paying Agent”* shall mean the Trustee, in its capacity as paying agent pursuant to the Indenture.

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

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

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

*“Principal Reduction Payment Date”* shall mean, for any Bond, any date described in a Supplemental Indenture for the payment of Principal Reduction Payments.

*“Principal Reduction Payments”* shall mean principal payments on Bonds, other than mandatory sinking fund payments (with the exception of cumulative mandatory sinking fund installment payments due on cumulative mandatory sinking fund redemption dates other than the final maturity of the related term bond), made prior to a Stated Maturity, as set forth in a Supplemental Indenture.

*“Program”* shall mean the Corporation’s program for the origination and financing or refinancing of Eligible Loans pursuant to the Indenture, any Supplemental Indenture and any applicable Program Manual, as the same may be modified from time to time.

*“Program Manual”* shall mean any applicable Program Manual relating to the Program, and all documentation adopted or used in connection with the Program, and the origination and servicing standards for the Program as in effect on the date of execution of the Indenture and as revised, amended, altered, or supplemented from time to time.

*“Proposed Action”* shall mean any proposed action, failure to act or other event which, under the terms of the Indenture, is conditional upon a Rating Agency Notification or a Rating Agency Confirmation.

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

*“Rating Agency”* shall mean any one or more nationally recognized statistical rating organizations or other comparable Persons, designated by the Corporation to assign Ratings to any of the Bonds.

*“Rating Agency Confirmation”* shall mean a letter or press release or other written release from each Rating Agency rating any of the Bonds confirming that its Ratings on the Bonds will not be reduced, withdrawn, conditioned or placed under review with negative implications as a result of a Proposed Action to be taken by the Corporation or, if applicable, the Conduit Issuer.

*“Rating Agency Fees”* means the surveillance fees payable to the Rating Agencies to maintain ratings on the Bonds, as set forth in the applicable fee letter.

*“Rating Agency Notification”* shall mean, with respect to a Proposed Action, that the Corporation shall have given written notice of such Proposed Action to each Rating Agency then rating any of the Bonds at least 20 Business Days prior to the proposed effective date thereof.

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

*“Rebate Fund”* shall mean the Fund by that name created in the Indenture, including any Accounts and Subaccounts created therein.

*“Record Date”* shall mean the Record Date established for any Bonds pursuant to the Supplemental Indenture relating to such Bonds.

*“Recoveries of Principal”* shall mean all amounts received by the Trustee from or on account of any Financed Eligible Loan as a recovery of the principal amount thereof, including scheduled, delinquent and advance payments; payouts or prepayments and proceeds from the sale, repurchase, assignment, transfer, reallocation or other disposition of a Financed Eligible Loan.

*“Recycling Period”* shall have the meaning ascribed to such term in any Supplemental Indenture.

*“Redemption Date”* shall mean, when used with respect to any Bonds to be redeemed, the date fixed for such redemption by or pursuant to the Indenture (including the applicable Supplemental Indenture).

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

*“Registered Owner”* shall mean the Person in whose name a Bond is registered on the Bond registration records maintained by the Trustee, unless the context otherwise requires.

*“Registrar”* shall mean the Trustee, in its capacity as registrar pursuant to the Indenture.

*“Residual Certificate”* shall mean a certificate executed by the Corporation and authenticated by the Trustee evidencing an undivided interest, whether fractional or whole, in the residual interest in the Trust Estate created under the Indenture.

*“Residual Certificateholder”* shall mean the Person in whose name the Residual Certificate is registered in the books of the Corporation; provided, however, that if no Residual Certificate has been issued under the Indenture, the Corporation shall be deemed to be the Residual Certificateholder for purposes of the Indenture.

*“Responsible Officer”* shall mean, with respect to the Trustee, any officer within the Principal Office of the Trustee including any vice president, assistant vice president, assistant secretary, trust officer, or any other officer of the Trustee, customarily performing functions similar to those performed by any of the above designated officers, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject, and in each case with direct responsibility for the administration of the Indenture on behalf of the Trustee.

*“Revenue”* or *“Revenues”* shall mean all Recoveries of Principal, payments, proceeds, charges and other income received by the Trustee or the Corporation from or on account of any Financed Eligible Loan (including scheduled, delinquent and advance payments of interest) and all interest earned or gain realized from the investment of amounts in any Fund or Account (other than the Rebate Fund and the Operating Fund).

*“Revenue Fund”* shall mean the Fund by that name created in the Indenture, including any Accounts and Subaccounts created therein.

*“S&P”* shall mean S&P Global Ratings, and its successors and assigns, but only if S&P has been requested by the Corporation to assign Ratings to any of the Bonds.

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

*“Senior Bonds”* shall mean all Bonds secured on a priority senior to the Senior Subordinate Bonds and the Subordinate Bonds.

*“Senior Parity Percentage”* shall mean the ratio, expressed as a percentage, of (a) the Aggregate Value to (b) the aggregate principal amount of and accrued interest on all Senior Bonds then Outstanding, plus any allocable accrued but unpaid Senior Transaction Fees, if any, as of the date of such calculation.

*“Senior Subordinate Bonds”* shall mean all Bonds secured on a priority subordinate to the Senior Bonds and on a priority senior to the Subordinate Bonds.

*“Senior Subordinate Parity Percentage”* shall mean the ratio, expressed as a percentage, of (a) the Aggregate Value to (b) the aggregate principal amount of and accrued interest on all Senior Bonds and Senior Subordinate Bonds then Outstanding, plus any allocable accrued but unpaid Senior Transaction Fees, if any, as of the date of such calculation.

*“Senior Subordinate Taxable Bonds”* shall mean Senior Subordinate Bonds that are Taxable Bonds.

*“Senior Subordinate Tax-Exempt Bonds”* shall mean Senior Subordinate Bonds that are Tax-Exempt Bonds.

*“Senior Taxable Bonds”* shall mean Senior Bonds that are Taxable Bonds.

*“Senior Tax-Exempt Bonds”* shall mean Senior Bonds that are Tax-Exempt Bonds.

*“Senior Transaction Fees”* shall mean (a) the Trustee Fees, (b) the Administration Fees, (c) the Standard Servicing Fees, (d) the Rating Agency Fees, (e) the Conduit Issuer Fees, and (f) Extraordinary Expenses (including any rebate analyst fees, counsel fees, audit and tax return fees and expenses of the Corporation) (subject to any limitations set forth in any Supplemental Indenture).

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

*“Servicer”* shall mean Nelnet Servicing, LLC (d/b/a Firstmark Services), and shall also mean any additional Person (a) with which the Corporation or the Administrator has entered into a Servicing Agreement with respect to Financed Eligible Loans and (b) for which the Corporation shall have satisfied a Rating Agency Notification; provided, however, a collection agency hired by the Corporation, the Administrator or a Servicer to collect on Defaulted Loans shall not be deemed to be a Servicer hereunder.

*“Servicing Agreement”* shall mean the Private Loan Subservicing Agreement, dated as of January 9, 2017, between the South Carolina Student Loan Corporation and Nelnet Servicing, LLC (d/b/a Firstmark Services), and any additional servicing agreements with any other Servicer, in each case relating to the Financed Eligible Loans, as amended from time to time.

*“Special Record Date”* shall mean the Special Record Date established for any Bonds pursuant to the Supplemental Indenture relating to such Bonds.

*“Standard Servicing Fees”* mean any fees and expenses payable to the Servicers with respect to the servicing and collection of the Financed Eligible Loans consisting of periodic unit fees, default related fees, delinquency fees,

and annual privacy mailing fees, but shall not include fees due as a result of the termination of a Servicing Agreement (including any deconversion fees related to Financed Eligible Loans resulting from such termination), indemnification or other extraordinary expense items (all of which are Extraordinary Expenses).

“*Stated Maturity*” shall mean, with respect to any Bonds, the date specified in the Supplemental Indenture relating to such Bonds as the fixed date on which principal of such Bonds is due and payable.

“*Student Loan Fund*” shall mean the Fund by that name created in the Indenture, including any Accounts and Subaccounts created therein.

“*Subaccount*” shall mean any additional Account which may be created and established to account for activity within any other Account by the Indenture.

“*Subordinate Bonds*” shall mean any Bonds secured on a priority subordinate to the Senior Bonds and the Senior Subordinate Bonds.

“*Subordinate Taxable Bonds*” shall mean Subordinate Bonds that are Taxable Bonds.

“*Subordinate Tax-Exempt Bonds*” shall mean Subordinate Bonds that are Tax-Exempt Bonds.

“*Subordinate Transaction Fees*” shall mean Extraordinary Expenses that are in excess of the amounts that can be paid as Senior Transaction Fees as provided in the definition thereof.

“*Supplemental Indenture*” shall mean an agreement supplemental to the Indenture executed pursuant to the provision described under the caption “SUPPLEMENTAL INDENTURES” in this Appendix A.

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

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

“*Tax-Exempt Bonds*” shall mean any Bonds issued and delivered by a Conduit Issuer, the interest on which purports to be excluded from the federal gross income of the Registered Owners thereof. The Supplemental Indenture for such Tax-Exempt Bonds shall be by and among the Corporation, the Trustee and the Conduit Issuer of such Tax-Exempt Bonds.

“*Transfer Agent*” shall mean the Trustee, in its capacity as transfer agent pursuant to the Indenture.

“*Transfer Agent Office*” shall mean the office designated by the Transfer Agent, presently The Bank of New York Mellon Trust Company, N.A., 2001 Bryan Street, 10th Floor, Dallas, Texas 75201 Attn: Bond Transfer Department.

“*Trust Estate*” shall mean the property described as such in the granting clauses to the Indenture.

“*Trustee*” shall mean The Bank of New York Mellon Trust Company, N.A., a national banking association, acting in its capacity as Trustee under the Indenture, or any successor Trustee designated pursuant to the Indenture.

“*Trustee Fees*” shall mean the regular fees and expenses of the Trustee hereunder.

“*Underwriter*” shall mean the underwriter or underwriters of any of the Bonds as may be specified in a Supplemental Indenture.

“Value” on any calculation date when required under the Indenture shall mean the value of the Trust Estate calculated by the Corporation as to clause (a) below and by the Trustee as to clauses (b) through (e), inclusive, below, as follows:

- with respect to any Eligible Loan, the unpaid principal amount thereof plus any accrued but unpaid interest; provided, however, a Defaulted Loan shall have a Value of zero;
- with respect to any funds of the Corporation held under the Indenture and on deposit in any commercial bank or as to any banker’s acceptance or repurchase agreement or investment contract, the amount thereof plus accrued interest;
- with respect to any Investment Securities of an investment company, the bid price of the shares as reported by the investment company plus accrued interest;
- as to investment agreements, par plus accrued interest; and
- as to other investments, the bid price published by a nationally recognized pricing service.

## **BOND DETAILS**

### **Bond Details**

The details of each Series of Bonds authorized pursuant to the Indenture and a Supplemental Indenture are required to be contained in the applicable Supplemental Indenture. Such details shall include, but are not limited to, the principal amount, Series, Authorized Denomination, dated date, interest rate, Stated Maturity, redemption provisions and registration provisions.

### **Issuance of Bonds**

The Corporation, and, at the request of the Corporation, a Conduit Issuer has the authority, upon complying with the provisions described below, to authenticate and deliver from time to time Bonds secured by the Trust Estate on a parity with the Senior Bonds, the Senior Subordinate Bonds or the Subordinate Bonds, if any, secured under the Indenture as shall be determined by the Corporation.

No Bonds may be authenticated and delivered pursuant to the Indenture until the following conditions have been satisfied; provided, however, with respect to the issuance of the initial Series of Bonds which are issued concurrently with each other, satisfaction of the condition provided in paragraph (b) below is not required:

(a) The Corporation, the Trustee and, if appropriate, the Conduit Issuer, have entered into a Supplemental Indenture (which Supplemental Indenture does not require the approval of the Registered Owners of any of the Outstanding Bonds) providing the terms and forms of the proposed Series of Bonds as described under the caption “Bond Details” above, including the designation of such Series of Bonds as Senior Bonds, Senior Subordinate Bonds or Subordinate Bonds, whether such Series of Bonds constitutes Taxable Bonds or Tax-Exempt Bonds (or a combination thereof), the redemption and selection for redemption provisions applicable to such Series of Bonds, and the application of the proceeds of the Bonds and any Corporation contribution;

(b) A Rating Agency Confirmation shall have been received with respect to the issuance of such Series of Bonds; and

(c) Upon the issuance of the proposed Series of Bonds, an amount equal to the Debt Service Reserve Fund Requirement with respect to such Series of Bonds, if any, shall be deposited into the Debt Service Reserve Fund.

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

## **Redemption of Bonds**

Bonds subject to redemption prior to maturity pursuant to a Supplemental Indenture with respect to a Series shall be redeemable at such times, at such Redemption Prices and upon such terms as may be specified in the Supplemental Indenture authorizing such Series. See the caption “THE SERIES 2025A TAXABLE BONDS – Redemption Provisions” in the body of this Official Statement.

## **PARITY AND PRIORITY OF LIEN; OTHER OBLIGATIONS**

### **Trust Estate**

Pursuant to the Indenture, the Corporation and, as provided in the applicable Supplemental Indenture, the Conduit Issuer, grant a security interest to the Trustee for the benefit and security of the Registered Owners of the Bonds in the following (the “Trust Estate”):

- The Revenues (other than Revenues deposited in the Rebate Fund or the Operating Fund or otherwise released from the lien of the Trust Estate as provided in the Indenture);
- All moneys and investments held in the Funds described in the Indenture;
- The Financed Eligible Loans and any notes and documents evidencing the same and all extensions and renewals thereof;
- The rights of the Corporation in and to the Administration Agreement, and all Servicing Agreements as the same relate to the Financed Eligible Loans; and
- Any and all other property, rights and interests of every kind or description from time to time hereafter granted, conveyed, pledged, transferred, assigned or delivered to the Trustee as additional security under the Indenture.

### **Parity and Priority of Lien**

As they relate to the Bonds and the Registered Owners, the provisions, covenants and agreements in the Indenture set forth to be performed by or on behalf of the Corporation and, as provided in the applicable Supplemental Indenture, a Conduit Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in the Indenture with respect to certain payment and other priorities.

### **Other Obligations**

The Corporation and each Conduit Issuer reserve the right to issue other bonds or obligations which do not constitute or create a lien on the Trust Estate.

Neither the Corporation nor any Conduit Issuer shall commingle the Funds established by the Indenture with funds, proceeds, or investment of funds relating to other issues or series of bonds heretofore or hereafter issued.

The Revenues and other moneys, Financed Eligible Loans, securities, evidences of indebtedness, interests, rights and properties pledged under the Indenture are and will be owned by the Corporation or, to the extent provided in the applicable Supplemental Indenture, a Conduit Issuer free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, of equal rank with or subordinate to the respective pledges created by the Indenture, except as otherwise expressly provided in the Indenture, and all action on the part of the Corporation and each Conduit Issuer to that end has been duly and validly taken. Except as otherwise provided in the Indenture, neither the Corporation nor any Conduit Issuer shall create or voluntarily permit to be created any debt, lien, or charge on the Financed Eligible Loans which would be on a parity with, subordinate to, or prior to the lien of the Indenture; shall not do or omit to do or suffer to be done or omitted to be done any matter or things whatsoever whereby the lien of the Indenture or the priority of such lien for the Bonds might or could be lost or impaired; and is required to pay or

cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence to or any equality with the Indenture as a lien or charge upon the Financed Eligible Loans; provided, however, that nothing in this paragraph requires the Corporation or any Conduit Issuer to pay, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof is contested by it in good faith, unless thereby same will endanger the security for the Bonds; and provided further that any lien on the Trust Estate subordinate to the lien of the Indenture (i.e., subordinate to the lien securing the Senior Bonds, the Senior Subordinate Bonds and the Subordinate Bonds) will be entitled to no payment from the Trust Estate, nor may any remedy be exercised with respect to such subordinate lien against the Trust Estate until all Bonds have been paid or deemed paid under the Indenture.

## **PROVISIONS APPLICABLE TO THE BONDS; DUTIES OF THE CORPORATION**

### **Payment of Bonds**

The Corporation and each Conduit Issuer covenants in the Indenture that it will promptly pay, but solely from the Trust Estate, the principal of and interest, if any, on each and every Bond issued by it under the provisions of the Indenture at the places, on the dates and in the manner specified in the Indenture and in said Bonds and any premium required for the retirement of said Bonds by purchase or redemption according to the true intent and meaning thereof.

The Corporation and each Conduit Issuer is required at all times to maintain an office or agency where its Bonds may be presented for registration, transfer or exchange, and where notices, presentations and demands upon the Corporation and each Conduit Issuer in respect of the Bonds or of the Indenture may be served. The Corporation has appointed the Trustee as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds, and for the service of such notices, presentations and demands upon the Corporation and any Conduit Issuer.

### **Covenant to Perform Obligations Under The Indenture**

The Corporation and, to the extent provided in the applicable Supplemental Indenture, each Conduit Issuer covenants in the Indenture that it will faithfully perform at all times and at all places all covenants, undertakings, stipulations, provisions and agreements contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture and in all proceedings of the Corporation and such Conduit Issuer pertaining thereto. The Issuer covenants in the Indenture that it is duly authorized to issue the Bonds authorized thereunder and to enter into the Indenture and that all action on its part for the issuance of the Bonds issued under the Indenture and the execution and delivery of the Indenture has been duly and effectively taken; and that such Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable special, limited obligations of the Issuer according to the tenor and import thereof.

In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of the Indenture will be a part of the contract of the Corporation and, if applicable, the Conduit Issuer, with the Registered Owners of the Bonds and is deemed to be and constituted a contract among the Corporation, any Conduit Issuer, the Trustee and the Registered Owners from time to time.

### **Further Instruments and Actions**

Each of the Corporation and, to the extent provided in the applicable Supplemental Indenture, each Conduit Issuer covenants in the Indenture that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental to the Indenture and such further acts, instruments and transfers as required for the better pledging all and singular of the Trust Estate to the payment of the principal of, premium, if any, and the interest on the Bonds and other amounts owed under the Indenture to the Registered Owners.

### **Administration of the Program**

The Corporation is required to administer, operate and maintain the Program in such manner as to ensure that the Financed Eligible Loans will conform to the requirements of the Program Manual and any Supplemental Indenture.

## **Financing, Collection and Assignment of Eligible Loans**

The Corporation is required to originate, finance and refinance only Eligible Loans with moneys in the Student Loan Fund and to diligently cause to be collected all principal and interest payments (subject to the provisions described under the caption “Enforcement of Financed Eligible Loans” below) on all the Financed Eligible Loans and all defaulted payments which relate to such Financed Eligible Loans. The Corporation is required to and will direct in writing each Servicer to, transmit all principal and interest payments on all the Financed Eligible Loans to the Trustee for deposit to the Revenue Fund within two (2) Business Days of identification of the related Financed Eligible Loans. The Corporation is required to comply with all United States and state statutes, rules and regulations which apply to the Program and to such Financed Eligible Loans.

## **Enforcement of Financed Eligible Loans**

The Corporation shall, subject to the other provisions of this paragraph, cause to be diligently enforced, and take all steps, actions and proceedings reasonably necessary for the enforcement of, all terms, covenants and conditions of all Financed Eligible Loans, the Program Manual and agreements in connection therewith, including the prompt payment of all principal and interest payments and all other amounts due the Corporation thereunder. The Corporation shall not, except as permitted by the succeeding paragraph and the last sentence of this paragraph, permit the release of the obligations of any borrower under any Financed Eligible Loan and shall, subject to the other provisions described under this caption, at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Corporation and the Trustee under the Indenture or with respect to each Financed Eligible Loan and agreement in connection therewith. The Corporation shall not, subject to the other provisions of this paragraph, consent or agree to or permit any amendment or modification of any Financed Eligible Loan or agreement in connection therewith which will in any manner materially adversely affect the rights or security of the Registered Owners under the Indenture. Nothing in the Indenture shall be construed to prevent the Corporation from (i) granting a reasonable forbearance to a borrower (unless such forbearance will, in the reasonable judgment of the Corporation, have a material adverse impact on the Corporation’s or any Conduit Issuer’s ability to meet its obligations under the Indenture); (ii) settling a default or curing a delinquency on any Financed Eligible Loan on such terms as shall be permitted by law and as permitted by the Program Manual; (iii) forgiving the repayment of any Financed Eligible Loan upon the death or permanent disability of a borrower or benefiting student, (iv) offering borrower benefits that are permitted under the Program Manual, (v) settling or curing a delinquency on any Financed Eligible Loan or otherwise settling any dispute with a borrower on such terms as shall be required by law or as the Corporation may deem to be in the best interest of the Program, (vi) providing any deferral, forbearance or other similar benefits in accordance with the standards and requirements of the Program; (vii) with respect to any Defaulted Loan, rescheduling, revising, deferring, selling or otherwise compromising payments or taking other reasonable actions with respect to Defaulted Loans in connection with maximizing the recovery on such Defaulted Loans as further set forth below, (viii) ceasing collection and servicing efforts with respect to any small balance Financed Eligible Loan when and if the Corporation determines that the probable costs of collection and servicing exceed the expected proceeds of collection (including having a write-off policy that is consistent with the standards and requirements of the applicable Servicer), (ix) if the Corporation shall have satisfied the Rating Agency Notification, charging interest at a lower rate than is required by the Program Manual or any Supplemental Indenture; or (x) if the Corporation shall have satisfied the Rating Agency Notification, establishing discounts or granting forgiveness of principal of or interest on Financed Eligible Loans.

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

The Corporation, or its designated agent (which designated agent may be the Administrator, a Servicer or any third-party collection agent), is required to undertake reasonable collection efforts with respect to any Defaulted Loans in accordance with customary industry standards and practices. All such collection efforts are required to be

conducted in material compliance with all applicable federal, state and local laws, including any applicable consumer protection laws. Any such designated agent of the Corporation that successfully collects amounts owed from borrowers on Defaulted Loans may be compensated for such collection efforts by deducting and retaining a customary percentage of amounts collected from borrowers, as well as any related collection expenses, on Defaulted Loans that is approved by the Corporation with all remaining amounts collected from borrowers on Defaulted Loans being promptly deposited to the applicable Account of the Revenue Fund, regardless of whether any such borrower payments result in a reduction in the outstanding principal balance of any such Defaulted Loans. Notwithstanding anything set forth in the Indenture to the contrary, such designated agent of the Corporation may directly collect amounts received from borrowers with respect to Defaulted Loans for deposit with the Trustee, and any deductions from amounts collected on Defaulted Loans by designated agents of the Corporation as compensation for performing collection efforts, as well as any related collection expenses, are not deemed to be Revenue or a Senior Transaction Fee or Subordinate Transaction Fee under the Indenture. To the extent that the Administrator pays or advances collection expenses on behalf of a collection agent for Defaulted Loans, the Administrator may be reimbursed from collections prior to the deposit of such amounts in the Revenue Fund to the same extent as if such collection expenses had been directly paid, and deducted from such collections, by the collection agent. The Corporation, or its designated agent serving as collection agent, may act as custodian for any Defaulted Loans. The Corporation, or its designated agent, is permitted to reschedule, revise, defer or otherwise compromise payments or take other reasonable actions with respect to Financed Eligible Loans that are Defaulted Loans in connection with maximizing the recovery on such Financed Eligible Loans. The Corporation, or its designated agent, is also permitted to cease collection and servicing efforts with respect to any Financed Eligible Loans when and if the Corporation determines that the probable costs of collection and servicing exceed the expected proceeds of collection or that the Financed Eligible Loan is unsuitable for continued collection efforts.

### **Administration and Servicing**

The Corporation covenants that it will keep in force and effect an Administration Agreement whereby the Administrator will be responsible for the performance of certain administrative functions in connection with the Indenture and pursuant to which the Administrator is required to cause there to be provided, loan servicing services for the Financed Eligible Loans in accordance with all applicable requirements of the Program and the Indenture. The Corporation and/or the Administrator may enter into Servicing Agreements with Servicers; provided that, with respect to any Servicer appointed with respect to the Financed Eligible Loans after the Date of Issuance, the Rating Agency Notification shall first be satisfied.

The Corporation is required to cause to be diligently enforced, and to take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of the Administration Agreement, including the prompt payment of all principal and interest payments and all other amounts due the Corporation or the Trustee thereunder, which relate to any Financed Eligible Loans, and maintaining Servicing Agreements with Servicers with respect to the servicing of the Financed Eligible Loans. The Corporation is not permitted to release any of the obligations of the Administrator under the Administration Agreement and is required at all times, to the extent permitted by law, to cause to be defended, enforced, preserved and protected the rights and privileges of the Corporation, the Trustee and the Registered Owners under or with respect to the Administration Agreement.

The Corporation, or the Administrator on its behalf, is required to cause each Servicer to duly and properly service all Financed Eligible Loans and to enforce the payment and collection of all payments of principal and interest payments which relate to any Financed Eligible Loans. The Corporation is required to cause each Servicer to enter into a Servicing Agreement providing that the Servicer will administer and collect all Financed Eligible Loans in the manner consistent with the provisions described under the captions "Enforcement of Financed Eligible Loans" above and "Administration and Collection of Financed Eligible Loans" below and perform any duties, obligations and functions imposed upon the Servicer therein. The Corporation is not permitted to remove, or to permit the Administrator to remove on its behalf, any Servicer under a Servicing Agreement unless (i) the Corporation has appointed a successor Servicer, (ii) the successor Servicer has executed and delivered a Servicing Agreement, and (iii) the Corporation has satisfied the Rating Agency Notification.

Upon the occurrence and continuation of an Administrator Default, the Administrator may be replaced to the extent provided in the Administration Agreement.

The Trustee, by the execution of the Indenture, covenants, represents and agrees in the Indenture that upon any termination of the Administrator pursuant to the Administration Agreement, the Trustee, pursuant to the Administration Agreement, (i) may perform the duties of the Administrator specified in the Administration Agreement, (ii) will appoint a successor administrator to perform such duties as provided in the Administration Agreement or (iii) will petition a court for the appointment of a successor administrator as provided in the Administration Agreement. The Trustee has no duty to assume any responsibilities or duties of the Administrator under the Administration Agreement, unless and until, the Trustee, in its sole discretion, appoints itself in writing as the successor Administrator as provided in the Administration Agreement.

Nothing described under this caption "Administration and Servicing" shall affect the Trustee's rights to indemnification under the Indenture.

The Corporation will not consent or agree to or permit any amendment, supplement or modification of the Administration Agreement or any Servicing Agreement unless the Rating Agency Notification has been satisfied with respect to any such amendment, supplement or modification; provided that, the Administration Agreement or any Servicing Agreement may be amended at any time upon the mutual written consent of the parties to cure any ambiguity, defect, or omission in the Administration Agreement or any Servicing Agreement without a Rating Agency Notification upon the Trustee's receipt of an Opinion of Counsel that any such amendment or modification will not materially adversely affect the rights or security of the Registered Owners, is authorized and permitted by such Administration Agreement or Servicing Agreement and all conditions precedent have been satisfied.

### **Administration and Collection of Financed Eligible Loans**

All Financed Eligible Loans which are part of the Trust Estate are required to be administered and collected by a Servicer and/or Administrator selected by the Corporation in a competent, diligent and orderly fashion and in accordance with all applicable requirements of the Indenture, any Supplemental Indenture and the Program Manual.

The promissory notes evidencing Financed Eligible Loans are required to be held or, with respect to electronically executed promissory notes, maintained by the Servicer pursuant to a Servicing Agreement. Subject to the foregoing, the Corporation covenants and agrees in the Indenture as follows with respect to all Financed Eligible Loans:

- (a) The Servicer holds promissory notes evidencing Financed Eligible Loans and related documentation as bailee for and on behalf of the Trustee for purposes of perfecting the security interests of the Trustee therein.
- (b) All sums received by the Corporation or the Servicer with respect to Financed Eligible Loans will be held on behalf of the Trustee including, but not limited to, all payments of principal and interest and proceeds of the sale thereof. All such amounts are required to be held in a segregated account and not commingled with any of the Corporation's or Servicer's other funds.

### **Tax Covenants**

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

The Corporation and, to the extent provided in the applicable Supplemental Indenture, each Conduit Issuer will not permit at any time or times any of the proceeds of the Bonds or any other funds of the Corporation to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any Tax-Exempt Bond to be or become an "arbitrage bond" as defined in Section 148 of the Code.

The Corporation and, to the extent provided in the applicable Supplemental Indenture, each Conduit Issuer is required to take such action as may be necessary to assure that the Portfolio Yield as of the date of final payment of related Tax-Exempt Bonds does not exceed the related Bond Yield by an amount greater than may be consistent with any Tax Documents, including paying any required amounts to the Internal Revenue Service and/or the forgiveness and discharge of borrower payment obligations with respect to the outstanding principal amounts of and any interest and other fees due upon any or all of such Financed Eligible Loans upon any such payment date.

The foregoing covenants remain in full force and effect notwithstanding the defeasance of the Bonds as described under the caption "PAYMENT AND CANCELLATION OF BONDS AND SATISFACTION OF INDENTURE" in this Appendix A or any other provision of the Indenture, and notwithstanding any provision of the Indenture, the Corporation and, to the extent provided in the applicable Supplemental Indenture, each Conduit Issuer is required to observe its covenants and agreements contained in the Tax Documents, to the extent that, and for so long as, such covenants and agreements are required by law.

#### **No Waiver of Laws**

The Corporation and, to the extent provided in the applicable Supplemental Indenture, each Conduit Issuer shall not at any time insist upon or plead in any manner whatsoever, or claim to take the benefit or advantage of any stay or extension of law now or at any time hereafter in force which may affect the covenants and agreements contained in the Indenture or in the Bonds and all benefit or advantage of any such law or laws is expressly waived by the Corporation and, to the extent provided in the applicable Supplemental Indenture, each Conduit Issuer.

#### **Pledge of Trust Estate**

The Corporation and, to the extent provided in the applicable Supplemental Indenture, each Conduit Issuer is required to, at its own expense, execute and deliver such instruments and documents as may be required in order to maintain in favor of the Trustee a perfected, first-priority security interest in the Financed Eligible Loans and related Revenues and the pledged Funds pursuant to the Uniform Commercial Code of the State of South Carolina. Without limiting the generality of the foregoing, the Corporation is required to execute, deliver and file all such financing and continuation statements and amendments thereto and such other instruments, endorsements and notices as may be necessary in order to perfect and preserve the lien and pledge of the Indenture.

The Corporation and each Conduit Issuer authorizes the Trustee from time to time to file financing statements, continuation statements and amendments thereto, relative to all or any part of the Financed Eligible Loans, the related Revenues and the pledged Funds, without the signature of the Corporation or such Conduit Issuer (where permitted by law). Copies of any such statement or amendment shall be promptly delivered to the Corporation and any applicable Conduit Issuer. The Trustee agrees, without further notice, to confirm with the Corporation if any such filing has been or will be completed by the Corporation and, if not, the Trustee will prepare, request that the Corporation and any applicable Conduit Issuer execute (if such execution is necessary for any such filing) and file in a timely manner all of the continuation statements referred to in the Indenture subject to the limitations in the Indenture.

The Corporation is required to timely pay or reimburse the Trustee for any and all filing, registration and recording fees (and any refiling, re-registration and re-recording fees) and all expenses incident to the execution, delivery and/or performance of the Indenture and any agreement or instrument of further assurance furnished hereunder.

The Corporation and, to the extent provided in the applicable Supplemental Indenture, each Conduit Issuer is required to warrant and defend its title to the Financed Eligible Loans, the related Revenues and the pledged Funds against the claims and demands of all Persons other than the Trustee and the Registered Owners of the Bonds.

Except for the lien and pledge of the Indenture, and any other liens expressly authorized under the Indenture, the Corporation and, to the extent provided in the applicable Supplemental Indenture, each Conduit Issuer will not cause or permit all or any part of the Trust Estate, including but not limited to the Financed Eligible Loans and related Revenues and the pledged Funds, to become subject to any consensual or non-consensual lien or encumbrance.

Except for the lien and pledge of the Indenture, (a) the Corporation has no knowledge, and has not received any notice, that any party other than the Trustee, on behalf of itself and the Registered Owners of the Bonds, has or claims to have any security interest or other lien on all or any part of the Trust Estate; and (b) no party, other than the Corporation, any applicable Conduit Issuer and the Trustee, on behalf of the Registered Owners of the Bonds, has or claims to have any interest whatsoever in all or any part of the Trust Estate.

The Corporation and, to the extent provided in the applicable Supplemental Indenture, each Conduit Issuer represents and warrants in the Indenture for the benefit of the Trustee and the Registered Owners of the Bonds as follows:

- Notwithstanding any other provision of the Indenture, a security interest in the Trust Estate granted by the Corporation and, if applicable, such Conduit Issuer is attached and perfected at the time the security interest is executed and delivered by the Corporation and, if applicable, such Conduit Issuer. The security interest grants to the Trustee a first prior perfected security interest in the Trust Estate for the benefit of the Trustee and Registered Owners without regard to the location of the assets that constitute the Trust Estate.
- The Financed Eligible Loans are instruments, including promissory notes, or payment intangibles within the meaning of the Uniform Commercial Code of the State of South Carolina.
- The Corporation owns and has good and marketable title to the Financed Eligible Loans free and clear of any lien, charge, security interest or other encumbrance of any Person, other than those granted pursuant to the Indenture.
- The Corporation has caused or will have caused, within 10 days after the date of initial issuance of each Series, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Financed Eligible Loans granted to the Trustee hereunder pursuant to the Uniform Commercial Code of the State of South Carolina.
- Other than the pledge to the Trustee pursuant to the Indenture, neither the Corporation nor such Conduit Issuer has pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Financed Eligible Loans. The Corporation has not authorized the filing of and is not aware of any financing statements against the Corporation that include a description of collateral covering the Financed Eligible Loans other than any financing statement relating to the pledge granted to the Trustee under the Indenture and such financing statements that have been terminated. The Corporation is not aware of any judgment or tax lien filings against the Corporation. The Conduit Issuer has not authorized the filing of and is not aware of any financing statements against the Conduit Issuer that include a description of collateral covering the Financed Eligible Loans other than any financing statement relating to the pledge granted to the Trustee hereunder and such financing statements that have been terminated. The Conduit Issuer is not aware of any judgment or tax lien filings against the Conduit Issuer.

The Corporation is required to assure that its Program's electronic loan processes comply with applicable law.

For the purposes of the Indenture, any Financed Eligible Loans, including electronic loans, in which the Trustee has received a pledge, will be accounted for in the Student Loan Fund.

The transactions described in the Indenture may be conducted and related documents may be stored by electronic means as provided in this paragraph. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

The Paying Agent is appointed as the sole and exclusive agent and bailee of the Trustee solely in order to take possession and custody of the pledged Funds for the purpose of perfecting and continuing the perfection of the Trustee's security interest in the pledged Funds. The Paying Agent accepts such appointment, acknowledges receipt

of notice of the security interest held by the Trustee in the pledged Funds and acknowledges that it is holding such pledged Funds for such purpose and solely for the Trustee's benefit.

