NEW ISSUE—BOOK-ENTRY-ONLY **RATINGS: (See "RATINGS" herein)**

North Texas
HIGHER EDUCATION AUTHORITY

$336,497,000
North Texas Higher Education Authority, Inc.
Adjustable Rate Taxable Student Loan Asset-Backed Notes, Series 2023-1
(CUSIP: 662826 FR2)[1]

Dated: Date of Delivery **Price: 100%** **Stated Maturity: December 1, 2053**

The Adjustable Rate Taxable Student Loan Asset-Backed Notes, Series 2023-1 in the aggregate principal amount of $336,497,000 (the "Series 2023-1 Notes"), are being issued by North Texas Higher Education Authority, Inc., a Texas non-profit corporation (the "Issuer"). The Series 2023-1 Notes shall be in fully registered form only, without coupons, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC is to act as securities depository for the Series 2023-1 Notes. Individual purchases of the Series 2023-1 Notes are to be made in book-entry form only, in the principal amount of $100,000 and in integral multiples of $1,000 in excess thereof. Purchasers of the Series 2023-1 Notes will not receive certificates representing their interest in the Series 2023-1 Notes purchased.

The Series 2023-1 Notes will be issued pursuant to the Trust Indenture, dated as of November 1, 2023 (the "General Indenture"), by and among the Issuer and Manufacturers and Traders Trust Company, a New York banking corporation, not in its individual capacity but solely as trustee (the "Trustee") and as eligible lender trustee (the "Eligible Lender Trustee"), and a First Supplemental Indenture of Trust, dated as of November 1, 2023 (the "First Supplemental Indenture" and, together with the General Indenture, the "Indenture"), by and among the Issuer, the Trustee and the Eligible Lender Trustee. The Series 2023-1 Notes are being issued by the Issuer for the purpose of acquiring and/or refinancing certain student loans originated under the Federal Family Education Loan Program pursuant to the Higher Education Act of 1965, as amended, and making deposits to certain trust accounts created under the Indenture.

The Series 2023-1 Notes will initially bear interest at a Weekly Rate. The interest rate on the Series 2023-1 Notes in the Weekly Rate Mode will be determined by RBC Capital Markets, LLC, as the Remarketing Agent, and will go into effect on Thursday of each week. The Series 2023-1 Notes will continue to bear interest at a Weekly Rate unless, at the direction of the Issuer and subject to the satisfaction of certain conditions precedent described in the Indenture, the interest rate on the Series 2023-1 Notes is converted to another type of interest rate. **This Offering Memorandum describes terms and provisions applicable to the Series 2023-1 Notes only while they are in the Weekly Rate Mode or a Daily Rate Mode. In the event of a conversion from the Weekly Rate Mode to another Mode (including a Daily Rate Mode), the Series 2023-1 Notes will be subject to mandatory tender and, if such conversion is to a Mode other than a Daily Rate Mode, a supplement to this Offering Memorandum or a new offering or remarketing document will be delivered describing the new rate and the terms applicable to such Series 2023-1 Notes in the Mode to which the Series 2023-1 Notes are being converted.** The Series 2023-1 Notes are subject to optional and mandatory redemption prior to maturity and to optional and mandatory tender, all as described herein. See the caption "DESCRIPTION OF THE SERIES 2023-1 NOTES" herein.

The Series 2023-1 Notes will be dated their date of delivery and will bear interest from such date until payment of principal has been made or provided for. Interest on the Series 2023-1 Notes will be payable on the first Business Day of each calendar month, commencing December 1, 2023.

The Series 2023-1 Notes will be payable, in the manner described herein, by an irrevocable direct-pay letter of credit to be issued simultaneously with the issuance of the Series 2023-1 Notes (the "Letter of Credit") by Royal Bank of Canada (the "Bank"), acting through a branch located at 200 Vesey Street, New York, New York.

Royal Bank of Canada

Subject to certain limitations and conditions described herein under the caption "THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT," an alternate credit facility may be substituted for the Letter of Credit. The Letter of Credit will expire, unless otherwise extended or renewed or earlier terminated in accordance with its terms, on November 6, 2026.

The Indenture provides that Notes issued thereunder, including the Series 2023-1 Notes, be designated a priority, in descending order of priority as Senior Notes, Senior Subordinate Notes, Subordinate Notes or Junior Subordinate Notes. The Series 2023-1 Notes will be issued as Senior Notes. See the caption "DESCRIPTION OF THE SERIES 2023-1 NOTES—Additional Notes" herein.

THE SERIES 2023-1 NOTES ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE CREATED UNDER THE INDENTURE AND DESCRIBED HEREIN.

Pursuant to the Indenture, the Series 2023-1 Notes and any Additional Notes are secured by a pledge of and security interest in the Eligible Loans financed under the Indenture, all Revenues, the moneys and securities held in certain accounts established under the Indenture and certain other assets, in each case subject to the provisions of the Indenture. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-1 NOTES" herein.

Investors must read this entire Offering Memorandum to obtain information essential to the making of an informed investment decision with respect to the Series 2023-1 Notes. The purchase of the Series 2023-1 Notes involves certain risks and reference is hereby made to the caption "RISK FACTORS" for a discussion of some of those risks.

The Series 2023-1 Notes are offered when, as and if issued by the Issuer and received by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and certain other conditions described herein. Certain legal matters will be passed upon for the Issuer by its counsel, Norton Rose Fulbright US LLP, Houston, Texas, for the Underwriter by Kutak Rock LLP, Denver, Colorado, counsel to the Underwriter, and for the Bank by its counsel, Chapman and Cutler, LLP. It is expected that the Series 2023-1 Notes will be available for delivery through the facilities of DTC in New York, New York on or about November 8, 2023.

RBC Capital Markets

November 7, 2023

---

[1] 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© 2023 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 Noteholders, and the Issuer 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 North Texas Higher Education Authority, Inc. (the "Issuer") 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 Offering Memorandum 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 Offering Memorandum 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 Issuer to give any information or to make any representations with respect to the Series 2023-1 Notes, other than those contained in this Offering Memorandum and, if given or made, such other information or representations must not be relied upon as having been authorized by the Issuer. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2023-1 Notes 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 Offering Memorandum (the "Underwriter") has provided the following statement for inclusion in this Offering Memorandum. The Underwriter has reviewed the information in this Offering Memorandum 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 Offering Memorandum concerning The Depository Trust Company, New York, New York ("DTC"), and DTC's book-entry-only system has been obtained from DTC. None of the Issuer, 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 OFFERING MEMORANDUM, INCLUDING THE APPENDICES ATTACHED HERETO, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFERING MEMORANDUM, INCLUDING THE APPENDICES ATTACHED HERETO, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE SERIES 2023-1 NOTES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFERING MEMORANDUM.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2023-1 NOTES, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2023-1 NOTES 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 2023-1 Notes 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 2023-1 Notes and the security therefor, including an analysis of the risks involved. The Series 2023-1 Notes have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the Series 2023-1 Notes in accordance with applicable provisions of securities laws of the various jurisdictions in which the Series 2023-1 Notes 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 2023-1 Notes or the

adequacy, accuracy or completeness of this Offering Memorandum. 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 Offering Memorandum or approved the Series 2023-1 Notes for sale.

THE BANK IS PERMITTED, BUT NOT OBLIGATED, TO PURCHASE SERIES 2023-1 NOTES FOR ITS OWN ACCOUNT AS THOUGH IT WERE NOT SERVING AS THE CREDIT PROVIDER, INCLUDING FOR THE PURPOSE OF PREVENTING SUCH SERIES 2023-1 NOTES FROM BECOMING BANK NOTES.

There follows in this Offering Memorandum certain information concerning the Issuer and the Bank and descriptions of the terms of the Indenture, the Series 2023-1 Notes, the Letter of Credit, the Reimbursement Agreement, the Servicing Agreements, certain other documents related to the security for the Series 2023-1 Notes 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 issuance of the Series 2023-1 Notes, and all references to the Series 2023-1 Notes are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto contained in the Indenture. This Offering Memorandum is submitted in connection with the sale of the Series 2023-1 Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Bank has no responsibility for the form and content of this Offering Memorandum, other than solely with respect to the information describing the Bank under the heading "THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT—The Bank," and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Offering Memorandum or any information or disclosure contained herein or omitted herefrom, other than solely with respect to the information describing itself under the heading "THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT—The Bank." Accordingly, the Bank disclaims responsibility for the other information in this Offering Memorandum or otherwise made in connection with the remarketing of the Series 2023-1 Notes.

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

FORWARD-LOOKING STATEMENTS

This Offering Memorandum 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 Issuer 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.

Table of Contents

OFFERING MEMORANDUM

NORTH TEXAS HIGHER EDUCATION AUTHORITY, INC.

Adjustable Rate Taxable Student Loan Asset-Backed Notes, Series 2023-1

INTRODUCTION

General

This Offering Memorandum, which includes the cover page and the Appendices attached hereto, sets forth information concerning the issuance by North Texas Higher Education Authority, Inc., a Texas non-profit corporation (the "Issuer") of $336,497,000 aggregate principal amount of Adjustable Rate Taxable Student Loan Asset-Backed Notes, Series 2023-1 (the "Series 2023-1 Notes"). All capitalized terms used in this Offering Memorandum, and not otherwise defined, will have the same meanings as in the Trust Indenture, dated as of November 1, 2023 (the "General Indenture"), among the Issuer and Manufacturers and Traders Trust Company, a New York banking corporation, not in its individual capacity but solely as trustee (the "Trustee") and as eligible lender trustee (the "Eligible Lender Trustee"), and the First Supplemental Indenture of Trust, dated as of November 1, 2023 (the "First Supplemental Indenture" and, together with the General Indenture, the "Indenture"), among the Issuer, the Trustee and the Eligible Lender Trustee, summarized in "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" attached hereto.

In order to ensure the availability of funds for the timely payment of the Series 2023-1 Notes, the Issuer and Royal Bank of Canada (the "Bank"), acting through a branch located at 200 Vesey Street, New York, New York, have entered into a Letter of Credit and Reimbursement Agreement, dated as of November 1, 2023 (the "Reimbursement Agreement"), under which the Bank will issue an irrevocable direct-pay letter of credit (the "Letter of Credit") in support of the Series 2023-1 Notes. The Bank constitutes a Credit Provider as defined in the Indenture and the Letter of Credit and the Reimbursement Agreement together constitute a Credit Facility as defined in the Indenture.