The Corporation and, to the extent provided in the applicable Supplemental Indenture, each Conduit Issuer is required to take all steps necessary to maintain the pledge and priority of the Trustee's interest in the Financed Eligible Loans.

### **Senior Transaction Fees**

The amount of the Senior Transaction Fees may be increased at any time upon satisfaction of the Rating Agency Notification. The Standard Servicing Fees payable to the Servicers servicing Financed Eligible Loans on the Date of Issuance that are payable as Senior Transaction Fees may not exceed the existing amounts of Standard Servicing Fees payable pursuant to the applicable Servicing Agreements in existence on the Date of Issuance (including any currently contemplated increases to those amounts pursuant to existing inflationary escalator clauses relating to such Standard Servicing Fees as set forth in the Servicing Agreements on the Date of Issuance). After the Date of Issuance, to the extent that any Financed Eligible Loans are serviced by any other Servicer, the amount of Standard Servicing Fees payable to such other Servicer as Senior Transaction Fees may not exceed the amounts payable pursuant to the initial Servicing Agreements (including any increases and contemplated increases to those amounts pursuant to existing inflationary escalator clauses relating to such Standard Servicing Fees as set forth in the Servicing Agreements on the Date of Issuance) in effect on the Date of Issuance unless the Rating Agency Notification has been satisfied. The Standard Servicing Fees payable to a Servicer may be increased at any time upon satisfaction of the Rating Agency Notification. Additional limitations relating to the payment of Senior Transaction Fees are described under the caption "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Senior Transaction Fees" in the body of this Official Statement.

### **Monthly Reports; Periodic Information on the Financed Eligible Loans**

Except as provided below, the Corporation will cause the Administrator to prepare and furnish to the Trustee a Monthly Report at least two (2) Business Days prior to the last Business Day of each calendar month. The Trustee is required to make available a copy of each Monthly Report or portion thereof (as provided in the third paragraph of this caption) promptly after receipt thereof via its website at <https://gctinvestorreporting.bnymellon.com>, or such other internet address as the Trustee may specify from time to time, to each Registered Owner requesting a copy thereof, and to each Rating Agency then rating Outstanding Bonds.

The Trustee may cease making such Monthly Reports available on its website, provided that it provides an alternate means of delivery.

In addition, the Corporation is required to cause the Administrator to make periodic information on the Financed Eligible Loans as set forth in a Supplemental Indenture. The Corporation reserves the right, however, (a) to alter the format in which such periodic information is presented, (b) to make such periodic information available either by posting as set forth in a Supplemental Indenture or by posting on a publicly accessible website, or (c) to make such periodic information available by including it as part of the Monthly Report that is delivered during that period.

The Trustee shall verify and confirm the accuracy of the amounts on deposit in the Funds, Accounts and Subaccounts, the debt service requirements and Debt Service Reserve Fund Requirement set forth in each Monthly Report delivered to the Trustee as described under this caption "Monthly Reports; Periodic Information on the Financed Eligible Loans". Other than as described under this caption, delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute actual or constructive notice or knowledge of any information contained therein or determinable from information contained therein, including the Corporation's compliance with any of its covenants hereunder.

## FUNDS

### **Creation and Continuation of Funds and Accounts**

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

- Student Loan Fund, including a Tax-Exempt Account and a Taxable Account therein;
- Revenue Fund, including a Tax-Exempt Account and a Taxable Account therein;
- Capitalized Interest Fund, including a Tax-Exempt Account and a Taxable Account therein;
- Debt Service Fund, including a Tax-Exempt Interest Account, a Tax-Exempt Principal Account, a Tax-Exempt Retirement Account, a Taxable Interest Account, a Taxable Principal Account and a Taxable Retirement Account; and
- Debt Service Reserve Fund, including a Tax-Exempt Account and a Taxable Account therein.

The Indenture also creates and establishes the Rebate Fund, to be held and maintained by the Trustee, in which none of the Corporation, any Conduit Issuer or the Registered Owners have any right, title or interest.

The Operating Fund does not constitute a Fund within the meaning of the Indenture, and is held by the Corporation. The Registered Owners shall have no right, title or interest in the Operating Fund. The Corporation directs the Paying Agent to create, establish and maintain the Operating Fund and take further direction pursuant to any Corporation Order as may be contemplated in the Indenture with regard to the Operating Fund.

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

### **Student Loan Fund**

There will be deposited into the Taxable Account or the Tax-Exempt Account, as applicable, of the Student Loan Fund moneys from proceeds of any Bonds and any other amounts to be deposited therein pursuant to a Supplemental Indenture and moneys transferred thereto from the Revenue Fund and the Capitalized Interest Fund pursuant to the Indenture. Financed Eligible Loans pledged to the Trust Estate are accounted for as a part of the Student Loan Fund.

Moneys on deposit in the Student Loan Fund are required to be used to pay costs of issuance of the Bonds and, during any Acquisition Period and any Recycling Period, as set forth in a Supplemental Indenture, to finance or refinance Eligible Loans. Any such Corporation Order will state that such proposed use of moneys in the Student Loan Fund is in compliance with the provisions of the Indenture. If the Corporation determines that all or any portion of such moneys cannot be so used, then an Authorized Representative of the Corporation may by Corporation Order direct the Trustee that such moneys shall be transferred to the Tax-Exempt Retirement Account or the Taxable Retirement Account, as applicable, of the Debt Service Fund and used to redeem Bonds in accordance with any Supplemental Indenture. See the caption "THE SERIES 2025A TAXABLE BONDS – Redemption Provisions – Mandatory Redemption from Unexpended Taxable Proceeds" in the body of this Official Statement.

Each Corporation Order providing for the financing of Eligible Loans will specifically (a) identify each Eligible Loan, (b) identify the portion of each Eligible Loan which is financed by (i) amounts transferred from the Taxable Account of the Student Loan Fund and (ii) amounts transferred from the Tax-Exempt Account of the Student Loan Fund and (c) state that the Corporation, or a Servicer, is in possession of the promissory note(s) relating to each such Eligible Loans. No Eligible Loan will be financed by the Corporation with amounts on deposit in the Student Loan Fund unless (a) a promissory note shall have been executed by the borrower and any required co-signer to evidence the Eligible Loan, (b) the Eligible Loan is a legal, valid and binding obligation of the borrower and any required co signor, enforceable in accordance with its terms and conditions and free from any right of set off, counter

claim or other claim, defense or security interest, (c) the Corporation has complied with the requirements of applicable federal and State law in originating the Eligible Loan, (d) the payment to be made is a proper charge against the Account of the Student Loan Fund from which such payment is made, (e) the Eligible Loan constitutes an Eligible Loan within the meaning of the Indenture and the Program Manual, (f) such Eligible Loan is or was made to a borrower or a required co-signer who meets, if applicable, the credit requirements established by the Corporation as specified in the Program Manual and (g) no Event of Default may have occurred and is continuing under the Indenture. Amounts transferred out of the Student Loan Fund shall only be used for financing of Eligible Loans and to pay costs of issuance of the Bonds. If the Corporation is obligated to finance an Eligible Loan that requires a future disbursement by the Corporation, the Corporation is required to reserve an amount equal to the future disbursement on such Eligible Loan in the Account or Accounts of the Student Loan Fund from which such Eligible Loan is to be financed. All Eligible Loans, or portions thereof, acquired with amounts on deposit in an Account of the Student Loan Fund from proceeds of Taxable Bonds or Tax-Exempt Bonds is required to be held in that same Account of the Student Loan Fund unless otherwise directed by Corporation Order. An Eligible Loan which is financed both with amounts on deposit in the Taxable Account and the Tax-Exempt Account of the Student Loan Fund will be allocated between the Taxable Account and the Tax-Exempt Account of the Student Loan Fund based upon the percentage of such Eligible Loan funded from each such Account unless otherwise directed by Corporation Order. All Eligible Loans, or portions thereof, acquired with amounts on deposit in an Account of the Student Loan Fund that are not from or derived from proceeds of Taxable Bonds or Tax-Exempt Bonds will be held in the Account of the Student Loan Fund as directed by a Corporation Order.

The Corporation covenants in the Indenture that no amount credited to the Tax-Exempt Account of the Student Loan Fund will be used to finance or refinance any Eligible Loans which (A) are not Nexus Loans unless the percentage of the proceeds of the applicable Series of Tax-Exempt Bonds used to finance or refinance Nexus Loans equals or exceeds the percentage required by the Tax Documents related to such Series of Tax-Exempt Bonds, without regard to amounts related to such Series of Tax-Exempt Bonds deposited in the Tax-Exempt Account of the Debt Service Reserve Fund or (B) are not permitted to be financed under the requirements set forth in the Tax Documents.

If on the last Business Day of any calendar month or on a Bond Payment Date, there are insufficient moneys in the Tax-Exempt Account or the Taxable Account of the Revenue Fund (after transfers from the Capitalized Interest Fund) to make the transfers due on Tax-Exempt Bonds or Taxable Bonds, an amount equal to any such deficiency is required to be transferred directly from the Student Loan Fund (but only from cash or Investment Securities and not from Financed Eligible Loans or from amounts necessary for the financing of Approved Undisbursed Loans, which aggregate principal amount, if any, of such Approved Undisbursed Loans has been certified by an Authorized Officer of the Corporation to the Trustee on or prior to the last day of an Acquisition Period or Recycling Period, as applicable, with respect to a Series of Bonds) to the Tax-Exempt Account or Taxable Account of the Revenue Fund, as applicable and on a pro rata basis if necessary, to make such transfers (but only from amounts on deposit in the Student Loan Fund not constituting the proceeds of a Series of Tax-Exempt Bonds unless a Favorable Opinion has been received by the Corporation and the Trustee) as directed by and in accordance with the applicable Monthly Report or Corporation Order. To the extent that amounts are available within an Account of the Student Loan Fund, (i) amounts on deposit in the Tax-Exempt Account of the Student Loan Fund are required to be used to make transfers to the Tax-Exempt Account of the Revenue Fund before using amounts on deposit in the Taxable Account of the Student Loan Fund and (ii) amounts on deposit in the Taxable Account of the Student Loan Fund are required to be used to make transfers to the Taxable Account of the Revenue Fund before using amounts on deposit in the Tax-Exempt Account of the Student Loan Fund.

Original proceeds of a Series of Bonds and funds of the Corporation remaining in an Account or Subaccount of the Student Loan Fund at any interim date specified in a Supplemental Indenture to the extent required thereby or remaining in the Account or Subaccount of the Student Loan Fund at the end of its related Acquisition Period and required to be used to redeem Bonds of such Series pursuant to the corresponding Supplemental Indenture are required to be transferred to the Tax-Exempt Account or Taxable Account of the Revenue Fund or the Tax-Exempt Retirement Account or the Taxable Retirement Account of the Debt Service Fund, as appropriate, and used to redeem the Bonds of such Series pursuant to the corresponding Supplemental Indenture as directed by and in accordance with the applicable Monthly Report or Corporation Order. All remaining amounts on deposit in an Account or Subaccount of the Student Loan Fund corresponding to a Series of Bonds upon the termination of the Recycling Period for such Series shall be transferred to the Tax-Exempt Account or Taxable Account of the Revenue Fund from which such amounts originated.

To the extent not needed during any Recycling Period, the Corporation may by Corporation Order transfer any recycling amounts transferred from the Taxable Account of the Revenue Fund under paragraph (j) under the caption “Revenue Fund – Taxable Account” below or from the Tax-Exempt Account of the Revenue Fund under paragraph (j) under the caption “Revenue Fund – Tax-Exempt Account” below back to the applicable Account of the Revenue Fund from which it was originally transferred.

Financed Eligible Loans will be sold, transferred or otherwise disposed of (including transfers or sales to other trust estates) by the Trustee free from the lien of the Indenture at any time pursuant to a Corporation Order and if the Trustee is provided with the following:

- a Corporation Order stating the sale price and directing that Financed Eligible Loans be sold, transferred or otherwise disposed of and delivered:
  - to any Person, whose name is required to be specified; or
  - to the trustee under another indenture securing bonds issued by the Corporation whose name is required to be specified in such Corporation Order; and
- a certificate, which may be incorporated in the Corporation Order referred to in paragraph (a) above, signed by an Authorized Representative of the Corporation to the effect that:
  - (A) the disposition price is equal to or in excess of the principal amount thereof (plus accrued interest); or
  - (B) the disposition price is lower than the principal amount thereof (plus accrued interest), (1) the Corporation reasonably believes that the Revenues expected to be received (after giving effect to such disposition) would be at least equal to the Revenues expected to be received assuming no such sale, transfer or other disposition occurred and the Corporation has satisfied the Rating Agency Notification; or (2) the Corporation is required to remain able to pay debt service on the Bonds on a timely basis (after giving effect to such sale, transfer or other disposition) whereas it would not have been able to do so on a timely basis if it had not sold, transferred or disposed of the Financed Eligible Loans at such discounted amount and the Corporation has satisfied the Rating Agency Notification; and
  - the Corporation has determined that adequate provision has been made assuring that such sale, transfer or other disposition does not impair the Corporation’s capacity to comply with its obligation relative to the restriction upon Portfolio Yield as such obligation would be calculated upon the date of such sale, transfer or other disposition in accordance with any Tax Documents.

The provisions above are also subject to the limitation that the Corporation may not sell or transfer Financed Eligible Loans at any one time or in a series of transactions in an aggregate principal amount (giving effect to all such sales or transfers from the most recent Date of Issuance) in excess of 10% of the highest principal amount of Financed Eligible Loans, as of the end of any calendar month, held under the Indenture following the most recent Date of Issuance at the time of any such sale or transfer unless the Corporation has satisfied the Rating Agency Notification.

Further, Financed Eligible Loans will also be sold, transferred or otherwise disposed of by the Trustee as follows: (y) the sale to a Servicer of any Financed Eligible Loans which it is required to purchase pursuant to a Servicing Agreement as a result of servicing errors, and (z) pursuant to a Corporation Order in which the Corporation determines that such disposition of Financed Eligible Loans from the Trust Estate is necessary in order to avoid the occurrence of an Event of Default under the Indenture, in such amount and at such times and prices as may be specified by the Corporation. The Trustee, following receipt of the foregoing and of a certificate of an Authorized Officer of the Corporation indicating that such purchaser or transferee is one of the entities described above, if applicable, shall deliver such Financed Eligible Loans free from the lien of the Indenture upon the receipt of the purchase price or consideration specified in the Corporation Order, in compliance with the foregoing. The proceeds to be received upon any disposition may consist of cash, Investment Securities and/or Eligible Loans. The Trustee will deposit the proceeds of any such sale, transfer or other disposition into the Account with respect to which such Financed Eligible Loans were attributable, if applicable, as directed in such Corporation Order.

## Revenue Fund

There will be deposited into the Tax-Exempt Account of the Revenue Fund all Revenues derived from Financed Eligible Loans, or portions thereof, on deposit in the Tax-Exempt Account of the Student Loan Fund, Revenues derived from proceeds of Tax-Exempt Bonds on deposit in the Student Loan Fund and all other Revenue derived from moneys or assets on deposit in the Tax-Exempt Accounts of the Debt Service Reserve Fund, the Capitalized Interest Fund and the Revenue Fund and any other amounts deposited thereto upon receipt of a Corporation Order or otherwise required pursuant to a Supplemental Indenture. There will be deposited into the Taxable Account of the Revenue Fund all Revenues derived from Financed Eligible Loans, or portions thereof, on deposit in the Taxable Account of the Student Loan Fund, Revenues derived from proceeds of Taxable Bonds on deposit in the Student Loan Fund, and all other Revenue derived from moneys or assets on deposit in the Taxable Accounts of the Debt Service Reserve Fund, the Capitalized Interest Fund and the Revenue Fund and any other amounts deposited thereto upon receipt of a Corporation Order or otherwise required pursuant to a Supplemental Indenture.

*Tax-Exempt Account.* On the last Business Day of each calendar month pursuant to the corresponding Monthly Report, or more frequently or on other dates if required by a Supplemental Indenture or if directed by the Corporation pursuant to a Corporation Order, Revenues in the Tax-Exempt Account of the Revenue Fund are required to be used and transferred to other Funds, Accounts, Subaccounts or Persons in the following order of priority (any money not so transferred or paid to remain in the Tax-Exempt Account of the Revenue Fund until subsequently applied as described under this caption):

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

(b) on a pro rata basis, if necessary, to the Operating Fund for the payment of Senior Transaction Fees allocable to the Tax-Exempt Bonds to the extent and in the manner described under the caption "Operating Fund" below upon receipt of a Corporation Order directing the same and, to the extent there are insufficient moneys available in the Taxable Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (b) under the caption "Taxable Account" below;

(c) on a pro rata basis, if necessary, to the credit of the Tax-Exempt Interest Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Tax-Exempt Interest Account" below, to provide for the payment of interest on Senior Tax-Exempt Bonds and, to the extent there are insufficient moneys available in the Taxable Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (c) under the caption "Taxable Account" below;

(d) (i) *first*, on a pro rata basis, if necessary, to the credit of the Tax-Exempt Principal Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Tax-Exempt Principal Account" below, to provide for the payment of principal of Senior Tax-Exempt Bonds at their Stated Maturity or on a mandatory sinking fund payment date (other than a cumulative mandatory sinking fund redemption date on which failure to make a mandatory sinking fund payment does not constitute an Event of Default under the Indenture) and, to the extent there are insufficient moneys available in the Taxable Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (d)(i) under the caption "Taxable Account" below and (ii) *second*, on a pro rata basis, if necessary, to the credit of the Tax-Exempt Principal Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Tax-Exempt Principal Account" below, to provide for the payment of cumulative mandatory sinking fund installments of Senior Tax-Exempt Bonds not funded under paragraph (i) of this paragraph (d) on a mandatory sinking fund payment date and, to the extent there are insufficient moneys available in the Taxable Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (d)(ii) under the caption "Taxable Account" below;

(e) on a pro rata basis, if necessary, to the Tax-Exempt Account of the Debt Service Reserve Fund the amount, if any, required to restore the Tax-Exempt Account of the Debt Service Reserve Fund to its allocable portion of the Debt Service Reserve Fund Requirement with respect thereto, with any separate Account established therein receiving its pro rata share of such replenishment, if necessary, based upon the

amount disbursed from such Account and, to the extent there are insufficient moneys available in the Taxable Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (e) under the caption "Taxable Account" below;

(f) on a pro rata basis, if necessary, to the credit of the Tax-Exempt Interest Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Tax-Exempt Interest Account" below, to provide for the payment of interest on Senior Subordinate Tax-Exempt Bonds and, to the extent there are insufficient moneys available in the Taxable Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (f) under the caption "Taxable Account" below;

(g) (i) *first*, on a pro rata basis, if necessary, to the credit of the Tax-Exempt Principal Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Tax-Exempt Principal Account" below, to provide for the payment of principal of Senior Subordinate Tax-Exempt Bonds at their Stated Maturity or on a mandatory sinking fund payment date (other than a cumulative mandatory sinking fund redemption date on which failure to make a mandatory sinking fund payment does not constitute an Event of Default under the Indenture) and, to the extent there are insufficient moneys available in the Taxable Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (g)(i) under the caption "Taxable Account" below and (ii) *second*, on a pro rata basis, if necessary, to the credit of the Tax-Exempt Principal Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Tax-Exempt Principal Account" below, to provide for the payment of cumulative mandatory sinking fund installments of Senior Subordinate Tax-Exempt Bonds not funded under clause (i) of this paragraph (g) on a mandatory sinking fund payment date and, to the extent there are insufficient moneys available in the Taxable Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (g)(ii) under the caption "Taxable Account" below;

(h) on a pro rata basis, if necessary, to the credit of the Tax-Exempt Interest Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Tax-Exempt Interest Account" below, to provide for the payment of interest on Subordinate Tax-Exempt Bonds and, to the extent there are insufficient moneys available in the Taxable Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (h) under the caption "Taxable Account" below;

(i) (i) *first*, on a pro rata basis, if necessary, to the credit of the Tax-Exempt Principal Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Tax-Exempt Principal Account" below, to provide for the payment of principal of Subordinate Tax-Exempt Bonds at their Stated Maturity or on a mandatory sinking fund payment date (other than a cumulative mandatory sinking fund redemption date on which failure to make a mandatory sinking fund payment does not constitute an Event of Default under the Indenture) and, to the extent there are insufficient moneys available in the Taxable Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (i)(i) under the caption "Taxable Account" below and (ii) *second*, on a pro rata basis, if necessary, to the credit of the Tax-Exempt Principal Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Tax-Exempt Principal Account" below, to provide for the payment of cumulative mandatory sinking fund installments of Subordinate Tax-Exempt Bonds not funded under clause (i) of this paragraph (i) on a mandatory sinking fund payment date and, to the extent there are insufficient moneys available in the Taxable Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (i)(ii) under the caption "Taxable Account" below;

(j) during any applicable Recycling Period, at the option of the Corporation and upon receipt by the Trustee of a Corporation Order, to the Tax-Exempt Account of the Student Loan Fund;

(k) (i) at the option of the Corporation and upon receipt by the Trustee of a Corporation Order or (ii) as required by a Supplemental Indenture (but only on the last Business Day of the calendar months of April and October), to the Taxable Retirement Account of the Tax-Exempt Retirement Account of the Debt Service Fund for Principal Reduction Payments or the redemption of, or distribution of principal with respect

to, Bonds which by their terms are subject to Principal Reduction Payments or redemption or principal distribution from Revenues received under the Indenture (such amounts to be applied to the payment of Bonds of a particular Series based upon the priorities established in the Supplemental Indentures pursuant to which such Bonds were issued, or if not so provided, at the direction of the Corporation by Corporation Order) (See the caption “THE SERIES 2025A TAXABLE BONDS—Redemption Provisions” in the body of this Official Statement);

(1) to the Operating Fund for the payment of Subordinate Transaction Fees allocable to the Tax-Exempt Bonds to the extent permitted and in the manner described under the caption “Operating Fund” below upon receipt of a Corporation Order directing the same; and

(m) at the option of the Corporation and upon receipt by the Trustee of a Corporation Order (but only on the last Business Day of the calendar months of May and November), to the Residual Certificateholder to the extent permitted by the Indenture.

Taxable Account. On the last Business Day of each calendar month pursuant to the corresponding Monthly Report, or more frequently or on other dates if required by a Supplemental Indenture or if directed by the Corporation pursuant to a Corporation Order, Revenues in the Taxable Account of the Revenue Fund shall be used and transferred to other Funds, Accounts, Subaccounts or Persons in the following order of priority (any money not so transferred or paid to remain in the Taxable Account of the Revenue Fund until subsequently applied as described under this caption):

(a) to the extent there are insufficient moneys available in the Tax-Exempt Account of the Revenue Fund to make the transfers required pursuant to paragraph (a) described under the caption “Tax-Exempt Account” above, to the Rebate Fund, upon receipt of a Corporation Order and if necessary to comply with any Tax Document with respect to rebate or Excess Earnings;

(b) on a pro rata basis, if necessary, to the Operating Fund for the payment of Senior Transaction Fees allocable to the Taxable Bonds to the extent and in the manner described under the caption “Operating Fund” below upon receipt of a Corporation Order directing the same and, to the extent there are insufficient moneys available in the Tax-Exempt Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (b) described under the caption “Tax-Exempt Account” above;

(c) on a pro rata basis, if necessary, to the credit of the Taxable Interest Account of the Debt Service Fund to the extent and in the manner described under the caption “Debt Service Fund—Taxable Interest Account” below, to provide for the payment of interest on Senior Taxable Bonds and, to the extent there are insufficient moneys available in the Tax-Exempt Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (c) described under the caption “Tax-Exempt Account” above;

(d) (i) *first*, on a pro rata basis, if necessary, to the credit of the Taxable Principal Account of the Debt Service Fund to the extent and in the manner described under the caption “Debt Service Fund—Taxable Principal Account” below, to provide for the payment of principal of Senior Taxable Bonds at their Stated Maturity or on a mandatory sinking fund payment date (other than a cumulative mandatory sinking fund redemption date on which failure to make a mandatory sinking fund payment does not constitute an Event of Default under the Indenture) and, to the extent there are insufficient moneys available in the Tax-Exempt Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (d)(i) described under the caption “Tax-Exempt Account” above and (ii) *second*, on a pro rata basis, if necessary, to the credit of the Taxable Principal Account of the Debt Service Fund to the extent and in the manner described under the caption “Debt Service Fund—Taxable Principal Account” below, to provide for the payment of cumulative mandatory sinking fund installments of Senior Taxable Bonds not funded under clause (i) of this paragraph (d) on a mandatory sinking fund payment date and, to the extent there are insufficient moneys available in the Tax-Exempt Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (d)(ii) described under the caption “Tax-Exempt Account” above;

(e) on a pro rata basis, if necessary, to the Taxable Account of the Debt Service Reserve Fund the amount, if any, required to restore the Taxable Account of the Debt Service Reserve Fund to its allocable portion of the Debt Service Reserve Fund Requirement with respect thereto, with any separate Account established therein receiving its pro rata share of such replenishment, if necessary, based upon the amount disbursed from such Account and, to the extent there are insufficient moneys available in the Tax-Exempt Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (e) described under the caption "Tax-Exempt Account" above;

(f) on a pro rata basis, if necessary, to the credit of the Taxable Interest Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Taxable Interest Account" below, to provide for the payment of interest on Senior Subordinate Taxable Bonds and, to the extent there are insufficient moneys available in the Tax-Exempt Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (f) described under the caption "Tax-Exempt Account" above;

(g) (i) *first*, on a pro rata basis, if necessary, to the credit of the Taxable Principal Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Taxable Principal Account" below, to provide for the payment of principal of Senior Subordinate Taxable Bonds at their Stated Maturity or on a mandatory sinking fund payment date (other than a cumulative mandatory sinking fund redemption date on which failure to make a mandatory sinking fund payment does not constitute an Event of Default under the Indenture) and, to the extent there are insufficient moneys available in the Tax-Exempt Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (g)(i) described under the caption "Tax-Exempt Account" above and (ii) *second*, on a pro rata basis, if necessary, to the credit of the Taxable Principal Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Taxable Principal Account" below, to provide for the payment of cumulative mandatory sinking fund installments of Senior Subordinate Taxable Bonds not funded under clause (i) of this paragraph (g) on a mandatory sinking fund payment date and, to the extent there are insufficient moneys available in the Tax-Exempt Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (g)(ii) described under the caption "Tax-Exempt Account" above;

(h) on a pro rata basis, if necessary, to the credit of the Taxable Interest Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Taxable Interest Account" below, to provide for the payment of interest on Subordinate Taxable Bonds and, to the extent there are insufficient moneys available in the Tax-Exempt Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (h) described under the caption "Tax-Exempt Account" above;

(i) (i) *first*, on a pro rata basis, if necessary, to the credit of the Taxable Principal Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Taxable Principal Account" below, to provide for the payment of principal of Subordinate Taxable Bonds at their Stated Maturity or on a mandatory sinking fund payment date (other than a cumulative mandatory sinking fund redemption date on which failure to make a mandatory sinking fund payment does not constitute an Event of Default under the Indenture) and, to the extent there are insufficient moneys available in the Tax-Exempt Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (i)(i) described under the caption "Tax-Exempt Account" above and (ii) *second*, on a pro rata basis, if necessary, to the credit of the Taxable Principal Account of the Debt Service Fund to the extent and in the manner described under the caption "Debt Service Fund—Taxable Principal Account" below, to provide for the payment of cumulative mandatory sinking fund installments of Subordinate Taxable Bonds not funded under clause (i) of this paragraph (i) on a mandatory sinking fund payment date and, to the extent there are insufficient moneys available in the Tax-Exempt Account of the Revenue Fund for such purpose, to make the transfers required pursuant to paragraph (i)(ii) described under the caption "Tax-Exempt Account" above;

(j) during any applicable Recycling Period, at the option of the Corporation and upon receipt by the Trustee of a Corporation Order, to the Taxable Account of the Student Loan Fund;

(k) (i) at the option of the Corporation and upon receipt by the Trustee of a Corporation Order or (ii) as required by a Supplemental Indenture (but only on the last Business Day of the calendar months of April and October), to the Taxable Retirement Account or the Tax-Exempt Retirement Account of the Debt Service Fund, as directed by a Corporation Order, for Principal Reduction Payments or the redemption of, or distribution of principal with respect to, Bonds which by their terms are subject to Principal Reduction Payments or redemption or principal distribution from Revenues received under the Indenture (such amounts to be applied to the payment of Bonds of a particular Series based upon the priorities established in the Supplemental Indentures pursuant to which such Bonds were issued, or if not so provided, at the direction of the Corporation by Corporation Order) (See the caption "THE SERIES 2025A TAXABLE BONDS—Redemption Provisions" in the body of this Official Statement);

(l) to the Operating Fund for the payment of Subordinate Transaction Fees allocable to the Taxable Bonds to the extent permitted and in the manner described under the caption "Operating Fund" below upon receipt of a Corporation Order directing the same; and

(m) at the option of the Corporation and upon receipt by the Trustee of a Corporation Order (but only on the last Business Day of the calendar months of May and November), to the Residual Certificateholder to the extent permitted by the Indenture.

### **Capitalized Interest Fund**

There will be deposited into the Tax-Exempt Account or the Taxable Account of the Capitalized Interest Fund the amount, if any, specified in each Supplemental Indenture, and any other moneys of the Corporation designated by the Corporation for deposit therein pursuant to a Corporation Order. If on the last Business Day of any calendar month or on a Bond Payment Date, there are insufficient moneys in the Tax-Exempt Account or the Taxable Account of the Revenue Fund to make the transfers required by the Indenture, then an amount equal to any such deficiency shall be transferred directly from the Capitalized Interest Fund to the Tax-Exempt Account or Taxable Account of the Revenue Fund, as applicable and on a pro rata basis if necessary, to make such transfers (but if such amounts on deposit in the Tax-Exempt Account of the Capitalized Interest Fund constitute the proceeds of a Series of Tax-Exempt Bonds, only upon receipt by the Corporation and the Trustee of a Favorable Opinion) as directed by and in accordance with the applicable Monthly Report or Corporation Order. To the extent that amounts are available within an Account of the Capitalized Interest Fund, (a) amounts on deposit in the Tax-Exempt Account of the Capitalized Interest Fund are required to be used to make transfers to the Tax-Exempt Account of the Revenue Fund before using amounts on deposit in the Taxable Account of the Capitalized Interest Fund and (b) amounts on deposit in the Taxable Account of the Capitalized Interest Fund are required to be used to make transfers to the Taxable Account of the Revenue Fund before using amounts on deposit in the Tax-Exempt Account of the Capitalized Interest Fund.

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

### **Debt Service Fund**

The Debt Service Fund will only be used for the payment of principal, premium, if any, and interest on the Bonds. The Trustee may establish separate Subaccounts within the Tax-Exempt Interest Account, the Tax-Exempt Principal Account, the Tax-Exempt Retirement Account, the Taxable Interest Account, the Taxable Principal Account or the Taxable Retirement Account of the Debt Service Fund, as applicable, for each Series of Bonds or source of deposit (including any investment income thereon) made therein as directed by a Corporation Order so that the Administrator can at all times ascertain the date of deposit, the amounts and the source of the funds therein. All references under this caption to mandatory sinking fund redemption dates or to principal installments due on such dates are deemed to include all cumulative mandatory sinking fund redemption dates and the correlative cumulative mandatory sinking fund installments.

*Tax-Exempt Interest Account.* The Trustee shall credit to the Tax-Exempt Interest Account the amount, if any, specified in a Supplemental Indenture. The Trustee shall also deposit in the Tax-Exempt Interest Account (a) that portion of the proceeds from the sale of the Corporation's refunding bonds, if any, to be used to pay interest on Tax-Exempt Bonds if so directed by the Corporation; and (b) all amounts required to be transferred thereto from the Funds and Accounts described under this caption "Tax-Exempt Interest Account."

With respect to each Series of Tax-Exempt Bonds on which interest is paid at least monthly, the Trustee in accordance with the applicable Monthly Report is required to deposit to the credit of the Tax-Exempt Interest Account on the last Business Day of each calendar month an amount equal to the interest that will become payable on such Tax-Exempt Bonds during the following calendar month. With respect to each Series of Tax-Exempt Bonds on which interest is paid at intervals less frequently than monthly, the Trustee shall make monthly deposits to the credit of the Tax-Exempt Interest Account on the last Business Day of each calendar month preceding each Interest Payment Date for such Series of Tax-Exempt Bonds equal to 120% of the interest to accrue (or, with respect to Tax-Exempt Bonds bearing interest at a variable rate, anticipated to accrue) on such Tax-Exempt Bonds during the succeeding calendar month plus, to the extent any previous monthly deposit was less than the provided amount for such month in accordance with the applicable Monthly Report, the amount of such deficiency, in each case, until the full amount due on the next Interest Payment Date is deposited to the Tax-Exempt Interest Account for such Series of Tax-Exempt Bonds (except that if there are fewer than six calendar months between the delivery of the Tax-Exempt Bonds of a Series to the initial purchasers thereof and the first Interest Payment Date with respect to such Series of Tax-Exempt Bonds, then the Trustee is required to make equal monthly deposits to the credit of the Tax-Exempt Interest Account on the last Business Day of each calendar month in accordance with the applicable Monthly Report beginning with the calendar month following the month in which such Series of Tax-Exempt Bonds is delivered to the initial purchasers such that the amount required to be on deposit in the Tax-Exempt Interest Account for the next succeeding Interest Payment Date is on deposit by the last Business Day of the next April and October). With respect to a Series of Tax-Exempt Bonds bearing interest at a variable rate for which any such amount cannot be determined on the last Business Day of each calendar month, the Trustee is required to make such deposit based upon assumptions set forth in the in the applicable Monthly Report and based upon the Supplemental Indenture authorizing such Series of Tax-Exempt Bonds.

In making the deposits required to be deposited and credited to the Tax-Exempt Interest Account, all other deposits and credits otherwise made or required to be made to the Tax-Exempt Interest Account will, to the extent available for such purpose, be taken into consideration and allowed for, provided however that the Trustee is not responsible for such considerations and shall rely solely upon the Monthly Report in making deposits under the Indenture. If on any Bond Payment Date relating to Tax-Exempt Bonds there are insufficient amounts on deposit in the Tax-Exempt Interest Account to make the payment of interest due on the Tax-Exempt Bonds due on such date, the Trustee shall transfer the deficiency from the applicable account of the following Funds, in the following order of priority: the Tax-Exempt Account or the Taxable Account of the Capitalized Interest Fund, the Tax-Exempt Account or the Taxable Account of the Student Loan Fund and the Tax-Exempt Account or the Taxable Account of the Debt Service Reserve Fund, subject to the limitations and conditions with respect thereto described under the captions "Capitalized Interest Fund" and "Student Loan Fund" above and "Debt Service Reserve Fund" below, respectively.

Except as described under the caption "Reallocation of Amounts on Deposit in the Debt Service Fund" below, amounts transferred to the Tax-Exempt Interest Account pursuant to paragraph (c) under the caption "Revenue Fund—Tax-Exempt Account" above are required to be used solely for the payment of interest on Senior Tax-Exempt Bonds, amounts transferred to the Tax-Exempt Interest Account pursuant to paragraph (f) under the caption "Revenue Fund—Tax-Exempt Account" above are required to be used solely for the payment of interest on Senior Subordinate Tax-Exempt Bonds, and amounts transferred to the Tax-Exempt Interest Account pursuant to paragraph (h) under the caption "Revenue Fund—Tax-Exempt Account" above are required to be used solely for the payment of interest on Subordinate Tax-Exempt Bonds.

*Tax-Exempt Principal Account.* The Trustee shall deposit to the credit of the Tax-Exempt Principal Account: (a) that portion of the proceeds from the sale of the Corporation's bonds, if any, to be used to pay principal of Tax-Exempt Bonds if so directed by the Corporation, and (b) all amounts required to be transferred from the Funds and Accounts under this caption "Tax-Exempt Principal Account."

To provide for the payment of each installment of principal on a Series of Tax-Exempt Bonds due at the Stated Maturity thereof or on a mandatory sinking fund redemption date therefor, the Trustee in accordance with the applicable Monthly Report is required to make substantially equal monthly deposits to the credit of the Tax-Exempt Principal Account on the last Business Day of the first 10 of the 12 calendar months preceding such Stated Maturity or mandatory sinking fund redemption date, to aggregate the full amount of such installment within such 10 calendar month period (except that if there are fewer than 12 calendar months between the delivery of such Series of Tax-Exempt Bonds to the initial purchasers thereof and the first Stated Maturity or mandatory sinking fund redemption date with respect to such Series of Tax-Exempt Bonds, then the Trustee in accordance with the applicable Monthly Report is required to make equal monthly deposits to the credit of the Tax-Exempt Principal Account on the last Business Day of each calendar month beginning with the calendar month following the month in which such Series of Tax-Exempt Bonds is delivered to the initial purchasers such that the amount required to be on deposit in the Tax-Exempt Principal Account for the next succeeding Stated Maturity or mandatory sinking fund redemption date is on deposit by the last Business Day of the next April and October, as applicable). In making the deposits required to be deposited and credited to the Tax-Exempt Principal Account, all other deposits and credits otherwise made or required to be made to the Tax-Exempt Principal Account will, to the extent available for such purpose, be taken into consideration and allowed for, provided however that the Trustee shall not be responsible for such considerations and shall rely solely upon the Monthly Report in making deposits under the Indenture.

If on any Stated Maturity or mandatory sinking fund redemption date there are insufficient amounts on deposit in the Tax-Exempt Principal Account to make payments of principal due on the Tax-Exempt Bonds on such date, the Trustee is required to transfer the deficiency from the applicable account of the following Funds, in the following order of priority (after transfers from any such Funds to the Tax-Exempt Interest Account required on such date): the Tax-Exempt Account or the Taxable Account of the Capitalized Interest Fund, the Tax-Exempt Account or the Taxable Account of the Student Loan Fund and the Tax-Exempt Account or the Taxable Account of the Debt Service Reserve Fund, subject to the limitations and conditions with respect thereto described under the captions "Capitalized Interest Fund" and "Student Loan Fund" above and "Debt Service Reserve Fund" below, respectively.

The moneys in the Tax-Exempt Principal Account required for the payment of the principal on a Series of Tax-Exempt Bonds at the Stated Maturity thereof or on a mandatory sinking fund redemption date therefor is required to be applied by the Trustee to such payment when due without further authorization or direction.

Except as described under the caption "Reallocation of Amounts on Deposit in the Debt Service Fund" below, amounts transferred to the Tax-Exempt Principal Account pursuant to paragraph (d) under the caption "Revenue Fund—Tax-Exempt Account" above are required to be used solely for the payment of principal at Stated Maturity or on a mandatory sinking fund redemption date on Senior Tax-Exempt Bonds, amounts transferred to the Tax-Exempt Principal Account pursuant to paragraph (g) under the caption "Revenue Fund—Tax-Exempt Account" above are required to be used solely for the payment of principal at Stated Maturity or on a mandatory sinking fund redemption date on Senior Subordinate Tax-Exempt Bonds, and amounts transferred to the Tax-Exempt Principal Account pursuant to paragraph (i) under the caption "Revenue Fund—Tax-Exempt Account" above are required to be used solely for the payment of principal at Stated Maturity or on a mandatory sinking fund redemption date on Subordinate Tax-Exempt Bonds, as set forth in the Corporation Order or Monthly Report.

*Tax-Exempt Retirement Account.* The Trustee is required to deposit to the credit of the Tax-Exempt Retirement Account any amounts transferred thereto or deposited therein to provide for Principal Reduction Payments or the redemption of, or the distribution of principal with respect to, the Tax-Exempt Bonds. All Principal Reduction Payments or redemptions of and distributions of principal with respect to Tax-Exempt Bonds (other than at a Stated Maturity or on a mandatory sinking fund redemption date) are required to be made with moneys deposited to the credit of the Tax-Exempt Retirement Account in accordance with the applicable Monthly Report. In the event that Tax-Exempt Bonds are to be prepaid from the Tax-Exempt Retirement Account on a date other than a regularly scheduled Interest Payment Date, accrued interest on such Tax-Exempt Bonds will be paid from the Tax-Exempt Interest Account. The moneys in the Tax-Exempt Retirement Account required for Principal Reduction Payments or the redemption of, or the distribution of principal with respect to, Tax-Exempt Bonds are required to be applied by the Trustee to such payment as set forth in any Supplemental Indenture providing for such Principal Reduction Payments or redemption or distribution of principal without further authorization or direction.

*Taxable Interest Account.* The Trustee is required to credit to the Taxable Interest Account the amount, if any, specified in a Supplemental Indenture. The Trustee is also required to deposit in the Taxable Interest Account (a) that portion of the proceeds from the sale of the Corporation's refunding bonds, if any, to be used to pay interest on the Taxable Bonds if so directed by the Corporation; and (b) all amounts required to be transferred thereto from the Funds and Accounts described under this caption "Taxable Interest Account."

With respect to each Series of Taxable Bonds on which interest is paid at least monthly, the Trustee is required in accordance with the applicable Monthly Report to deposit to the credit of the Taxable Interest Account on the last Business Day of each calendar month an amount equal to the interest that will become payable on such Taxable Bonds during the following calendar month. With respect to each Series of Taxable Bonds on which interest is paid at intervals less frequently than monthly, the Trustee is required to make monthly deposits to the credit of the Taxable Interest Account on the last Business Day of each calendar month in accordance with the applicable Monthly Report preceding each Interest Payment Date for such Series of Taxable Bonds equal to 120% of the interest to accrue (or, with respect to Taxable Bonds bearing interest at a variable rate, anticipated to accrue) on such Taxable Bonds during the succeeding calendar month plus, to the extent any previous monthly deposit was less than the provided amount for such month, the amount of such deficiency, in each case, until the full amount due on the next Interest Payment Date is deposited to the Taxable Interest Account for such Series of Taxable Bonds (except that if there are fewer than six calendar months between the delivery of the Taxable Bonds of a Series to the initial purchasers thereof and the first Interest Payment Date with respect to such Series of Taxable Bonds, then the Trustee is required to make equal monthly deposits to the credit of the Taxable Interest Account on the last Business Day of each calendar month in accordance with the applicable Monthly Report beginning with the calendar month following the month in which such Series of Taxable Bonds is delivered to the initial purchasers such that the amount required to be on deposit in the Taxable Interest Account for the next succeeding Interest Payment Date is on deposit by the last Business Day of the next April and October). With respect to a Series of Taxable Bonds bearing interest at a variable rate for which any such amount cannot be determined on the last Business Day of each calendar month, the Trustee will make such deposit based upon assumptions set forth in accordance with the applicable Monthly Report and based on the Supplemental Indenture authorizing such Series of Taxable Bonds.

In making the deposits required to be deposited and credited to the Taxable Interest Account, all other deposits and credits otherwise made or required to be made to the Taxable Interest Account will, to the extent available for such purpose, be taken into consideration and allowed for, provided however that the Trustee is not responsible for such considerations and shall rely solely upon the Monthly Report in making deposits under the Indenture. If on any Bond Payment Date relating to Taxable Bonds there are insufficient amounts on deposit in the Taxable Interest Account to make the payment of interest due on the Taxable Bonds due on such date, the Trustee shall transfer the deficiency from the applicable account of the following Funds, in the following order of priority: the Tax-Exempt Account or the Taxable Account of the Capitalized Interest Fund, the Tax-Exempt Account or the Taxable Account of the Student Loan Fund and the Tax-Exempt Account or the Taxable Account of the Debt Service Reserve Fund, subject to the limitations and conditions with respect thereto described under the captions "Capitalized Interest Fund" and "Student Loan Fund" above and "Debt Service Reserve Fund" below, respectively.

Except as described under the caption "Reallocation of Amounts on Deposit in the Debt Service Fund" below, amounts transferred to the Taxable Interest Account pursuant to paragraph (c) under the caption "Revenue Fund—Taxable Account" above are required to be used solely for the payment of interest on Senior Taxable Bonds, and amounts transferred to the Taxable Interest Account pursuant to paragraph (f) under the caption "Revenue Fund—Taxable Account" above are required to be used solely for the payment of interest on Senior Subordinate Taxable Bonds, and amounts transferred to the Taxable Interest Account pursuant to paragraph (h) under the caption "Revenue Fund—Taxable Account" above are required to be used solely for the payment of interest on Subordinate Taxable Bonds.

*Taxable Principal Account.* The Trustee is required to deposit to the credit of the Taxable Principal Account: (a) that portion of the proceeds from the sale of the Corporation's bonds, if any, to be used to pay principal of Taxable Bonds if so directed by the Corporation, and (b) all amounts required to be transferred from the Funds and Accounts described under this caption "Taxable Principal Account."

To provide for the payment of each installment of principal on a Series of Taxable Bonds due at the Stated Maturity thereof or on a mandatory sinking fund redemption date therefor, the Trustee in accordance with the

applicable Monthly Report is required to make substantially equal monthly deposits to the credit of the Taxable Principal Account on the last Business Day of the first 10 of the 12 calendar months preceding such Stated Maturity or mandatory sinking fund redemption date, to aggregate the full amount of such installment within such 10 calendar month period (except that if there are fewer than 12 calendar months between the delivery of such Series of Taxable Bonds to the initial purchasers thereof and the first Stated Maturity or mandatory sinking fund redemption date with respect to such Series of Taxable Bonds, then the Trustee is required in accordance with the applicable Monthly Report to make equal monthly deposits to the credit of the Taxable Principal Account on the last Business Day of each calendar month beginning with the calendar month following the month in which such Series of Taxable Bonds is delivered to the initial purchasers such that the amount required to be on deposit in the Taxable Principal Account for the next succeeding Stated Maturity or mandatory sinking fund redemption date is on deposit by the last Business Day of the next April and October, as applicable). In making the deposits required to be deposited and credited to the Taxable Principal Account, all other deposits and credits otherwise made or required to be made to the Taxable Principal Account are required, to the extent available for such purpose, to be taken into consideration and allowed for, provided however that the Trustee is not responsible for such considerations and will rely solely upon the Monthly Report in making deposits under the Indenture.

If on any Stated Maturity or mandatory sinking fund redemption date there are insufficient amounts on deposit in the Taxable Principal Account to make payments of principal due on the Taxable Bonds on such date, the Trustee is required to transfer the deficiency from the applicable account of the following Funds, in the following order of priority (after transfers from any such Funds to the Taxable Interest Account required on such date): the Tax-Exempt Account or the Taxable Account of the Capitalized Interest Fund, the Tax-Exempt Account or the Taxable Account of the Student Loan Fund and the Tax-Exempt Account or the Taxable Account of the Debt Service Reserve Fund, subject to the limitations and conditions with respect thereto described under the captions "Capitalized Interest Fund" and "Student Loan Fund" above and "Debt Service Reserve Fund" below, respectively.

The moneys in the Taxable Principal Account required for the payment of the principal on a Series of Taxable Bonds at the Stated Maturity thereof or on a mandatory sinking fund redemption date therefor are required to be applied by the Trustee to such payment when due without further authorization or direction.

Except as described under the caption "Reallocation of Amounts on Deposit in the Debt Service Fund" below, amounts transferred to the Taxable Principal Account pursuant to paragraph (d) under the caption "Revenue Fund—Taxable Account" above are required to be used solely for the payment of principal at Stated Maturity or on a mandatory sinking fund redemption date on Senior Taxable Bonds, amounts transferred to the Taxable Principal Account pursuant to paragraph (g) under the caption "Revenue Fund—Taxable Account" above are required to be used solely for the payment of principal at Stated Maturity or on a mandatory sinking fund redemption date on Senior Subordinate Taxable Bonds, and amounts transferred to the Taxable Principal Account pursuant to paragraph (i) under the caption "Revenue Fund—Taxable Account" above are required to be used solely for the payment of principal at Stated Maturity or on a mandatory sinking fund redemption date on Subordinate Taxable Bonds, as set forth in the Corporation Order or Monthly Report.

*Taxable Retirement Account.* The Trustee is required to deposit to the credit of the Taxable Retirement Account any amounts transferred thereto or deposited therein to provide for Principal Reduction Payments or the redemption of, or the distribution of principal with respect to, the Taxable Bonds. All Principal Reduction Payments or redemptions of and distribution of principal with respect to Taxable Bonds (other than at a Stated Maturity or on a mandatory sinking fund redemption date) are required to be made with moneys deposited to the credit of the Taxable Retirement Account in accordance with the applicable Monthly Report. In the event that Taxable Bonds are to be prepaid from the Taxable Retirement Account on a date other than a regularly scheduled Interest Payment Date, accrued interest on such Taxable Bonds are required to be paid from the Taxable Interest Account. The moneys in the Taxable Retirement Account required for Principal Reduction Payments or the redemption of, or the distribution of principal with respect to, Taxable Bonds are required to be applied by the Trustee to such payment as set forth in any Supplemental Indenture providing for such Principal Reduction Payments or redemption or distribution of principal without further authorization or direction.

*Reallocation of Amounts on Deposit in the Debt Service Fund.* If, after all required transfers from the Revenue Fund, the Capitalized Interest Fund, the Student Loan Fund and the Debt Service Reserve Fund, there are insufficient amounts on deposit in any Account or Subaccount of the Debt Service Fund to pay principal or interest on a Senior

Bond on a Bond Payment Date, the Trustee is authorized to use any amounts on deposit in any other Account or Subaccount of the Debt Service Fund, on a pro rata basis from each other Account or Subaccount based upon the amounts in such other Account or Subaccount (first, from any Accounts or Subaccount established for Subordinate Bonds, second, from any Accounts or Subaccount established for Senior Subordinate Bonds and, third, from any Accounts or Subaccount established for Senior Bonds), not required to make a payment on any other Senior Bonds on such Bond Payment Date to make the payment due on such Senior Bond on such Bond Payment Date. If there are no Senior Bonds Outstanding and, after all required transfers from the Revenue Fund, the Capitalized Interest Fund, the Student Loan Fund and the Debt Service Reserve Fund, there are insufficient amounts on deposit in the any Account or Subaccount of the Debt Service Fund to pay principal or interest on a Senior Subordinate Bond on a Bond Payment Date, the Trustee is authorized to use any amounts on deposit in any other Account or Subaccount of the Debt Service Fund, on a pro rata basis from each other Account or Subaccount based upon the amounts in such other Account or Subaccount (first, from any Accounts or Subaccount established for Subordinate Bonds and, second, from any Accounts or Subaccount established for Senior Subordinate Bonds), not required to make a payment on any other Senior Subordinate Bonds on such Bond Payment Date to make the payment due on such Senior Subordinate Bond on such Bond Payment Date. If there are no Senior Bonds or Senior Subordinate Bonds Outstanding and, after all required transfers from the Revenue Fund, the Capitalized Interest Fund, the Student Loan Fund and the Debt Service Reserve Fund, there are insufficient amounts on deposit in the any Account or Subaccount of the Debt Service Fund to pay principal or interest on a Subordinate Bond on a Bond Payment Date, the Trustee is authorized to use any amounts on deposit in any other Account or Subaccount of the Debt Service Fund, on a pro rata basis from each other Account or Subaccount based upon the amounts in such other Account or Subaccount, not required to make a payment on any other Subordinate Bonds on such Bond Payment Date to make the payment due on such Subordinate Bond on such Bond Payment Date. To the extent there are still insufficient amounts in the Debt Service Fund to make the full payments of principal and interest due on the Senior Bonds (or, if there are no Senior Bonds Outstanding, on the Senior Subordinate Bonds or, if there are no Senior Bonds or Senior Subordinate Bonds Outstanding, on the Subordinate Bonds) on such Bond Payment Date, the Bonds to be paid shall be allocated a pro rata share of the amounts on deposit in the Debt Service Fund based upon the amounts due and owing on such Bonds on such Bond Payment Date. Any amounts within the Debt Service Fund that were reallocated from one Series of Bonds to be used to pay another Series of Bonds as described under this caption "Reallocation of Amounts on Deposit in the Debt Service Fund" are required to be added to the amounts required to be deposited with respect to such Series of Bonds for which previously set aside amounts were used to pay another Series of Bonds as described under this caption "Debt Service Fund" and the caption "Revenue Fund" above on the next monthly distribution date.

### **Debt Service Reserve Fund**

There will be deposited into the Tax-Exempt Account or the Taxable Account of the Debt Service Reserve Fund the amount, if any, specified in each Supplemental Indenture and any other moneys of the Corporation designated by the Corporation for deposit therein pursuant to a Corporation Order. If on the last Business Day of any calendar month, there are insufficient moneys in the Tax-Exempt Account or the Taxable Account of the Revenue Fund (after transfers from the Capitalized Interest Fund and the Student Loan Fund) to make the transfers required by the Indenture on a Bond Payment Date and there are insufficient moneys in the Tax-Exempt Account or the Taxable Account of the Revenue Fund (after transfers from the Capitalized Interest Fund and the Student Loan Fund) to make the payments due on such Bond Payment Date, an amount equal to any such deficiency shall be transferred directly from the Debt Service Reserve Fund to the Tax-Exempt Account or Taxable Account of the Revenue Fund, as applicable and on a pro rata basis if necessary, to make such transfers (but only from amounts on deposit in the Tax-Exempt Account of the Debt Service Reserve Fund not constituting the proceeds of a Series of Tax-Exempt Bonds, only upon receipt by the Corporation and the Trustee of a Favorable Opinion) as directed by and in accordance with the applicable Monthly Report or Corporation Order. To the extent that amounts are available within an Account of the Debt Service Reserve Fund, (i) amounts on deposit in the Tax-Exempt Account of the Debt Service Reserve Fund are required to be used to make transfers to the Tax-Exempt Account of the Revenue Fund before using amounts on deposit in the Taxable Account of the Debt Service Reserve Fund and (ii) amounts on deposit in the Taxable Account of the Debt Service Reserve Fund are required be used to make transfers to the Taxable Account of the Revenue Fund before using amounts on deposit in the Tax-Exempt Account of the Debt Service Reserve Fund.

If an Account of the Debt Service Reserve Fund is used for the purposes described in the preceding paragraph, the Trustee in accordance with the applicable Monthly Report or a Corporation Order is required to restore such Account of the Debt Service Reserve Fund to its allocable portion of the Debt Service Reserve Fund Requirement

with respect thereto by transfers from the Tax-Exempt Account of the Revenue Fund as described under paragraph (e) under the captions “Revenue Fund—Tax-Exempt Account” and “—Taxable Account” above, as applicable. If the full amount required to restore such Account of the Debt Service Reserve Fund to its allocable portion of the Debt Service Reserve Fund Requirement is not available in the Tax-Exempt Account of the Revenue Fund on the day of any required transfer or in the Taxable Account of the Revenue Fund on the day of any required transfer, as applicable, the Trustee in accordance with the applicable Monthly Report or a Corporation Order shall continue to transfer funds from the Tax-Exempt Account of the Revenue Fund as they become available and in accordance with as described under paragraph (e) under the captions “Revenue Fund—Tax-Exempt Account” and “—Taxable Account” above, as applicable, until the deficiency in such Account of the Debt Service Reserve Fund has been eliminated.

On any day that the amount in an Account of the Debt Service Reserve Fund, if any, exceeds its allocable portion of the Debt Service Reserve Fund Requirement with respect thereto for any reason, the Trustee, pursuant to a Corporation Order, is required to transfer the excess to the corresponding Account of the Revenue Fund.

### **Rebate Fund**

The Trustee is required to, upon receipt of a Corporation Order and as described in paragraph (a) under the captions “Revenue Fund—Tax-Exempt Account” and “—Taxable Account” above, as applicable, withdraw from the applicable Account of the Revenue Fund and deposit to the Rebate Fund an amount such that the balance held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the Computation Date. Computation of the amounts on deposit in each Fund and of the Rebate Amount are required to be furnished to the Trustee by or on behalf of the Corporation in accordance with any Tax Document, as the same may be amended or supplemented in accordance with their terms.

The Trustee, upon receipt of a Corporation Order in accordance with any Tax Document, is required to pay to the United States of America from the Rebate Fund the Rebate Amount as of the end of any applicable Computation Date.

The Trustee is required, upon receipt of a Corporation Order and as described in paragraph (a) under the captions “Revenue Fund—Tax-Exempt Account” and “—Taxable Account” above, as applicable, to withdraw from the appropriate Account of the Revenue Fund and deposit to the Rebate Fund such amount as is required to be paid to the federal government as Excess Earnings. The Trustee is required, upon receipt of a Corporation Order, to pay such Excess Earnings to the United States of America. Alternatively, the Corporation may from time to time forgive Financed Eligible Loans to satisfy such requirement, in accordance with any Tax Document.

In the event that on any Computation Date the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee is required to withdraw such excess amount and deposit it in the Account of the Revenue Fund designated by a Corporation Order.

Notwithstanding anything in the Indenture to the contrary, in the event the Corporation and the Trustee receives a Favorable Opinion to the effect that it is not necessary under either existing statutes and court decisions or under any then federal legislation to pay any portion of earnings on Funds held under the Indenture or Excess Earnings to the United States of America in order to assure the exclusion from gross income for federal income tax purposes of interest on any Tax-Exempt Bonds, then the provisions described under this caption “Rebate Fund” need not be complied with and will no longer be effective and all or a portion of such amounts on deposit in the Rebate Fund will be transferred to the Account of the Revenue Fund designated by a Corporation Order.

### **Operating Fund**

There will be transferred to the Corporation for deposit to the Operating Fund the amount, if any, specified in each Supplemental Indenture. The Trustee is also required to transfer to the Corporation for deposit to the Operating Fund, subject to any limitations set forth in any Supplemental Indenture, the amounts transferred from the Revenue Fund pursuant to as described in paragraphs (b) and (1) under the captions “Revenue Fund—Tax-Exempt Account” and “—Taxable Account” above, as applicable, and any Supplemental Indenture in accordance with the applicable Monthly Report or Corporation Order. The Operating Fund is held by the Corporation, and no Registered Owner has

any right, title or interest in the Operating Fund. Unless such Senior Transaction Fees and Subordinate Transaction Fees are related solely to the Taxable Bonds or the Tax-Exempt Bonds or as otherwise provided in a Corporation Order, Senior Transaction Fees and Subordinate Transaction Fees shall be allocated to the Taxable Bonds and the Tax-Exempt Bonds based upon the outstanding principal amounts of the Taxable Bonds and the Tax-Exempt Bonds. Amounts deposited in the Operating Fund are required to be used to pay Senior Transaction Fees and Subordinate Transaction Fees.

The amount deposited in the Operating Fund and the schedule of deposits shall be determined by the Corporation or set forth in a Supplemental Indenture, and the requisition, in the form of a Corporation Order provided by the Corporation to the Trustee, further will include a statement that the amount requisitioned, when combined with the amount requisitioned previously in the Fiscal Year, does not exceed the limitations set forth in the Indenture or any Supplemental Indenture. The Trustee is required to make all payments of fees and expenses set forth in this caption directly to the party to whom the fees and expenses are due as directed in the Corporation Order. The Trustee may conclusively rely on such invoices and written requests in making payments required pursuant to this caption.

The Corporation covenants in the Indenture that the amount so transferred in any one Fiscal Year shall not exceed the amounts described under the caption "PROVISIONS APPLICABLE TO THE BONDS; DUTIES OF THE CORPORATION—Senior Transaction Fees" in this Appendix A and under the caption "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Senior Transaction Fees" in the body of this Official Statement and as may be further limited by a Supplemental Indenture, unless the Corporation shall have satisfied the Rating Agency Notification with respect to such greater amounts. See also the caption "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Senior Transaction Fees" in the body of this Official Statement.

#### **Transfers to the Residual Certificateholder**

No transfers from the Revenue Fund to the Residual Certificateholder may be made pursuant to the Indenture hereof if there is not on deposit in the Debt Service Reserve Fund an amount equal to at least the Debt Service Reserve Fund Requirement, and unless all conditions contained in any Supplemental Indenture are complied with and the Trustee has received (a) a certificate of an Authorized Representative of the Corporation to the effect that all rebate liability as calculated pursuant to any Tax Document through the date of such transfer has been paid or deposited in the Rebate Fund and (b) a certificate of an Authorized Officer of the Corporation stating that, immediately following such release, (i) the Overall Parity Percentage (assuming that amounts in the Tax Exempt Retirement Account or the Taxable Retirement Account of the Debt Service Fund have been used to redeem a principal amount of Bonds equal to amounts on deposit therein) will equal or exceed the Required Overall Parity Percentage, as defined in the most recent Supplemental Indenture, (ii) the Net Asset Requirement shall be satisfied, (iii) the aggregate principal amount of all Bonds Outstanding will be greater than 10% of the aggregate principal amount of all Bonds Outstanding under the Indenture as of the Date of Issuance of the most recently issued Series of Bonds and (iv) for transfers made on and after December 1, 2026, the cumulative principal amount of Defaulted Loans on December 1, 2026 was less than \$5,000,000 (measured from the Date of Issuance of the most recently issued Series of Bonds). These conditions relating to transfers to the Residual Certificateholder are subject to change upon provision of a Rating Agency Notification.

Subject to compliance with the Indenture, any amounts transferred from the Revenue Fund to the Residual Certificateholder in accordance with the Indenture shall be released from the lien of the Indenture, shall no longer be part of the Trust Estate and shall be the property of the Residual Certificateholder.

#### **Investment of Funds Held by Trustee**

The Trustee is required to invest money held for the credit of any Fund, Account or Subaccount held by the Trustee under the Indenture as directed in writing by an Authorized Representative of the Corporation, in Eligible Accounts the funds of which Eligible Accounts shall, to the fullest extent practicable and reasonable, be invested in Investment Securities which shall mature or be redeemed at the option of the holder of such Investment Securities prior to the respective dates when the money held for the credit of such Fund, Account or Subaccount will be required for the purposes intended. If a Fund or Account or Subaccount no longer constitutes an Eligible Account, the Trustee shall move such Fund or Account or Subaccount to another Eligible Institution such that the Fund or Account or Subaccount shall again constitute an Eligible Account within 90 days of the date upon which the Fund or Account or

Subaccount no longer constitutes an Eligible Account at no cost to the Trust Estate all as set forth in a Corporation Order. The Trustee and the Corporation agree in the Indenture that unless an Event of Default has occurred and is continuing under the Indenture, in which case, the Trustee shall act at the written direction of the Registered Owners in accordance with the Indenture, the Corporation acting by and through an Authorized Representative will provide written direction to the Trustee with respect to any discretionary acts required or permitted of the Trustee under any Investment Securities, and the Trustee will not take such discretionary acts without such written direction.

The Investment Securities purchased are required to be held by the Trustee and will be deemed at all times to be part of such Fund or Account or Subaccounts or combination thereof, and the Trustee is required to inform the Corporation of the details of all such investments. Earnings with respect to, and any net gain on the disposition of, any such investments, except on investments contained in the Rebate Fund and the Operating Fund, is required to be deposited into the Revenue Fund. Earnings on amounts contained in the Rebate Fund remain in the Rebate Fund. Earnings on amounts contained in the Operating Fund remain in the Operating Fund. Upon direction in writing from an Authorized Representative of the Corporation, the Trustee shall sell, or present for redemption, any Investment Securities purchased by it as an investment whenever it is necessary to provide money to meet any payment from the applicable Fund. The Trustee is required to advise the Corporation in writing, on or before the fifteenth day of each calendar month (or such later date as reasonably consented to by the Corporation), of all investments held for the credit of each Fund in its custody under the provisions of the Indenture as of the end of the preceding month and the value thereof, and will list any investments which were sold or liquidated for less than their value at the time thereof.

Subject to any limitations in the Tax Documents, money in any Fund constituting a part of the Trust Estate may be pooled for the purpose of making investments and may be used to pay accrued interest on Investment Securities purchased. Subject to any limitations in the Tax Documents, the Trustee and its affiliates may act as principal or agent in the acquisition or disposition of any Investment Securities.

Neither the Paying Agent nor the Trustee shall in any way be held liable for the selection of Investment Securities, for determining whether an investment is in an Investment Security or an Eligible Account or by reason of any insufficiency in such Fund, Account or Subaccount resulting from any loss on any Investment Security included therein. In addition, neither the Paying Agent nor the Trustee shall have any liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure by any party to provide timely written investment direction. In the absence of any written direction from the Corporation, any money held for the credit of any Fund, Account or Subaccount shall remain uninvested.

The Corporation will retain the authority to institute, participate in and join in any plan of reorganization, readjustment, merger or consolidation with respect to the issuer of any Investment Securities held under the Indenture, and, in general, to exercise each and every other power or right with respect to such Investment Securities as individuals generally have and enjoy with respect to their own assets and investments, including power to vote upon any matter relating to holders of such Investment Securities.

### **Purchase of Bonds**

Pursuant to the Indenture and upon Corporation Order, any amounts held under the Indenture which are available to redeem Bonds of a particular Stated Maturity (and interest rate, if applicable) may instead be used to purchase Bonds of such Stated Maturity (and interest rate, if applicable) at the same times and subject to the same conditions (except as to price) as apply to the Bonds of such Stated Maturity (and interest rate, if applicable) in lieu of such redemption, except that such purchases made with amounts held under the Indenture will be made only if the purchase price is less than the required Redemption Price. All Bonds so purchased will be canceled and not reissued.

### **DEFAULTS AND REMEDIES**

#### **Events of Default Defined**

For the purpose of the Indenture, the following events are defined as, and are declared to be, "Events of Default":

(a) default in the due and punctual payment of the principal of or interest on any of the Senior Bonds when due (other than the failure to make Principal Reduction Payments);

(b) if no Senior Bonds are Outstanding under the Indenture, default in the due and punctual payment of the principal of or interest on any of the Senior Subordinate Bonds when due (other than the failure to make Principal Reduction Payments);

(c) if no Senior Bonds or Senior Subordinate Bonds are Outstanding under the Indenture, default in the due and punctual payment of the principal of or interest on any of the Subordinate Bonds when due (other than the failure to make Principal Reduction Payments);

(d) default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Corporation or any Conduit Issuer, other than an Administrator Default with respect to the Corporation, to be kept, observed, and performed contained in the Indenture or in the Bonds, and, if such default is capable of being cured, the continuation of such default for a period of 90 days after written notice thereof by the Trustee to the Corporation or the applicable Conduit Issuer; and

(e) the occurrence of an Event of Bankruptcy with respect to the Corporation.

Except as described under the caption "THE TRUSTEE – Indemnification of Trustee" in this Appendix A, the Trustee is not required to take notice, or be deemed to have knowledge, of any default or Event of Default.

Any notice provided in the Indenture to be given to the Corporation or the applicable Conduit Issuer with respect to any default is deemed sufficiently given if sent by first class mail with postage prepaid to the Person to be notified, addressed to such Person at the post office address as shown in the Indenture or such other address as may hereafter be given as the principal office of the Corporation or the applicable Conduit Issuer in writing to a Responsible Officer of the Trustee by an Authorized Officer of the Corporation or the applicable Conduit Issuer. Subject to the Indenture, the Trustee may give any such notice in its discretion and shall give such notice if requested to do so in writing by the Registered Owners of at least two-thirds of the collective aggregate principal amount of the Highest Priority Bonds at the time Outstanding (or, in the case of an Event of Default described in paragraph (d) above, only upon the written direction of 100% of the Registered Owners of the Highest Priority Bonds then Outstanding and the written consent of the Registered Owners of a majority of the collective aggregate principal amount of each of the Senior Subordinate Bonds (unless the Senior Subordinate Bonds are the Highest Priority Bonds then Outstanding) and the Subordinate Bonds).

#### **Remedy on Default; Possession of Trust Estate**

Upon the happening and continuance of any Event of Default, the Trustee, personally or by its attorneys or agents, may (but in the case of an Event of Default described in paragraph (d) under the caption "Events of Default Defined" above, only upon the written direction of 100% of the Registered Owners of the Highest Priority Bonds then Outstanding and the written consent of the Registered Owners of a majority of the collective aggregate principal amount of each of the Senior Subordinate Bonds (unless the Senior Subordinate Bonds are the Highest Priority Bonds then Outstanding) and the Subordinate Bonds) enter into and upon and take possession of such portion of the Trust Estate as is in the custody of others, and all property comprising the Trust Estate, and each and every part thereof, and exclude the Corporation and the Conduit Issuers and their agents, servants, and employees wholly therefrom, and have, hold, use, operate, manage, and control the same and each and every part thereof, and in the name of the Corporation and the Conduit Issuers or otherwise, as they shall deem best, conduct the business thereof and exercise the privileges pertaining thereto and all the rights and powers of the Corporation and the Conduit Issuers and use all of the then existing Trust Estate for that purpose, and collect and receive all charges, income and Revenue of the same and of every part thereof, and after deducting therefrom all expenses incurred under the Indenture (including any Extraordinary Expenses) and all other proper outlays authorized in the Indenture, and all payments which may be made as just and reasonable compensation for its own services, and for the services of its attorneys, agents, and assistants, the Trustee is required to apply the rest and residue of the money received by the Trustee as follows:

(a) if the principal of none of the Bonds has become due: first, to the Rebate Fund if necessary to comply with any Tax Document with respect to rebate or Excess Earnings; second, to the payment of Senior Transaction Fees and Subordinate Transaction Fees due and owing, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; third, to the payment of the interest in default on the Senior Bonds, in order of the maturity of the installments thereof, with interest on the overdue installments thereof at the same rates, respectively, as were borne by the Senior Bonds on which such interest is in default, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; and fourth, to the payment of the interest in default on the Senior Subordinate Bonds, in order of the maturity of the installments of such interest, with interest on the overdue installments thereof at the same rates, respectively, as were borne by the Senior Subordinate Bonds on which such interest is in default, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; and fifth, to the payment of the interest in default on the Subordinate Bonds, in order of the maturity of the installments of such interest, with interest on the overdue installments thereof at the same rates, respectively, as were borne by the Subordinate Bonds on which such interest is in default, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference.