The proceeds from the sale of the Series 2023-1 Notes will be used primarily to acquire or refinance student loans originated under the Federal Family Education Loan Program ("FFELP" or the "FFEL Program" and such loans, "FFELP Loans" or "Eligible Loans") presently pledged by the Issuer or affiliates of the Issuer under four separate trust indentures and loans presently held by the Issuer unencumbered on its balance sheet. All of such Eligible Loans have been identified and are described under the caption "CHARACTERISTICS OF THE FINANCED LOANS" herein. The Eligible Loans will be pledged to the Trustee on the Closing Date and will be subject to the lien of the Indenture. The remaining proceeds of the Series 2023-1 Notes will be used to fund a deposit to the Reserve Account and to pay certain Costs of Issuance of the Series 2023-1 Notes. See the caption "SOURCES AND USES OF FUNDS" herein.

Miscellaneous

Descriptions of, among other things, the Series 2023-1 Notes, the Issuer, the Bank, the Letter of Credit, the Reimbursement Agreement, the Financed Loans and the Indenture are included in this Offering Memorandum. The information and descriptions in this Offering Memorandum do not purport to be complete, comprehensive or definitive. Statements regarding specific documents, including the Indenture, the Letter of Credit, the Reimbursement Agreement and the Series 2023-1 Notes, are summaries of, and subject to, the detailed provisions of such documents and are qualified in their entirety by reference to each such document, which will be on file with the Issuer and the Trustee. This Offering Memorandum does

not constitute a contract between the Issuer, or the Underwriter, and any one or more owners of the Series 2023-1 Notes.

DESCRIPTION OF THE SERIES 2023-1 NOTES

General Terms of the Series 2023-1 Notes

The Series 2023-1 Notes will be issued in the aggregate principal amount of $336,497,000 and will mature on December 1, 2053, subject to prior redemption. The Series 2023-1 Notes will bear interest as described below, payable on each Interest Payment Date (as defined under the caption "Interest—*Interest Payment Dates*" below).

This Offering Memorandum describes terms and provisions applicable to the Series 2023-1 Notes only while they are in the Weekly Rate Mode or a Daily Rate Mode. In the event the Series 2023-1 Notes are converted from the Weekly Rate Mode to another Mode (including a Daily Rate Mode), the Series 2023-1 Notes will be subject to mandatory tender and, if such conversion is to a Mode other than a Daily Rate Mode, a supplement to this Offering Memorandum or a new offering or remarketing document will be delivered describing the new rate and the terms applicable to such Series 2023-1 Notes in the Mode to which the Series 2023-1 Notes are being converted.

The Series 2023-1 Notes will be issued in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as Securities Depository for the Series 2023-1 Notes. Individual purchases of the Series 2023-1 Notes will be made in book-entry form only in authorized denominations described under the caption "Denomination and Payment" below. Purchasers of the Series 2023-1 Notes will not receive certificates representing their interests in the Series 2023-1 Notes purchased. See the caption "Book-Entry System" below.

Denomination and Payment

The Series 2023-1 Notes are initially being issued in denominations of $100,000 and integral multiples of $1,000 in excess thereof (the "Authorized Denominations"). The Authorized Denominations are subject to change if the Mode is converted to other than the Weekly Rate Mode or a Daily Rate Mode. Both the principal of and the interest on the Series 2023-1 Notes will be payable in any currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Except as provided in the Indenture, payment of the principal of all Series 2023-1 Notes is to be made upon the presentation and surrender of such as the same becomes due and payable.

Other than as provided in the Indenture with respect to the Series 2023-1 Notes held in the book-entry system, interest shall be paid with respect to Series 2023-1 Notes (i) by wire transfer of immediately available funds by the Paying Agent to any account within the United States upon written instruction of the Noteholder of $1,000,000 or more in aggregate principal amount of the Series 2023-1 Notes, or (ii) by check mailed on the Interest Payment Date by the Paying Agent to the Noteholder at the Noteholder's address as it last appears on the registration books kept by the Note Registrar at the close of business on the applicable Record Date for such Interest Payment Date.

Record Date for Interest Payment

Interest on any Series 2023-1 Notes shall be paid on the Interest Payment Date to the Noteholder thereof on the Record Date. The Record Date for the interest payable on any Interest Payment Date on

Series 2023-1 Notes bearing interest at a Weekly Rate or a Daily Rate means the Business Day immediately preceding the Interest Payment Date.

Transfer, Exchange and Registration

In the event the book-entry system is discontinued, the Series 2023-1 Notes may be transferred and exchanged on the books of the Note Registrar, which shall be kept for such purpose at the corporate trust office of the Note Registrar, by the Noteholder only upon presentation and surrender thereof to the Note Registrar. Series 2023-1 Notes are transferable upon the surrender thereof together with a written instrument of transfer satisfactory to the Note Registrar. While the Series 2023-1 Notes are in a Weekly Rate Mode or a Daily Rate Mode, new Series 2023-1 Notes registered and delivered in an exchange or transfer will be in denominations of $100,000 and integral multiples of $1,000 in excess thereof for a like aggregate principal amount as the Series 2023-1 Notes surrendered for exchange or transfer. The Issuer is required to execute and the Trustee is required to authenticate and deliver such new Series 2023-1 Notes. See the caption "Book-Entry System" below for a description of the system to be utilized initially in regard to ownership and transferability of the Series 2023-1 Notes.

Trustee, Tender Agent, Paying Agent and Note Registrar; Eligible Lender Trustee

Manufacturers and Traders Trust Company will serve as Trustee, Tender Agent, Paying Agent and Note Registrar for the Series 2023-1 Notes. Manufacturers and Traders Trust Company may resign or be removed pursuant to the terms of the Indenture; provided, however, that the resignation or removal will not be effective until a successor has been appointed which is acceptable to the Credit Provider and such successor has accepted the appointment. All notices required to be delivered to the Trustee shall be delivered by mail delivery/overnight mail to: Manufacturers and Traders Trust Company, 213 Market Street, 2nd Floor, Harrisburg, Pennsylvania 17101, Attention: Corporate Trust Services. Manufacturers and Traders Trust Company, not in its individual capacity, but solely as eligible lender trustee, will serve as the Eligible Lender Trustee and will hold legal title to the Financed Loans on behalf of the Issuer.

Remarketing Agent

RBC Capital Markets, LLC (in such capacity, "RBCCM") has been appointed to serve as the initial remarketing agent (the "Remarketing Agent") for the Series 2023-1 Notes. RBCCM may resign or be removed as Remarketing Agent and a successor may be appointed in accordance with the Indenture, the Credit Facility and the Remarketing Agreement, dated as of November 1, 2023 (the "Remarketing Agreement"), between the Issuer and RBCCM. RBCCM may suspend its remarketing efforts as set forth in the Remarketing Agreement. The office of the Remarketing Agent is 200 Vesey Street, 8th Floor, New York, New York 10281-8098; Attention: Short-Term Desk. For additional information regarding the Remarketing Agent's obligations under the Remarketing Agreement, its role in the process of remarketing the Series 2023-1 Notes and its ability to terminate its duties and obligations under the Remarketing Agreement, see the captions "—Interest" and "RISK FACTORS—Under Certain Circumstances, the Remarketing Agent May be Removed, Resign or Terminate its Obligations under the Remarketing Agreement" herein.

Interest

Calculation of Interest. While the Series 2023-1 Notes bear interest at a Weekly Rate or a Daily Rate, interest will be calculated on the basis of a 360-day year for the actual number of days elapsed at the applicable Weekly Rate or Daily Rate, as applicable. Initially, the Series 2023-1 Notes will bear interest at a Weekly Rate; provided, that from the Closing Date to, but not including, November 16, 2023, the Series 2023-1 Notes will bear interest at a per annum rate to be established prior to the issuance of the

Series 2023-1 Notes. The interest rate for the Series 2023-1 Notes in the Weekly Rate Mode or the Daily Rate Mode shall be the rate of interest per annum determined by the Remarketing Agent on and as of the applicable Rate Determination Date as the minimum rate of interest that, in the opinion of the Remarketing Agent under then-existing market conditions, would result in the sale of the Series 2023-1 Notes on the Rate Determination Date at a price equal to the principal amount thereof, plus accrued interest, if any. The Rate Determination Date for the Series 2023-1 Notes in the Weekly Rate Mode is each Wednesday, or the immediately preceding Business Day if Wednesday is not a Business Day, to go into effect on the immediately following Thursday. The Rate Determination Date for the Series 2023-1 Notes in the Daily Rate Mode is each Business Day.

The Remarketing Agent is required to establish each Weekly Rate by 4:00 p.m., New York City time, on the applicable Rate Determination Date, and to make the new rate available by 5:00 p.m., New York City time, on such Rate Determination Date by Electronic Means to the Issuer, the Trustee, the Tender Agent and the Credit Provider. If the Remarketing Agent fails or is unable to determine the Weekly Rate for the Series 2023-1 Notes, then the Series 2023-1 Notes shall bear interest during each subsequent Interest Period at the previously determined Weekly Rate until such time as the Remarketing Agent determines the Weekly Rate.

If the Series 2023-1 Notes are converted to a Daily Rate Mode, the Remarketing Agent is required to establish each Daily Rate by 10:00 a.m., New York City time, on the applicable Rate Determination Date, and to make the new rate available by 10:30 a.m., New York City time, on such Rate Determination Date by Electronic Means to the Issuer, the Trustee, the Tender Agent and the Credit Provider. With respect to any day that is not a Business Day, the interest rate shall be the same rate as the interest rate established for the immediately preceding Business Day. If the Remarketing Agent fails or is unable to determine the Daily Rate for the Series 2023-1 Notes, then the Series 2023-1 Notes shall bear interest during each subsequent Interest Period at the previously determined Daily Rate until such time as the Remarketing Agent determines the Daily Rate.

Under no circumstances may interest on the Series 2023-1 Notes (other than Bank Notes) exceed the Maximum Rate. The Maximum Rate means 12% per annum; provided, however, that in no event may the Maximum Rate exceed the maximum lawful nonusurious interest rate allowed under the laws of the State of Texas (if less). Interest on the Bank Notes may not exceed the maximum lawful nonusurious interest rate allowed under the laws of the State of Texas. The Maximum Rate may be revised with the approval of the Issuer and the Credit Provider.

Interest Payment Dates. Interest on the Series 2023-1 Notes in the Weekly Rate Mode or a Daily Rate Mode (other than Bank Notes) will be paid on (a) the first Business Day of each month, commencing December 1, 2023, (b) the Maturity Date, and (c) each Mode Change Date (each, an "Interest Payment Date"), in an amount equal to the interest accrued during the interest accrual period preceding the applicable Interest Payment Date. If an Interest Payment Date is not a Business Day, interest will be paid on the next Business Day, with the same force and effect as if made on the specified date for such payment without additional interest.