(b) if the principal of any of the Bonds has become due, other than by declaration of acceleration: first, to the Rebate Fund if necessary to comply with any Tax Document with respect to rebate or Excess Earnings; second, to the payment of Senior Transaction Fees and Subordinate Transaction Fees due and owing, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; third, to the payment of the interest in default on the Senior Bonds, in the order of the maturity of the installments thereof, with interest on overdue installments thereof at the same rates, respectively, as were borne by the Senior Bonds on which such interest is in default; fourth, to the payment of the principal of all Senior Bonds then due, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; fifth, to the payment of the interest in default on the Senior Subordinate Bonds, in the order of the maturity of the installments thereof with interest on overdue installments thereof at the same rates, respectively, as were borne by the Senior Subordinate Bonds on which such interest is in default, as the case may be; sixth, to the payment of the principal of all Senior Subordinate Bonds then due, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; seventh, to the payment of the interest in default on the Subordinate Bonds, in the order of the maturity of the installments thereof with interest on overdue installments thereof at the same rates, respectively, as were borne by the Subordinate Bonds on which such interest is in default, as the case may be; and eighth, to the payment of the principal of all Subordinate Bonds then due, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference.

(c) subject to the provisions described under the caption "Accelerated Maturity" below, if the principal of all the Bonds has become due by declaration of acceleration or otherwise: first, to the Rebate Fund if necessary to comply with any Tax Document with respect to rebate or Excess Earnings; second, to the payment of Senior Transaction Fees and Subordinate Transaction Fees due and owing, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; third, to the payment of the interest and principal of all Senior Bonds then due, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; fourth, to the payment of the interest and principal of all Senior Subordinate Bonds then due, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; fifth, to the payment of the interest and principal of all Subordinate Bonds then due, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; and, sixth, any remainder to the Residual Certificateholder.

## **Remedies on Default; Sale of Trust Estate**

Upon the happening and continuation of any Event of Default and if the principal of all of the Outstanding Bonds has been declared due and payable pursuant to the provisions described under the caption "Accelerated Maturity" below, then and in every such case, and irrespective of whether other remedies authorized have been pursued in whole or in part, the Trustee may sell, with or without entry, to the highest bidder the Trust Estate, and all right, title, interest, claim and demand thereto and the right of redemption thereof, at any such place or places, and at such time or times and upon such notice and terms as may be required by law; provided, however, that no such sale shall be made unless the Trustee has received an opinion of Bond Counsel stating that adequate provision has been made to assure that such transfer shall not impair the Corporation's and each Conduit Issuer's capacity to comply with its

obligations relative to the restrictions upon Portfolio Yield and to the rebate of certain amounts to the federal government as such obligations would be calculated upon the date of such opinion in accordance with any Tax Document and that such transfer will not affect adversely the exclusion from federal income taxation of interest on the Tax-Exempt Bonds afforded by Section 103 of the Code. Upon such sale the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale will be a perpetual bar both at law and in equity against the Corporation, the Conduit Issuers and all Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money or to inquire as to the authorization, necessity, expediency or regularity of any such sale. The Trustee is irrevocably appointed the true and lawful attorney-in-fact of the Corporation and each Conduit Issuer, in its name and stead, to make and execute all bills of sale, instruments of assignment and transfer and such other documents of transfer as may be necessary or advisable in connection with a sale of all or part of the Trust Estate, but the Corporation and each Conduit Issuer, if so requested by the Trustee, shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or proper for the purpose which may be designated in such request. In addition, the Trustee may proceed to protect and enforce the rights of the Trustee and the Registered Owners of the Bonds in such manner as the Trustee shall determine, whether for the specific performance of any covenant, condition, agreement or undertaking contained in the Indenture, or in aid of the execution of any power granted in the Indenture, or for the enforcement of such other appropriate legal or equitable remedies as may be more effectual to protect and enforce the rights aforesaid. The Trustee is required to take any such action or actions if requested to do so in writing by the Registered Owners of at least two-thirds of the collective aggregate principal amount of the Highest Priority Bonds at the time Outstanding. Such a sale following an Event of Default, other than a default in the payment of any principal or interest on any Bond, also requires the written consent of all the Registered Owners of the Senior Subordinate Bonds (unless the Senior Subordinate Bonds are the Highest Priority Bonds then Outstanding) and the Subordinate Bonds unless the proceeds of such a sale would be sufficient to discharge the Senior Subordinate Bonds and the Subordinate Bonds at the date of such a sale.

### **Appointment of Receiver**

In case an Event of Default occurs, and if all of the Outstanding Bonds have been declared due and payable and in case any judicial proceedings are commenced to enforce any right of the Trustee or of the Registered Owners under the Indenture or otherwise, then as a matter of right, the Trustee is entitled to the appointment of a receiver of the Trust Estate and of the earnings, income or Revenue, rents, issues and profits thereof with such powers as the court making such appointments may confer.

### **Restoration of Position**

In case the Trustee has proceeded to enforce any rights under the Indenture by sale or otherwise, and such proceedings have been discontinued, or have been determined adversely to the Trustee, then and in every such case to the extent not inconsistent with such adverse decree, the Corporation, each Conduit Issuer, the Trustee and the Registered Owners will be restored to their former respective positions and the rights under the Indenture in respect to the Trust Estate, and all rights, remedies, and powers of the Corporation, each Conduit Issuer, the Trustee and the Registered Owners will continue as though no such proceeding had been taken.

### **Purchase of Properties by Trustee or Registered Owners**

In case of any such sale of the Trust Estate, any Registered Owner, Registered Owners, committee of Registered Owners, the Administrator or the Trustee, may bid for and purchase such property and upon compliance with the terms of sale may hold, retain possession, and dispose of such property (or, in the case of the Trustee, have its nominee process or dispose, as applicable) as the absolute right of the purchaser or purchasers without further accountability and will be entitled, for the purpose of making any settlement or payment for the property purchased, to use and apply any Bonds owned by such purchasers that are secured by the Indenture and any interest thereon due and unpaid, by presenting such Bonds in order that there may be credited thereon the sum apportionable and applicable thereto out of the net proceeds of such sale, and thereupon such purchaser or purchasers will be credited on account of such purchase price payable to him or them with the sum apportionable and applicable out of such net proceeds to the payment of or as a credit on the Bonds so presented.

## **Application of Sale Proceeds**

The proceeds of any sale of the Trust Estate, together with any funds at the time held by the Trustee and not otherwise designated in the Indenture for another use, are required to be applied by the Trustee as described under the caption "Remedy on Default; Possession of Trust Estate" above, and then to the Corporation or whomsoever shall be lawfully entitled thereto.

## **Accelerated Maturity**

If an Event of Default has occurred and be continuing, the Trustee may declare, or upon the written direction by the Registered Owners of at least two-thirds of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding, or due to the occurrence of an Event of Default described in paragraph (e) under the caption "Events of Default Defined" above, is required to declare by notice (no notice shall be required due to the occurrence of an Event of Default pursuant to paragraph (d) under the caption "Events of Default Defined" above) in writing delivered to the Corporation and each Conduit Issuer not later than the third Business Day succeeding such direction, the principal of all Bonds then Outstanding and the interest thereon immediately due and payable, anything in the Bonds or the Indenture to the contrary notwithstanding, subject, however, to the provisions described under the caption "Waivers of Events of Default" below; provided, however, that a declaration of acceleration upon a default described in paragraph (d) under the caption "Events of Default Defined" above requires the consent of 100% of the Registered Owners of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding.

The Trustee is required to give notice thereof by first class mail, postage prepaid (or, in the case of global notes, in accordance with the depositary's customary policies and procedures), to all Registered Owners of Outstanding Bonds; provided, however, that the giving of such notice is not considered a precondition to the Trustee declaring the entire principal amount of the Bonds then Outstanding and the interest accrued thereon immediately due and payable. The Bonds will cease to accrue interest on the date of declaration of acceleration whether or not they are paid on such date.

## **Remedies Not Exclusive**

The remedies conferred in the Indenture upon or reserved to the Trustee or the Registered Owners of Bonds are not intended to be exclusive of any other remedy, but each such remedy is cumulative and is in addition to every other remedy given under the Indenture or now or hereafter existing, and every power and remedy given to the Trustee or the Registered Owners of Bonds under the Indenture or any supplement thereto, may be exercised from time to time as often as may be deemed expedient. No delay or omission of the Trustee or any Registered Owner of Bonds to exercise any power or right arising from any default under the Indenture will impair any such right or power or will be construed to be a waiver of any such default or to be acquiescence therein.

## **Direction of Trustee**

Upon the happening of any Event of Default, the Registered Owners of at least two-thirds of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding, have the right by an instrument or instruments in writing delivered to the Trustee to direct and control the Trustee as to the method of taking any and all proceedings for any sale of any or all of the Trust Estate, or for the appointment of a receiver, if permitted by law, and may at any time cause any proceedings authorized by the terms of the Indenture to be so taken or to be discontinued or delayed; provided, however, that such Registered Owners will not be entitled to cause the Trustee to take any proceedings which in the Trustee's opinion would be unjustly prejudicial to non-assenting Registered Owners of Bonds, but the Trustee is entitled to assume that the action requested by the Registered Owners of at least two-thirds of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding will not be prejudicial to any non-assenting Registered Owners unless the Registered Owners of at least two-thirds of the collective aggregate principal amount of the non-assenting Registered Owners of such Highest Priority Bonds, in writing, show the Trustee how they will be prejudiced. The provisions described above are expressly subject to the provisions described under the captions "THE TRUSTEE – Acceptance of Trust" and "THE TRUSTEE – Indemnification of Trustee" in this Appendix A.

## **Right to Enforce in Trustee**

No Registered Owner of any Bond has any right as such Registered Owner to institute any suit, action, or proceedings for the enforcement of the provisions of the Indenture or for the execution of any trust under the Indenture or for the appointment of a receiver or for any other remedy under the Indenture, all rights of action under the Indenture being vested exclusively in the Trustee, unless and until such Registered Owner has previously given to the Trustee written notice of a default under the Indenture, and of the continuance thereof, and also unless the Registered Owners of at least two-thirds of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding have made written request upon the Trustee and the Trustee has been afforded reasonable opportunity to institute such action, suit or proceeding in its own name, and unless the Trustee has been offered indemnity and security satisfactory to it against the fees, costs, expenses, and liabilities (including those of its agents and counsel) to be incurred therein or thereby, which offer of indemnity will be an express condition precedent under the Indenture to any obligation of the Trustee to take any such action under the Indenture, and the Trustee for 45 days after receipt of such notification, request, and offer of indemnity, has failed to institute any such action, suit or proceeding. It is understood and intended that no one or more Registered Owners of the Bonds have the right in any manner whatever by his or their action to affect, disturb, or prejudice the lien of the Indenture or to enforce any right under the Indenture except in the manner provided in the Indenture and for the equal benefit of the Registered Owners of the Bonds then Outstanding (except as provided in the Indenture with respect to certain payment and other priorities).

## **Waivers of Events of Default**

The Trustee may in its discretion waive any Event of Default under the Indenture and its consequences and rescind any declaration of acceleration of Bonds, and is required to do so upon the written request of the Registered Owners of a majority of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal of or premium on any Outstanding Bonds at the date of maturity or redemption thereof, or any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest or all arrears of payments of principal and premium, if any, and all fees and expenses of the Trustee, in connection with such default or otherwise incurred under the Indenture have been paid or provided for; or (b) any default in the payment of amounts described under the caption "PROVISIONS APPLICABLE TO THE BONDS; DUTIES OF THE CORPORATION – Tax Covenants" in this Appendix A. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such default has been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Corporation, each Conduit Issuer, the Trustee and the Registered Owners of Bonds will be restored to their former positions and rights under the Indenture respectively, but no such waiver or rescission will extend to or affect any subsequent or other default, or impair any rights or remedies consequent thereon.

## **THE TRUSTEE**

### **Acceptance of Trust**

The Trustee accepts the trusts imposed upon it by the Indenture, and agrees to perform said trusts, but only upon and subject to the following terms and conditions:

- (a) Except during the continuance of an Event of Default,
  - the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenants or obligations shall be read into the Indenture against the Trustee; and
  - in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming on their face to the requirements of the Indenture; but in the case of any such certificates or opinions which by any provisions of the Indenture are specifically required to be furnished to the Trustee, the Trustee is under a duty to examine the same to determine whether or not they conform as to form with the requirements of the Indenture, without any duty to inquire to the matters stated in the Indenture or any duty to

confirm or investigate the accuracy of mathematical calculations or other facts stated in the Indenture.

(b) In case an Event of Default has occurred and is continuing, the Trustee, in exercising the rights and powers vested in it by the Indenture, is required to use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) No provision of the Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

- this paragraph (c) shall not be construed to limit the effect of paragraph (a) above;
- the Trustee will not be liable for any error of judgment made in good faith, unless it is conclusively determined by a court of competent jurisdiction that the Trustee was negligent in ascertaining the pertinent facts;
- the Trustee will not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the requisite percentage of Registered Owners permitted to direct the Trustee pursuant to the Indenture relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Indenture or any other transaction documents; and
- no provision of the Indenture (including but not limited to any time that the Trustee is acting as a prudent person following an Event of Default described in paragraph (d) under the caption “DEFAULTS AND REMEDIES – Events of Default Defined” in this Appendix A) requires the Trustee to expend or risk its own funds or otherwise incur any liability (financial or otherwise) in the performance of any of its duties under the Indenture, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions described under this caption “Acceptance of Trust”.

### **Recitals of Others**

The Trustee is not responsible for any recital in the Indenture or in the Bonds (except with respect to the certificate of the Trustee endorsed on the Bonds), or for the filing or re filing of the Indenture, or for the validity of the execution by the Corporation or any Conduit Issuer of the Indenture or of any Supplemental Indenture or instrument of further assurance, or for the sufficiency of the security for the Bonds issued under the Indenture or intended to be secured thereby. The Trustee makes no representations as to the title of the Corporation or any Conduit Issuer in the Trust Estate or as to the security afforded thereby and by the Indenture, or as to the validity, perfection, priority, or continuation of any security interest granted in the Indenture, or as to the validity or sufficiency of the Indenture or of the Bonds issued under the Indenture, and the Trustee shall incur no responsibility in respect of such matters.

### **As to Trust Estate and Filings**

The Trustee is under no duty (a) to file or record, or cause to be filed or recorded, the Indenture or any instrument supplemental thereto; (b) to procure any further order or additional instruments of further assurance; (c) to see to the delivery to it of any personal property intended to be mortgaged or pledged under the Indenture or thereunder; (d) to do any act which may be suitable to be done for the better maintenance of the lien or security of the Indenture; or (e) for giving notice of the existence of such lien, or for extending or supplementing the same or to see that any rights to Revenue and Funds intended now or hereafter to be transferred in trust under the Indenture are subject to the lien thereof. The Trustee will not be liable for failure of the Corporation or any Conduit Issuer to pay any tax or taxes in respect of such property, or any part thereof, or the income therefrom or otherwise, nor will the

Trustee be under any duty in respect of any tax which may be assessed against it or the Registered Owners in respect of such property or pledged Revenue and Funds. The Trustee has no responsibility for the sufficiency, adequacy or priority of any initial filing and in the absence of written notice to the contrary by the Corporation, a Conduit Issuer or other Authorized Representative, may conclusively rely and will be protected in relying on all information and exhibits in such initial filings for the purposes of any continuation statements.

Beyond the exercise of reasonable care in the custody thereof, the Trustee shall not have any duty as to any Trust Estate in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto. Except as set forth in the Indenture, the Trustee shall not be responsible for (i) perfecting, maintaining, monitoring, preserving or protecting the security interest or liens granted under the Indenture, or any agreement or instrument contemplated under the Indenture or thereby, (ii) the filing, re-filing, recording, re-recording or continuing or any document, financing statement, mortgage, assignment, notice, instrument of further assurance or other instrument in any public office at any time or times or (iii) providing, maintaining, monitoring or preserving insurance on or the payment of taxes with respect to any of the Trust Estate. Except as set forth in the Indenture, the actions described in items (i) through (iii) shall be the sole responsibility of the Corporation. The Trustee shall be deemed to have exercised reasonable care in the custody of the Trust Estate in its possession if the Trust Estate is accorded treatment substantially equal to that which it accords its own property and shall not be liable or responsible for any loss or diminution in the value of any of the Trust Estate, by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Trustee in good faith.

The Trustee shall not be responsible for the existence, genuineness or value of any of the Trust Estate or for the validity, perfection, priority or enforceability of the liens in any of the Trust Estate, whether impaired by operation of law or by reason of any of any action or omission to act on its part in the Indenture, except to the extent such action or omission constitutes gross negligence or willful misconduct on the part of the Trustee (as determined by a final, nonappealable judgment by a court of competent jurisdiction), for the validity or sufficiency of the Trust Estate or any agreement or assignment contained in the Indenture, for the validity of the title to the Trust Estate, for insuring the Trust Estate or for the payment of taxes, charges, assessments or liens upon the Trust Estate or otherwise as to the maintenance of the Trust Estate. The Trustee disclaims any representation or warranty to the present and future holders of the obligations concerning the perfection of the liens granted under the Indenture or in the value of any of the Trust Estate.

### **Trustee May Act Through Agents**

The Trustee may execute any of the trusts or powers of the Indenture and perform any of its duties by or through attorneys or agents and will not be responsible for any misconduct or negligence on the part of any such attorney or agent appointed by it with due care. The Trustee may act upon the opinion or advice of any counsel, accountant, or other expert selected by it in the exercise of reasonable care, which shall be full and complete authorization and protection in respect of any action or inaction based on its good faith reliance upon such opinion or advice.

### **Indemnification of Trustee**

The Trustee is not required to take notice, or be deemed to have knowledge, of any default or Event of Default of the Corporation, any Conduit Issuer or any Administrator Default under the Indenture and may conclusively assume that there has been no such default or Event of Default unless and until a Responsible Officer of the Trustee has been specifically notified in writing at the address set forth in the Indenture of such default or Event of Default by (a) the Registered Owners of the required percentages in principal amount of the Bonds then Outstanding hereinabove specified or (b) an Authorized Representative of the Corporation or any Conduit Issuer. However, the Trustee may begin suit, or appear in and defend suit, execute any of the trusts created by the Indenture, enforce any of its rights or powers under the Indenture, or do anything else in its judgment proper to be done by it as Trustee, without assurance of reimbursement or indemnity, and in such case the Trustee is required to be reimbursed or indemnified by the Registered Owners requesting such action, if any, for all fees, costs and expenses (including extraordinary out-of-pocket expenses), liabilities, outlays and counsel and agent fees and other reasonable disbursements properly incurred in connection therewith (including, but not limited to the costs of defending any claim of bringing any claim to enforce any indemnification obligation), unless such costs and expenses, liabilities, outlays and attorneys' fees and other

reasonable disbursements properly incurred in connection therewith are adjudicated to have resulted from the negligence or willful misconduct of the Trustee. In furtherance and not in limitation of the provisions described above, the Trustee will not be liable for, and will be held harmless by the Corporation from the Trust Estate, following any Corporation Orders, instructions or other directions (including electronic communications) upon which the Trustee is authorized to rely pursuant to the Indenture or any other agreement to which it is a party. If the Corporation or the Registered Owners, as appropriate, fail to make such reimbursement or indemnification, the Trustee may reimburse itself from any money in its possession under the provisions of the Indenture, (i) except during the continuance of an Event of Default, subject only to the prior lien of the Bonds for the payment of the principal thereof, premium, if any, and interest thereon from the Revenue Fund; and (ii) during the continuance of an Event of Default in accordance with the provisions described under the caption "DEFAULTS AND REMEDIES – Remedy on Default; Possession of Trust Estate" in this Appendix A. None of the provisions contained in the Indenture or any other agreement to which it is a party require the Trustee to act or to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if the Registered Owners have not offered security and/or indemnity acceptable to it or if it has reasonable grounds for believing that prompt repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Before taking any action under the Indenture requested by the Registered Owners, the Trustee may require that it be furnished an indemnity bond or other indemnity satisfactory to it for the reimbursement of all fees and expenses (including, without limitation, legal fees and expenses) to which it may be put and to protect it against all liability, except liability which results from the negligence or willful misconduct of the Trustee, by reason of any action so taken by the Trustee.

### **Certain Rights of Trustee**

The Trustee is permitted to conclusively rely on and is protected in acting upon any notice, resolution, request, consent, order, certificate, report, electronic communication, appraisal, opinion, report or document of the Corporation or any Conduit Issuer or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties; and the Trustee is under no duty to make any investigation as to any statement contained in any such instrument, paper or document, but may accept the same as conclusive evidence of the truth and accuracy of such statement. Before acting or refraining from acting in the administration of the Indenture, the Trustee may consult with accountants, experts and counsel, and the opinion of such counsel, accountants and experts will be full and complete authorization and protection in respect of any action taken or suffered, and in respect of any determination made by it under the Indenture in good faith and in accordance with the opinion of such counsel, accountants and experts. Any action taken by the Trustee pursuant to the Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bond will be conclusive and binding upon all future Registered Owners of the same Bond and Bonds issued in exchange therefor or in place thereof.

Whenever in the administration of the Indenture the Trustee reasonably deems it desirable that a matter be proved or established prior to taking, suffering, or omitting any action under the Indenture, the Trustee (unless other evidence is specifically prescribed in the Indenture) may require and, in the absence of bad faith on its part, may conclusively rely upon a Corporation Order. Whenever in the administration of the Indenture the Trustee is directed to comply with a Corporation Order, the Trustee will be entitled to act in reliance on such Corporation Order.

The Trustee is not bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Corporation or any Conduit Issuer but the Trustee may require of the Corporation or any Conduit Issuer full information and advice as to the performance of any covenants, conditions or agreements pertaining to Financed Eligible Loans.

The Trustee will not be liable for any action taken, suffered, or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture; provided, however, that the Trustee will be liable for its negligence or willful misconduct.

The permissive right of the Trustee to take action under or otherwise do things enumerated in the Indenture are not construed as a duty.

The Trustee is authorized, under the Indenture and other applicable provisions of the Indenture, to release its security interest in any Financed Eligible Loans in accordance with a Corporation Order. The Trustee is further authorized to enter into agreements with other Persons, in its capacity as Trustee, in order to carry out or implement the terms and provisions of the Indenture.

In no event will the Trustee be liable for punitive, special, indirect, or consequential damages (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Trustee has the right to not take any action if it determines such action will result in liability to the Trustee, not be in the best interests of the Registered Owners, or is contrary to law.

The Trustee will not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

In no event will the Trustee be liable for failure to perform its obligations under the Indenture if such failure is a direct or proximate result of another party's failure to so perform.

Before acting or refraining from acting under the Indenture the Trustee is entitled to request and rely upon a Corporation Order or Opinion of Counsel.

The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities under the Indenture (including as Transfer Agent, Paying Agent and Registrar), and each agent, custodian and other Person employed to act under the Indenture.

The Trustee may request that the Corporation and any Conduit Issuer deliver a certificate setting forth the names of individuals and/or titles of Authorized Officers at such time to take specified actions pursuant to the Indenture.

In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services, or any other similar events outside the control of the Trustee.

### **Compensation of Trustee**

The Corporation agrees to pay to the Trustee from time to time such compensation as the Corporation and the Trustee shall from time to time agree in writing for all services rendered by it under the Indenture from the Trust Estate or as may be limited by the terms of the Indenture. Except as otherwise expressly provided in the Indenture, all advances, disbursements and other expenses reasonably made or incurred by the Trustee in accordance with any provision of the Indenture (including the compensation and the expenses and disbursements of its agents and counsel) shall be reimbursed by the Corporation from the Trust Estate. The compensation of the Trustee shall not be limited to or by any provision of law in regard to the compensation of Trustees of an express trust. Except during the continuance of an Event of Default, the fees of the Trustee shall be limited to those derived from the Trust Estate under the Indenture. If not paid by the Corporation, the Trustee will have a lien against all money held pursuant to the Indenture (other than the moneys and investments held in the Rebate Fund), (a) except during the continuance of an Event of Default, subject only to the prior lien of the Bonds against the money and investments in the Revenue Fund for the payment of the principal thereof, premium, if any, and interest thereon, for such reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts created by the Indenture and the exercise and performance of the powers and duties of the Trustee under the Indenture and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful misconduct of the Trustee); and (b) during the continuance of an Event

of Default in accordance with the provisions described under the caption “DEFAULTS AND REMEDIES – Remedy on Default; Possession of Trust Estate” in this Appendix A.

The Corporation is required to indemnify and hold harmless the Trustee and any director, officer, employee, or agent of the Trustee, Paying Agent, Transfer Agent and Registrar against any loss, liability, damage, claim or reasonable expense (including, without limitation, reasonable: legal fees and expenses; extraordinary expenses; fees of agents and experts; taxes (other than taxes based upon, measured by, or determined by, the income of the Trustee; and the reasonable costs of defending any claim or bringing any claim to enforce the indemnification obligations of the Corporation) incurred in connection with its actions or inactions under the Indenture, the Administration Agreement or the Bonds, other than any loss, liability, or expense incurred by reason of willful misfeasance, or negligence in the performance by the Trustee, Paying Agent, Transfer Agent, or Registrar or their agents or attorneys of the duties of the Trustee, Paying Agent, Transfer Agent, or Registrar under the Indenture but solely from the Trust Estate.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in paragraph (e) under the caption “Events of Default Defined” within this Appendix A, the expenses (including the reasonable charges and expenses of its counsel) and the compensation are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

The provisions described under this caption “Compensation of Trustee” shall survive the termination of the Indenture and the resignation or removal of the Trustee.

### **Trustee May Own Bonds**

The Trustee under the Indenture, or any successor Trustee, in its individual or other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Corporation, with the same rights it would have if it were not the Trustee. The Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or act in any other capacity in respect to, any committee formed to protect the rights of the Registered Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or of the Indenture, whether or not any such committee shall represent the Registered Owners of at least two-thirds of the collective aggregate principal amount of the Outstanding Bonds.

### **Resignation of Trustee**

The Trustee and any successor to the Trustee may resign and be discharged from the trust created by the Indenture by giving to the Corporation and any Conduit Issuer 30 days prior written notice, which notice is required to specify the date on which such resignation is to take effect; provided, however, that such resignation will only take effect on the day specified in such notice if a successor Trustee has been appointed as described under the caption “Successor Trustee” below (and is qualified to be the Trustee under the requirements described under the caption “Successor Trustee” below) and said successor Trustee has accepted such appointment in writing. If no successor Trustee has been appointed by the later of the date specified or 60 days after the receipt of the notice by the Corporation, the Trustee may (a) appoint a temporary successor Trustee having the qualifications described under the caption “Successor Trustee” below; or (b) request a court of competent jurisdiction to (i) require the Corporation to appoint a successor, as provided under the caption “Successor Trustee” below, within three days of the receipt of citation or notice by the court; or (ii) appoint a Trustee having the qualifications described under the caption “Successor Trustee” below. In no event may the resignation of the Trustee be effective until a qualified successor Trustee shall have been selected and appointed and said successor Trustee has accepted such appointment in writing. In the event a temporary successor Trustee is appointed pursuant to clause (a) above, the Corporation may remove such temporary successor Trustee and appoint a successor thereto pursuant to provisions described under the caption “Successor Trustee” below.

### **Removal of Trustee**

The Trustee or any successor Trustee may be removed upon 30 days prior written notice (a) if an Event of Default has occurred and is continuing, by the Registered Owners of 100% of the collective aggregate principal

amount of the Highest Priority Bonds then Outstanding; (b) by the Corporation for cause or upon the sale or other disposition of the Trustee or its trust functions; or (c) by the Corporation without cause so long as no Event of Default exists or has existed within the last 30 days, upon payment to the Trustee so removed of all money then due to it under the Indenture and appointment of a successor thereto by the Corporation and acceptance thereof by said successor. One copy of any such order of removal will be filed with the Corporation and the other with the Trustee so removed.

In the event a Trustee (or successor Trustee) is removed, by any Person or for any reason permitted under the Indenture, such removal will not become effective until (a) in the case of removal by the Registered Owners, such Registered Owners by instrument or concurrent instruments in writing (signed and acknowledged by such Registered Owners or their attorneys-in-fact) filed with the Trustee removed have appointed a successor Trustee or otherwise the Corporation has appointed a successor; and (b) the successor Trustee has accepted appointment as such.

#### **Successor Trustee**

In case at any time the Trustee or any successor Trustee resigns, is dissolved or otherwise is disqualified to act or be incapable of acting, or in case control of the Trustee or of any successor Trustee or of its officers is taken over by any public officer or officers, a successor Trustee may be appointed by the Corporation by an instrument in writing duly authorized by resolution. In the case of any such appointment by the Corporation of a successor to the Trustee, the Corporation is required to forthwith cause notice thereof to be sent to the Registered Owners of the Bonds at the address of each Registered Owner appearing on the bond registration books maintained by the Registrar.

Every successor Trustee appointed by the Registered Owners, by a court of competent jurisdiction, or by the Corporation is required to be a bank or trust company in good standing, organized and doing business under the laws of the United States or of a state therein, which has a reported capital and surplus of not less than \$50,000,000, be authorized under the law to exercise corporate trust powers and be subject to supervision or examination by a federal or state authority.

#### **Manner of Vesting Title in Trustee**

Any successor Trustee appointed under the Indenture is required to execute, acknowledge, and deliver to its predecessor Trustee, and also to the Corporation and any Conduit Issuer, an instrument accepting such appointment under the Indenture, and thereupon such successor Trustee, without any further act, deed, or conveyance shall become fully vested with all the estate, properties, rights, powers, trusts, duties, and obligations of its predecessors in trust under the Indenture, including all the right, title and interest in and to the Trust Estate pledged under the Indenture (except that the predecessor Trustee shall continue to have the benefits to indemnification under the Indenture together with the successor Trustee), with like effect as if originally named as Trustee under the Indenture; but the Trustee ceasing to act is required to nevertheless, on the written request of an Authorized Representative of the Corporation and any Conduit Issuer, or an authorized officer of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance (in form and substance reasonably satisfactory to the parties executing the same) and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title, and interest of the Trustee which it succeeds, in and to pledged Revenue and Funds and such rights, powers, trusts, duties, and obligations, and the Trustee ceasing to act also, upon like request, shall pay over, assign, and deliver to the successor Trustee any money or other property or rights subject to the lien of the Indenture, including any pledged securities which may then be in its possession. Should any deed or instrument in writing from the Corporation be required by the successor Trustee for more fully and certainly vesting in and confirming to such new Trustee such estate, properties, rights, powers, and duties, any and all such deeds and instruments in writing shall on request be executed, acknowledged and delivered by the Corporation.

In case any of the Bonds to be issued under the Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of the Trustee or of any successor to the Trustee; and in case any of the Bonds not authenticated, any successor to the Trustee may authenticate such Bonds in its own name; and in all such cases such certificate will have the full force which it has anywhere in the Bonds or in the Indenture.

## **Right of Inspection**

A Registered Owner will be permitted at reasonable times during regular business hours and in accordance with reasonable regulations prescribed by the Trustee to examine at an office of the Trustee a copy of any documents authorizing and securing a Series of Bonds or any report or instrument theretofore filed with the Trustee relating to the condition of the Trust Estate.

At any and all reasonable times, the Trustee and its duly authorized agents, attorneys, experts, accountants and representatives have the right fully to inspect all books, papers and records of the Corporation, any Conduit Issuer, the Administrator and, to the extent provided in a Servicing Agreement, the related Servicer, pertaining to Financed Eligible Loans, and to copy or take such memoranda from and in regard thereto as may be desired.

## **Limitation With Respect to Examination**

Except as expressly provided in the Indenture, the Trustee will be under no duty to examine any report or statement or other document required or permitted to be filed with it by or on behalf of the Corporation and any Conduit Issuer, and the Trustee may accept the same as conclusive evidence of the truth and accuracy of any statement contained therein or as to the existence or nonexistence of any fact stated therein.

## **Servicing Agreements**

The Trustee will upon request acknowledge the receipt of a copy of each Servicing Agreement delivered to it by the Corporation. The Trustee is not responsible for servicing the Eligible Loans held or financed or refinanced under the terms of the Indenture or for the custody, safekeeping, or preservation of the Eligible Loans held or financed or refinanced under the terms of the Indenture. The Trustee has no duty to monitor or supervise the Administrator, any Servicer, or any custodian of the Eligible Loans held or financed or refinanced under the terms of the Indenture and is not responsible for any of their acts or omissions in servicing or maintaining custody of the Eligible Loans held or financed or refinanced under the terms of the Indenture.

## **Additional Covenants of Trustee**

The Trustee, by the execution of the Indenture, covenants, represents and agrees that:

- it will not exercise any of the rights, duties, or privileges under the Indenture in such manner as would cause the Eligible Loans held or financed or refinanced under the terms of the Indenture to be transferred, assigned, or pledged as security to any person or entity other than as permitted by the Indenture; and
- it will, upon written notice from an Authorized Representative of the Corporation, use its reasonable efforts to cause the Indenture to be amended (in accordance with the provisions described under the caption "SUPPLEMENTAL INDENTURES – Supplemental Indentures Not Requiring Consent of Registered Owners" in this Appendix A) if the Program Manual is hereafter amended so as to be contrary to the terms of the Indenture.

## **Merger of the Trustee, etc.**

Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee is a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee or any corporate affiliate of the Trustee succeeding to all or a portion of the corporate trust business of the Trustee, is the successor of the Trustee under the Indenture, provided such corporation shall be otherwise qualified and eligible under the Indenture, without the execution or filing of any paper or any further act on the part of any other parties to the Indenture.

## **Survival of Trustee's Rights to Receive Compensation, Reimbursement and Indemnification**

The Trustee's rights to receive compensation, reimbursement and indemnification of money due and owing under the Indenture at the time of the Trustee's resignation or removal shall survive the Trustee's resignation or removal.

## **Provisions Controlling as to Trustee Conduct and Liability**

Whether or not therein expressly so provided, every provision of the Indenture relating to the conduct or affecting the liability of the Trustee is subject to the provisions described under this caption "THE TRUSTEE".

## **Statement by Trustee of Funds and Accounts and Other Matters**

Not more than thirty days after the close of each Fiscal Year the Trustee shall furnish the Corporation, each Conduit Issuer (to the extent provided in the applicable Supplemental Indenture), the Administrator and any Registered Owner filing with the Trustee a written request for a copy, a bank statement setting forth (to the extent applicable) in respect to such Fiscal Year, (a) all transactions relating to the receipt, disbursement and application of all moneys received by the Trustee pursuant to all terms of the Indenture, (b) the balances held by the Trustee at the end of such Fiscal Year to the credit of each Fund and Account, (c) a brief description of all moneys and Investment Securities held by the Trustee as part of the balance of each Fund and Account as of the end of such Fiscal Year, (d) the principal amount of Bonds repaid during such Fiscal Year, and (e) any other information in the Trustee's possession which the Corporation, a Conduit Issuer or the Administrator may reasonably request.

In addition, the Trustee shall furnish the Corporation, each Conduit Issuer (to the extent provided in the applicable Supplemental Indenture) and the Administrator on or before the fifth day of each calendar month a bank statement of all moneys and Investment Securities to the credit of each Fund and Account as of the last day of the preceding month.

## **Foreign Account Tax Compliance Act (FATCA)**

In order to comply with applicable tax laws, rules and regulations (inclusive of directives, guidelines and interpretations promulgated by competent authorities) in effect from time to time ("Applicable Law"), the Corporation and Conduit Issuers agree (i) to provide to The Bank of New York Mellon Trust Company, N.A. sufficient information about holders or other applicable parties and/or transactions (including any modification to the terms of such transactions) so The Bank of New York Mellon Trust Company, N.A. can determine whether it has tax related obligations under Applicable Law, (ii) that The Bank of New York Mellon Trust Company, N.A. shall be entitled to make any withholding or deduction from payments under the Indenture to the extent necessary to comply with Applicable Law for which The Bank of New York Mellon Trust Company, N.A. shall not have any liability, and (iii) to hold harmless The Bank of New York Mellon Trust Company, N.A. for any losses it may suffer due to the actions it takes to comply with such Applicable Law.

## **SUPPLEMENTAL INDENTURES**

### **Supplemental Indentures Not Requiring Consent of Registered Owners**

The Corporation, any Conduit Issuer then a party to the Indenture and the Trustee, at the written request of the Corporation, may, without the consent of or notice to any of the Registered Owners, enter into any indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

- to cure any ambiguity or formal defect or omission in the Indenture;
- to grant to or confer upon the Trustee for the benefit of the Registered Owners any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Registered Owners or the Trustee;
- to subject to the Indenture additional revenues, properties or collateral;

- to modify, amend or supplement the Indenture or any indenture supplemental to the Indenture in such manner as to permit the qualification of the Indenture and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any indenture supplemental to the Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;
- to evidence the appointment of a separate or co-Trustee or a co registrar or Transfer Agent or the succession of a new Trustee under the Indenture;
- to add such provisions to or to amend such provisions of the Indenture as may be necessary or desirable to assure implementation of the Program if, together with such Supplemental Indenture there is filed an Opinion of Counsel (which may be counsel to the Corporation) addressed to the Corporation, any Conduit Issuer and the Trustee to the effect that the addition or amendment of such provisions will not materially impair the existing security of the Registered Owners of any Outstanding Bonds;
- to make any change as shall be necessary in order to obtain and maintain for any of the Bonds an investment grade Rating from a nationally recognized rating service, if along with such Supplemental Indenture there is filed a Bond Counsel's opinion addressed to the Trustee to the effect that such changes will in no way impair the existing security of the Registered Owners of any Outstanding Bonds;
- to make any changes necessary to comply with the Code and the regulations promulgated thereunder;
- to provide for the issuance of Bonds pursuant to the provisions described under the caption "BOND DETAILS – Issuance of Bonds" in this Appendix A, including the creation of appropriate Funds, Accounts and Subaccounts with respect to such Bonds;
- with a Rating Agency Notification, in connection with the issuance of Senior Bonds, Senior Subordinate Bonds or Subordinate Bonds, to create any additional Funds or Accounts or Subaccounts under the Indenture, including without limitation in the nature of debt service reserve or capitalized interest Funds, Accounts or Subaccounts for such Senior Bonds, Senior Subordinate Bonds or Subordinate Bonds, and to modify or amend the provisions described under the captions "FUNDS – Revenue Fund – Tax-Exempt Account" and "– Taxable Account" in this Appendix A in connection with the foregoing; provided, that no such modification or amendment is permitted to change the amount or timing of application of Revenues or of amounts transferred to the Revenue Fund from other funds and accounts to pay principal of or interest or redemption premium, if any, on Senior Bonds;
- to create any other additional Funds or Accounts or Subaccounts under the Indenture deemed by the Trustee to be necessary or desirable;
- to amend the Indenture to provide for use of a surety bond or other financial guaranty instrument in lieu of cash and/or Investment Securities in all or any portion of the Debt Service Reserve Fund upon satisfaction of a Rating Agency Notification;
- with a Rating Agency Notification, to the extent required by a Supplemental Indenture, to evidence the extension of any Acquisition Period or Recycling Period;
- to modify any of the provisions of the Indenture in any respect whatever; provided, however, that (i) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the execution of such Supplemental Indenture shall cease to be Outstanding; and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the execution of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;
- to conform the terms of the Indenture to the description of such terms in an offering memorandum used in connection with the sale of any Bonds; or
- to make any other change (other than changes with respect to any matter requiring satisfaction of the Rating Agency Notification or the Rating Agency Confirmation unless the Bonds are not rated at the

time) which, in the judgment of the Corporation, is not materially adverse to the Registered Owners of any Bonds;

provided, however, that nothing described under this caption "Supplemental Indentures Not Requiring Consent of Registered Owners" permits, or is to be construed as permitting, any modification of the trusts, powers, rights, duties, remedies, immunities and privileges of the Trustee without the prior written approval of the Trustee.

### **Supplemental Indentures Requiring Consent of Registered Owners**

Exclusive of Supplemental Indentures described under the caption "Supplemental Indentures Not Requiring Consent of Registered Owners" above and subject to the terms and provisions described under this caption, and not otherwise, the Registered Owners of not less than a majority of the collective aggregate principal amount of the then Outstanding Bonds affected thereby shall have the right, from time to time, to consent to and approve the execution by the Corporation, any Conduit Issuer then a party to the Indenture, and the Trustee of such other indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Corporation for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that nothing described under this caption permits, or is to be construed as permitting (a) without the consent of the Registered Owners of all then Outstanding Bonds affected thereby, (i) an extension of the maturity date of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds except as otherwise provided in the Indenture, (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (v) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding under the Indenture except as otherwise provided in the 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.

If at any time the Corporation or any Conduit Issuer requests the Trustee to enter into any such Supplemental Indenture for any of the purposes described under this caption, the Trustee is required, upon being satisfactorily indemnified with respect to expenses, to cause notice of the proposed execution of such Supplemental Indenture to be sent to each Registered Owner of a Bond at the address shown on the registration records. Such notice (which shall be prepared by the Corporation) is required to briefly set forth the nature of the proposed Supplemental Indenture and to state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Registered Owners. If, within 60 days, or such longer period as is prescribed by the Corporation, following the sending of such notice, the Registered Owners of not less than a majority of the collective aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture have consented in writing to and approved the execution thereof as provided in the Indenture, no Registered Owner of any Bond will have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Corporation or any Conduit Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as described under this caption, the Indenture will be and be deemed to be modified and amended in accordance therewith. The Trustee is not obligated to enter into any Supplemental Indenture which affects the Trustee's own rights, duties or indemnities or otherwise.

### **Additional Limitation on Modification of Indenture**

Except with respect to the issuance of Bonds in accordance with the Indenture and pursuant to a Supplemental Indenture, no amendment to the Indenture or to the indentures supplemental thereto will be effective unless the Trustee receives an opinion of Bond Counsel to the effect that such amendment was adopted in conformance with the Indenture and will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds and the Trustee will also receive a Corporation Order and an Opinion of Counsel stating that such Supplemental Indenture is authorized and permitted by the Indenture and all conditions precedent have been satisfied.

## GENERAL PROVISIONS

### **Consent of Registered Owners Binds Successors**

Any request or consent of the Registered Owner of any Bonds given for any of the purposes of the Indenture will bind all future Registered Owners of the same Bond or any Bonds issued in exchange therefor or in substitution thereof in respect of anything done or suffered by the Corporation or the Trustee in pursuance of such request or consent.

### **No Liability of Directors**

It is expressly made a condition of the Indenture that any agreements, covenants, or representations contained in the Indenture or contained in the Bonds do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the incorporators, officers, employees, agents or directors of the Corporation or any Conduit Issuer, and in the event of a breach of any such agreement, covenant, or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the Corporation or any Conduit Issuer shall arise therefrom. Nothing contained under this caption, however, will relieve the Corporation or any Conduit Issuer from the observance and performance of the several covenants and agreements on its part contained in the Indenture.

### **Laws Governing**

The Indenture will in all respects be governed by the laws of the State of South Carolina.

### **Non-Business Days**

Except as may otherwise be provided in the Indenture, if the date for making payment of any amount under the Indenture or on any Bond, or if the date for taking any action under the Indenture, is not a Business Day, then such payment can be made without accruing further interest or action can be taken on the next succeeding Business Day, with the same force and effect as if such payment were made when due or action taken on such required date.

### **Objection of Registered Owners**

Anything in the Indenture to the contrary notwithstanding, whenever in the Indenture a Rating Agency Notification or a Rating Agency Confirmation is required with respect to any Proposed Action, to the extent that the Bonds no longer carry a Rating from any Rating Agency, the Corporation will give notice of any Proposed Action to the Registered Owners and will be permitted to take such Proposed Action unless the Registered Owners of not less than a majority of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding object to the Proposed Action, in writing, within 20 Business Days of the giving of such notice.

### **Rating Agency Notifications and Rating Agency Confirmations**

Anything in the Indenture to the contrary notwithstanding, (a) the Corporation is not required to satisfy a Rating Agency Notification or a Rating Agency Confirmation with respect to any Rating Agency which has not been designated by the Corporation to provide a rating on any of the Bonds and (b) the rating requirements with respect to Investment Securities shall not apply with respect to the ratings of any Rating Agency which has not been designated by the Corporation to provide a rating on any of the Bonds.

## **PAYMENT AND CANCELLATION OF BONDS AND SATISFACTION OF INDENTURE**

### **Trust Irrevocable**

The trust created by the terms and provisions of the Indenture is irrevocable until the indebtedness secured by the Indenture (the Bonds and interest thereon) and all other payment obligations under the Indenture are fully paid

or provision made for its payment as described under this caption "PAYMENT AND CANCELLATION OF BONDS AND SATISFACTION OF INDENTURE".

### **Satisfaction of Indenture**

If the Issuer pays, or causes to be paid, or there is otherwise paid (i) to the applicable parties, all Senior Transaction Fees and Subordinate Transaction Fees then due and owing, (ii) to the Registered Owners of the Bonds, the principal of and interest on the Bonds, at the times and in the manner stipulated in the Indenture; and (iii) to the United States of America, the amount required to be rebated in satisfaction of its obligations as described in any Tax Document, then the pledge of the Trust Estate, except the Rebate Fund, which is not pledged under the Indenture, and all covenants, agreements, and other obligations of the Issuer to the Registered Owners of Bonds other than as described under the caption "PROVISIONS APPLICABLE TO THE BONDS; DUTIES OF THE CORPORATION – Tax Covenants" in this Appendix A will thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee is required to execute and deliver to the Issuer all such instruments (in form and substance reasonably satisfactory to the Trustee) as may be desirable to evidence such discharge and satisfaction, and the Trustee is required to pay over or deliver all money held by it under the Indenture to the party entitled to receive the same under the Indenture. If the Issuer pays or causes to be paid, or there is otherwise paid, to the Registered Owners of any Outstanding Bonds the principal of and interest on such Bonds, such Bonds will cease to be entitled to any lien, benefit, or security under the Indenture, and all covenants, agreements, and obligations of the Issuer to the Registered Owners thereof will thereupon cease, terminate, and become void and be discharged and satisfied.

Bonds or interest installments will be deemed to have been paid within the meaning of the preceding paragraph if money for the payment or redemption thereof has been set aside and is being held on behalf of the Registered Owners by the Trustee at the Stated Maturity or earlier redemption date thereof. Any Outstanding Bond will, prior to the Stated Maturity or earlier redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (i) such Bond is to be redeemed on any date prior to its Stated Maturity; and (ii) the Issuer has given notice of redemption as provided in the Indenture on said date and there has been deposited with the Trustee either money in an amount which are sufficient, or Governmental Obligations (including any Governmental Obligations issued or held in book-entry form on the books of the Department of Treasury of the United States of America) the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, are sufficient, to pay when due the principal of and interest to become due on such Bond on and prior to the redemption date or Stated Maturity thereof, as the case may be, provided that with respect to the defeasance of Bonds in a variable rate mode (the "Variable Rate Bonds") for which the interest rate cannot be determined at the time of defeasance, the Issuer has deposited funds with the Trustee sufficient to pay interest at the maximum rate allowable on the Variable Rate Bonds for the defeasance period. Notwithstanding anything in the Indenture to the contrary, however, no such deposit shall have the effect specified in this paragraph; (A) if made during the existence of an Event of Default, unless made with respect to all of the Bonds then Outstanding; (B) unless on the date of such deposit of Governmental Obligations, but only if the deposit consists of Governmental Obligations, there will be provided to the Trustee a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay in full the Outstanding Bonds to be redeemed or to be deemed paid pursuant to this paragraph; and (C) unless there is delivered to the Trustee an Opinion of Bond Counsel to the effect that such deposit will not, in and of itself, adversely affect any exclusion from gross income for federal income tax purposes of interest on any Bond. Neither Governmental Obligations nor money deposited with the Trustee pursuant to this paragraph nor principal or interest payments on any such Governmental Obligations may be withdrawn or used for any purpose other than, and will be held irrevocably in trust in an escrow account for, the payment of the principal of and interest on such Bonds. Any cash received from such principal of and interest on such Governmental Obligations deposited with the Trustee, if not needed for such purpose, will, to the extent practicable, be reinvested, at the direction of the Corporation in a Corporation Order, in Governmental Obligations maturing at times and in amounts sufficient to pay when due the principal of and interest on such Bonds on and prior to such redemption date or Stated Maturity thereof, as the case may be, and interest earned from such reinvestments will be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien, or pledge. Any payment for Governmental Obligations purchased for the purpose of reinvesting cash as aforesaid will be made only against delivery of such Governmental Obligations. For the purposes of this paragraph, "Governmental Obligations" means and include only non-callable direct obligations of the Department of the Treasury of the United States of America or portions thereof (including interest or principal portions thereof). Such Governmental Obligations will be of such amounts, maturities, and interest payment dates and bear such interest as

will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make the payments required in the Indenture, and which obligations have been deposited in an escrow account which is irrevocably pledged as security for the Bonds. Such term does not include mutual funds and unit investment trusts.

The provisions described above are applicable to the Bonds and any portion of the Bonds.

#### **Cancellation of Paid Bonds**

Any Bonds which have been paid or purchased by the Issuer, Bonds exchanged for new Bonds, mutilated Bonds replaced by new Bonds, and any temporary Bond for which definitive Bonds have been delivered will (unless otherwise directed by the Corporation by Corporation Order) forthwith be cancelled by the Trustee and, except for temporary Bonds, returned to the Issuer.

**APPENDIX B**  
**FORM OF BOND COUNSEL OPINION**



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BURR.COM

November 13, 2025

South Carolina Student Loan Corporation  
Columbia, South Carolina

Re: \$112,100,000 Taxable Student Loan Revenue Bonds, Senior Series 2025A

We have acted as bond counsel to the South Carolina Student Loan Corporation (the "Corporation"), a nonprofit corporation under the laws of the State of South Carolina in connection with the issuance of its Taxable Student Loan Revenue Bonds, Senior Series 2025A (the "Series 2025A Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to give the opinions below.

The Series 2025A Bonds are issued by the Corporation pursuant to:

- (i) An Indenture of Trust, as previously supplemented (the "Master Indenture"), among the Corporation, the Conduit Issuers party thereto, and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), dated as of August 1, 2020; and
- (ii) A Series 2025A Supplemental Indenture of Trust, between the Corporation and the Trustee, dated as of November 1, 2025 (the "Supplemental Indenture", and together with the Master Indenture, the "Indenture").

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Corporation contained in the Indenture, and on the certified proceedings and other certifications of representatives of the Corporation and certifications of others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The Corporation is validly existing as a South Carolina nonprofit corporation with the power to approve the Indenture, perform the agreements on its part contained therein, and to issue the Series 2025A Bonds.

2. The Indenture has been duly authorized, executed and delivered by the Corporation, and constitutes a valid and binding agreement of the Corporation.

3. The Indenture creates a valid lien on the Trust Estate (excluding funds collected by, and in the possession of, the Servicer with respect to Financed Eligible Loans) on a parity with other Senior Bonds issued or to be issued under the Indenture.

3. The Series 2025A Bonds have been duly authorized and executed by the Corporation and are valid and binding limited obligations of the Corporation payable solely from the Trust Estate.

4. Interest on the Series 2025A Bonds is not intended to be excludable from gross income for federal or State of South Carolina income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, or other provision of South Carolina law.

The rights of the owners of the Series 2025A Bonds and the enforceability of the Series 2025A Bonds and the Indenture are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement dated October 14, 2025 or the final Official Statement dated October 24, 2025 relating to the Series 2025A Bonds, or regarding the attachment, perfection, or priority of the lien on the Trust Estate. We note that, unless attached and perfected, the lien on Trust Estate may not be effective or enforceable against competing creditors. Further, we express no opinion herein regarding tax consequences arising with respect to the Series 2025A Bonds other than as expressly set forth herein.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Very truly yours,

BURR & FORMAN LLP

**APPENDIX C**  
**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

**THIS CONTINUING DISCLOSURE CERTIFICATE** (the “Continuing Disclosure Certificate”) is executed and delivered by South Carolina Student Loan Corporation (the “Corporation”) in connection with the issuance of \$112,100,000 aggregate principal amount of its Taxable Student Loan Revenue Bonds, Senior Series 2025A (the “Series 2025A Taxable Bonds”). The Series 2025A Taxable Bonds are being issued pursuant to an Indenture of Trust among the Corporation, the Conduit Issuers party thereto, and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), dated as of August 1, 2020, as amended and supplemented by a Series 2025A Supplemental Indenture of Trust, between the Corporation and the Trustee, dated as of November 1, 2025 (collectively, the “Indenture”). The Corporation undertakes and agrees as follows:

**Section 1. Purpose of the Continuing Disclosure Certificate.** This Continuing Disclosure Certificate is being executed and delivered by the Corporation for the benefit of the Registered Owners and beneficial owners of the Series 2025A Taxable Bonds.

**Section 2. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Dissemination Agent*” shall mean any Dissemination Agent designated by the Corporation.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Financial Information*” shall mean any Financial Information provided by the Corporation pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Certificate.

“*Financial Obligation*” means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either clause (a) or (b) above.

“*Listed Event*” shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Certificate.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board, and any successors or assigns, or any other entities or agencies approved under the Rule.

“*Official Statement*” shall mean the Official Statement, dated October 24, 2025, of the Corporation with respect to its offering of the Series 2025A Taxable Bonds.

“*Repository*” shall mean, until otherwise designated by the Securities and Exchange Commission, the EMMA website of the MSRB located at <http://emma.msrb.org> and the Corporation’s investor page of its website.

**Section 3. Provision of Financial Information.**

(a) The Corporation shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the Corporation’s fiscal year, commencing with the report of the fiscal year ending June 30, 2026, provide to the Repository, in such electronic format, the annual financial statements of the Corporation prepared in accordance with accounting principles generally accepted in the United States of America and the Investor Reports on a quarterly basis on or before the 15th calendar day of each March, June, September and December. The Dissemination Agent shall only be obligated to provide the Financial Information to the Repository if such information has been provided to the Dissemination Agent by the Corporation sufficiently prior to any deadlines for filing set forth herein.

(b) The Financial Information may be submitted as a single document or as separate documents comprising a package, or by specific cross reference to other documents which have been submitted to the Repository. If the document so referenced is a final offering document, such final offering document must be available from the Repository. The Corporation shall clearly identify each such other document so incorporated by cross-reference.

(c) If the financial statements of the Corporation are audited, the audited financial statements of the Corporation must be submitted if and when available but may be submitted separately from the balance of the Financial Information and later than the date required above for the filing of the Financial Information if they are not available by that date.

**Section 4. Content of Financial Information.** The Corporation's Financial Information shall contain or incorporate by reference the following:

(a) annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America; and

(b) an update of the financial information and operating data in the form set forth in the Investor Report attached hereto.

**Section 5. Reporting of Significant Events.**

(a) Pursuant to the provisions of this Section, the Corporation shall give, or cause to be given, on behalf of itself with respect to the Series 2025A Taxable Bonds, notice to the Repository of the occurrence of any of the following events with respect to the Series 2025A Taxable Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2025A Taxable Bonds, or other material events affecting the Series 2025A Taxable Bonds;
- (vii) modifications to rights of Registered Owners of the Series 2025A Taxable Bonds, if material;
- (viii) any call of any Series 2025A Taxable Bonds, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Series 2025A Taxable Bonds, if material;
- (xi) rating changes and any Rating Agency Notification or any Rating Agency Confirmation as required under the Indenture;
- (xii) bankruptcy, insolvency, receivership, or similar event of the Corporation;

- (xiii) the consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Corporation, any of which reflect financial difficulties.

(b) If the Corporation obtains knowledge of the occurrence of a Listed Event, the Corporation shall file, in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event, a notice of such occurrence with EMMA.

**Section 6. Termination of Reporting Obligation.** The Corporation's obligations under this Continuing Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2025A Taxable Bonds.

**Section 7. Dissemination Agent.** The Corporation may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

**Section 8. Additional Information.** Nothing in this Continuing Disclosure Certificate shall be deemed to prevent the Corporation from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Certificate or any other means of communication, or including any other information in any Financial Information or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Certificate. If the Corporation chooses to include any information in any Financial Information or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Certificate, the Corporation shall have no obligation under this Continuing Disclosure Certificate to update such information or include it in any future Financial Information or notice of occurrence of a Listed Event.

**Section 9. Default.** In the event of a failure of the Corporation to comply with any provision of this Continuing Disclosure Certificate, any Registered Owner or beneficial owner of the Series 2025A Taxable Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Corporation to comply with its obligations under this Continuing Disclosure Certificate. A default under this Continuing Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Continuing Disclosure Certificate in the event of any failure of the Corporation to comply with this Continuing Disclosure Certificate shall be an action to compel performance.

**Section 10. Beneficiaries.** This Continuing Disclosure Certificate shall inure solely to the benefit of the Corporation, any Dissemination Agent, and Registered Owners and beneficial owners from time to time of the Series 2025A Taxable Bonds and shall create no rights in any other person or entity.

*[Remainder of page intentionally left blank]*

Date: November 13, 2025

**SOUTH CAROLINA STUDENT LOAN CORPORATION**

By:\_\_\_\_\_

Name: David A. Simon, III

Its: President

**ATTACHMENT**

INVESTOR REPORT

**South Carolina Student Loan Corporation**  
**Student Loan Revenue Bonds 2020 Master Indenture**  
**Investor Report**  
**Period Starting July 26, 2025**  
**Period Ending October 24, 2025**



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## I. Principal Parties to the Transaction

Issuer	South Carolina Student Loan Corporation
Servicer	Nelnet Servicing, LLC (d/b/a Firstmark Services) Services, administers and makes collections with respect to the Financed Student Loans. The Servicer is compensated monthly for these services.
Trustee, Paying Agent and Registrar	The Bank of New York Mellon, Trust Company, N.A. Acts for the benefit of and to protect the interests of the note holders and acts as paying agent for the notes. Also acts on behalf of the note holders and represents their interests in the exercise of their rights under the 2020 Master Indenture.

## II. Items to Note

Report to be delivered by the 15th day of March, June, September, and December

### III. Trust Parameters

#### A. Student Loan Portfolio Characteristics

- i. Portfolio Principal Balance
- ii. Total Borrower Accrued Interest
- iii. Borrower Accrued Interest to be Capitalized
- iv. Weighted Average Coupon (WAC) - Gross
- v. Weighted Average Coupon (WAC) - Net of Interest Rate Reductions
- vi. Weighted Average Payments Made\*
- vii. Weighted Average Remaining Months to Maturity (WARM)
- viii. Number of Loans
- ix. Number of Borrowers
- x. Average Borrower Indebtedness

	7/25/2025	Activity	10/24/2025
\$	\$	\$	\$
-	-	-	-
-	-	-	-
0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

#### B. Notes

	Original Principal	Principal 7/25/2025	Principal Payment	Principal 10/24/2025
Student Loan Revenue Bonds Senior Series 2020A	\$ -	\$ -	\$ -	\$ -
Student Loan Revenue Bonds Senior Series 2025A	\$ -	\$ -	\$ -	\$ -
<b>Total Bonds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Calculation is for loans that have entered full repayment

### III. Trust Parameters (continued from previous page)

#### C. Parity Percentage

##### Value of the Trust Estate

i. Unpaid Principal Balance of Eligible Loans Less Those > 180 Days Past Due	\$	-
ii. Borrower Accrued Interest on Eligible Loans Less Those > 180 Days Past Due	\$	-
iii. Cash and Investments	\$	-
<b>iv. Total Value of Trust Estate</b>	<b>\$</b>	<b>-</b>

##### Liabilities

v. Principal of Senior Bonds Outstanding	\$	-
vi. Accrued Interest on Senior Bonds Outstanding	\$	-
vii. Principal of Senior-Subordinate Bonds Outstanding	\$	-
viii. Accrued Interest on Senior-Subordinate Bonds Outstanding	\$	-
ix. Principal of Subordinate Bonds Outstanding	\$	-
x. Accrued Interest on Subordinate Bonds Outstanding	\$	-
xi. Accrued Senior Transaction Fees Not Already Funded	\$	-
<b>xii. Total Liabilities</b>	<b>\$</b>	<b>-</b>

**Overall Parity Percentage (III.C.iv / III.C.xii.)** 0.00%

**Senior Parity Percentage [III.C.iv / (III.C.v + III.C.vi + III.C.xi)]** 0.00%

**Senior-Subordinate Parity Percentage [III.C.iv / (III.C.v + III.C.vi + III.C.vii + III.C.viii + III.C.xi)]** 0.00%

**Net Assets (III.C.iv - III.C.xii)** \$ -

IV. Student Loan Transactions for the Time Period	7/26/2025 - 10/24/2025
<b>A. Student Loan Principal Collection Activity</b>	
i. Regular Principal Collections	\$ -
ii. Principal Recoveries on Loans Previously Considered Loss	\$ -
<b>iii. Total Principal Collections</b>	<b>\$ -</b>
<b>B. Student Loan Non-Cash Principal Activity</b>	
i. Principal Losses - Alternative Loans Becoming Greater than 180 days past due or Extinguished by Bankruptcy	\$ -
ii. Principal Losses - Other	\$ -
iii. Adjustments for Principal Recoveries on Loans Previously Considered Loss	\$ -
iv. Interest Capitalized into Principal During Collection Period	\$ -
v. School Refunds	\$ -
vi. Other Adjustments	\$ -
<b>vii. Total Non-Cash Principal Activity</b>	<b>\$ -</b>
<b>C. Student Loan Principal Additions</b>	
i. New Loan Disbursements	\$ -
ii. Loans Transferred	\$ -
<b>iii. Total Principal Additions</b>	<b>\$ -</b>
<b>D. Total Student Loan Principal Activity (IV.A.iii + IV.B.vii + IV.C.iii)</b>	<b>\$ -</b>
<b>E. Student Loan Interest Collection Activity</b>	
i. Regular Interest Collections	\$ -
ii. Interest Recoveries on Loans Previously Considered Loss	\$ -
iii. Late Fees	\$ -
<b>iv. Total Interest Collections</b>	<b>\$ -</b>
<b>F. Student Loan Non-Cash Interest Activity</b>	
i. Interest Losses	\$ -
ii. Interest Capitalized into Principal During Collection Period	\$ -
iii. Other Adjustments	\$ -
<b>iv. Total Non-Cash Interest Activity</b>	<b>\$ -</b>
<b>G. Student Loan Interest Additions</b>	
i. New Loan Disbursements	\$ -
ii. Loans Transferred	\$ -
<b>iii. Total Interest Additions</b>	<b>\$ -</b>
<b>H. Total Student Loan Interest Activity (IV.E.iv + IV.F.iv + IV.G.iii)</b>	<b>\$ -</b>
<b>I. Interest Expected to be Capitalized</b>	
i. Interest Expected to be Capitalized - Beginning	\$ -
ii. Interest Capitalized into Principal During Collection Period ( IV.B.vii )	\$ -
iii. Change in Interest Expected to be Capitalized	\$ -
<b>iv. Interest Expected to be Capitalized - Ending</b>	<b>\$ -</b>

V. Fund Activity for the Time Period	7/26/2025 - 10/24/2025			
<b>A. Debt Service Reserve Fund Reconciliation</b>				
i. Balance on Prior Period End Date		7/25/2025	\$	-
ii. Draws Due to Liquidity Needs			\$	-
iii. Debt Service Reserve Fund Requirement			\$	-
iv. Releases or Replenishments in Waterfall Process			\$	-
<b>v. Balance on Current Period End Date</b>			\$	-
<b>B. Capitalized Interest Fund Reconciliation</b>				
i. Balance on Prior Period End Date		7/25/2025	\$	-
ii. Draws Due to Liquidity Needs			\$	-
iii. Maximum Amount in Step-down Schedule			\$	-
iv. Releases in Waterfall Process			\$	-
<b>v. Balance on Current Period End Date</b>			\$	-
<b>C. Student Loan Fund Reconciliation</b>				
i. Balance on Prior Period End Date		7/25/2025	\$	-
ii. Draws for Cost of Issuance			\$	-
iii. Draws for New Loan Acquisitions			\$	-
iv. School Refunds			\$	-
v. Transfers from Revenue Fund for Recycling			\$	-
vi. Transfers for the Payment of Bonds			\$	-
vii. Investment Activity			\$	-
<b>viii. Balance on Current Period End Date</b>			\$	-
<b>E. Funds Remitted During Period: Operating Fund</b>				
i. Servicing Fees			\$	-
ii. Trustee Fees			\$	-
iii. Administrator Fees			\$	-
iv. Other			\$	-
<b>v. Total</b>			\$	-

<b>VI. Student Loan Default and Recovery</b>											
		<b>School Loans - Student</b>	<b>School Loans - Parent</b>	<b>Refinance Loans</b>	<b>Total</b>						
<b>A. Student Loan Defaults</b>											
i. Principal Balance of Loans Upon Transfer into Trust Estate		\$ - \$	- \$	- \$	- \$	-					
ii. Interest Capitalized to Date on Loans		-	-	-	-	-					
iii. Total Principal Required to be Paid on Loans (VI.A.i. + VI.A.ii.)		\$ - \$	- \$	- \$	- \$	-					
iv. Principal Balance of Loans Becoming Greater than 180 Days Past Due During Period		-	-	-	-	-					
v. Cumulative Principal Balance of Loans Having Defaulted		\$ - \$	- \$	- \$	- \$	-					
vi. Cumulative Default Rate (VI.A.v. / VI.A.iii.)		0.00%	0.00%	0.00%	0.00%	<b>0.00%</b>					
<b>B. Student Loan Recovery</b>											
i. Principal Received on Defaulted Loans During Period		\$ - \$	- \$	- \$	- \$	-					
ii. Interest Received on Defaulted Loans During Period		-	-	-	-	-					
iii. Fees Received on Defaulted Loans During Period		-	-	-	-	-					
iv. Total Periodic Recovery (VI.B.i + VI.B.ii VI.B.iii)		-	-	-	- \$	-					
v. Periodic Recovery Rate (VI.B.iv / VI.A.v)		0.00%	0.00%	0.00%	0.00%	<b>0.00%</b>					
vi. Cumulative Principal Received on Loans Since Default		-	-	-	- \$	-					
vii. Cumulative Interest Received on Loans Since Default		-	-	-	-	-					
viii. Cumulative Fees Received on Loans Since Default		-	-	-	-	-					
ix. Total Cumulative Recovery (VI.B.vi + VI.B.vii + VI.B.viii)		-	-	-	- \$	-					
x. Cumulative Recovery Rate (VI.B.ix / VI.A.v)		0.00%	0.00%	0.00%	0.00%	<b>0.00%</b>					
<b>C. Cumulative Principal Balance of Loans Having Defaulted since Most Recently Issued Series of Bonds</b>		<b>\$0.00</b>									
<b>VII. Student Loan Prefunding Concentration Limits - 2025A Bonds</b>											
This section not applicable											

**VIII. Student Loan Payment History and CPR**

Quarter End	Starting Principal Balance In Repayment	Current Quarter CPR	Cumulative CPR
10/24/2025	\$ -	0.00%	0.00%

IX. Student Loan Portfolio Characteristics										
	WAC		Number of Loans		WARM		Principal Balance		% 10/24/2025	
	7/25/2025	10/24/2025	7/25/2025	10/24/2025	7/25/2025	10/24/2025	7/25/2025	10/24/2025	7/25/2025	10/24/2025
<b>Status</b>										
<b>In School</b>										
Loans on Interest Plan										
Days Delinquent										
0-30										
31-60										
61-90										
91-120										
121-180										
Total										
Loans on Fixed Payment Plan										
Days Delinquent										
0-30										
31-60										
61-90										
91-120										
121-180										
Total										
Fully Deferred Loans										
<b>Total In School</b>										
<b>Repayment</b>										
Active										
Days Delinquent										
0-30										
31-60										
61-90										
91-120										
121-180										
Total										
Inactive										
Disaster Forbearance										
Discretionary Forbearance										
All Other Forbearance										
Total										
<b>Total Repayment</b>										
<b>Grand Total</b>										

**X. Student Loan Portfolio Characteristics by Loan Type, School Type, and Grade Level as of 10/24/2025**

	<b>WAC</b>	<b>WARM</b>	<b>Number of Loans</b>	<b>Principal Balance</b>	<b>%</b>
<b>Loan Type</b>					
Student Loan Interest Only					
Student Loan Fixed Payment					
Student Loan Fully Deferred					
Parent Loan Immediate Repayment					
Parent Loan Interest Only					
Parent Loan Fixed Payment					
Refinance					
<b>Total</b>					
<b>School Type</b>					
Four-Year Public & Private Nonprofit					
Two-Year Public & Private Nonprofit					
For Profit/Vocational					
Unknown/Refinance Loans					
<b>Total</b>					
<b>Grade Level</b>					
Freshman					
Sophomore					
Junior					
Senior					
Graduate					
Unknown/Refinance Loans					
<b>Total</b>					

**XI. Student Loan Collateral Tables as of 10/24/2025**
**A. Distribution of Loans by FICO Score and Approval Type**

	Cosigned			Not Cosigned			All		
	Number of Loans	Principal Balance	%	Number of Loans	Principal Balance	%	Number of Loans	Principal Balance	%
670-679									
680-689									
690-699									
700-709									
710-719									
720-729									
730-739									
740-749									
750-759									
760-769									
770-779									
780-789									
790-799									
800 and Above									
<b>Total</b>									

Weighted Average FICO Score
Cosigned
Not Cosigned
All

**B. Distribution of Loans by Interest Rate**

	Number of Loans	Principal Balance	%
1.00% - 1.99%			
2.00% - 2.99%			
3.00% - 3.99%			
4.00% - 4.99%			
5.00% - 5.99%			
6.00% - 6.99%			
7.00% - 7.99%			
8.00% - 8.99%			
9.00% - 9.99%			
10.00% and Above			
<b>Total</b>			

**C. Distribution of Variable Rate Loans by 1M Term SOFR Margin**

	Number of Loans	Principal Balance	%
1.00% - 1.99%			
2.00% - 2.99%			
3.00% - 3.99%			
4.00% - 4.99%			
5.00% - 5.99%			
6.00% - 6.99%			
7.00% - 7.99%			
8.00% - 8.99%			
<b>Total</b>			

**XI. Student Loan Collateral Tables as of 10/24/2025 (continued from previous page)****D. Distribution of Loans by Date of First Disbursement**