Each interest accrual period commences on (and includes) the last Interest Payment Date for which interest has been paid (or if no interest has been paid, from the Closing Date) and ends on the day preceding the succeeding Interest Payment Date.

Interest Rate Modes; Conversion

The Indenture permits the Issuer, by complying with certain conditions, to convert the interest rate on the Series 2023-1 Notes from a Weekly Rate to another interest rate, including to a different form of

adjustable rate, an indexed rate or a rate that is fixed to the maturity of the Series 2023-1 Notes. Upon conversion of the Series 2023-1 Notes to any other Mode, Noteholders will be required to tender their Series 2023-1 Notes for purchase at the principal amount thereof plus unpaid accrued interest to the tender date, as described under the caption "Tender Provisions—*Mandatory Tender*" herein. Noteholders of the Series 2023-1 Notes will receive notice of such conversion at least 15 days prior to the Mode Change Date. Noteholders will not have the option to retain Series 2023-1 Notes that are required to be tendered on such a Mode Change Date.

Tender Provisions

Optional Tender. While the Series 2023-1 Notes are in a Weekly Rate Mode and the Letter of Credit or an Alternate Liquidity Facility is then in effect to pay the Purchase Price of tendered Series 2023-1 Notes, the Noteholders of the Series 2023-1 Notes (other than any Series 2023-1 Note registered in the name of, or held by the Trustee for the account of, the Issuer (each, an "Excluded Note") and Bank Notes) may tender their Series 2023-1 Notes to the Tender Agent for purchase at the Purchase Price as summarized below in the table under the caption "Summary of Certain Provisions of the Series 2023-1 Notes – Weekly Rate" below (each a "Weekly Rate Purchase Date"). If the Series 2023-1 Notes are converted to a Daily Rate Mode and the Letter of Credit or an Alternate Liquidity Facility is then in effect to pay the Purchase Price of tendered Series 2023-1 Notes, the Noteholders of the Series 2023-1 Notes (other than any Excluded Notes and Bank Notes) may tender their Series 2023-1 Notes to the Tender Agent for purchase at the Purchase Price as summarized below in the table under the caption "Summary of Certain Provisions of the Series 2023-1 Notes – Daily Rate" below (each a "Daily Rate Purchase Date"). Weekly Rate Purchase Dates and Daily Rate Purchase Dates are referred to herein as a "Purchase Dates" and, each, a "Purchase Date."

The Tender Agent will pay the Purchase Price of Series 2023-1 Notes which are tendered to the Tender Agent at the option of the Noteholder, but solely from and to the extent of the funds described under the caption "—*Remarketing and Purchase*" herein.

Interest will cease to accrue on the Purchase Date on any Series 2023-1 Note that the Noteholder thereof has elected to tender for purchase and that is not tendered on the Purchase Date, but for which there has been irrevocably deposited with the Tender Agent an amount sufficient to pay the Purchase Price thereof. The Noteholder of such untendered Series 2023-1 Note will not be entitled to any payment other than the Purchase Price for such Series 2023-1 Note, and such untendered Series 2023-1 Note will no longer be Outstanding or entitled to the benefits of the Indenture, except for payment of the Purchase Price from money held by the Tender Agent for such payment.

Mandatory Tender. While the Series 2023-1 Notes are in a Weekly Rate Mode or a Daily Rate Mode, the Series 2023-1 Notes are required to be tendered to the Tender Agent for purchase at the Purchase Price, without the right of retention, on each of the following dates (each a "Mandatory Purchase Date"):

(a) each Mode Change Date for the Series 2023-1 Notes;

(b) the second Business Day preceding the Expiration Date of a Credit Facility (including a Direct-Pay Credit Facility) or Liquidity Facility for the Series 2023-1 Notes;

(c) the fifth calendar day (or if such day is not a Business Day, the preceding Business Day) preceding the Termination Date of a Credit Facility (including a Direct-Pay Credit Facility) or a Liquidity Facility for the Series 2023-1 Notes;

(d) the fifth calendar day (or if such day is not a Business Day, the preceding Business Day) following the receipt by the Trustee of a written notice from the issuer of a Direct-Pay Credit Facility for the Series 2023-1 Notes that such Direct-Pay Credit Facility will not be reinstated (in respect of interest) to an amount equal to the interest component of the Liquidity and Credit Amount required with respect to the Series 2023-1 Notes;

(e) the Substitution Date for a Credit Facility (including a Direct-Pay Credit Facility) or a Liquidity Facility for the Series 2023-1 Notes; and

(f) the fifth calendar day (or if such day is not a Business Day, the preceding Business Day) following the receipt by the Trustee of a written notice from the issuer of a Credit Facility (including a Direct-Pay Credit Facility) or Liquidity Facility for the Series 2023-1 Notes that pursuant to such Credit Facility or Liquidity Facility the issuer of such Credit Facility or Liquidity Facility is directing at its option following an event of default under the Credit Facility or Liquidity Facility, as applicable, that all such Series 2023-1 Notes be subject to mandatory tender.

Each Mandatory Purchase Date must be a Business Day.

The Trustee will give notice of such mandatory tender to the affected Noteholders of the Series 2023-1 Notes subject to mandatory tender, by the applicable tender notice deadline. If notice of a mandatory tender is given by the Trustee, the failure of any Noteholder to receive such notice for any reason shall not affect the requirement that such Series 2023-1 Notes be mandatorily tendered and such Series 2023-1 Notes shall be deemed to be mandatorily tendered on the Mandatory Purchase Date at the Purchase Price, shall cease to bear interest, and shall not be deemed Outstanding for any purpose other than to receive the Purchase Price for such Series 2023-1 Notes from the Tender Agent. Any notice given substantially as provided in the Indenture will be conclusively presumed to have been given, whether or not actually received by any Noteholder.

The Tender Agent will pay the Purchase Price of Series 2023-1 Notes which are tendered to the Tender Agent as described herein, but solely from and to the extent of the funds described under the caption "*—Remarketing and Purchase*" herein.

Interest on any Series 2023-1 Note that is not tendered on a Mandatory Purchase Date, but for which there has been irrevocably deposited with the Tender Agent an amount sufficient to pay the Purchase Price thereof, will cease to accrue on the Mandatory Purchase Date. The Noteholders of such untendered Series 2023-1 Notes will not be entitled to any payment other than the Purchase Price for such Series 2023-1 Note, and such untendered Series 2023-1 Notes will no longer be Outstanding or entitled to the benefits of the Indenture, except for payment of the Purchase Price from money held by the Tender Agent for such payment.

Remarketing and Purchase. In the event a Noteholder exercises its option to tender Series 2023-1 Notes, or if any Series 2023-1 Notes become subject to mandatory tender, the Remarketing Agent is required to use its best efforts to sell such Series 2023-1 Notes at a price equal to 100% of the principal amount thereof plus accrued interest, if any, on the forthcoming Purchase Date or Mandatory Purchase Date, provided the Credit Facility (including the Letter of Credit), an Alternate Credit Facility or a Liquidity Facility is in effect to pay the Purchase Price. The Remarketing Agent will cause the aggregate Purchase Price of tendered Series 2023-1 Notes that have been successfully remarketed to be paid to the Tender Agent in immediately available funds for deposit to the Remarketing Proceeds Account of the Purchase Fund. On each Purchase Date, unless the Trustee has received notice from the Remarketing Agent that the Remarketing Agent has remarketed all of the tendered Series 2023-1 Notes subject to purchase, the Trustee will, to the extent permitted by the Liquidity Facility (including the Letter of Credit), make a draw under

the Liquidity Facility pursuant to the Indenture for the purchase of tendered Series 2023-1 Notes (excluding Excluded Notes and Bank Notes) that have not been successfully remarketed. Upon receipt from the Liquidity Facility Issuer of immediately available funds to pay the Purchase Price of Series 2023-1 Notes, the Tender Agent will deposit such money in the Liquidity Facility Purchase Account of the Purchase Fund for application to the Purchase Price of the Series 2023-1 Notes to the extent that the moneys on deposit in the Remarketing Proceeds Account of the Purchase Fund are not sufficient.

The Purchase Price of Series 2023-1 Notes tendered for purchase is required to be paid by the Trustee solely from and to the extent of the following sources in the order of priority indicated: (a) first, from immediately available funds on deposit in the Remarketing Proceeds Account of the Purchase Fund; and (b) second, from immediately available funds on deposit in the Liquidity Facility Purchase Account of the Purchase Fund. Unless otherwise provided in a certificate of an Authorized Representative delivered to the Tender Agent and the Remarketing Agent on a Purchase Date or Mandatory Purchase Date, the Issuer shall have the option, but shall not be obligated, to transfer immediately available funds to the Tender Agent for the payment of the Purchase Price of any Series 2023-1 Note that is tendered or deemed tendered for purchase and the Purchase Price of which is not paid on the Purchase Date or Mandatory Purchase Date from the sources identified above. In the case of a failure to pay any such Purchase Price for Series 2023-1 Notes that have been tendered or deemed tendered for purchase from the sources identified above, such Series 2023-1 Notes shall not be purchased and shall remain in the Weekly Rate Mode or the Daily Rate Mode, as applicable. Such a failure to pay the Purchase Price for Series 2023-1 Notes shall constitute an Event of Default under the Indenture.

[Remainder of page intentionally left blank]

Summary of Certain Provisions
of the Series 2023-1 Notes – Weekly Rate

The table below summarizes certain information with respect to Series 2023-1 Notes bearing interest at a Weekly Rate:

Description	Weekly Rate
Interest Payment Dates	The first Business Day of each month.
Rate Determination Date	Wednesday, or if Wednesday is not a Business Day, the immediately preceding Business Day.
Rate Period	Weekly Rate effective Thursday to (but not including) Thursday of the following week.
Effective Date of Rate	Each Thursday.
Noteholder's Notice of Optional Tender; Optional Tender Dates	Written notice to the Tender Agent and the Series 2023-1 Remarketing Agent by Noteholder not later than 4:00 p.m. on any Business Day that is not less than 7 days prior to Purchase Date; the Purchase Date must be on a Business Day.
Delivery of and Payment for Series 2023-1 Notes Subject to Optional and Mandatory Tender	Except as otherwise required or permitted by DTC, Series 2023-1 Notes shall be delivered (with all necessary endorsements) at or before 12:00 noon on the Purchase Date or Mandatory Purchase Date, at the designated office of the Tender Agent; payment of the Purchase Price with respect to such purchases shall be made to the Noteholders of tendered Series 2023-1 Notes by wire transfer in immediately available funds by the Tender Agent by the close of business on the Purchase Date or Mandatory Purchase Date.
Written Notice of Mode Change Date	The Trustee shall give notice to Noteholders not later than 15 days prior to the Mode Change Date.
Notice of Mandatory Tender	Subject to certain exceptions, the Trustee shall give notice to the Noteholders of the Series 2023-1 Notes subject to mandatory tender not less than 15 days prior to Mandatory Purchase Date.