	<b>Number of Loans</b>	<b>Principal Balance</b>	<b>%</b>
July 1, 2012 - June 30, 2013			
July 1, 2013 - June 30, 2014			
July 1, 2014 - June 30, 2015			
July 1, 2015 - June 30, 2016			
July 1, 2016 - June 30, 2017			
July 1, 2017 - June 30, 2018			
July 1, 2018 - June 30, 2019			
July 1, 2019 - June 30, 2020			
July 1, 2020 - June 30, 2021			
July 1, 2021 - June 30, 2022			
<b>Total</b>			

**E.****Distribution of Loans by Geographic Location**

	<b>Number of Loans</b>	<b>Principal Balance</b>	<b>%</b>
South Carolina			
North Carolina			
Georgia			
Florida			
New Jersey			
Pennsylvania			
Virginia			
New York			
Texas			
Ohio			
All Other States			
<b>Total</b>			

**F. Distribution of Loans by Range of Principal Balance**

	<b>Number of Loans</b>	<b>Principal Balance</b>	<b>%</b>
Less than \$5,000.00			
\$5,000.00 - \$9,999.99			
\$10,000.00 - \$19,999.99			
\$20,000.00 - \$29,999.99			
\$30,000.00 - \$39,999.99			
\$40,000.00 - \$49,999.99			
\$50,000.00 - \$59,999.99			
\$60,000.00 - \$69,999.99			
\$70,000.00 - \$79,999.99			
\$80,000.00 - \$89,999.99			
\$90,000.00 - \$99,999.99			
\$100,000.00 - \$109,999.99			
\$110,000.00 - \$119,999.99			
\$120,000.00 - \$129,999.99			
\$130,000.00 - \$139,999.99			
\$140,000.00 - \$149,999.99			
\$150,000.00 and Above			
<b>Total</b>			

**XI. Student Loan Collateral Tables as of 10/24/2025 (continued from previous page)****G. Distribution of Loans by Months Remaining Until Scheduled Maturity**

	<b>Number of Loans</b>	<b>Principal Balance</b>	<b>%</b>
0 - 12			
13 - 24			
25 - 36			
37 - 48			
49 - 60			
61 - 72			
73 - 84			
85 - 96			
97 - 108			
109 - 120			
121 - 132			
133 - 144			
145 - 156			
157 - 168			
169 - 180			
181 - 192			
193 - 204			
205 - 216			
217 - 228			
229 - 240			
241 and Above			
<b>Total</b>			

**I. Distribution of Loans by School**

	<b>Number of Loans</b>	<b>Principal Balance</b>	<b>%</b>
University of South Carolina - Columbia			
Clemson University			
Citadel, The Military College of South Carolina			
Winthrop University			
College of Charleston			
Coastal Carolina University			
Anderson University			
Wofford College			
Lander University			
Limestone College			
University of South Carolina Upstate			
Charleston Southern University			
Medical University of South Carolina			
Furman University			
Tri-County Technical College			
Presbyterian College			
Newberry College			
University of South Carolina - Beaufort			
North Greenville University			
Midlands Technical College			
All Other Schools			
Unknown/Refinance Loans			
<b>Total</b>			

**H. Distribution of Loans by Number of Payments Made - Loans In Full Repayment**

	<b>Number of Loans</b>	<b>Principal Balance</b>	<b>%</b>
0 - 12			
13 - 24			
25 - 36			
37 - 48			
49 - 60			
61 - 72			
73 and Above			
<b>Total</b>			

**XII. Servicer Totals as of 10/24/2025**

	<b>Number of Loans</b>	<b>Principal Balance</b>	<b>%</b>
Nelnet Servicing, LLC*			

\*d/b/a Firstmark Services

**XIII. Taxable Distributions for the 12/1/2025 Payment Date**

**THIS PAGE INCLUDED WITH REPORTS PUBLISHED IN JUNE AND DECEMBER**

<b>A. Available Funds</b>		<b>\$</b>	-
i.	Student Loan Principal and Interest Collections	\$	-
ii.	Investment Income	\$	-
iii.	Releases from Debt Service Reserve Fund	\$	-
iv.	Releases from Capitalized Interest Fund	\$	-
v.	Transfers from the Student Loan Fund	\$	-
<b>vi.</b>	<b>Total</b>	<b>\$</b>	<b>-</b>
<b>B. Combined Waterfall Summary</b>		<b>Remaining Balance</b>	
Total Available Funds for Distribution (XII.A.vi)		\$	-
i.	To the Rebate Fund, if necessary to comply with any Tax Document with respect to rebate or Excess Earnings.	\$	\$
ii.	To the Operating Fund, for the payment of Senior Transaction Fees.	\$	\$
iii.	To the Debt Service Fund, on a pro rata basis, if necessary, to provide for the payment of interest on Senior Bonds.	\$	\$
iv.	To the Debt Service Fund, (A) first, to provide for the payment of principal of Senior Bonds at their Stated Maturity or on a mandatory sinking fund payment date and (B) second, on a pro rata basis, if necessary, to provide for the payment of cumulative sinking fund installments of Senior Bonds not funded under clause (A) above.	\$	\$
v.	To the Debt Service Reserve Funds, to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement.	\$	\$
vi.	To the Debt Service Fund, on a pro rata basis, if necessary, to provide for the payment of interest on Senior-Subordinate Bonds.	\$	\$
vii.	To the Debt Service Fund, (A) first, to provide for the payment of principal of Senior-Subordinate Bonds at their Stated Maturity or on a mandatory sinking fund payment date and (B) second, on a pro rata basis, if necessary, to provide for the payment of cumulative sinking fund installments of Senior-Subordinate Bonds not funded under clause (A) above.	\$	\$
viii.	To the Debt Service Fund, on a pro rata basis, if necessary, to provide for the payment of interest on Subordinate Bonds.	\$	\$
ix.	To the Debt Service Fund, (A) first, to provide for the payment of principal of Subordinate Bonds at their Stated Maturity or on a mandatory sinking fund payment date and (B) second, on a pro rata basis, if necessary, to provide for the payment of cumulative sinking fund installments of Subordinate Bonds not funded under clause (A) above.	\$	\$
x.	To the Student Loan Fund, during an applicable Recycling Period, at the option of the Corporation, to finance additional Eligible Loans.	\$	\$
xi.	To the Debt Service Fund, (A) at the option of the Corporation or (B) as required by a Supplemental Indenture for Principal Reduction Payments for the redemption of or distribution of principal with respect to Bonds which by their terms are subject to Principal Reduction Payments or redemption or principal distribution from Revenues received under the Indenture.	\$	\$
xii.	To the Operating Fund, for the payment of Subordinate Transaction Fees.	\$	\$
xiii.	Released from the Indenture, at the option of the Corporation, to the extent permitted by the Indenture.	\$	\$

XIII. Taxable Distributions for the 12/1/2025 Payment Date (continued from previous page)

THIS PAGE INCLUDED WITH REPORTS PUBLISHED IN JUNE AND DECEMBER

C. Waterfall Detail

CUSIP	Stated Maturity Date	Interest Due	Interest Paid	Principal Paid - Mandatory	Principal Paid - Optional	Maturity Principal Payments	Total Principal Paid	Total Distributed
83715AAP4	12/1/2022		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
83715AAC2	12/1/2023	-	-	-	-	-	-	-
83715AAR0	12/1/2024	-	-	-	-	-	-	-
83715AAS8	12/1/2025	-	-	-	-	-	-	-
83715AAT6	12/1/2026	-	-	-	-	-	-	-
83715AAU3	12/1/2027	-	-	-	-	-	-	-
83715AAV1	12/1/2028	-	-	-	-	-	-	-
83715AAW9	12/1/2029	-	-	-	-	-	-	-
83715AAX7	12/1/2030	-	-	-	-	-	-	-
83715AAY5	12/1/2039	-	-	-	-	-	-	-
<b>83715AAZ2</b>	<b>12/1/2036</b>	-	-	-	-	-	-	-
83715ABA6	12/1/2046	-	-	-	-	-	-	-
<b>Total</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

XIII. Taxable Distributions for the 12/1/2025 Payment Date (continued from previous page)

THIS PAGE INCLUDED WITH REPORTS PUBLISHED IN JUNE AND DECEMBER

D. Outstanding CUSIP Listing

CUSIP	Stated Maturity Date	Interest Rate	Original Principal	Principal 6/1/2025	Principal Payment	Principal 12/1/2025	Ending Balance Factor	Paydown Factor
83715AAP4	12/1/2022	0.00000%	\$ -	\$ -	\$ -	\$ -	1.000000000	0.000000000
83715AAC2	12/1/2023		\$ -	\$ -	\$ -	\$ -		
83715AAR0	12/1/2024		\$ -	\$ -	\$ -	\$ -		
83715AAS8	12/1/2025		\$ -	\$ -	\$ -	\$ -		
83715AAT6	12/1/2026		\$ -	\$ -	\$ -	\$ -		
83715AAU3	12/1/2027		\$ -	\$ -	\$ -	\$ -		
83715AAV1	12/1/2028		\$ -	\$ -	\$ -	\$ -		
83715AAW9	12/1/2029		\$ -	\$ -	\$ -	\$ -		
83715AAX7	12/1/2030		\$ -	\$ -	\$ -	\$ -		
83715AAY5	12/1/2039		\$ -	\$ -	\$ -	\$ -		
<b>83715AAZ2</b>	<b>12/1/2036</b>							
83715ABA6	12/1/2046							
<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.000000000</b>	<b>0.000000000</b>

**APPENDIX D**  
**FINANCIAL STATEMENTS OF THE CORPORATION**

# **South Carolina Student Loan Corporation**

Report on Consolidated Financial Statements

For the fiscal year ended June 30, 2025

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## Independent Auditor's Report

To the Board of Directors  
South Carolina Student Loan Corporation  
Columbia, South Carolina

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying consolidated financial statements of South Carolina Student Loan Corporation (the "Corporation"), which comprise the consolidated statement of financial position as of June 30, 2025 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidated schedules by fund are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is fluid and cursive, with "Elliott" and "Davis" connected by a single stroke, and "LLC" in a smaller, separate area.

Columbia, South Carolina  
September 30, 2025

# South Carolina Student Loan Corporation

## Consolidated Statement of Financial Position

As of June 30, 2025

### ASSETS

#### *Current Assets*

Cash & Cash Equivalents	\$ 25,651,450
Investments	66,392,568
Student Loans Receivable	119,060,165
Interest Due From Borrowers	29,985,174
Accounts Receivable	1,730,513
Accrued Investment Income	515,022
Prepaid Expenses	745,554
<b>Total Current Assets</b>	<b>244,080,446</b>

#### *Non-Current Assets*

Student Loans Receivable	455,667,724
<i>Allowance for credit losses</i>	(22,740,167)
Investments	213,421,596
Property & Equipment, Net	652,692
Right to Use Asset	1,237,598
<b>Total Non-Current Assets</b>	<b>648,239,443</b>
<b>Total Assets</b>	<b>\$ 892,319,889</b>

### LIABILITIES AND NET ASSETS

#### *Liabilities*

##### *Current Liabilities*

Bonds Payable	\$ 52,726,408
Accrued Interest Payable	989,190
Accounts Payable & Accrued Expenses	3,309,883
Lease Liability	231,682
<b>Total Current Liabilities</b>	<b>57,257,163</b>

##### *Non-Current Liabilities*

Bonds Payable, net	147,889,518
Refundable Advance	39,835,008
Lease Liability	1,140,649
<b>Total Non-Current Liabilities</b>	<b>188,865,175</b>
<b>Total Liabilities</b>	<b>246,122,338</b>

#### *Net Assets*

##### *Without donor restrictions:*

Undesignated	483,933,016
Invested in Trust, net of related debt	162,264,535
<b>Total Net Assets without donor restrictions</b>	<b>646,197,551</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 892,319,889</b>

**South Carolina Student Loan Corporation***Consolidated Statement of Activities**For the year ended June 30, 2025***Operating Revenue**

Subsidized Interest	\$ 738,529
Special Allowance	5,108,507
Unsubsidized Interest	38,859,857
Other Student Loan Income	436,593
Fees For Services	515,068
<b>Total Operating Revenue</b>	<b>45,658,554</b>

**Operating Expenses**

Private Loan Services expenses	21,007,628
Federal Loan Services expenses	17,145,286
Management and general expenses	2,801,737
<b>Total Operating Expenses</b>	<b>40,954,651</b>

**Non-Operating Revenue**

Investment Income, Net of Fees	24,579,149
<b>Total Non-Operating Revenue</b>	<b>24,579,149</b>

**Changes in Net Assets without donor restrictions****\$ 29,283,052****Beginning Net Assets without donor restrictions****616,914,499****Ending Net Assets without donor restrictions****\$ 646,197,551**

**South Carolina Student Loan Corporation**  
**Consolidated Statement of Functional Expenses**  
For the year ended June 30, 2025

	<b>Program Expenses</b>		<b>Support Services</b>			
	<b>Private Loans</b>	<b>Federal Loans</b>	<b>Management and General</b>	<b>Total</b>		
<b>Operating Expenses</b>						
<i>Personnel</i>						
Salaries & Wages	\$ 2,750,720	\$ 846,375	\$ 634,781	\$ 4,231,876		
Benefits & Taxes	45,024	13,854	10,390	69,268		
<b>Total Personnel</b>	<b>2,795,744</b>	<b>860,229</b>	<b>645,171</b>	<b>4,301,144</b>		
<i>Contractual Services</i>						
Information Technology	1,004,671	309,130	231,847	1,545,648		
Loan Servicing & Originations	1,076,310	739,236	-	1,815,546		
Legal & Professional	515,690	158,674	119,006	793,370		
<b>Total Contractual Services</b>	<b>2,596,671</b>	<b>1,207,040</b>	<b>350,853</b>	<b>4,154,564</b>		
<i>General Operating Expenses</i>						
General Office Expenses	392,142	120,659	90,494	603,295		
Memberships, Training, & Travel	180,135	55,426	41,570	277,131		
Meetings & Conferences	240,830	74,101	55,576	370,507		
Marketing & Outreach	1,458,853	-	162,095	1,620,948		
Grants & Awards	-	-	1,392,000	1,392,000		
Depreciation	277,240	85,305	63,978	426,523		
<b>Total General Operating Expenses</b>	<b>2,549,200</b>	<b>335,491</b>	<b>1,805,713</b>	<b>4,690,404</b>		
<i>Student Loan &amp; Bond Expenses</i>						
Interest on Debt	4,742,739	11,890,874	-	16,633,613		
Bond Trust Operating Fees	37,082	129,863	-	166,945		
USDE Consolidation Loan Fees	-	1,608,844	-	1,608,844		
Borrower Benefits	207,367	989,223	-	1,196,590		
Reinsurance Expense	-	353,241	-	353,241		
Bad Debt Expense	5,161,923	-	-	5,161,923		
Provision for Credit Losses	2,916,902	(229,519)	-	2,687,383		
<b>Total Student Loan &amp; Bond Expenses</b>	<b>13,066,013</b>	<b>14,742,526</b>	<b>-</b>	<b>27,808,539</b>		
<b>Total Functional Expenses</b>	<b>\$ 21,007,628</b>	<b>\$ 17,145,286</b>	<b>\$ 2,801,737</b>	<b>\$ 40,954,651</b>		

# South Carolina Student Loan Corporation

## Consolidated Statement of Cash Flows

For the year ended June 30, 2025

### ***Cash flows from operating activities***

Changes in net assets	\$ 29,283,052
Adjustments to reconcile changes in net assets to cash provided by operating activities:	
Depreciation	426,523
Unrealized gain on investments	(11,872,711)
Amortization of bond discounts and bond issuance costs	3,728,158
Provision for credit losses and bad debts	7,849,306
Non-cash operating lease expense	234,693
Changes in operating assets and liabilities:	
Accounts receivable	2,031,661
Interest due from borrowers	(239,235)
Prepaid expenses	(32,768)
Defined benefit plan	2,993,660
Accrued investment income	(410,595)
Accounts payable and accrued expenses	(92,830)
Unearned Revenue	(3,513)
Lease Liability	(237,942)
Net cash provided by operating activities	<u>33,657,459</u>

### ***Cash flows from investing activities***

Purchases of property and equipment	(77,663)
Net changes in student loan receivable	26,084,860
Purchases of investments	(127,942,854)
Sales of investments	135,056,514
Net cash provided by investing activities	<u>33,120,857</u>

### ***Cash flows from financing activities***

Payments on bonds payable	(81,746,761)
Net cash used for financing activities	<u>(81,746,761)</u>

### ***Net decrease in cash and cash equivalents***

(14,968,445)

### ***Cash and Cash equivalents***

Beginning	40,619,895
Ending	<u>\$ 25,651,450</u>

### ***Supplemental disclosure of cash flow information***

Cash payments for interest	\$ (12,905,455)
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# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 1. DESCRIPTION OF THE ORGANIZATION

#### REPORTING ENTITY

The South Carolina Student Loan Corporation (the “Corporation”) was incorporated on November 15, 1973, under the Laws of the State of South Carolina. Its corporate goal is to receive, disburse and administer funds exclusively for educational purposes without financial gain or profit to its members and to aid in the fulfillment of the desire and direction of the people of South Carolina in making loans available to students and parents of students to attend eligible post-secondary institutions. Student loans consist of guaranteed student loans (insured by the federal government) and non-guaranteed private loans (non-federal). Funds from various sources are administered by the Corporation to achieve this goal.

On April 1, 2011, the Corporation formed EdVantage Corporation (“EdVantage”), which is a controlled affiliate of the Corporation for the purpose of providing debt collector services. EdVantage is a part of the Corporation’s consolidated financial statements, however, the activities of EdVantage are not currently active.

During the fiscal year ended June 30, 2019, the Corporation’s Board of Directors established Power:Ed as an arm of the Corporation to assist in fulfilling some of the Corporation’s philanthropic initiatives within its mission. Power:Ed’s mission is to support educational priorities in South Carolina with the goal of getting more South Carolinians prepared for the workforce. As a part of its mission the Corporation through Power:Ed, willingly provided approximately \$1,392,000 in grant awards in the fiscal year ended June 30, 2025, to local nonprofit organizations, colleges, and other organizations that help South Carolina students succeed in school, their careers, and life. These grants appear on the Corporation’s Consolidated Statement of Activities and on the Consolidated Statement of Functional Expenses as a general operating expense.

The Corporation and its controlled affiliate EdVantage, are not an agency, instrumentality, or department of, or otherwise affiliated with the State of South Carolina (“the State”). While the Corporation provides services from time to time on behalf of the State it is paid a fee for those services in kind.

#### OVERALL OPERATING ARRANGEMENTS

The Corporation’s primary source of operating revenues derive from providing financial assistance to qualified borrowers for postsecondary education through the issuance of student loans. Since its inception the Corporation served as the State of South Carolina’s Eligible Lender under the Federal Family Educational Program (“FFELP”) and its predecessors until the FFELP was discontinued in 2010 through the *Student Aid and Fiscal Responsibility Act (“SAFRA”)* legislation. SAFRA ended any new loan originations under the FFELP program, thus reducing the Corporation’s FFELP portfolio and its revenues overtime. Since July 1, 2010, all federal loan programs have been originated under the Federal Direct Loan Program. The Corporation does, however, continue to serve as the eligible holder of the previously originated FFELP loans and still owns and administers a portfolio of various FFELP Stafford (subsidized and unsubsidized), Supplemental Loans for Students (“SLS”), PLUS (parent and graduate student), and Consolidation Loans whose revenues derive in the form of fees and interest which can be subsidized or unsubsidized.

# **South Carolina Student Loan Corporation**

## **Notes to Consolidated Financial Statements**

**For the year ended June 30, 2025**

### **NOTE 1. DESCRIPTION OF THE ORGANIZATION, CONT.**

Currently the Corporation serves its mission through the issuance of private (non-federal) unguaranteed student, parent, and refinance loans. The Corporation has used and continues to use several sources of funding to fund both FFELP and private loans. One of these sources is through the issuance of tax-exempt bonds issued through a conduit tax-exempt debt issuer such as the South Carolina State Education Assistance Authority (the “Authority”) which is a body politic and a corporate public instrumentality of the State of South Carolina. The Authority was created to facilitate the functions to provide and guarantee financing for education loans for students and parents. The Corporation and the Authority have entered into various contractual agreements over the years for the financing of educational loans. There were no such agreements at June 30, 2025.

The Corporation also provides certain contractual services to administer various student loan programs, including but not limited to the South Carolina Teachers Loan Program on behalf of the State Department of Education, and is paid a fee for those services. In addition to administering student loan programs, the Corporation also provides certain contractual services such as accounting and administrative functions on behalf of the Authority. In all cases the Corporation charges and receives a fee for these services.

The Corporation has contractual arrangements with National Education Loan Network (“Nelnet”) to perform servicing functions on behalf of the FFELP loans owned and/or administered by the Corporation. Servicing of the Corporation’s private loans and certain servicing functions of the Teacher Loan Program is outsourced to Firstmark Services, a division of Nelnet. The Corporation continues to originate and administer its private loan programs as well as providing these services to others on a contractual basis such as the teacher loan program.

#### **DESCRIPTION OF LOAN PROGRAMS**

##### **FEDERAL FAMILY EDUCATION LOANS AND FEDERAL REINSURANCE LOANS**

The FFELP, formally known as the Guaranteed Student Loan Program was established under the Higher Education Act of 1965, as amended (the “Higher Education Act”) to assure access of students and their parents to loans for postsecondary education. The FFELP loans are owned by private entities but insured (guaranteed) by the federal government. The FFELP loans have both fixed and variable interest rates established by statute and the eligibility criteria as well as the repayment terms that are dependent upon the loan type established under the FFELP.

Most outstanding FFELP loans first disbursed before July 1, 2006, have variable interest rates. These variable interest rates can change year to year (from July 1 of one year through June 30 of the following year) and are reset using either the bond equivalent rate of the 91- day Treasury Bill, determined at the final auction held prior to the preceding June 1, or the weekly average of the one- year constant maturity Treasury yield as published for the last calendar week ending on or before June 26 of each year, plus 1.70% to 3.10% with a cap on the rate of 8.25% to 12.00%. FFELP loans made after July 1, 2006, have fixed interest rates that range from 5.60% to 8.50% based on loan time and first disbursement date. A full listing of this schedule can be found on the United States Department of Education (“USDE”) website for Federal Student aid. During the fiscal year ended June 30, 2025, these loans were bearing interest at fixed rates from 2.875% to 9% or an annual variable rate of 6.00% to 8.50%.

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 1. DESCRIPTION OF THE ORGANIZATION, CONT.

The repayment period for these loans is five to thirty years with a minimum payment of \$360 or \$600 per year, except in the case of income-based repayment plans. Repayment of principal may begin within sixty days of final disbursement or six to ten months after the student graduates or ceases to be enrolled on at least a half-time basis in an eligible institution.

Certain borrowers may elect an income-based repayment plan, which can result in a payment amount less than is required to fully pay principal on the loan. After twenty-five years in the income-based repayment plan, any remaining debt is discharged.

The USDE insures loans against death or disability at 100% and default up to 100% for loans made prior to October 1, 1993; up to 98% for loans made on or after October 1, 1993, but on or before June 30, 2006; and 97% for loans made on or after July 1, 2006.

Loans may or may not be subsidized. Interest is paid on subsidized loans during the enrolled, grace and deferred periods by the USDE. Upon entering the repayment period, the interest is paid by the borrower. The Higher Education Act, as amended provides for interest subsidy and special allowance payments by the Secretary of Education. The interest subsidy is a payment of interest for those loans not in repayment status. Special allowance was instituted to ensure the interest rate and other limitations of the Higher Education Act, in the context of the market conditions, would not adversely affect access to student loans or cause the rate of return on student loans to be less than equitable. The Special allowance payment, which continues throughout the life of the loan, is calculated on the unpaid principal balance of student loans, based on an annual rate increased by various add-on rates depending on when the loan was originated. The special allowance is commercial paper rate or Secured Overnight Financing Rate (SOFR) to the average daily unpaid principal balance and capitalized interest of federal student loans held by the Corporation. For loans first disbursed prior to January 1, 2000, the 91-day Treasury Bill rate is used rather than the 3-month financial commercial paper rate or the 1-month SOFR. If the special allowance rate is above the loan interest rate then a payment is made for the difference to the Corporation, as the lender, by the federal government. If the special allowance rate is below the loan interest rate then the difference is paid by the Corporation, as the lender, to the federal government. For the year ended June 30, 2025, the Corporation received \$5,108,507 of net special allowance support payments from the USDE. The Corporation's FFELP subsidized interest earnings and special allowances can be found in the revenue section of the Corporation's Consolidated Statement of Activities.

Consolidation loans under FFELP are subject to a rebate fee paid by the lender and is calculated annually by the Secretary at USDE. Lenders are required to pay these fees monthly based upon month-end balances of lender held consolidation loans. The rebate fees paid by the Corporation for FFELP Consolidation loans can be found in the operating expenses as "Loan fees" in the Corporation's Consolidated Statement of Activities.

The origination fee for Stafford loans was 3% for loans first disbursed on or before June 30, 2006. It decreased to 2% on July 1, 2006; to 1.50% on July 1, 2007; 1% on July 1, 2008; and 0.50% on July 1, 2009. The origination fee for Stafford loans was eliminated as of July 1, 2010. The origination fee for PLUS loans remained at 3% through June 30, 2010. This fee is no longer paid/received after July 1, 2010, due to the Corporation no longer originating FFELP loans.

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 1. DESCRIPTION OF THE ORGANIZATION, CONT.

#### PRIVATE (NOT FEDERALLY GUARANTEED) EDUCATION STUDENT LOAN PROGRAMS

During the fiscal year ended June 30, 1996, the Corporation began making and servicing supplemental loans through the Palmetto Assistance Loan ("PAL") Program. The PAL Program offered supplemental loans for students and parents of students enrolled at least half-time in an eligible school and for fourth year medical students with specified federal loans originated through the Corporation who were seeking funds for their residency and relocation. These loans were funded from the Corporation's accumulated unrestricted net assets and bond funds. This PAL Program was discontinued during December 2008.

During the fiscal year ended June 30, 2010, the Corporation restructured the PAL Program and began marketing the restructured program. The new PAL Program initially limited the offering of loans only to students. The student must be enrolled on at least a half-time basis in a certificate or degree granting program and attending an eligible school in the State of South Carolina or be a resident of South Carolina and attending an eligible college or university within the United States. At inception, only fixed rate loans were offered, with the rate being determined by the enrolled payment option selected by the borrower.

During May 2013, the Corporation began offering PAL Program Consolidation Loans. This PAL Program Consolidation Loan restricted the offering of loans to students who were in a grace period or post-enrollment repayment status and in good standing on all education loans being consolidated. The borrower was required to have a minimum FICO score of 675, loans made for attendance at eligible schools located in the United States, be a South Carolina resident or a nonresident with eligible loans made for attendance at eligible in-state schools, and not be incarcerated. These consolidation loans were funded from available funds of the Corporation. During August 2014, this program was terminated due to low volume and the need to update underwriting criteria for refinance loans.

During mid-2015, the Corporation began offering the Palmetto Assistance Loan Refinancing Loan ("PAL ReFi") Program through an initial targeted direct mailing to eligible South Carolina residents who obtained federal Parent Loan for Undergraduate Student (PLUS) loans on or after July 1, 2010. The borrower was also required to have loans made for attendance at eligible schools located in the United States, be a South Carolina resident or a nonresident with eligible loans made for attendance at eligible in-state schools, and not be incarcerated. As of December 18, 2019, a minimum FICO score of 670 and a debt-to-income ratio of 43% or less are required as part of the determination of the creditworthiness of each applicant. These loans were initially funded from available funds of the Corporation without restrictions. Loans are offered only in fixed interest rates. At inception, the interest rate offered was based on the borrower selected repayment term length.

During the fiscal year ended June 30, 2017, the Corporation began offering PAL Program loans to parent borrowers on behalf of a benefiting student and added borrower or cosigner credit score as a factor in determining loan pricing.

During the fiscal year ended June 30, 2019, the Corporation began offering PAL Program loans in both fixed and variable interest rates, and added the borrower selected repayment term length as a factor in determining loan pricing. Initially, the variable rate was reset quarterly using the one-month LIBOR rate two business days prior to the start of each quarter. Variable rates are capped at 12.00%.

# **South Carolina Student Loan Corporation**

## **Notes to Consolidated Financial Statements**

**For the year ended June 30, 2025**

### **NOTE 1. DESCRIPTION OF THE ORGANIZATION, CONT.**

During the fiscal year ended June 30, 2021, the Corporation added borrower or cosigner credit score as a factor in determining loan pricing for the PAL ReFi Loan Program. The Corporation also began funding a portion of PAL Program and PAL ReFi program loans from the proceeds of a \$92,710,000 bond offering issued by the Corporation on August 20, 2020.

Beginning November 1, 2021, all new variable rate loans were originated using the one-month Term SOFR index. Rates continue to reset quarterly using the rate two business days prior to the start of each quarter. Student loans under the Corporation's PAL program bear annual fixed rates ranging from 6.875% to 10.875% or a variable rate margin ranging from 1.50% to 5.50%. Loans under the Corporation's PAL ReFi program bear annual fixed rates ranging from 6.00% to 9.25%.

#### BOLD CAREER PATHWAY LOAN PROGRAM (FORGIVABLE PRIVATE LOAN)

During the fiscal year ended June 30, 2023, the Corporation began making and servicing forgivable private loans through the BOLD Career Pathways Loan Program ("BOLD"). BOLD offers supplemental loans to students attending select programs of study who are within two academic years of completion. To receive BOLD funds, the student must also enter into an agreement with a potential employer, whereby the employer agrees to pay amounts borrowed under BOLD, in return for the student's service to the employer upon graduation. Annual loan amounts, cumulative loan amounts, and interest rates vary by employer and program. Since inception, the program has offered fixed interest rates. The terms of forgiveness also vary based on employer and program, but typically forgive a portion of BOLD amounts outstanding per year of employment. If the student does not gain employment with the agreed upon employer, or leaves employment prior to the full amount being forgiven, the debt must be repaid on a 120-month, level repayment plan. BOLD is a non-credit based program. The Corporation runs and stores credit for operational and analytical purposes but does not use the applicant's credit to determine eligibility.

### **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following accounting and reporting policies of the Corporation are presented to assist in understanding the consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"):

#### BASIS OF ACCOUNTING:

These statements are prepared using the accrual basis of accounting, recognizing income when earned regardless of when received and expenses when incurred regardless of when paid.

#### ADVERTISING AND MARKETING EXPENSES:

The Corporation expenses all advertising and marketing related expenses when incurred. The total marketing and advertising expense of the Corporation for the fiscal year ended June 30, 2025 were \$1,620,948.

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONT.

### AVAILABILITY OF FUNDS FOR GENERAL EXPENSES:

The Corporation has certain net assets that are available for general expenses within one year of June 30, 2025, based on conducting the normal activities of its programs in the coming fiscal year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenses within one year (see Note 6).

### CASH AND CASH EQUIVALENTS:

For purposes of reporting cash flows, the Corporation considers all highly liquid investments with a maturity of three months or less, including those that are classified as assets with restrictions, to be cash equivalents, except those amounts that are held in investment portfolios which are considered part of investments. Cash and cash equivalents designated as with restrictions are restricted by bond indentures to be used to make payments of bond principal, interest, and certain related costs of the indenture (See Note 8).

### CONCENTRATION RISK:

The Corporation maintains its cash in bank deposit accounts, which, at times, may exceed the federally insured limit. At June 30, 2025, all of the Corporation's cash was held in institutions that are covered by federal depository insurance; however, some demand deposit accounts exceeded the federally insured limit.

The Corporation's cash and cash equivalent accounts have been placed with high credit quality financial institutions and the Corporation monitors each of these institutions for financial deterioration characteristics on a continuous basis. The Corporation has not experienced, nor does it anticipate, any losses with respect to such accounts as of June 30, 2025, and believes each institution is well-capitalized with no going concern issues.

### INVESTMENTS:

Investments are initially recorded at cost. Thereafter, investments are recorded at their fair values in the Statements of Financial Position, and changes in fair value are reported as investment income/(loss), net of fees in the Consolidated Statement of Activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the Consolidated Statement of Activities in the period in which the securities are sold. Interest is recorded when earned.

### CONSOLIDATED POLICY:

The consolidated financial statements include the accounts of the Corporation and its controlled affiliate, EdVantage. All material inter-corporation accounts and transactions of the consolidated subsidiary have been eliminated in the consolidation.

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONT.

### DEBT ISSUANCE COSTS/ORIGINAL ISSUE DISCOUNTS:

The original issue discounts and debt issuance costs are presented as a reduction of the face amount of the bonds payable or notes payable (when applicable). Original issue discounts and debt issuance costs are amortized using a straight-line basis over the estimated term of the related financing arrangements as a component of interest expense. The estimated term of each financing arrangement is updated annually by the Corporation as part of its annual budgetary process.

### DISPLAY OF NET ASSETS BY CLASS:

The Corporation adheres to the disclosures and display requirements of ASC 958, *Not-For-Profit-Entities*. ASC 958 establishes standards for external financial reporting by non-profit organizations and requires that resources be classified for accounting and reporting purposes according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Corporation does not have donors and thus all net assets would fall under the class of net assets without donor restrictions, however, the Corporation has debt covenants that restrict the use of certain assets within a bond trust to be used to pay future principal, interest, fees and costs associated with that debt issuance. In complying with ASC 958 and providing greater transparency in the Corporation's restrictions on its net assets the classification of net assets without donor restrictions is presented with further sub-classes of net assets as follows:

#### **Net assets without donor restrictions-**

**Undesignated** - Net assets without donor restrictions, Undesignated include those designated by the Corporation's Board of Directors and can be used in any Corporation activity.

**Invested in Trust, net of related debt** - Net assets without donor restrictions, net of related debt consists of accumulated assets and liabilities for the general resolutions of outstanding bonds.

### DISPLAY OF OPERATIONS:

The consolidated statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Corporation's ongoing program and supporting services. Non-operating activities are limited to resources that generate a return on investment and other activities that are unusual or nonrecurring in nature.

### EXPENSE ALLOCATION:

The costs of providing programs and activities has been summarized on a functional basis in the Consolidated Statement of Activities and the Consolidated Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses of the Corporation include:

**Program expenses** - Program expenses include the costs associated with specific programs.

**Supporting services** - Supporting services include the general, administrative, and operating costs.

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONT.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function, and therefore, require allocation on a reasonable basis that is consistently applied. These expenses are allocated and the method of allocation included is presented in the table below:

Expense	Method
Salaries & Wages	Set percentage based on time & effort
Benefits & Taxes	Set percentage based on time & effort
Information Technology	Set percentage based on time & effort
Loan Servicing & Originations	Direct based on nature of services
Legal & Professional	Set percentage based on time & effort
General Office Expenses	Set percentage based on time & effort
Memberships, Training, & Travel	Set percentage based on time & effort
Meetings & Conferences	Set percentage based on time & effort
Marketing & Outreach	Direct based on nature of services
Grants & Awards	Direct based on nature of services
Depreciation	Set percentage based on time & effort
Interest on Debt	Direct based on nature of services
Bond Trust Operating Fees	Direct based on nature of services
USDE Consolidation Loan Fees	Direct based on nature of services
Borrower Benefits	Direct based on nature of services
Reinsurance Expense	Direct based on nature of services
Bad Debt Expense	Direct based on nature of services
Provision for Credit Losses	Direct based on nature of services

#### INCOME TAXES:

The Corporation and its controlled affiliate EdVantage are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements.

Tax-exempt organizations may be subject to record an obligation for income taxes as the result of tax position they have historically taken on various tax exposure items including tax status or unrelated business income. Under guidance issued by the Financial Accounting Standards Board ("FASB"), assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based on the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense. Management has evaluated the Corporation's and EdVantage's tax positions and concluded that these entities have taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

## **South Carolina Student Loan Corporation**

### **Notes to Consolidated Financial Statements**

**For the year ended June 30, 2025**

## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONT.**

### **LEASES:**

The Corporation determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and if the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Corporation obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Corporation also considers whether its service arrangements include the right to control the use of an asset.

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The initial measurement of the right-of-use asset is comprised of the initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of right-of-use assets are held at the lower of the lease term or on the same basis as those of the related property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. The Corporation has elected the practical expedient to utilize the risk-free discount rate for a period like that of the lease term.

### **PROPERTY, PLANT AND EQUIPMENT:**

Property, plant and equipment are stated at cost less accumulated depreciation. Cost incurred by the Corporation for software development used to provide services to customers or internal administration services are stated at cost less accumulated amortization. The allowance for depreciation and amortization is amortized or depreciated as an expense over the estimated life of the asset using a straight-line method.

### **MANAGEMENT'S USE OF ESTIMATES:**

The preparation of financial statements in conformity with U.S. GAAP management to make estimates and assumptions that affect the reported amounts of assets and liabilities; disclosures of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimated used in the preparation of the financial statements is the allowance for credit losses on student loans.

### **REVENUE ON SERVICES PROVIDED (NOT STUDENT LOANS):**

The Corporation provides contract services to the State for some of its forgivable loan programs including but not limited to the State's Teacher loan program and to the Authority. The Corporation charges a fee for those services. Revenues on the contract fees are recognized when the performance obligations are satisfied, or attributable to the period in which specific terms of the funding agreement are satisfied, and to the extent that expenses have been incurred for the purposes specified by the funding source.

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONT.

### **STUDENT LOANS:**

Student loans consist of guaranteed FFELP loans and non-guaranteed private loans (non-federal education loans) owed by the Corporation. Student loans are stated at their unpaid principal balance plus any applicable unamortized amount of loan origination costs paid out to disburse the loan. Loan origination costs are deferred and recognized as a reduction to interest income on student loans over the estimated life of student loans. Interest accrues on the unpaid principal balance of the loan. Both private and FFELP loans have both fixed and variable interest rates. Interest on FFELP loans can be subsidized or unsubsidized (See Note 1). Interest rates for these loan programs can be found in Note 1 herein.

Interest on student loans is recognized as revenue in the period earned on guaranteed student loans and on non-guaranteed private loans until the loan is deemed uncollectible and defaults (generally at 210 days). Cash receipts on loans are first applied to any accrued and unpaid interest before being applied to principal. Special Allowance (see Note 1) is recognized as revenue in the period earned on guaranteed loans.

Late fees are assessed and charged to the borrower when a loan becomes delinquent/past due but not recorded in income until collected. Delinquent or past due status is based on the contractual term of the loan. Management considers a loan to be delinquent or past due when a scheduled payment has not been received upon the contractual due date, generally after 15 days. When a private student loan becomes delinquent for more than 180 days the loan principal, interest and late fee balance is placed with a collection agency.

As part of the Corporation's write-off/charge-off policy, when a borrower's loan becomes delinquent and sent to the collection agency, interest accrual is discontinued, and the principal and interest balance outstanding is charged off. All accrued interest is reversed and recorded as a bad debt expense when charged off/written off. All payments collected by the collection agency are netted against the bad debt expense when received.

### **ALLOWANCE FOR CREDIT LOSSES:**

The allowance for credit losses is a valuation representing the Corporation's estimate for expected future losses over the estimated lifetime of its student loan receivable on the financial position date. The amount of the allowance, which is based on management's estimate of the probable losses within the portfolio is expensed through a provision for credit losses on student loans. Management utilizes relevant available information from both internal and external sources relating to historical events, current conditions, and reasonable and supportable forecasts in estimating its allowance for credit loss value.

The Corporation measures expected credit losses on a pooled basis when similar risk characteristics exist. The Corporation's credit losses are pooled based on portfolio type and then further segmented in days past due bands. These portfolios are classified under 2 major risk-based category types of loans: FFELP and Private.

## **South Carolina Student Loan Corporation**

### **Notes to Consolidated Financial Statements**

**For the year ended June 30, 2025**

#### **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONT.**

FFELP loans present less risk to the Corporation as these loans are guaranteed by the guarantee agency and insured by the federal government (See Note 1 and Note 8). The USDE insures loans against death or disability at 100% and default up to 100% for loans made prior to October 1, 1993; up to 98% for loans made on or after October 1, 1993, but on or before June 30, 2006; and 97% for loans made on or after July 1, 2006. Some FFELP loans may lose their guarantee and become uncollectible under certain circumstances. At June 30, 2025, the Corporation's total insured FFELP loans are \$319,980,311 and its total uninsured FFELP loans are \$675,846. Private loans have no guarantees and are not federally insured and therefore have more associated risk for credit losses.

The Days past due segments include: Less than 15; 15-29; 30-59; 60-89; 90-119; 120-149; 150-179; and 180 plus. All loan segments use a probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") Cash Flow Methodology, leveraging the Corporation's historical data for PDs and Prepayment speeds with Internal Assumptions on LGDs. The Corporation has a historical recovery rate of approximately 10% of any loan sent to collections. Given this historical recovery a 90% LGD is used for loans less than 180 days past due with 100% for those 180 days past due or greater.

Actual results of defaults could differ from management's estimates in the allowance. Private Loans are written-off when management deems them uncollectible which is generally when the loans are 210 days past due and are sent to a collection agency. When loans are charged off the balances are reversed out of the allowance for credit losses and recorded as a bad debt expense.

FFELP loans are considered defaulted when a borrower has not made a scheduled payment in more than 270 days. FFELP defaulted loans are sent to a FFELP program guarantee agency which insures the federal loan by repaying the loan holder the insured defaulted amount. All principal and interest outstanding not repaid by the guarantee agency at the time of default are recorded as a reinsurance expense on the Corporation's Consolidated Statement of Activities. During the fiscal year ended June 30, 2025, the Corporation incurred reinsurance expenses of \$353,241.

The Corporation elected not to provide for an allowance for credit losses for accrued interest receivable from borrowers and instead elected to reverse interest income on loans that are placed with the collection agency and are in a nonaccrual status, which is generally when the loan is 180 days past due. The Corporation has concluded that this policy results in the timely reversal of uncollectible interest.

Additionally, the allowance for credit loss calculation may include subjective adjustments for qualitative risk factors that are likely to cause estimated loan losses to differ from historical experiences. These qualitative factors may increase or decrease the allowance for loan loss and are adjusted for economic conditions not already captured. Loans that do not share risk characteristics are evaluated on an individual basis.

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 3. CASH AND CASH EQUIVALENTS

As of June 30, 2025, cash and cash equivalents include demand deposits and short-term investments with an original maturity of three months or less as follows:

Cash and Cash Equivalents	2025
<b>Undesignated</b>	
Demand Deposits	\$ 6,968,853
<b>Invested in Trust</b>	
Money Market-Bond Funds	18,682,597
<b>Total Cash and Cash Equivalents</b>	<b>\$ 25,651,450</b>

Cash in Money Market-Bond Funds is used to pay bond principal, interest, and other certain fees & costs related to the corresponding debt issuance.

### NOTE 4. INVESTMENTS

The market value of investments is determined by quoted market values and consists of the following as of June 30, 2025:

Investments:	Cost	Market Value
<b>Investments:</b>		
Cash and Cash equivalents	\$ 9,281,432	\$ 9,296,217
US Treasury & Agency Securities	46,860,355	47,235,364
Debt Securities: Corporate	65,178,038	66,396,607
Debt Securities: Foreign	6,322,276	6,445,323
Mutual Funds	36,644,967	49,735,451
Equities	77,918,347	98,868,372
Real Estate Investment Trusts	1,820,769	1,836,830
<b>Total Investments</b>	<b>\$ 244,026,184</b>	<b>\$ 279,814,164</b>

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the Consolidated Statement of Financial Position.

As stated in Note 2, the Corporation identifies all cash and cash equivalents held within an investment portfolio as an investment.

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 5. DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

**Level 1:** Observable, unadjusted quoted prices for identical assets or liabilities in active markets.

**Level 2:** Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets and inputs other than quoted prices, such as interest rates, yield curves and prepayment speeds.

**Level 3:** Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value at June 30, 2025:

**Debt Securities:** Valued using pricing models maximizing the use of observable inputs for similar securities.

The Corporation holds investments in United States Treasury and United States agency obligations. The fair value of the investments is based on quoted market rates or similar quoted market rates.

**Equities:** Valued at the closing price reported on the active market on which the individual securities are traded.

**Mutual Funds:** Valued at the daily closing price as reported by the fund. Mutual funds held by the Corporation are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

**Real Estate Investment Trusts:** Valued at the NAV of shares held by the Corporation at year end.

**Cash and cash equivalents'** carrying amounts approximate fair value because of the short maturity of those instruments. The fair value of the investments is based on quoted market rates or similar quoted market rates.

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 5. DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS, CONT.

The following table sets forth by level, within the fair value hierarchy, the Corporation's financial instruments as of June 30, 2025:

Financial Assets	June 30, 2025	Level 1	Level 2	Level 3
<b>Cash and cash equivalents</b>	\$ 25,651,450	\$ 25,651,450	\$ -	\$ -
<b>Investments:</b>				
Cash and cash equivalents	9,296,217	9,296,217	-	-
US Treasury & Agency Securities	47,235,364	47,235,364	-	-
Debt Securities: Corporate	66,396,607	-	66,396,607	-
Debt Securities: Foreign	6,445,323	-	6,445,323	-
Mutual Funds	49,735,451	49,735,451	-	-
Equities	98,868,372	-	98,868,372	-
<b>Real Estate Investment Trusts</b>	1,836,830	-	1,836,830	-
<b>Total Financial Assets</b>	<b>\$ 305,465,614</b>	<b>\$ 131,918,482</b>	<b>\$ 173,547,132</b>	<b>\$ -</b>

### NOTE 6. AVAILABILITY AND LIQUIDITY

As a part of the Corporation's liquidity management, its policy is to have adequate cash and other short-term investments to meet its financial obligations which become due within the next twelve months. This assessment is performed daily to ensure there are adequate funds for a rolling twelve-month period.

Financial assets available for general expenses of the Corporation without restrictions limiting their use within one year of the Statement of Financial Position date of June 30, 2025, were comprised of the following:

	2025
<b>Total assets at year end</b>	<b>\$ 892,319,889</b>
Less amounts not available to be used within one year due to illiquidity:	
Prepaid expenses and other	745,554
Long-term Student Loan receivable, net of allowances	432,927,557
Property and equipment, net	652,692
Right of Use Asset	1,237,598
Total amounts not available to be used within one year due to illiquidity	<u>\$ 435,563,401</u>
Less amounts not available to be used within one year due to contractual restrictions:	
Less Net Assets without Restrictions Invested in Trust, net of debt	162,264,535
Total amounts not available to be used within one year due to restrictions	<u>\$ 162,264,535</u>
<b>Total assets available to meet cash needs for expenditures within one year</b>	<b><u>\$ 294,491,953</u></b>

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 7. STUDENT LOANS RECEIVABLE

The student loans receivable balance as reported on the Corporation's Consolidated Statement of Financial Position represents the unpaid portion of principal balance of both private (non-federal education loans) and FFELP loans owned by the Corporation net any allowances for future credit losses and deferred fees and costs. Interest income is accrued on the unpaid principal balance of the loans. Any loan origination fees net of direct origination costs are deferred and recognized in interest income using methods of approximation without anticipating prepayments. Both private and FFELP loans have both fixed and variable interest rates. Interest rates for these loan programs can be found in Note 1 herein.

Management has determined that its portfolio segments are FFELP student loans and Private student loans. As of June 30, 2025, the Corporation does not disaggregate its portfolio into classes of receivables and all loan segments are evaluated collectively.

Student loans held for investment as of June 30, 2025, are summarized as follows:

Student Loans	Private	FFELP	Allowance	Total
Undesignated	\$ 127,662,755	\$ 50,087,322	\$ (10,044,368)	\$ 167,705,709
Invested in Trust				
1996 General Resolution	-	126,844,684	(182,556)	126,662,128
2010-1 General Resolution	-	98,670,289	(150,113)	98,520,176
2013-1 General Resolution	-	37,937,452	(138,053)	37,799,399
2015-A General Resolution	56,548,585	7,116,410	(6,768,555)	56,896,440
2020-A General Resolution	69,860,392	-	(5,456,522)	64,403,870
Subtotal	\$ 254,071,732	\$ 320,656,157	\$ (22,740,167)	\$ 551,987,722

The following table summarizes the activity related to the allowance for credit losses for the fiscal year ended June 30, 2025:

Allowance for Credit Losses	Private Loans	FFELP Loans	Total
Balance, July 1, 2024	\$ (18,830,627)	\$ (1,472,711)	\$ (20,303,338)
Charge-offs	5,896,663	353,242	6,249,905
Recoveries	492,190	-	492,190
Provision for credit losses	(9,055,202)	(123,722)	(9,178,924)
Balance, June 30, 2025	\$ (21,496,976)	\$ (1,243,191)	\$ (22,740,167)

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 7. STUDENT LOANS RECEIVABLE, CONT.

The following table represents an analysis of past-due student loans as of June 30, 2025:

Portfolio Summary						
	June 30, 2025					
	FFELP Loans	Private loans			Total	
Loans in-school/grace	59,237		35,462,718		35,521,955	
Loans in deferment and forbearance:						
Deferment	21,038,804		4,244,165		25,282,969	
Forbearance	<u>19,915,291</u>		<u>15,703,707</u>		<u>35,618,998</u>	
Total loans in-school/grace, deferment, and forbearance	<u>41,013,332</u>		<u>55,410,590</u>		<u>96,423,922</u>	
Loans in repayment:						
Current	231,573,419	82.81%	183,193,463	92.21%	414,766,882	86.72%
31-60 days delinquent	9,888,560	3.54%	5,344,582	2.69%	15,233,142	3.18%
61-90 days delinquent	8,284,720	2.96%	3,036,696	1.53%	11,321,416	2.37%
91-120 days delinquent	4,810,994	1.72%	2,155,179	1.08%	6,966,173	1.46%
121-180 days delinquent	11,140,655	3.98%	4,193,948	2.11%	15,334,603	3.21%
181-270 days delinquent	10,207,516	3.65%	737,273	0.37%	10,944,789	2.29%
271 days or greater delinquent	2,284,288	0.82%	-	0.00%	2,284,288	0.48%
Claims filed but not yet paid	<u>1,452,674</u>	0.52%	<u>-</u>	<u>0.00%</u>	<u>1,452,674</u>	0.30%
Total loan in repayment	<u>279,642,826</u>	<u>100.00%</u>	<u>198,661,141</u>	<u>100.00%</u>	<u>478,303,967</u>	<u>100.00%</u>
Total loans	<u>320,656,158</u>		<u>254,071,731</u>		<u>574,727,889</u>	
Allowance for credit losses	(1,243,191)		(21,496,976)		(22,740,167)	
<b>Total</b>	<b><u>319,412,967</u></b>		<b><u>232,574,755</u></b>		<b><u>551,987,722</u></b>	

### NOTE 8. BONDS PAYABLE

The Corporation issued bonds for the first time during the year ended June 30, 1997. All of the Corporation's bonds and notes are secured only by loans funded by bond proceeds or otherwise pledged, related revenue from such loans, investments and earnings on investments in related accounts and by a debt service reserve funded from bond proceeds. The Corporation's bonds and notes are each secured by assets held by a trustee in one of five trust estates governed by the applicable general resolution and other bond documents. The bond documents require the Corporation to accumulate collections from borrowers to pay principal and interest on bonds. The bonds and notes do not constitute a debt, liability or obligation of the State of South Carolina or any agency thereof but are limited obligations of the Corporation.

The transactions for each bond resolution are accounted for in a resolution specific fund. These funds are subject to restrictions imposed by the underlying bond agreements as described in the Net Assets with Restrictions section of Note 2 and are included in the Corporation's consolidated financial statements.

The debt service funds in the applicable general resolution contain assets equal to the interest and principal accumulated to make the next payments of principal and interest due. As of June 30, 2025, the Corporation held funds on deposit as cash with restrictions in the debt service funds of \$10,026,598.

## **South Carolina Student Loan Corporation**

### **Notes to Consolidated Financial Statements**

**For the year ended June 30, 2025**

#### **NOTE 8. BONDS PAYABLE, CONT.**

##### 1996 GENERAL RESOLUTION:

On August 20, 2014, the Corporation issued \$501,500,000 of Education Loan Revenue Bonds, 2014 Series, under the 1996 General Resolution. Proceeds of the issue were used to: (i) pay target amortization payments for prior bonds within the 1996 General Resolution that had not been satisfied prior to the 2014 Series issuance, (ii) finance repurchased education loans held as unencumbered assets of the Corporation, (iii) fund certain accounts and funds required under the 1996 General Resolution including the Supplemental Reserve Fund, the General Revenue Fund, the Senior Lien Account and the Subordinate Lien Account of the Debt Service Fund, and (iv) pay cost of issuance. Principal and interest payments for the 2014 Series bonds are paid on distribution dates (the first business day of each month).

The Corporation's LIBOR Indexed Bonds in the 1996 General Resolution totaled \$56,072,803 as of June 30, 2025. The bonds were issued with variable interest rates equal to one-month LIBOR plus 0.75% to 1.5%, as adjusted monthly. Effective July 1, 2023, the One-Month LIBOR benchmark used to calculate interest on the 2014 Series Bonds was replaced with 30-day Average SOFR plus a tenor spread adjustment of 0.11448%. The tenor spread adjustment is in addition to the existing spread on the Bonds, which will also continue to apply. Throughout the fiscal year ended June 30, 2025, none of the rates exceeded 6.96%.

##### 2010-1 GENERAL RESOLUTION:

On November 30, 2010, the Corporation issued \$920,000,000 of Student Loan Backed Notes, 2010-1 Series, with variable interest rates ranging from three-month LIBOR plus 0.45% to three-month LIBOR plus 1.05%. Proceeds of the issue were used to (i) refinance the Corporation's credit facility with the Royal Bank of Canada, (ii) refinance prior indebtedness of the Authority, consisting of Auction Rate Securities issued under the Authority's 2002 General Resolution, (iii) fund the Debt Service Reserve Fund, (iv) fund the Capitalized Interest Fund, and (v) pay cost of issuance.

The Corporation transferred unencumbered FFELP loans of the Authority in the amount of \$39,835,008 and unencumbered loans of the Corporation of \$20,942,464 principal and interest to provide additional equity to the bond offering by increasing the parity of the bonds. The funds from both the Corporation and the Authority were provided through a Residual Trust Agreement, which allows for all remaining loans of the Trust to be shared between the Corporation and the Authority on a pro-rata basis, based on the percentage contribution made by each entity once all bonds have been redeemed.

Principal and interest on the Notes is to be paid on each distribution date (the twenty-fifth day of each January, April, July, and October, or the next business day if such day is not a business day). Principal will be paid first on the A-1 Notes until paid in full, second on the A-2 Notes until paid in full, and third on the A-3 Notes until paid in full. The A-1 notes have been paid in full. The Notes are subject to optional redemption on the next distribution date occurring when the pool balance is 10% or less of the initial pool balance. The Notes secured by the 2010-1 General Resolution had a balance of \$52,611,757 as of June 30, 2025.

Effective July 1, 2023, the Three-Month LIBOR benchmark used to calculate interest on the 2010-1 Series Notes was replaced with 90-day Average SOFR plus a tenor spread adjustment of 0.26161%. The tenor spread adjustment is in addition to the existing spread on the Notes, which will also continue to apply.

## **South Carolina Student Loan Corporation**

### ***Notes to Consolidated Financial Statements***

***For the year ended June 30, 2025***

#### **NOTE 8. BONDS PAYABLE, CONT.**

##### **2013-1 GENERAL RESOLUTION:**

On February 20, 2013, the Corporation issued \$323,620,000 of Student Loan Backed Notes, 2013-1 Series, with a variable interest rate of one-month LIBOR plus 0.50%. Proceeds of the issue were used to (i) prepay the Corporation's Funding Note under the Straight A Funding federal conduit, (ii) refinance the Corporation's credit facility with the Royal Bank of Canada, (iii) fund a distribution to the Corporation for the pledge of certain FFELP loans, (iv) fund the Debt Service Reserve Fund, (v) fund the Capitalized Interest Fund, and (vi) pay cost of issuance.

Principal and interest on the LIBOR Notes is to be paid on each distribution date (the twenty-fifth day of each month, or the next business day if such day is not a business day). The LIBOR Notes are subject to optional redemption on the next distribution date occurring when the pool balance is 10% or less of the initial pool balance. The LIBOR Notes secured by the 2013-1 General Resolution had a balance of \$35,903,986 as of June 30, 2025. Effective July 1, 2023, the One-Month LIBOR benchmark used to calculate interest on the 2013-1 Series Notes was replaced with 30-day Average SOFR plus a tenor spread adjustment of 0.11448%. The tenor spread adjustment is in addition to the existing spread on the Notes, which will also continue to apply.

##### **2015-A GENERAL RESOLUTION:**

On November 25, 2015, the Corporation issued \$198,400,000 of Student Loan Backed Notes, 2015-A Series, with a variable interest rate of 1-month LIBOR plus 1.50%. Proceeds of the issue were used to (i) fund the purchase pursuant to the Corporation's Tender Offer of the Auction Rate Securities issued by the 2004 Trust together with accrued interest, (ii) fund the redemption at par of the portion of the remaining Auction Rate Securities issued by the Corporation's 2004 Trust together with accrued interest, (iii) fund the Collection Fund, (iv) fund the Debt Service Reserve Fund, (v) fund the Operating Fund, (vi) fund the Department Reserve fund and (vii) pay costs of issuance.

Principal and interest payments for the LIBOR Notes are paid on each distribution date (the twenty-fifth day of each month, or the next business day if such day is not a business day) beginning January 25, 2016. The LIBOR Notes are subject to optional redemption on the next distribution date occurring when the pool balance is 10% or less of the initial pool balance. The LIBOR Notes secured by the 2015-1 General Resolution had a balance of \$9,825,890 as of June 30, 2025. Effective July 1, 2023, the One-Month LIBOR benchmark used to calculate interest on the 2015-A Series Notes was replaced with one-month CME Term SOFR plus a tenor spread adjustment of 0.11448%. The tenor spread adjustment is in addition to the existing spread on the Notes, which will also continue to apply.

##### **2020A INDENTURE:**

On August 20, 2020, the Corporation issued \$92,710,000 of Student Loan Backed Notes, Senior Series 2020A ("Series 2020A Taxable Bonds") under the 2020 Indenture. The proceeds of the Series 2020A Taxable Bonds will be used for the purpose of (i) financing Eligible Loans currently held on the Corporation's balance sheet, (ii) financing additional Eligible Loans during the Acquisition Period, (iii) financing deposits to the Debt Service Reserve Fund and the Capitalized Interest Fund, and (iv) paying the cost of issuing the Series 2020A Taxable Bonds.

## South Carolina Student Loan Corporation

### Notes to Consolidated Financial Statements

For the year ended June 30, 2025

#### NOTE 8. BONDS PAYABLE, CONT.

Interest rates on the 2020 Indenture are fixed and range from 2.067% and 3.593% and are payable semi-annually June 1 and December 1. Principal payments are made annually on December 1, commencing December 1, 2022. The Series 2020A Taxable Bonds secured by the 2020 Master Indenture had a balance of \$51,045,000 as of June 30, 2025.

The total bonds outstanding as of June 30, 2025 are as follows:

Issued	Issued	Original Amount	Maturity Date	Balance Outstanding at 6/30/25
2010-1 General Resolution	November 30, 2010	\$ 920,000,000	1/25/2021-10/27/2036	\$ 52,611,757
2013-1 General Resolution	February 20, 2013	323,620,000	1/25/2041	35,903,986
1996 General Resolution	August 20, 2014	501,500,000	4/1/2030 - 8/1/2035	56,072,803
2015-A General Resolution	November 25, 2015	198,400,000	1/25/2036	9,825,890
2020-A General Resolution	August 20, 2020	92,710,000	12/1/2022-12/1/2039	51,045,000
Subtotal				\$ 205,459,436
Less: unamortized cost of issuance				(4,843,510)
Total bonds outstanding				\$ 200,615,926

#### PROJECTED DEBT SERVICE:

As of June 30, 2025, the required scheduled debt service to retire the bonds and notes of the Corporation is as follows:

FYE	Principal	Interest	Totals
2026	\$ 6,850,000	\$ 9,535,974	\$ 16,385,974
2027	7,990,000	7,493,920	15,483,920
2028	7,700,000	7,071,866	14,771,866
2029	6,255,000	6,873,765	13,128,765
2030	6,955,000	6,678,267	13,633,267
2031-2039	121,110,450	42,773,979	163,884,429
2040-2041	48,598,986	2,056,225	50,655,211
Subtotal	\$ 205,459,436	\$ 82,483,996	\$ 287,943,432
Unamortized cost of issuance	(4,843,510)	-	(4,843,510)
Total	\$ 200,615,926	\$ 82,483,996	\$ 283,099,922

The Corporation used projected SOFR index interest rate estimates ranging from 2.56% to 4.36% to estimate bond interest amounts for the table above for all bond trusts except the 2020A Series for which the actual fixed rates were used.

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 8. BONDS PAYABLE, CONT.

As outlined in the 1996 General Resolution, 2010-1 General Resolution, 2013-1 General Resolution, 2015-1 General Resolution, and 2020 General Resolution, the Corporation is making either optional redemption payments or principal distributions to pay down the bonds when they receive excess revenues from the student loans receivable. At June 30, 2025, the Corporation estimated they would make optional redemption or principal distribution payments for the next fiscal year of approximately \$45,876,408 in addition to the \$6,850,000 required principal distribution payments for a total of \$52,726,408.

### NOTE 9. EMPLOYEE BENEFIT PLANS

#### 403(b) DEFINED CONTRIBUTION PLAN:

The Corporation has a defined single-employer contribution plan established pursuant to Section 403(b) of the Internal Revenue Code, which provides pension benefits for all of its full-time employees. The South Carolina Student Loan Corporation 403(b) Defined Contribution Plan ("403(b) DC Plan"), as established on November 5, 2002 and subsequently amended on January 1, 2009, provides for a non-elective contribution. The 403(b) DC Plan provided for a 5% contribution based on the participant's total annual compensation; however, the Board of Directors voted on May 5, 2017 to set this annual contribution to 0% until further action by the Board of Directors. All employees who have completed one year of service and attained the age twenty-one were considered eligible to receive employer contributions. Contributions are 100% vested immediately with investment of the contributions within the plan being employee self-directed.

Effective July 1, 2015, the Corporation amended the South Carolina Student Loan Corporation 403(b) Defined Contribution Plan to include the employee contribution features. As a part of the amendment employees were eligible to participate in the elective portion of the 403(b) DC Plan upon hire. Employee participation in this plan is voluntary. Employee contributions are 100% vested immediately with investment of the contributions within the plan being employee self-directed.

Effective July 1, 2024, the 403(b) DC Plan was amended to add additional features as part of consolidating the 403(b) DB Plan with the Money Purchase Pension Plan ("MPPP") and the South Carolina Student Loan Defined Benefit Plan ("DBP"). The MPPP and DBP were terminated effective June 30, 2024. The amended 403(b) DC Plan provides for Employee elective deferrals including Roth Deferrals, Employee rollover contributions, Employer matching contributions, and Employer nonelective contributions.

Eligible employees may participate under the 403(b) DC plan for purposes of making elective deferrals as of their hire date. The 403(b) DC plan includes an automatic elective deferral feature for eligible employees. Under the automatic deferral feature the Corporation will automatically withhold 3% of the employees compensation each pay period and contribute that amount to the plan as a salary deferral unless the employee makes a contrary election. Eligible employees can elect a different deferral amount or opt out of elective deferrals. Employee contributions are 100% vested immediately with investment of the contributions within the plan being employee self-directed. Employees who normally work less than 20 hours per week are considered an Excluded Employee until they have completed a Year of Service. Once the year of service requirement is satisfied employees who normally work less than 20 hours per week are considered eligible to participate in the 403(b) DC plan for purposes of making elective deferrals.

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 9. EMPLOYEE BENEFIT PLANS, CONT.

All employee plan participants who have attained the age of twenty-one are eligible to receive employer matching contributions. Once the eligibility requirements are satisfied the employer will make a matching contribution each payroll period equal to 100% of the employee's elective deferrals not to exceed 3% of the employee's compensation for the payroll period. Employer contributions are 100% vested immediately with the investment of the contribution within the plan being employee self-directed.

The 403(b) DC plan includes an nonelective employer contribution. Each year, the employer might make a discretionary nonelective contribution to the plan to eligible employees. In order to share in the nonelective contribution the employee must satisfy the requirements for the employer matching contributions, complete at least 1,000 hours of service during the plan year, and must be employed on the last day of the plan year. The Corporation provided a 6% contribution based on the eligible employee's total annual compensation for the fiscal year ended June 30, 2025. Employees hired prior to July 1, 2024 are 100% vested with the investment of nonelective contributions. Employees hired after July 1, 2024, are vested 25% after 1 year of service and are 100% vested after 4 years of service. Participants automatically become 100% vested in the plan investments (assuming they are not already fully vested) if employed on or after the Normal Retirement Age. The 403(b) DC plan's normal retirement age is sixty-five. Forfeitures under the plan reduce the employer's contribution during the year following the plan year in which the forfeiture occurs. The investment of the nonelective employer contributions within the plan are employee self-directed.

Total employer contributions in the 403(b) DC plan for fiscal year ended June 30, 2025 were \$334,058.

#### 457(b) DEFERRED COMPENSATION PLAN:

On November 15, 2002, the Corporation established the South Carolina Student Loan Corporation 457(b) Deferred Compensation Plan. Key management employees are eligible to participate in this plan. Employee participation in this plan is voluntary and funded only through employee contributions. Employee contributions are 100% vested immediately with investment of the contributions within the plan being employee self-directed.

#### TAX DEFERRED ANNUITY:

The Corporation established the South Carolina Student Loan Corporation TDA (Tax Deferred Annuity) GSRA (Group Supplemental Retirement Annuity) on January 1, 1995, which was subsequently amended on January 1, 2009. All employees were eligible to participate in the TDA GSRA upon hire. Employee participation in the plan was voluntary and the plan was funded only through employee contributions which were 100% vested immediately with investment of the contributions being self-directed. Effective July 1, 2015, the Corporation amended the 403 (b) DC Plan to include the employee contributions features of the TDA GSRA in an effort to consolidate the two plans into one single plan. As a result, no new entries were allowed to the TDA GSRA, however, the funds previously contributed to the plan were allowed to remain in the plan with the Trustee, until paid out to the participant under the terms of release or transferred to another qualified plan as directed by the participant and allowed by the annuity terms.

# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 9. EMPLOYEE BENEFIT PLANS, CONT.

#### TERMINATION OF MONEY PURCHASE PENSION PLAN AND DEFINED BENEFIT PLAN:

On June 30, 2024, the MPPP and DBP plans were effectively terminated. In connection therewith, all non-vested contributions and benefits were immediately and fully vested, which resulted in a plan curtailment. Participants were given 45 days from July 1, 2024 and September 1, 2024 for the MPPP and DBP plans, respectively, to select their benefit payout option. Participants were given the option to select a lump sum payment that could be paid out in cash (potentially subject to taxable income) or rolled over into an eligible retirement plan or an annuity payment in which an annuity would be purchased for the participant from an insurance company. If no action was taken by the participant an annuity was purchased on their behalf as part of the termination process.

The following sets forth the benefit obligation, the fair value of plan assets, and the funded status of the Corporation's DBP, as well as the amounts recognized in the Corporation's consolidated financial statements at June 30, 2025:

#### Change in projected benefit obligation:

Projected benefit obligation at June 30, 2024	\$ 5,160,699
Interest cost	102,366
Actuarial (gain) loss	(914,903)
Benefits paid	(92,123)
Settlements	<u>(4,256,039)</u>
Projected benefit obligation at June 30, 2025	\$ <u> - </u>

#### Change in fair value of plan assets:

Fair value of Plan assets at June 30, 2024	\$ 8,154,359
Actual return on assets	116,391
Employer contributions	(3,922,588)
Benefits paid	(92,123)
Settlements	<u>(4,256,039)</u>
Fair value of Plan assets at June 30, 2025	\$ <u> - </u>

#### Amounts recognized in the Consolidated Statement of Activities

Net gain	\$ <u> 928,928 </u>
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# South Carolina Student Loan Corporation

## Notes to Consolidated Financial Statements

For the year ended June 30, 2025

### NOTE 9. EMPLOYEE BENEFIT PLANS, CONT.

Components of net periodic benefit cost and employee-related benefit changes other than net periodic benefit costs for the year ended June 30, 2025 are as follows:

Net periodic benefit cost	\$	-
Service cost	\$	-
Interest cost		102,366
Expected return on plan assets		(172,197)
Amortization of accumulated gain (loss)		-
Net Periodic Pension Cost:		(69,831)
Curtailment Charge		-
Settlements		(859,097)
<b>Total benefit cost</b>	<b>\$</b>	<b>(928,928)</b>
Administrative expenses		-
<b>Net periodic benefit cost</b>	<b>\$</b>	<b><u>(928,928)</u></b>
Employee benefit - related changes other than net periodic benefit cost		
Net (gain) loss	\$	(859,097)
Amortization of loss		-
Effects of Curtailment		-
Effects of Settlement		859,097
<b>Employee benefit - related changes other than net periodic benefit cost</b>	<b>\$</b>	<b><u>-</u></b>
Total net periodic benefit cost and employee benefit - related changes other than net periodic benefit cost	\$	<b><u>(928,928)</u></b>

During the year ended June 30, 2025, the Corporation settled its obligation under the DBP for retired participants. This settlement involved \$92,123 in benefit payments, lump-sum payments to participants totaling \$1,936,598 On December 3, 2024 and the purchase of a group annuity contract from United of Omaha Life Insurance Company.

On February 1, 2025, the Corporation completed the purchase of the retiree benefit buy-out contract paying \$2,319,441. The settlement was funded by plan assets, requiring no additional cash contributions by the Corporation. The remainder of the plan assets were paid out to the Corporation as cash and recorded as a reduction of retirement expenses. The settlement eliminated the Corporation's benefit obligation and transferred associated risk.