All times shown are Eastern time. A "Business Day" means a day other than (i) a Saturday, Sunday or legal holiday, (ii) as applicable, a day on which the Trustee, the Tender Agent, the Remarketing Agent, the Credit Facility Issuer office where payment draws are to be presented, the Liquidity Facility Issuer office where payment draws are to be presented or banks and trust companies in New York, New York are authorized or required to remain closed, (iii) a day on which the New York Stock Exchange is closed, or (iv) a day on which the Federal Reserve is closed.

Summary of Certain Provisions
of the Series 2023-1 Notes – Daily Rate

The table below summarizes certain information with respect to Series 2023-1 Notes bearing interest at a Daily Rate:

Description	Daily Rate
Interest Payment Dates	The first Business Day of each month.
Rate Determination Date	Each Business Day.
Rate Period	Each Business Day to and excluding the next Business Day.
Effective Date of Rate	Rate Determination Date.
Noteholder's Notice of Optional Tender; Optional Tender Dates	Written notice to the Tender Agent and the Series 2023-1 Remarketing Agent by Noteholder not later than 11:00 a.m. on any Business Day.
Delivery of and Payment for Series 2023-1 Notes Subject to Optional and Mandatory Tender	Except as otherwise required or permitted by DTC, Series 2023-1 Notes shall be delivered (with all necessary endorsements) at or before 12:00 noon on the Purchase Date or Mandatory Purchase Date, at the designated office of the Tender Agent; payment of the Purchase Price with respect to such purchases shall be made to the Noteholders of tendered Series 2023-1 Notes by wire transfer in immediately available funds by the Tender Agent by the close of business on the Purchase Date or Mandatory Purchase Date.
Written Notice of Mode Change Date	The Trustee shall give notice to Noteholders not later than 15 days prior to the Mode Change Date.
Notice of Mandatory Tender	Subject to certain exceptions, the Trustee shall give notice to the Noteholders of the Series 2023-1 Notes subject to mandatory tender not less than 15 days prior to Mandatory Purchase Date.

Redemption Provisions

Optional Redemption. While in a Weekly Rate Mode or a Daily Rate Mode, any Series 2023-1 Note may be redeemed in whole or in part on any Business Day at the option of the Issuer at a Redemption Price equal to the principal amount thereof plus accrued interest to the Redemption Date. Notwithstanding the foregoing, if a Credit Facility is in effect, then unless the Credit Facility Issuer has failed to honor a properly presented and conforming drawing under the Credit Facility (and such failure remains uncured), no notice of optional redemption shall be given by the Trustee until (i) the Issuer has deposited with the Trustee moneys in an amount sufficient to reimburse the Credit Facility Issuer in accordance with the terms of the Credit Facility then in effect for the amount of any draw which is permitted to be made, if any, on the Credit Facility in connection with such redemption, or (ii) the Trustee has received written consent from the Credit Facility Issuer to such optional redemption.

Mandatory Redemption. Subject to the Issuer's right to release cash from the Trust Estate in certain circumstances, the Series 2023-1 Notes are subject to mandatory redemption in whole or in part, beginning on June 1, 2024, and semiannually thereafter on each June 1 and December 1, at a Redemption Price equal to the principal amount of such Series 2023-1 Notes to be redeemed, together with accrued interest thereon to the date of such redemption, to the extent Revenues in the Revenue Account are available

(see "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—SUMMARY OF TRUST INDENTURE—Creation and Operation of Accounts—Revenue Account; Payment Account), for such purpose on the immediately preceding May 15 or November 15 (or the first Business Day thereafter if such date is not a Business Day), as applicable. Such redemptions may be postponed until a later date if the Issuer provides to the Trustee the written consent of the Credit Provider, provided such notification to postpone is given to the Trustee at least twenty (20) calendar days prior to such Redemption Date.

Priority of Redemption of Bank Notes. In the event that there are Bank Notes outstanding, such Bank Notes must be redeemed prior to any Series 2023-1 Note that is not a Bank Note.

Terms Regarding Redemptions. Redemptions of the Series 2023-1 Notes shall be made in whole or in part in Authorized Denominations; provided that a Series 2023-1 Note may only remain Outstanding in an Authorized Denomination.

Upon surrender of any Series 2023-1 Note called for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to the Noteholder thereof, a new Series 2023-1 Note of an Authorized Denomination in an aggregate principal amount equal to the unredeemed portion of the Series 2023-1 Note surrendered.

The Series 2023-1 Notes shall be redeemed as provided in the Indenture upon notice as provided in the Indenture, provided that notices of redemption shall not be given less than 15 days prior to the Redemption Date with respect to Series 2023-1 Notes in the Weekly Rate Mode or a Daily Rate Mode.

While the Letter of Credit is in effect, the Redemption Price of Series 2023-1 Notes shall be payable from the proceeds of draws under the Series 2023-1 Letter of Credit prior to the use of funds from any other source.

Additional Notes

The Indenture provides that the Issuer may issue Additional Notes under the Indenture from time to time, and designate such Additional Notes as Senior Notes, Senior Subordinate Notes, Subordinate Notes or Junior Subordinate Notes. Senior Notes are secured by a lien on and payable from the Trust Estate prior to all other Notes issued pursuant to the Indenture. The Series 2023-1 Notes will constitute Senior Notes under the Indenture and will be the only Notes Outstanding under the Indenture on the Closing Date. The issuance of any future Additional Notes is subject to, among other things, receipt of the written consent of the Credit Provider. See "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" hereto.

Book-Entry System

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2023-1 Notes, payment of principal, redemption premium, if any, and interest and other payments with respect to the Series 2023-1 Notes to Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in such Series 2023-1 Notes 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 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 Issuer.

DTC will act as securities depository for the Series 2023-1 Notes. The Series 2023-1 Notes will be issued as fully registered Notes 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 Note certificate will be issued for the Series 2023-1 Notes in the aggregate principal amount of the Series 2023-1 Notes, 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**, which information and website are not part of, and are not incorporated by reference into, this Offering Memorandum.

Purchases of the Series 2023-1 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023-1 Notes on DTC's records. The ownership interest of each actual purchaser of each Series 2023-1 Note ("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 2023-1 Notes 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 2023-1 Notes, except in the event that use of the book-entry system for the Series 2023-1 Notes is discontinued.

To facilitate subsequent transfers, all Series 2023-1 Notes 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 2023-1 Notes 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 2023-1 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023-1 Notes 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 2023-1 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023-1 Notes, such as redemptions, tenders, defaults and proposed amendments to the security documents. For example, Beneficial Owners of the Series 2023-1 Notes may wish to ascertain that the nominee holding the Series 2023-1 Notes 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 Note 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 2023-1 Notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2023-1 Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy to the Issuer 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 2023-1 Notes are credited on the record date (identified in a listing attached to the omnibus proxy).

Redemption proceeds, distributions and dividend payments on the Series 2023-1 Notes 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 Issuer or the Paying Agent 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 Paying Agent or the Issuer, 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 Issuer or the Paying Agent, 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.

A Beneficial Owner shall give notice to elect to have its Series 2023-1 Notes purchased or tendered, through its Participant, to the Tender Agent, and shall effect delivery of such Series 2023-1 Notes by causing the Direct Participant to transfer the Participant's interest in the Series 2023-1 Notes, on DTC's records, to the Tender Agent. The requirement for physical delivery of the Series 2023-1 Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2023-1 Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2023-1 Notes to the Tender Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2023-1 Notes at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2023-1 Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2023-1 Note certificates are to be printed and delivered to DTC.

The Trustee and the Issuer will recognize DTC or its nominee as the Owner of the Series 2023-1 Notes 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 2023-1 Notes 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 2023-1 Notes called for redemption or of any other action premised on such notice.

The Issuer and the Trustee 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 2023-1 Notes, (b) the delivery to any Beneficial Owner of the Series 2023-1 Notes or other person, other than DTC, of any notice with respect to the Series 2023-1 Notes or (c) the payment to any Beneficial Owner of the Series 2023-1 Notes or other person, other than DTC, of any amount with respect to the principal of or interest on the Series 2023-1 Notes. Neither the Issuer nor the Trustee shall have any responsibility with respect to obtaining consents from anyone other than the Owners.

The Trustee and the Issuer cannot and do not give any assurance that DTC will distribute payments of debt service to DTC Participants or that the DTC Participants or others will distribute payments of debt service on the Series 2023-1 Notes paid to DTC or its nominee, as the 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 Offering Memorandum.

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

SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of funds relating to the Series 2023-1 Notes:

	Estimated Amounts
Sources of Funds:	
Series 2023-1 Note Proceeds	$336,497,000
Total Sources of Funds	$336,497,000
Uses of Funds:	
Deposit to Loan and Purchase Accounts[1]	$335,655,757
Deposit to the Reserve Account	841,243
Total Uses of Funds	$336,497,000

[1] To be used to acquire or refinance Eligible Loans as described in the paragraph following this table and to pay Costs of Issuance, including the underwriter's fee. Eligible Loans in an amount sufficient to cause the parity ratio on the Closing Date to be not less than 104.70% of the principal amount of the Series 2023-1 Notes will be credited to the Loan Account and will constitute Financed Loans and amounts on deposit in the Loan Account in excess of such requirements shall be released to the Issuer free of the lien of the Indenture.

Certain of the Eligible Loans to be financed by the Issuer pursuant to the Indenture are currently: (i) owned by ALL Financing (2010), LLC and pledged under an Indenture of Trust, dated as of September 1, 2010 (as supplemented and amended, the "ALL 2010 Indenture"), among Access to Loans for Learning Student Loan Corporation (the "Corporation"), The Bank of New York Mellon Trust Company, N.A., as trustee, and The Bank of New York Mellon Trust Company, N.A., as eligible lender trustee; (ii) owned by ALL Financing (2012), LLC and pledged under an Indenture of Trust, dated as of December 1, 2012 (as supplemented and amended, the "ALL 2012 Indenture"), by and among the Corporation, U.S. Bank National Association, as trustee and successor eligible lender trustee, and The Bank of New York Mellon Trust Company, N.A., as interim eligible lender trustee; (iii) owned by ALL Financing (2013), LLC and pledged under an Indenture of Trust, dated as of December 1, 2013 (as supplemented and amended, the "ALL 2013 Indenture" and collectively with the ALL 2010 Indenture and the ALL 2012 Indenture, the "ALL Indentures"), by and between the Corporation and Manufacturers and Traders Trust Company, as trustee and as eligible lender trustee; and (iv) owned by the Issuer and currently pledged under an Indenture of Trust dated as of May 1, 2023 (the "North Texas 2023 Indenture"), between the Issuer and BOKF, NA, as trustee. The remaining Eligible Loans expected to be financed with proceeds of the Series 2023-1 Notes are presently held by the Issuer unencumbered on its balance sheet.

The Issuer is the sole member of ALL Financing (2012), LLC and ALL Financing (2013), LLC and the owner of all of the stock of ALL Indenture Operating Company, Inc. (the indirect owner of ALL Financing (2010), LLC). On the Closing Date the Trustee will transfer to the applicable trustee under the ALL 2010 Indenture, the ALL 2012 Indenture, the ALL 2013 Indenture and the North Texas 2023 Indenture, amounts sufficient to discharge the indebtedness of ALL Financing (2010), LLC, ALL Financing (2012), LLC, ALL Financing (2013), LLC and the Issuer, respectively, under such indentures and provide for the release of the lien on the Eligible Loans pledged thereto. Such transfers will be made as a contribution to ALL Indenture Operating Company, Inc., in the case of the amounts paid to the trustee under the ALL 2010 Indenture, and as a contribution to ALL Financing (2012), LLC and ALL Financing (2013), LLC, in the case of the amounts paid to the applicable trustee under the ALL 2012 Indenture and ALL 2013 Indenture, respectively. Following the discharge of the ALL Indentures, ALL Financing (2010), LLC, ALL Financing (2012), LLC and ALL Financing (2013), LLC will convey all their right, title and interest in the Eligible Loans and certain other assets in the trust estates under the ALL Indentures to the Issuer as a distribution (made through ALL Indenture Operating Company, Inc. in the case of ALL Financing (2010), LLC). On the Closing Date, the Eligible Loans owned by the Issuer and financed with proceeds of the Series 2023-1 Notes will be pledged by the Issuer under the Indenture and will constitute Financed Loans.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-1 NOTES

General

The Series 2023-1 Notes and any Additional Notes issued pursuant to the Indenture (collectively, the "Notes") are special, limited obligations of the Issuer payable solely out of the revenues, assets and funds pledged therefor under the Indenture as described under the caption "—The Trust Estate" herein, except that while the Letter of Credit is in full force and effect, the principal of and interest on the Series 2023-1 Notes (other than Excluded Notes and Bank Notes) whether at stated maturity, maturity by earlier redemption or by declaration of acceleration, on an Interest Payment Date, or otherwise, will be payable from the proceeds of draws under the Letter of Credit prior to the use of funds from any other source available under the Indenture. Under the Indenture, the Issuer may in the future issue Additional Notes with a lien on the Trust Estate on a parity with or subordinate to the Series 2023-1 Notes on terms and conditions set forth in the Indenture.

The Trust Estate

The Notes and the obligation of the Issuer to repay the Notes and to reimburse the Credit Provider will be secured by the assets pledged under the Indenture (collectively, the "Trust Estate"), which consist of: (a) with respect to Financed Loans, any Servicing Agreement, any Eligible Lender Trust Agreement, any Custodial Agreement, any Loan Purchase Agreement, any Joint Sharing Agreement, any Administration Agreement, any Guarantee Agreement and any Financial Product Agreement, and (b) all Financed Loans (including the evidences of indebtedness thereof and related documentation), the proceeds of the sale of the Notes (until expended for the purpose for which the Notes were issued), and all revenues (including, without limitation, Revenues, moneys, evidences of indebtedness, instruments, securities and other financial assets (including any earnings thereon)) in and payable into the Revenue Account, the Loan Account, and the Reserve Account, and any deposit accounts or securities accounts to which such Financed Loans, proceeds of the foregoing, revenues, moneys, evidences of indebtedness, instruments, securities and other financial assets (including any earnings thereon) may be credited, including, without limitation, the Revenue Account, the Loan Account, and the Reserve Account and any Accounts therein or otherwise established by the Trustee under the Indenture, in the manner and subject to the prior applications provided in the Indenture, including any contract, any payment intangible, any general intangible or any evidence of indebtedness or other rights of the Issuer to receive any of the foregoing whether now existing or hereafter coming into existence, and whether now or hereafter acquired (excluding the Rebate Account, the Excess Interest Account, and any account specifically excluded by the terms of the Indenture, including the terms of any Supplemental Indenture).

Letter of Credit

In order to ensure the availability of funds for the timely payment of the Series 2023-1 Notes, the Issuer and the Bank have entered into the Reimbursement Agreement under which the Bank will issue the Letter of Credit. The Letter of Credit will be in an original stated amount (the "Original Stated Amount") equal to the principal of and 50 days of accrued interest on the Series 2023-1 Notes at a rate of 12% per annum (or such greater interest rate approved by the Issuer and the Bank) based on a year of 360 days, unless increased, decreased or reinstated in accordance with the terms of the Reimbursement Agreement and Letter of Credit. The Letter of Credit is initially scheduled to expire on November 6, 2026, but may be extended, terminated or replaced prior to such expiration in accordance with its terms. The Series 2023-1 Notes are subject to mandatory tender for purchase prior to the occurrence of any expiration, termination or replacement of the Letter of Credit. See the captions "DESCRIPTION OF THE SERIES 2023-1 NOTES—Tender Provisions—*Mandatory Tender*" and "THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT" herein.

Initial Collateralization

Following the application of the proceeds of the Series 2023-1 Notes, the ratio of the Aggregate Market Value to the aggregate principal amount of the Series 2023-1 Notes Outstanding on the Closing Date is expected to be approximately 104.70%. See the caption "SOURCES AND USES OF FUNDS" herein.

Loan Account

On the Closing Date, the Eligible Loans acquired with the proceeds of the Series 2023-1 Notes will be credited to the Loan Account created under the Indenture. See the caption "CHARACTERISTICS OF THE FINANCED LOANS" herein for information regarding the Financed Loans expected to secure the Series 2023-1 Notes.

Reserve Account

The Series 2023-1 Notes will be secured by the Reserve Account in an amount equal to the Reserve Account Requirement. Upon the issuance of the Series 2023-1 Notes, a deposit from proceeds of the Series 2023-1 Notes in an amount equal to 0.25% of the principal amount of the Series 2023-1 Notes outstanding is to be made to the Reserve Account. The Reserve Account Requirement shall be, as of any particular date of calculation, an amount equal to 0.25% of the aggregate principal amount of the Series 2023-1 Notes outstanding, but in any event not less than $500,000. Moneys in the Reserve Account are to be used in designated priorities to cure insufficiencies of amounts in the Revenue Account to pay principal and interest on the Series 2023-1 Notes. See "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" hereto.

Revenue Account

The Indenture requires the Issuer to cause all Revenues to be deposited promptly with the Trustee in the Revenue Account. "Revenues" generally include all payments, proceeds, charges and other cash income received by the Issuer from or on account of any Financed Loan, including any Special Allowance Payments, Interest Subsidy Payments, scheduled, delinquent and advance payments of and any insurance or guarantee proceeds with respect to, interest and principal on any Financed Loan, all payments received by the Issuer relating to a Financial Product Agreement and all interest earned or gain realized from the investment of amounts in any Account (other than amounts required to be deposited to or on deposit in the Rebate Account or the Excess Interest Account). The Trustee is required to pay out of the Revenue Account all moneys then deposited therein, on the first Business Day of each month, commencing December 1, 2023, in the order of priority established in the Indenture. See "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—SUMMARY OF TRUST INDENTURE—Definitions" and "—Creation and Operation of Accounts—Revenue Account; Payment Account" hereto.

Investment of Accounts Held by Trustee

The Trustee shall invest amounts credited to any Account established under the Indenture in investment securities described in the Indenture (the "Permitted Investments") pursuant to directions received from the Issuer. In the absence of direction from the Issuer, funds on deposit in the Accounts shall remain uninvested with no liability to the Trustee until such direction is received.

Summary of Cash Flow Analysis

The Issuer has caused the Underwriter to prepare a cash flow analysis of the portfolio of Financed Loans that is expected to secure the Notes upon the issuance of the Series 2023-1 Notes (the "Cash Flow Analysis").

Based on certain assumptions, including those described under the caption "CHARACTERISTICS OF THE FINANCED LOANS" herein, and recognizing certain factors described under the caption "RISK FACTORS" herein, the Issuer currently expects, and the Cash Flow Analysis indicates, that the Revenues will be sufficient to pay principal of and interest on the Outstanding Series 2023-1 Notes when due, or to reimburse the Credit Provider for payment of such amounts, and to pay the annual cost of all Trustee fees, fees for the Credit Facility, Servicing and Administration Fees and other fees and expenses until the final maturity or prior redemption of the Series 2023-1 Notes. However, there is no assurance that the Revenues will be sufficient for such payments, in which case an Event of Default could occur. If the Trustee had to liquidate all or a portion of the Financed Loans upon the occurrence of an Event of Default, or for any other reason, it is possible that the Trustee could not sell the Financed Loans for their full par value. Even though the Trust Estate may exceed the outstanding principal amount of the Notes at any given time, it is possible

that the Trustee may not be able to sell the Financed Loans and the remainder of the Trust Estate for an amount sufficient to pay the principal and accrued interest on the Notes, including the Series 2023-1 Notes. See the caption "RISK FACTORS" herein.

CREDIT RISK RETENTION

Regulation RR was adopted jointly by the Securities and Exchange Commission ("SEC") 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 a securitization transaction or a majority-owned affiliate of the sponsor to retain an economic interest in not less than five percent 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.

Pursuant to Regulation RR (i) for a securitization transaction that is collateralized solely (excluding servicing assets as defined in Regulation RR) by FFELP Loans that are guaranteed as to 100% of defaulted principal and accrued interest, the risk retention requirement is 0%, (ii) for a securitization transaction that is collateralized solely (excluding servicing assets) by FFELP Loans that are guaranteed as to at least 98% but less than 100% of defaulted principal and accrued interest, the risk retention requirement is 2% and (iii) for any other securitization transaction that is collateralized solely (excluding servicing assets) by FFELP Loans, the risk retention requirement is 3%.

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 it be liable to any Noteholder or any other party or person for a violation of such rules and regulations now or hereinafter in effect.

Eligible Horizontal Residual Interest

The Issuer will satisfy the risk retention requirement of Regulation RR by retaining the Retained Interest, which Retained Interest has been structured to satisfy the requirements of an "eligible horizontal residual interest" under Regulation RR.

The fair value of the Retained Interest is anticipated to exceed three percent of the sum of the fair values of the Series 2023-1 Notes and the Retained Interest on the Closing Date. Unless the Issuer is no longer subject to the risk retention requirements of Section 15G of the Securities Exchange Act, and the regulations promulgated thereunder, the Indenture prohibits the transfer of the Retained Interest to any person or entity other than the Issuer, or a majority-owned affiliate of the Issuer, until the latest to occur of:

- the date which is two years after the Closing Date;
- the date the Value of the Financed Loans is reduced to 33 percent or less of the Value of the Financed Loans as of the Closing Date; and
- the date the principal amount of the Series 2023-1 Notes is reduced to 33 percent or less of the original principal amount of the Series 2023-1 Notes as of the Closing Date.

The Retained Interest will not bear interest and will not have a principal balance. Distributions, if any, on the Retained Interest will be made from amounts released from the Indenture. See the caption "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—SUMMARY OF TRUST INDENTURE—Creation and Operation of Accounts—Revenue Account; Payment Account" hereto. In addition, except as provided in Regulation RR, the Issuer, and any affiliate of the Issuer, is prohibited from directly or indirectly hedging or otherwise transferring the credit risk that the Issuer is required to retain pursuant to Regulation RR.

Fair Value

Pursuant to Regulation RR, the Issuer is required to determine the fair values of the Series 2023-1 Notes and the Retained Interest using a fair value measurement framework under U.S. 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 Series 2023-1 Notes and the Retained Interest. Under U.S. 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 observable inputs such as interest rates and yield curves; and

- Level 3 inputs are unobservable inputs for the asset or liability, and reflect 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 Series 2023-1 Notes. The fair values of the Series 2023-1 Notes are categorized within Level 1 of the hierarchy, reflecting the actual pricing of the Series 2023-1 Notes. Based upon the pricing of the Series 2023-1 Notes, the fair value of the Series 2023-1 Notes is assumed to equal 100% of the initial principal balance of the Series 2023-1 Notes, assuming the interest rate on the Series 2023-1 Notes will be 5.38%.

Fair Value of Retained Interest. The fair value of the Retained Interest is determined using the Issuer's key inputs and assumptions and its internal valuation models as the inputs are generally not observable (Level 3 inputs). The Issuer's model projects the anticipated collections and payments in respect of the Financed Loans, including interest and principal payments on the Financed Loans (including Special Allowance Payments and Interest Subsidy Payments), defaults and recovery payments of the Financed Loans, interest and principal payments on the Series 2023-1 Notes, required payments from the Reserve Account, transaction fees and expenses and servicing fees. The resulting cash flows to the Retained Interest 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 Issuer made the following assumptions:

- interest rate indexes are assumed to reset consistent with the forward curve as of October 25, 2023 as displayed on Bloomberg;

- principal and interest payments for the Financed Loans are calculated using the characteristics described under the caption "CHARACTERISTICS OF THE FINANCED LOANS" herein;

- the remaining cumulative default rate on the Financed Loans is 7.7%, applied to the principal balance and accrued interest capitalized on the Financed Loans (which, for the avoidance of doubt, does not include any interest that is not capitalized), determined as described below and allocated in accordance with the associated timing curve described below;

- the recovery rate on defaulted Financed Loans is 97.45% of the outstanding principal balance and accrued interest thereon upon default, based on the level of guarantee applicable to the Financed Loans as of the Statistical Cut-Off Date;

- the Financed Loans voluntarily prepay at a constant prepayment rate of 4.0% for consolidation loans and 6.0% for all other loans;

- borrower benefits are applied to the principal balance of the Financed Loans not in a school, grace, deferment, or forbearance status as a constant yield reduction of 0.20% based upon the utilization of borrower benefits as of the Statistical Cut-Off Date;

- 4.7% of the Financed Loans remain in deferment for 24 months;

- 10.6% of the Financed Loans remain in forbearance for 36 months; and

- the discount rate applied to the cash flows for the Retained Interest is 10.00%, as determined in accordance with the discount rate methodology described below.

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

- *Remaining cumulative default rate and timing curve* – The table below represents the timing of anticipated remaining defaults for the Financed Loans and was developed using assumptions regarding expected credit losses based on the composition of the Financed Loans, the performance of prior securitized pools, economic conditions and other factors. The remaining cumulative default rate described above represents the proportion of the principal balance of and the accrued interest to be capitalized on the Financed Loans as of the Statistical Cut-Off Date (which, for the avoidance of doubt, does not include any interest that was not capitalized at such time) that is anticipated to default over the remaining life of the Financed Loans. The table below describes the timing of defaults on the Financed Loans in relation to the number of months following the Closing Date upon entering repayment:

Months	% of Cumulative Default Rate[1]
1-12	25%
13-24	25
25-36	20
37-48	10
49-60	10
61-72	10
73 and after	0
Total	100%

[1] Percent of the remaining cumulative default rate occurring in the described periods.

- *Constant prepayment rate* – The constant prepayment rate is stated as an annualized rate and is calculated as the percentage of the loan amount in repayment outstanding at the beginning of a period, after applying defaults and scheduled payments that are paid during that period.

- *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 Retained Interest. This rate represents the estimate of the sum of the risk-free rate, a market premium reflecting the perceived riskiness of the 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 Issuer developed these inputs and assumptions for each of its various loan products by reviewing several factors, including the composition of the Financed Loan pool, the performance of certain FFELP loans held by the Issuer, 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 Issuer'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 Series 2023-1 Notes and the Retained Interest are expected to be:

ABS Interests	Fair Value	Percentage[1]
Series 2023-1 Notes	$336,497,000.00	96.96%
Retained Interest	10,537,891.89	3.04
Total	$347,034,891.89	100.00%

[1] Percentages may not sum to 100% due to rounding.

The Issuer will cause the fair values of the Series 2023-1 Notes and the Retained Interest after the Closing Date to reflect the issuance of the Series 2023-1 Notes and any changes in the methodology or any of the key inputs and assumptions described above. The fair value of the Retained Interest as a percentage of the fair value of all ABS interests issued in the transaction will be included in the first monthly servicing

report, together with a description of any changes in the methodology or key inputs and assumptions used to calculate the fair value.

Any information contained herein with respect to the Retained Interest is provided only to facilitate a better understanding of the Series 2023-1 Notes.

CHARACTERISTICS OF THE FINANCED LOANS

General

The Eligible Loans expected to be pledged pursuant to the Indenture were made under the Higher Education Act to finance post-secondary education. All of such Eligible Loans have been identified and are described herein.

Such Eligible Loans are sometimes referred to in this Offering Memorandum as "Financed Loans." As of the Statistical Cut-Off Date (August 31, 2023), the characteristics of the pool of Eligible Loans the Issuer expects to pledge to the Trustee pursuant to the Indenture on the Closing Date were collectively as described below. The aggregate outstanding principal balance of the Eligible Loans in each of the following tables includes the principal balance due from borrowers. The tables do not include the approximately $19,811,147 of interest due from borrowers. The percentages set forth in the tables below may not always add to 100% and the balances may not always add to $344,977,026 due to rounding.

In the event that the principal amount of Eligible Loans required to provide a parity ratio of not less than 104.70% of the principal amount of all of the Series 2023-1 Notes varies from the amounts anticipated herein, whether by reason of a change in the collateral requirement of the Credit Provider, the principal amount of Series 2023-1 Notes to be offered, the rate of amortization or prepayment on the portfolio of Eligible Loans from the Statistical Cut-Off Date to the Closing Date varying from the rates that were anticipated, or otherwise, the portfolio of Eligible Loans to be pledged to the Trustee under the Indenture may consist of a subset of the pool of Eligible Loans described below or may include additional Eligible Loans not described below or the Issuer may make a cash deposit to the Revenue Account.

The aggregate characteristics of the entire pool of Eligible Loans expected to be pledged on the Closing Date, including the composition of the Eligible Loans and the related borrowers, the distribution by student loan type, the distribution by interest rate, the distribution by principal balance and the distribution by remaining term to scheduled maturity, may vary from the information presented below since the information presented below is as of the Statistical Cut-Off Date, and the date that the Financed Loans will be pledged to the Trustee under the Indenture will occur after that date.

The Consolidated Appropriations Act of 2012 authorized eligible lenders under the FFEL Program to make an election to permanently convert the index upon which Special Allowance Payment calculations would be based, effective April 1, 2012, for all FFELP Loans owned by an electing lender that were disbursed after January 1, 2000 (except for excluded FFELP Loans as to which a third party had a contractual right to approve such an election, if such approval had not been obtained). The Special Allowance Payment calculations for FFELP Loans to which such an election applies were previously based on the one-month London Interbank Offered Rate for United States dollars in effect for each day of the applicable calendar quarter, as compiled and released by the British Bankers Association ("SAP One-Month LIBOR"), rather than on the three-month commercial paper (financial) rate, which remains applicable with respect to other FFELP Loans that were disbursed after January 1, 2000. Special Allowance Payments on all of the Financed Loans that were disbursed after January 1, 2000 (approximately 92.16% by principal balance of the Financed Loans as of the Statistical Cut-Off Date) were based on SAP One-Month LIBOR prior to July 1, 2023. The Adjustable Interest Rate (LIBOR) Act (the "Federal LIBOR Act") passed by

Congress and signed into law by the President on March 15, 2022, in part, amends the Higher Education Act to substitute the 30-day Average Secured Overnight Financing Rate ("SOFR") in effect for each of the days in an applicable calendar quarter, adjusted daily by adding the tenor spread adjustment of 0.11448 percent for one-month LIBOR ("SAP Adjusted SOFR") as the basis for Special Allowance Payment rate-setting. The rate-setting mechanism for Special Allowance Payments transitioned from LIBOR to SOFR effective July 1, 2023.

An Eligible Loan originated under the FFELP that has previously defaulted, but satisfies the conditions described below, is known as a "rehabilitation loan." Approximately 1.09% of the Financed Loans will be rehabilitation loans. To rehabilitate an Eligible Loan originated under the FFELP, a borrower must pay the applicable Guaranty Agency at least nine full payments of an amount that is reasonable and affordable, as agreed to by the borrower and the Guaranty Agency, within twenty days of their monthly due dates over a 10-month period. Once the borrower has made the required payments, the loan may be purchased by an eligible lending institution. After a rehabilitation loan is purchased, it is eligible for all benefits under the Higher Education Act for which it would have been eligible if no default had occurred. See "APPENDIX A—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees—Rehabilitation of Defaulted Loans" hereto.

[Remainder of page intentionally left blank]

Composition of the Financed Loan Portfolio
(As of the Statistical Cut-Off Date)

Aggregate Outstanding Principal Balance	$344,977,026
Total Accrued Interest	$19,811,147
Accrued Interest to be Capitalized[1]	$3,803,853
Accrued Interest Not to be Capitalized	$16,007,294
Total Number of Loans	31,111
Average Balance per Loan	$11,089
Total Number of Borrowers	14,204
Average Balance per Borrower	$24,287
Weighted Average Remaining Term (months)	167.20
Weighted Average Interim Months	2.02
Weighted Average Seasoning (months)	208.68
Weighted Average Gross Borrower Rate	5.950%
Weighted Average Net Borrower Rate	5.746%
Weighted Average Borrower Interest Rate Reduction	0.204%
Percentage of Fixed Rate Loans	91.66%
Percentage of Variable Rate Loans	8.34%
Weighted Average Borrower Fixed Rate	5.566%
Weighted Average Borrower Variable Rate Margin	2.468%
Weighted Average SAP Margin	2.560%
Percentage of Floor Income Loans (All Loans)	43.17%
Percentage of Floor Income Loans (Fixed Rate Loans Only)	35.21%
Percentage of Income Based Repayment Loans (Partial Financial Hardship)	9.25%
Percentage of Rehabilitation Loans	1.09%
Weighted Average Floor Income Fixed Rate	4.744%

[1] Accrued Interest to be Capitalized includes accrued interest to be capitalized on loans in unsubsidized school, grace, deferment, and forbearance.

Distribution of the Financed Loans by Loan Type
(As of the Statistical Cut-Off Date)

Loan Type	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
Stafford Loans - Unsubsidized	$ 45,303,218	13.13%	6,802
Stafford Loans - Subsidized	37,237,822	10.79	9,754
Consolidation Loans - Unsubsidized	150,892,333	43.74	7,051
Consolidation Loans - Subsidized	101,755,841	29.50	7,025
PLUS Loans Unsubsidized	9,545,276	2.77	453
Supplemental Loans - Unsubsidized	242,536	0.07	26
Totals	$344,977,026	100.00%	31,111

Distribution of the Financed Loans by School Type
(As of the Statistical Cut-Off Date)

School Type	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
2-Year	$ 6,934,600	2.01%	1,473
4-Year & Graduate	51,024,139	14.79	8,368
Vocational/Proprietary	6,957,194	2.02	1,259
Other/Consolidation/Unknown	280,061,092	81.18	20,011
Totals	$344,977,026	100.00%	31,111

Distribution of the Financed Loans by Interest Rate Type
(As of the Statistical Cut-Off Date)

Interest Rate Type	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
Fixed Rate	$316,213,254	91.66%	23,848
Variable Rate	28,763,772	8.34	7,263
Totals	$344,977,026	100.00%	31,111

Distribution of the Financed Loans by
Range of Annual Borrower Interest Rate
(As of the Statistical Cut-Off Date)

Range of Annual Borrower Interest Rate	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
1.99% or less	$ 10,932,451	3.17%	982
2.00% to 2.49%	5,450,642	1.58	528
2.50% to 2.99%	20,834,471	6.04	1,702
3.00% to 3.49%	21,379,534	6.20	1,427
3.50% to 3.99%	21,043,783	6.10	1,403
4.00% to 4.49%	18,258,674	5.29	1,049
4.50% to 4.99%	27,957,221	8.10	1,825
5.00% to 5.49%	18,274,229	5.30	1,267
5.50% to 5.99%	17,090,014	4.95	1,806
6.00% to 6.49%	16,344,735	4.74	1,125
6.50% to 6.99%	68,735,253	19.92	8,687
7.00% to 7.49%	23,397,254	6.78	1,308
7.50% to 7.99%	30,021,485	8.70	5,721
8.00% to 8.49%	26,551,808	7.70	1,598
8.50% to 8.99%	7,500,591	2.17	484
9.00% or greater	11,204,879	3.25	199
Totals	$344,977,026	100.00%	31,111

Distribution of the Financed Loans by Borrower Payment Status
(As of the Statistical Cut-Off Date)

Borrower Payment Status	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
In School	$ 165,267	0.05%	27
Grace	89,129	0.03	18
Deferment	12,661,075	3.67	1,455
Forbearance	41,272,250	11.96	2,637
Repayment	290,346,776	84.16	26,937
Claim	442,528	0.13	37
Totals	$344,977,026	100.00%	31,111

Distribution of the Financed Loans by Floor Loan Status
(As of the Statistical Cut-Off Date)

Floor Loan Status[1]	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
Floor	$148,941,681	43.17%	14,546
Non-Floor	196,035,345	56.83	16,565
Totals	$344,977,026	100.00%	31,111

[1] The Higher Education Act provides that for FFELP loans first disbursed prior to April 1, 2006 lenders are entitled to retain interest income in excess of the special allowance support level in instances when the loan rate exceeds the special allowance support level. However, lenders are not allowed to retain interest income in excess of the special allowance support level on FFELP loans disbursed on or after April 1, 2006, and are required to rebate any such "excess interest" to the Secretary on a quarterly basis. "Floor loans" are FFELP loans that had their first disbursements prior to April 1, 2006. See the caption "DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Special Allowance Payments" in Appendix A hereto.

[Remainder of page intentionally left blank]

Distribution of the Financed Loans by Floor Loan Status of Fixed Rate Loans Only
(As of the Statistical Cut-Off Date)

Floor Loan Status[1] of Fixed Rate Loans Only	Outstanding Principal Balance of Fixed Rate Loans	Percent of Total Outstanding Principal Balance of Fixed Rate Loans	Number of Fixed Rate Loans
Floor	$121,449,349	38.41%	7,599
Non-Floor	194,763,905	61.59	16,249
Totals	$316,213,254	100.00%	23,848

[1] The Higher Education Act provides that for FFELP loans first disbursed prior to April 1, 2006 lenders are entitled to retain interest income in excess of the special allowance support level in instances when the loan rate exceeds the special allowance support level. However, lenders are not allowed to retain interest income in excess of the special allowance support level on FFELP loans disbursed on or after April 1, 2006, and are required to rebate any such "excess interest" to the Secretary on a quarterly basis. "Floor loans" are FFELP loans that had their first disbursements prior to April 1, 2006. See the caption "DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Special Allowance Payments" in Appendix A hereto.

Distribution of the Financed Loans by Income Based Repayment (Partial Financial Hardship)
(As of the Statistical Cut-Off Date)

Income Based Repayment (Partial Financial Hardship)	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
Non-Partial Financial Hardship[1]	$313,078,386	90.75%	28,878
Partial Financial Hardship	31,898,640	9.25	2,233
Totals	$344,977,026	100.00%	31,111

[1] Includes loans not in repayment status.

[Remainder of page intentionally left blank]

Distribution of the Financed Loans by
Range of Outstanding Principal Balance
(As of the Statistical Cut-Off Date)

Range of Outstanding Principal Balance	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
$2,000.00 or less	$ 6,971,406	2.02%	6,936
$2,000.01 to $4,000.00	17,310,271	5.02	5,847
$4,000.01 to $6,000.00	20,279,209	5.88	4,106
$6,000.01 to $8,000.00	20,232,372	5.86	2,902
$8,000.01 to $10,000.00	19,057,873	5.52	2,125
$10,000.01 to $15,000.00	38,491,399	11.16	3,160
$15,000.01 to $20,000.00	29,278,473	8.49	1,686
$20,000.01 to $25,000.00	24,117,677	6.99	1,082
$25,000.01 to $30,000.00	22,046,733	6.39	805
$30,000.01 to $40,000.00	30,633,770	8.88	887
$40,000.01 to $50,000.00	22,981,990	6.66	515
$50,000.01 to $60,000.00	18,636,957	5.40	340
$60,000.01 to $70,000.00	11,698,256	3.39	181
$70,000.01 to $80,000.00	9,834,527	2.85	132
$80,000.01 or more	53,406,114	15.48	407
Totals	$344,977,026	100.00%	31,111

Distribution of the Financed Loans by
Date of Disbursement (and corresponding guarantee percentage)
(As of the Statistical Cut-Off Date)*

Date of Disbursement (and corresponding guarantee percentage)	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
On or after July 1, 2006 (97%)	$183,884,325	53.30%	15,601
October 1, 1993 – June 30, 2006 (98%)	159,519,282	46.24	15,328
Before October 1, 1993 (100%)	1,573,420	0.46	182
Totals	$344,977,026	100.00%	31,111

*In general, Eligible Loans for which the first disbursement is made prior to October 1, 1993, are 100% guaranteed by the Guaranty Agency. Eligible Loans disbursed on or after October 1, 1993, and before July 1, 2006, are 98% guaranteed by the applicable Guaranty Agency. Eligible Loans for which the first disbursement is made on or after July 1, 2006, are 97% guaranteed by the applicable Guaranty Agency.

Distribution of the Financed Loans by Number of Days Delinquent (As of the Statistical Cut-Off Date)

Number of Days Delinquent	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
Not in Repayment	$ 54,630,249	15.84%	4,174
0-30 days	259,164,896	75.13	24,008
31-60 days	8,513,722	2.47	671
61-90 days	4,843,710	1.40	428
91-120 days	3,929,957	1.14	315
121 and greater	13,894,492	4.03	1,515
Totals	$344,977,026	100.00%	31,111

Distribution of the Financed Loans by Servicer (As of the Statistical Cut-Off Date)

Servicer	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
Aspire	$ 4,851,771	1.41%	483
HESC	84,621,007	24.53	10,146
Navient	158,371,295	45.91	13,157
Nelnet	97,132,953	28.16	7,325
Totals	$344,977,026	100.00%	31,111

[Remainder of page intentionally left blank]

Distribution of the Financed Loans by
Range of Remaining Term to Scheduled Maturity (in months)
(As of the Statistical Cut-Off Date)

Range of Remaining Term to Scheduled Maturity (in months)	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
0 to 24	$ 10,939,200	3.17%	3,968
25 to 36	6,609,405	1.92	2,028
37 to 48	7,683,689	2.23	1,961
49 to 60	9,386,389	2.72	1,820
61 to 72	10,100,956	2.93	1,673
73 to 84	11,260,911	3.26	1,680
85 to 96	12,312,610	3.57	1,573
97 to 108	14,053,671	4.07	1,570
109 to 120	22,547,518	6.54	2,177
121 to 132	16,635,488	4.82	1,514
133 to 144	22,766,462	6.60	1,594
145 to 156	20,344,311	5.90	1,358
157 to 168	20,638,448	5.98	1,252
169 to 180	20,701,756	6.00	1,169
181 to 192	15,753,829	4.57	853
193 to 220	35,919,914	10.41	1,696
221 to 260	33,016,974	9.57	1,424
261 to 300	32,080,419	9.30	1,079
Over 300	22,225,077	6.44	722
Totals	$344,977,026	100.00%	31,111

[Remainder of page intentionally left blank]

Distribution of the Financed Loans by Geographic Location (As of the Statistical Cut-Off Date)

Geographic Location	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
Alabama	$ 1,723,411	0.50%	172
Alaska	336,629	0.10	28
Arizona	5,463,104	1.58	375
Arkansas	889,855	0.26	111
California	159,791,887	46.32	13,135
Colorado	4,936,260	1.43	380
Connecticut	550,830	0.16	54
Delaware	223,441	0.06	17
District of Columbia	161,972	0.05	13
Florida	10,939,060	3.17	804
Georgia	4,819,432	1.40	449
Hawaii	2,772,457	0.80	192
Idaho	1,415,634	0.41	95
Illinois	3,404,797	0.99	240
Indiana	1,914,614	0.55	144
Iowa	524,224	0.15	55
Kansas	1,920,371	0.56	131
Kentucky	1,083,025	0.31	80
Louisiana	1,975,506	0.57	161
Maine	1,473,620	0.43	303
Maryland	1,401,549	0.41	128
Massachusetts	2,223,624	0.64	204
Michigan	2,099,213	0.61	131
Minnesota	1,774,573	0.51	152
Mississippi	937,093	0.27	69
Missouri	1,558,679	0.45	129
Montana	528,921	0.15	41
Nebraska	387,566	0.11	23
Nevada	3,041,460	0.88	283
New Hampshire	613,780	0.18	63
New Jersey	1,688,755	0.49	147
New Mexico	1,334,044	0.39	132
New York	7,069,399	2.05	717
North Carolina	3,700,610	1.07	256
North Dakota	180,672	0.05	44
Ohio	2,280,289	0.66	157
Oklahoma	1,574,311	0.46	128
Oregon	5,060,122	1.47	391
Pennsylvania	2,201,167	0.64	165
Puerto Rico	454,008	0.13	21
Rhode Island	286,022	0.08	25
South Carolina	2,354,954	0.68	148
South Dakota	131,377	0.04	18

Geographic Location	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
Tennessee	$ 3,518,470	1.02%	544
Texas	78,862,974	22.86	8,902
Utah	1,101,078	0.32	106
Vermont	338,801	0.10	33
Virginia	3,072,501	0.89	251
Washington	5,476,110	1.59	447
West Virginia	365,642	0.11	45
Wisconsin	1,208,366	0.35	97
Wyoming	124,192	0.04	12
American Samoa	32,523	0.01	2
Guam	10,434	0.00*	4
Virgin Islands	26,639	0.01	2
Armed Forces	133,694	0.04	17
Armed Forces Pacific	22,363	0.01	2
Quebec	34,444	0.01	2
Foreign Country	428,863	0.12	25
Unknown	1,017,614	0.29	109
Totals	$344,977,026	100.00%	31,111

* Less than 0.005%, but greater than 0.00%.

Distribution of the Financed Loans by Rehabilitation Status
(As of the Statistical Cut-Off Date)

Rehabilitation Status	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
Non-Rehabilitated	$341,202,517	98.91%	30,842
Rehabilitated[1]	3,774,509	1.09	269
Totals	$344,977,026	100.00%	31,111

[1] Purchased from the guaranty agency pursuant to the rehabilitation provisions described under "DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees—*Rehabilitation of Defaulted Loans*" in Appendix A hereto.

[Remainder of page intentionally left blank]

Distribution of the Financed Loans by Months in Repayment (Seasoning)
(As of the Statistical Cut-Off Date)

Months in Repayment (Seasoning)	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
Not in Repayment	$ 54,630,249	15.84%	4,174
0 to 12 months	85,269	0.02	8
13 to 24 months	5,459	0.00*	1
25 to 36 months	49,688	0.01	11
37 to 48 months	171,267	0.05	19
49 to 60 months	167,070	0.05	26
61 to 72 months	226,238	0.07	32
73 to 84 months	408,144	0.12	76
85 to 96 months	336,806	0.10	80
97 to 108 months	590,950	0.17	151
109 to 120 months	1,301,072	0.38	331
More than 120 months	287,004,812	83.20	26,202
Totals	$344,977,026	100.00%	31,111

* Less than 0.005%, but greater than 0.00%.

Distribution of the Financed Loans by Interest Rate Incentives
(As of the Statistical Cut-Off Date)

Incentive Status	Outstanding Principal Balance	Percent of Total Outstanding Principal Balance	Number of Loans
Interest Rate Incentives Not Applicable/Not Utilized	$262,964,910	76.23%	22,105
Interest Rate Incentives Utilized	82,012,115	23.77	9,006
Totals	$344,977,026	100.00%	31,111

Borrower Benefits

Certain of the Financed Loans that are expected to be pledged to the Trustee under the Indenture are subject to borrower benefits in the form of interest rate and principal reductions for prompt and regular payments or payments may by automatic debit or bank draft, as well as loan forgiveness for certain borrowers, depending on loan type, disbursement date and certain other conditions. See the table "Distribution of the Financed Loans by Interest Rate Incentives" under the caption "CHARACTERISTICS OF THE FINANCED LOANS—General" herein.

The Issuer may discontinue, increase or modify the benefits offered by these programs at any time, but only subject to the provisions of the Indenture and the Reimbursement Agreement. The Issuer cannot accurately predict the number of borrowers that will utilize the borrower benefits provided under these programs. The greater the number of borrowers that utilize such benefits with respect to Financed Loans, the lower the total loan receipts on such Financed Loans. See the captions "RISK FACTORS—Incentive or borrower benefit programs may affect the Series 2023-1 Bonds" and "THE ISSUER'S FFEL PROGRAM" herein.

THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT

General

The following is a brief description of certain provisions of the Letter of Credit and the Reimbursement Agreement with regard to the Series 2023-1 Notes and is not to be considered as a full statement of the provisions of such documents. This summary is qualified by reference to and is subject to such documents. Capitalized terms used herein and not defined have the meanings set forth in the Reimbursement Agreement. The provisions of any substitute or replacement Credit Facility may be different from those summarized below.

The Indenture requires the Trustee to draw upon the Letter of Credit whenever principal or interest is due on the Series 2023-1 Notes, whether on any Interest Payment Date or stated maturity date or upon redemption or acceleration. The Trustee is also required under the provisions of the Indenture to draw on the Letter of Credit under certain circumstances including mandatory or optional tender of the Series 2023-1 Notes if remarketing proceeds are insufficient to pay the purchase price.

The Letter of Credit and the Reimbursement Agreement

General. The Letter of Credit will be in all respects an irrevocable obligation of the Bank. The Letter of Credit will be issued in an amount (the "Original Stated Amount") equal to the aggregate principal amount of the Outstanding Series 2023-1 Notes, plus 50 days' interest on the Series 2023-1 Notes, at the rate of 12% per annum (or such greater interest rate approved by the Issuer and the Bank) based on a year of 360 days and actual number of days elapsed. The Original Stated Amount may be increased, decreased or reinstated under certain circumstances described in the Reimbursement Agreement and the Letter of Credit. Under the Letter of Credit, the Trustee, upon compliance with the terms of the Letter of Credit, is authorized and directed to draw up to (a) an amount sufficient (i) to pay principal of the Series 2023-1 Notes (other than Excluded Notes and Bank Notes) when due, whether at maturity or upon redemption or acceleration, and (ii) to pay the portion of the purchase price of Series 2023-1 Notes (other than Excluded Notes and Bank Notes) delivered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for purchase and not remarketed equal to the principal amount of such Series 2023-1 Notes, plus (b) an amount not to exceed 50 days of interest on the Series 2023-1 Notes, at the rate of 12% per annum (or such greater interest rate approved by the Issuer and the Bank) based on a year of 360 days, (i) to pay accrued and unpaid interest on Series 2023-1 Notes (other than Excluded Notes and Bank Notes) or (ii) to pay the portion of the purchase price of Series 2023-1 Notes (other than Excluded Notes and Bank Notes), delivered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for purchase and not remarketed, equal to the interest accrued, if any, on such Series 2023-1 Notes.

Upon any drawing, the amount of the Letter of Credit will be reduced automatically by the amount of such drawing. The amount of any drawing for interest due on an Interest Payment Date will be automatically reinstated on the Bank's opening of business on the eleventh day after such demand for payment was honored unless the Bank notifies the Trustee within 10 days of such drawing that an Event of Default (as defined in the Reimbursement Agreement) under the Reimbursement Agreement (including the Issuer's failure to reimburse the Bank for such drawing) has occurred, in which case the amount of such drawing will not be reinstated. The amount of any drawing to pay the purchase price of Series 2023-1 Notes in connection with an Optional Tender (as defined in the Letter of Credit) of the Series 2023-1 Notes will be reinstated upon receipt by the Bank of (i) notice in the form specified in the Letter of Credit that the Bank is being reimbursed for such drawing and (ii) funds in an amount equal to the purchase price of any Series 2023-1 Notes purchased with the proceeds of such drawing. Reductions in the amount of the Letter of Credit occurring upon drawings for (i) the payment of the purchase price of Series 2023-1 Notes upon a

Mandatory Tender (as defined in the Letter of Credit), (ii) the payment of the principal of and interest on the Series 2023-1 Notes upon a redemption of the Series 2023-1 Notes; (iii) the payment of the principal of and interest on the Series 2023-1 Notes in connection with an Acceleration Drawing (as defined in the Letter of Credit); and (iv) the payment of the principal of and interest on the Series 2023-1 Notes upon their Stated Maturity (as defined in the Letter of Credit) will not be subject to reinstatement. At any given time, the available amount under the Letter of