## South Carolina Student Loan Corporation

### Notes to Consolidated Financial Statements

For the year ended June 30, 2025

#### NOTE 10. RENTAL PROPERTY, OPERATING LEASES AND COMMITMENTS

The Corporation leases office space under an operating lease agreement with an 8.5-year (103 months) term effective October 2022. Any options to extend or terminate the lease are included in the lease term when it is reasonably certain that the Corporation will exercise that option. The lease's beginning base monthly payment was \$19,267 with a 2.5% annual base rent escalator. The terms of the lease included a 6-month abatement period during the first year of the lease. The terms of the lease agreement include variable expenses related to parking. The Corporation variable expenses for the year ended June 30, 2025, were \$31,687. Lease payments under the agreement totaled \$237,943 for the year ended June 30, 2025. The Corporation incurred \$52,234 in lease related interest expense for the year ended June 30, 2025.

Future undiscounted cash flows and a reconciliation to the lease liabilities recognized in the consolidated statement of financial position are as follows for the years ending June 30:

Year Ending June 30,	Amount
2026	\$ 243,242
2027	249,022
2028	254,802
2029	260,582
2030	266,362
Thereafter	249,022
<b>Subtotal</b>	<b>\$ 1,523,032</b>
Less imputed interest	(150,701)
<b>Total</b>	<b>\$ 1,372,331</b>

At June 30, 2025, the right-of-use asset was \$1,237,598 with accumulated amortization of \$234,693. Lease related amortization expense was \$182,460 for the year ended June 30, 2025.

#### NOTE 11. PROPERTY AND EQUIPMENT

The property and equipment, net, is comprised of the following at June 30, 2025:

Property and Equipment	Balance as of June 30, 2025
Vehicles	\$ 80,030
Furniture and equipment	2,654,978
Software	2,720,025
	<b>5,455,033</b>
Less accumulated depreciation	(4,802,341)
<b>Property and equipment, net</b>	<b>\$ 652,692</b>

Depreciation expense for the year ended June 30, 2025 was \$426,523.

# South Carolina Student Loan Corporation

## Consolidated Schedule of Financial Position (with Restrictions detail by Fund)

As of June 30, 2025

	Invested in Trust							Total	
	Undesignated	1996 Resolution	2010 - 1 Resolution	2013 - 1 Resolution	2015 Resolution	2020 Resolution			
<b>Assets</b>									
<i>Current Assets</i>									
Cash & Cash Equivalents	\$ 6,968,853	\$ 4,441,740	\$ 5,198,147	\$ 938,153	\$ 1,545,788	\$ 6,558,769	\$ 25,651,450		
Current Investments	66,392,568	-	-	-	-	-	66,392,568		
Student Loan Receivable	42,353,594	17,591,300	12,242,855	5,397,873	24,452,764	17,021,779	119,060,165		
Interest Due From Borrowers	9,411,199	6,748,810	6,929,711	3,000,495	1,665,084	2,229,875	29,985,174		
Accounts Receivable	518,213	765,725	298,133	24,920	49,055	74,467	1,730,513		
Accrued Investment Income	477,949	21,239	15,834	-	-	-	515,022		
Prepaid Expenses	715,137	3,750	8,333	11,667	6,667	-	745,554		
<b>Total Assets - Short Term</b>	<b>126,837,513</b>	<b>29,572,564</b>	<b>24,693,013</b>	<b>9,373,108</b>	<b>27,719,358</b>	<b>25,884,890</b>	<b>244,080,446</b>		
<i>Non-Current Assets</i>									
Student Loan Receivable	135,396,484	109,253,384	86,427,434	32,539,578	39,212,231	52,838,613	455,667,724		
<i>Allowance for credit losses</i>	(10,044,368)	(182,556)	(150,113)	(138,053)	(6,768,555)	(5,456,522)	(22,740,167)		
Investments, Long Term Focus	213,421,596	-	-	-	-	-	213,421,596		
Residual Trust Agreement	20,942,464	-	(20,942,464)	-	-	-	-		
Property, Plant & Equipment, net	652,692	-	-	-	-	-	652,692		
Right to Use Asset	1,237,598	-	-	-	-	-	1,237,598		
<b>Total Non-current Assets</b>	<b>361,606,466</b>	<b>109,070,828</b>	<b>65,334,857</b>	<b>32,401,525</b>	<b>32,443,676</b>	<b>47,382,091</b>	<b>648,239,443</b>		
<b>Total Assets</b>	<b>\$ 488,443,979</b>	<b>\$ 138,643,392</b>	<b>\$ 90,027,870</b>	<b>\$ 41,774,633</b>	<b>\$ 60,163,034</b>	<b>\$ 73,266,981</b>	<b>\$ 892,319,889</b>		
<b>Liabilities and Net Assets</b>									
<b>Liabilities</b>									
<i>Current Liabilities</i>									
Current Maturities of Bonds Payable	\$ -	\$ 18,991,089	\$ 12,418,688	\$ 4,640,740	\$ 9,825,890	\$ 6,850,001	\$ 52,726,408		
Interest Payable		267,723	555,669	29,439	9,718	126,641	989,190		
Accounts Payable & Accrued payables	3,138,632	80,817	34,930	1,277	3,814	50,413	3,309,883		
Current Lease Liability	231,682	-	-	-	-	-	231,682		
<b>Total Liabilities - Short Term</b>	<b>3,370,314</b>	<b>19,339,629</b>	<b>13,009,287</b>	<b>4,671,456</b>	<b>9,839,422</b>	<b>7,027,055</b>	<b>57,257,163</b>		
<i>Non-Current Liabilities</i>									
Bonds Payable	-	36,290,956	39,565,049	30,411,082	(2,098,992)	43,721,423	147,889,518		
Refundable Advance	-	-	39,835,008	-	-	-	39,835,008		
Non-current Lease Liability	1,140,649	-	-	-	-	-	1,140,649		
<b>Total Non-Current Liabilities</b>	<b>1,140,649</b>	<b>36,290,956</b>	<b>79,400,057</b>	<b>30,411,082</b>	<b>(2,098,992)</b>	<b>43,721,423</b>	<b>188,865,175</b>		
<b>Total Liabilities</b>	<b>4,510,963</b>	<b>55,630,585</b>	<b>92,409,344</b>	<b>35,082,538</b>	<b>7,740,430</b>	<b>50,748,478</b>	<b>246,122,338</b>		
<b>Net Assets</b>									
<b>Net Assets without Donor Restrictions</b>									
Undesignated	483,933,016	-	-	-	-	-	483,933,016		
Invested in Trusts, net of debt	-	83,012,807	(2,381,474)	6,692,095	52,422,604	22,518,503	162,264,535		
<b>Total Net Assets</b>	<b>483,933,016</b>	<b>83,012,807</b>	<b>(2,381,474)</b>	<b>6,692,095</b>	<b>52,422,604</b>	<b>22,518,503</b>	<b>646,197,551</b>		
<b>Total Liabilities and Net Assets</b>	<b>\$ 488,443,979</b>	<b>\$ 138,643,392</b>	<b>\$ 90,027,870</b>	<b>\$ 41,774,633</b>	<b>\$ 60,163,034</b>	<b>\$ 73,266,981</b>	<b>\$ 892,319,889</b>		

# South Carolina Student Loan Corporation

## Consolidated Schedule of Activities (with Restrictions detail by Fund)

For the year ended June 30, 2025

	Invested in Trusts						Total
	Undesignated	1996 Resolution	2010-1 Resolution	2013-1 Resolution	2015 Resolution	2020 Resolution	
<b>Operating Revenue</b>							
Subsidized Interest	\$ 170,710	\$ 226,149	\$ 229,071	\$ 90,459	\$ 22,140	\$ -	\$ 738,529
Special Allowance	426,004	3,210,290	1,219,178	155,397	97,638	-	5,108,507
Unsubsidized Interest	12,577,503	6,818,473	6,244,886	2,517,773	5,186,173	5,515,049	38,859,857
Other Student Loan Income	100,053	111,410	81,269	36,700	63,528	43,633	436,593
Fees for Services	515,068	-	-	-	-	-	515,068
Assets Released from Restrictions	12,416,245	(739,893)	(670,556)	(1,868,117)	(461,068)	(8,676,611)	-
<b>Total Operating Revenue</b>	<b>26,205,583</b>	<b>9,626,429</b>	<b>7,103,848</b>	<b>932,212</b>	<b>4,908,411</b>	<b>(3,117,929)</b>	<b>45,658,554</b>
<b>Operating Expenses</b>							
Personnel	4,301,144	-	-	-	-	-	4,301,144
Contractual Services	3,502,935	-	-	-	362,856	288,773	4,154,564
General Operating Expenses	4,655,430	-	-	-	24,038	10,936	4,690,404
Interest on Debt	-	5,256,018	4,112,443	2,124,833	3,299,758	1,840,561	16,633,613
Bond Trust Operating Fees	-	53,500	37,079	30,784	34,500	11,082	166,945
USDE Consolidation Loan Fees	87,320	1,030,756	439,448	16,014	35,306	-	1,608,844
Borrower Benefits	181,656	516,940	340,877	19,542	71,160	66,415	1,196,590
Reinsurance Expense	58,489	126,882	86,385	76,083	5,402	-	353,241
Bad Debt Expense	2,069,502	-	-	-	1,060,321	2,032,100	5,161,923
Provision for Credit Losses	2,932,787	(64,105)	(41,480)	(16,769)	(28,566)	(94,484)	2,687,383
<b>Total Operating Expenses</b>	<b>17,789,263</b>	<b>6,919,991</b>	<b>4,974,752</b>	<b>2,250,487</b>	<b>4,864,775</b>	<b>4,155,383</b>	<b>40,954,651</b>
<b>Non-Operating Revenue (Expense)</b>							
Investment Income, Net of Fees	23,544,802	235,216	290,073	57,579	92,746	358,733	24,579,149
<b>Total Non-Operating Revenue (Expense)</b>	<b>23,544,802</b>	<b>235,216</b>	<b>290,073</b>	<b>57,579</b>	<b>92,746</b>	<b>358,733</b>	<b>24,579,149</b>
Changes in Net Assets without donor restrictions	\$ 31,961,122	\$ 2,941,654	\$ 2,419,169	\$ (1,260,696)	\$ 136,382	\$ (6,914,579)	\$ 29,283,052
Beginning Net Assets	451,971,894	80,071,153	(4,800,643)	7,952,791	52,286,222	29,433,082	616,914,499
<b>Ending Net Assets without donor restrictions</b>	<b>\$ 483,933,016</b>	<b>\$ 83,012,807</b>	<b>\$ (2,381,474)</b>	<b>\$ 6,692,095</b>	<b>\$ 52,422,604</b>	<b>\$ 22,518,503</b>	<b>\$ 646,197,551</b>

# South Carolina Student Loan Corporation

## Consolidated Statement of Cash Flows (with Restrictions detail by Fund)

For the year ended June 30, 2025

	Invested in Trusts							Total
	Undesignated	1996 Resolution	2010 Resolution	2013 Resolution	2015 Resolution	2020 Resolution	Total Bond Funds	
<b>Cash flows from operating activities</b>								
Changes in net assets	\$ 31,961,122	\$ 2,941,654	\$ 2,419,169	\$ (1,260,696)	\$ 136,382	\$ (6,914,579)	\$ (2,678,070)	\$ 29,283,052
Adjustments to reconcile changes in net assets to cash provided by (used for) operating activities:								
Depreciation	426,523	-	-	-	-	-	-	426,523
Unrealized (gain) loss on investment	(11,872,711)	-	-	-	-	-	-	(11,872,711)
Amortization of bond discount and issuance costs	-	892,593	269,152	56,187	2,254,473	255,753	3,728,158	3,728,158
Provision for credit losses and bad debts	5,002,289	(64,105)	(41,480)	(16,769)	1,031,755	1,937,616	2,847,017	7,849,306
Non-cash operating lease expense	234,693	-	-	-	-	-	-	234,693
Changes in operating assets and liabilities:								
Accounts receivable	273,506	893,023	409,218	245,695	68,033	142,186	1,758,155	2,031,661
Interest due from borrowers	(2,541,980)	278,487	376,933	72,422	500,553	1,074,350	2,302,745	(239,235)
Prepaid expenses	(32,768)	-	-	-	-	-	-	(32,768)
Defined benefit plan	2,993,660	-	-	-	-	-	-	2,993,660
Accrued investment income	(477,949)	20,615	38,304	8,435	-	-	67,354	(410,595)
Accounts payable and accrued expenses	573,974	(216,791)	(410,340)	(11,731)	(15,855)	(12,087)	(666,804)	(92,830)
Unearned Revenue	(3,513)	-	-	-	-	-	-	(3,513)
Lease Liability	(237,942)	-	-	-	-	-	-	(237,942)
Net cash provided by (used for) operating activities	26,298,904	4,745,476	3,060,956	(906,457)	3,975,341	(3,516,761)	7,358,555	33,657,459
<b>Cash flows from investing activities</b>								
Purchases from sale of property and equipment	(77,663)	-	-	-	-	-	-	(77,663)
Net changes in student loan receivable	(30,929,701)	20,446,552	13,009,171	5,385,325	8,214,676	9,958,837	57,014,561	26,084,860
Purchases of investments	(127,942,854)	-	-	-	-	-	-	(127,942,854)
Sales of investments	135,056,514	-	-	-	-	-	-	135,056,514
Net cash provided by (used for) investing activities	(23,893,704)	20,446,552	13,009,171	5,385,325	8,214,676	9,958,837	57,014,561	33,120,857
<b>Cash flows from financing activities</b>								
Payments on bonds payable	-	(32,386,557)	(24,949,265)	(5,425,584)	(12,385,355)	(6,600,000)	(81,746,761)	(81,746,761)
Net cash provided by (used for) financing activities	-	(32,386,557)	(24,949,265)	(5,425,584)	(12,385,355)	(6,600,000)	(81,746,761)	(81,746,761)
<b>Net increase (decrease) in cash and cash equivalents</b>	2,405,200	(7,194,529)	(8,879,138)	(946,716)	(195,338)	(157,924)	(17,373,645)	(14,968,445)
<b>Cash and Cash equivalents</b>								
Beginning	4,563,653	11,636,269	14,077,285	1,884,869	1,741,126	6,716,693	36,056,242	40,619,895
Ending	\$ 6,968,853	\$ 4,441,740	\$ 5,198,147	\$ 938,153	\$ 1,545,788	\$ 6,558,769	\$ 18,682,597	\$ 25,651,450
<b>Supplemental disclosure of cash flow information</b>								
Cash payments for interest	\$ -	\$ (4,363,425)	\$ (3,843,291)	\$ (2,068,646)	\$ (1,045,285)	\$ (1,584,808)	\$ (12,905,455)	\$ (12,905,455)

## APPENDIX E

### ESTIMATED WEIGHTED AVERAGE LIFE ANALYSIS OF THE SERIES 2025A TAXABLE BONDS MATURING DECEMBER 1, 2046

The following information with respect to the Series 2025A Taxable Bonds maturing December 1, 2046 has been prepared by the Underwriter in consultation with the Corporation. No representation is made by the Corporation, the Underwriter or any of their respective agents concerning the actual weighted average lives of the Series 2025A Taxable Bonds maturing December 1, 2046 or the Financed Eligible Loans and how they compare to the various forward-looking assumptions and estimates herein.

*Prospective purchasers of the Series 2025A Taxable Bonds maturing December 1, 2046 are urged to base their decisions whether to purchase the Series 2025A Taxable Bonds maturing December 1, 2046 upon the purchaser's own determinations about anticipated rates of prepayments with respect to the Financed Eligible Loans and the estimated weighted average life of the Series 2025A Taxable Bonds maturing December 1, 2046.*

Prepayments of loans may be measured by a prepayment standard or model. The model used herein is the constant prepayment rate ("CPR") model. CPR represents a constant rate of prepayment on the Financed Eligible Loans each month relative to the then outstanding aggregate principal balance of the Financed Eligible Loans for the life of such Financed Eligible Loans.

The table below indicates the estimated weighted average lives ("WALs") of the Series 2025A Taxable Bonds maturing December 1, 2046 based on various assumptions, including the assumption that Financed Eligible Loans allocable to the Series 2025A Taxable Bonds prepay at the respective indicated percentages of CPR (the "CPR Prepayment Assumption Rates"). It is unlikely that the 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 the Financed Eligible Loans is unlikely to follow the pattern described for the CPR Prepayment Assumption Rates presented.

The actual WAL of the Series 2025A Taxable Bonds maturing December 1, 2046 is likely to vary, perhaps significantly, from the estimated WALs set forth in the table below due to the differences between the actual rate of prepayments on the related Financed Eligible Loans and the assumptions described herein.

#### Estimated Weighted Average Life Analysis of the Series 2025A Taxable Bonds maturing December 1, 2046

CPR Prepayment Assumption Rate	Estimated WAL (Years)	Average Maturity Date	First Bond Retirement Date	Last Bond Retirement Date
0% CPR	9.7	08/01/2035	06/01/2026	12/01/2039
2% CPR	9.6	06/18/2035	06/01/2026	12/01/2039
4% CPR	9.5	05/20/2035	06/01/2026	12/01/2039
6% CPR	9.4	04/14/2035	06/01/2026	06/01/2039
8% CPR	9.3	02/13/2035	06/01/2026	06/01/2039
10% CPR	9.1	12/23/2034	06/01/2026	06/01/2039
12% CPR	8.6	06/21/2034	06/01/2026	06/01/2039

WALs are influenced by, among other factors, the initial parity percentage, cash releases, actual prepayments, bond interest rates, bond redemptions, reinvestment income, the future path of interest rates, loan interest rates and borrower repayment plans selected, the amount and timing of loans financed, including recycling, borrower delinquencies and defaults, default recoveries, program expenses, allocation of loans between applicable taxable series, compliance with IRS yield restrictions and the issuance of Additional Bonds in the future under the Indenture. Actual factors will vary from the assumptions used to prepare the estimates presented herein. The following assumptions were used in preparing the estimated WALs of the Series 2025A Taxable Bonds maturing December 1, 2046 set forth in the above table:

1. WALs are computed from the expected Closing Date for the Series 2025A Taxable Bonds.

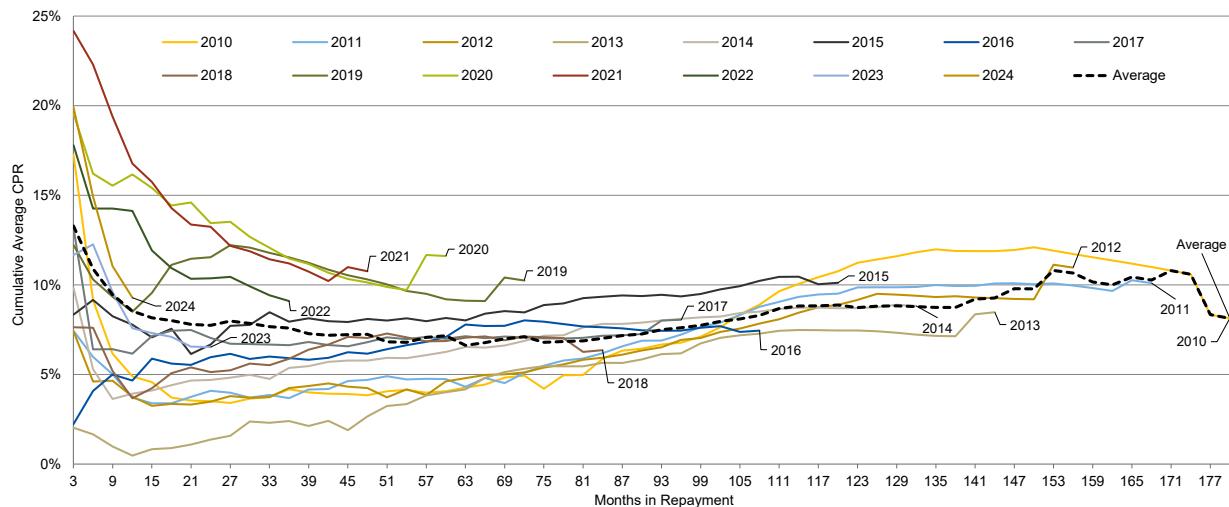
2. WALs assume the Corporation releases cash in the amounts and at the times permitted under the Indenture.
3. Scenarios do not take into account any Additional Bonds that may be issued under the Indenture in the future.
4. Other than the CPR Prepayment Assumption Rates, the assumptions used with respect to the Financed Eligible Loans are consistent with those described under the caption “CREDIT RISK RETENTION—Eligible Horizontal Residual Interest” herein.

See also the captions “THE SERIES 2025A TAXABLE BONDS—Redemption Provisions—*Optional Redemption from Excess Taxable Revenue*” and “—*Mandatory Redemption from Excess Taxable Revenues*” in the body of this Official Statement.

**Historical Prepayment Information.** The Corporation separately monitors PAL Student Loan, PAL Parent Loan and PAL Refi Loan prepayment activity. The Corporation tracks prepayment activity on a “static pool”, repayment cohort basis, which allows the Corporation to observe the cumulative prepayment behavior of all loans within a given repayment cohort.

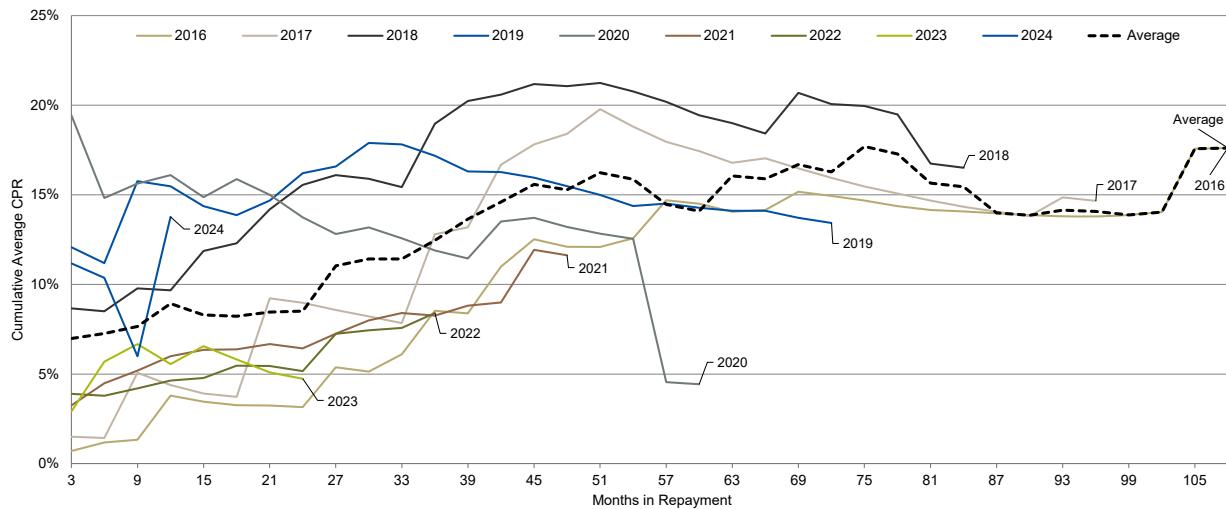
#### **Cumulative Prepayment Rates by Repayment Cohort (PAL Student Loans and PAL Parent Loans)**

The cumulative prepayment history for PAL Student Loans and PAL Parent Loans for repayment cohorts from 2010 onwards is provided in the chart below. For PAL Student Loans and PAL Parent Loans, the cumulative average CPRs across cohorts range from approximately 6.4% to 11.6%, with an overall weighted average of approximately 9.0%.



### Cumulative Prepayment Rates by Repayment Cohort (PAL Refi Loans)

The cumulative prepayment history for PAL Refi Loans for repayment cohorts from 2016 onwards is provided in the chart below. For PAL Refi Loans, the cumulative average CPRs across cohorts range from approximately 4.4% to 17.6%, with an overall weighted average of approximately 10.4%. Prior to July 1, 2016, there was no debt-to-income ratio requirement. For this reason, the chart below excludes the 2013, 2014 and 2015 repayment cohorts.



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## APPENDIX F

### MASTER INDENTURE AMENDMENTS

In connection with the issuance of the Series 2025A Taxable Bonds, the Corporation has proposed and approved certain amendments to the Master Indenture (the “Master Indenture Amendments”) to be effective contemporaneously with, and in connection with, the delivery of the Series 2025A Taxable Bonds and closing of the transaction contemplated thereby on the Closing Date when holders of more than 68% in principal amount of the Bonds then Outstanding agree to such Master Indenture Amendments by agreeing to become holders of Bonds. By the purchase of the Series 2025A Taxable Bonds on the Closing Date, each holder of the Series 2025A Taxable Bonds will be deemed to have consented to the Master Indenture Amendments to take effect contemporaneously with, and in connection with, the delivery of the Series 2025A Taxable Bonds and closing of the transaction contemplated thereby on the Closing Date. After giving effect to the issuance of the Series 2025A Taxable Bonds, the consent of more than 68% of the holders of the Outstanding Bonds will have been obtained to the Master Indenture Amendments. By their purchase of the Series 2025A Taxable Bonds, the original purchasers and all subsequent holders thereof consent, and shall be deemed to have consented, to the Master Indenture Amendments. Each such consent will be effective on the date of issuance of the Series 2025A Taxable Bonds, will be binding on any subsequent purchaser of the Series 2025A Taxable Bonds, and may not be revoked after the issuance of the Series 2025A Taxable Bonds.

The following definitions will be deleted from the Master Indenture in connection with the approval of the Master Indenture Amendments:

“*Debt Service Reserve Fund Requirement*” shall mean, as of any particular day of calculation, the sum of the amounts designated in Supplemental Indentures as the Debt Service Reserve Fund Requirement for such Series of Bonds; provided, however, any such requirement may be reduced if the Corporation shall have satisfied the Rating Agency Notification.

“*Investment Securities*” shall mean:

- (a) U.S. Treasury obligations (all direct or fully guaranteed obligations); U.S. Department of Housing and Urban Development public housing agency bonds (previously known as local authority bonds); Federal Housing Administration debentures; Government National Mortgage Association (GNMA) guaranteed mortgage backed securities (MBS) or participation certificates; Resolution Funding Corporation (RefCorp) debt obligations; or Small Business Association guaranteed participation certificates and guaranteed pool certificates, each with a maturity of 12 months or less;
- (b) interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with a maturity of 12 months or less with banks, including the Trustee and any of its affiliates, which are members of the Federal Deposit Insurance Corporation; provided, that at all times such depository institution has commercial paper which is rated at least “AA” and “A-1+” by S&P;
- (c) bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following agencies: Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation; the Federal National Mortgage Association; Federal Home Loan Banks provided such obligation is rated “AAA” by S&P, each with a maturity of 12 months or less;
- (d) repurchase agreements and reverse repurchase agreements, other than overnight repurchase agreements and overnight reverse repurchase agreements, with banks, including the Trustee and any of its affiliates, which are members of the Federal Deposit Insurance Corporation, in each case whose outstanding, short-term debt obligations are rated no lower than “A-1+” by S&P; provided further that if there is a downgrade below a long-term rating of “BBB” by S&P, the Corporation shall replace or cause to be replaced the provider within 90 days of such downgrade at no cost to the Trust Estate;

(e) guaranteed investment contracts providing for the investment of funds in an account or insuring a minimum rate of return on investments of such funds, which contract shall:

(i) be an obligation of or guaranteed by an insurance company or other corporation or financial institution whose debt obligations or insurance financial strength or claims-paying ability are rated "AAA" by S&P, provided further that if there is a downgrade below "AAA" by S&P, the Corporation shall replace or cause to be replaced the provider within 60 days of such downgrade at no cost to the Trust Estate; and

(ii) provide that the Trustee may exercise all of the rights of the Corporation under such contract without the necessity of the taking of any action by the Corporation;

(f) investment agreements or guaranteed investment contracts that are entered into on the Date of Issuance for a Series of Bonds that are issued pursuant to the provisions of Section 2.08 hereof;

(g) commercial paper, including that of the Trustee and any of its affiliates, which is rated in the single highest classification, "A-1+" by S&P, and which matures not more than 270 days after the date of purchase;

(h) investments in a money market fund rated "AAAm" by S&P, including funds for which the Trustee or an affiliate thereof acts as an investment advisor or provides other similar services for a fee; and

(i) any other investment for which the Corporation shall have satisfied the Rating Agency Notification.

The following definitions will be added to the Master Indenture in connection with the approval of the Master Indenture Amendments:

*"Debt Service Reserve Fund Requirement"* shall mean, as of any particular day of calculation, the definition assigned thereto in the Supplemental Indenture relating to the most recent Series of Bonds issued under the Master Indenture as the Debt Service Reserve Fund Requirement for the Bonds Outstanding; provided, however, any such requirement may be modified if the Corporation shall have satisfied the Rating Agency Notification.

*"Investment Securities"* shall mean:

(a) U.S. Treasury Obligations (all direct or fully guaranteed obligations); U.S. Department of Housing and Urban Development Public housing agency bonds (previously known as local authority bonds); Federal Housing Administration debentures; Government National Mortgage Association (GNMA) guaranteed mortgage backed securities (MBS) or participation certificates; Resolution Funding Corporation (RefCorp) debt obligations; or Small Business Association guaranteed participation certificates and guaranteed pool certificates, each with a maturity of 12 months or less;

(b) interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with a maturity of 365 days or less with any bank, trust company, national banking association or other depository, including those of the Trustee; provided that such depository has a rating of AA-/A-1+ by S&P;

(c) bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following agencies: Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation; the Federal National Mortgage Association; Federal Home Loan Banks; Tennessee Valley Authority; provided such obligation is rated "AA+" or higher by S&P.;

(d) repurchase agreements and reverse repurchase agreements, other than overnight repurchase agreements and overnight reverse repurchase agreements, with banks, including the Trustee and any of its affiliates, which are members of the Federal Deposit Insurance Corporation, in each case whose outstanding, short-term debt obligations are rated no lower than "A-1+" by S&P; provided further that if there is a downgrade below a long-term rating of "A-" by S&P, the Corporation shall replace or cause to be replaced the provider within 90 days of such downgrade at no cost to the Trust Estate;

(e) guaranteed investment contracts providing for the investment of funds in an account or insuring a minimum rate of return on investments of such funds, which contract shall:

(i) be an obligation of or guaranteed by an insurance company or other corporation or financial institution whose debt obligations or insurance financial strength or claims-paying ability are rated "A-" or better by S&P, provided further that if there is a downgrade below "A-" by S&P, the Corporation shall replace or cause to be replaced the provider within 90 days of such downgrade at no cost to the Trust Estate, provide a written guarantee acceptable to the Corporation from a guarantor meeting the S&P guarantor criteria with a long-term debt rating of "A-" or better, by S&P, or repay the principal of an accrued but unpaid interest on the investment and either case with no termination penalty or premium to the Corporation or Trustee; and

(ii) provide that the Trustee may (but shall be under no obligation to) exercise all of the rights of the Corporation under such contract without the necessity of the taking of any action by the Corporation;

(f) investment agreements or guaranteed investment contracts that are entered into on the Date of Issuance for a Series of Bonds that are issued pursuant to the provisions of the Indenture;

(g) commercial paper, including that of the Trustee and any of its affiliates, which is rated in the single highest classification, "A-1+ by S&P, and which matures not more than 270 days after the date of purchase;

(h) investments in a money market fund rated "AAAm" by S&P, including funds for which the trustee or an affiliate thereof acts as an investment advisor or provides other similar services for a fee; and

(i) any other investment for which the Corporation shall have satisfied the Rating Agency Notification.

Ratings on "Investment Securities" are to be determined at the time of purchase.

Section 5.09 below will be deleted from the Master Indenture in connection with the approval of the Master Indenture Amendments.

**Section 5.09 Transfers to the Residual Certificateholder.** No transfers from the Revenue Fund to the Residual Certificateholder may be made pursuant to Section 5.03(b)(xiii) or 5.03(c)(xiii) hereof if there is not on deposit in the Debt Service Reserve Fund an amount equal to at least the Debt Service Reserve Fund Requirement, and unless all conditions contained in any Supplemental Indenture are complied with and the Trustee has received (a) a certificate of an Authorized Representative of the Corporation to the effect that all rebate liability as calculated pursuant to any Tax Document through the date of such transfer has been paid or deposited in the Rebate Fund and (b) a certificate of an Authorized Officer of the Corporation stating that, immediately following such release, (i) the Overall Parity Percentage (assuming that amounts in the Tax Exempt Retirement Account or the Taxable Retirement Account of the Debt Service Fund have been used to redeem a principal amount of Bonds equal to amounts on deposit therein) will equal or exceed 135% (provided, however, that such Overall Parity Percentage may be lowered by the Corporation if the Corporation shall have satisfied the Rating Agency Notification), (ii) the Net Asset Requirement shall be satisfied and (iii) the aggregate principal amount of all Bonds Outstanding will be greater than 10% of the aggregate original principal amount of all Bonds issued pursuant to this Indenture.

Subject to compliance with Section 4.09 hereof, any amounts transferred from the Revenue Fund to the Residual Certificateholder in accordance with this Indenture shall be released from the lien of this Indenture, shall no longer be part of the Trust Estate and shall be the property of the Residual Certificateholder.

Section 5.09 below will be added to the Master Indenture in connection with the approval of the Master Indenture Amendments.

**Section 5.09 Transfers to the Residual Certificateholder.** No transfers from the Revenue Fund to the Residual Certificateholder may be made pursuant to Section 5.03(b)(xiii) or 5.03(c)(xiii) hereof if there is not on deposit in the Debt Service Reserve Fund an amount equal to at least the Debt Service Reserve Fund Requirement, and unless all conditions contained in any Supplemental Indenture are complied with and the Trustee has received

(a) a certificate of an Authorized Representative of the Corporation to the effect that all rebate liability as calculated pursuant to any Tax Document through the date of such transfer has been paid or deposited in the Rebate Fund and (b) a certificate of an Authorized Officer of the Corporation stating that, immediately following such release, (i) the Overall Parity Percentage (assuming that amounts in the Tax Exempt Retirement Account or the Taxable Retirement Account of the Debt Service Fund have been used to redeem a principal amount of Bonds equal to amounts on deposit therein) will equal or exceed the Required Overall Parity Percentage, as defined in the most recent Supplemental Indenture, (ii) the Net Asset Requirement shall be satisfied, (iii) the aggregate principal amount of all Bonds Outstanding will be greater than 10% of the aggregate principal amount of all Bonds Outstanding under this Indenture as of the Date of Issuance of the most recently issued Series of Bonds and (iv) for transfers made on and after December 1, 2026, the cumulative principal amount of Defaulted Loans on December 1, 2026 was less than \$5,000,000 (measured from the Date of Issuance of the most recently issued Series of Bonds). These conditions relating to transfers to the Residual Certificateholder are subject to change upon provision of a Rating Agency Notification.

Subject to compliance with Section 4.09 hereof, any amounts transferred from the Revenue Fund to the Residual Certificateholder in accordance with this Indenture shall be released from the lien of this Indenture, shall no longer be part of the Trust Estate and shall be the property of the Residual Certificateholder.

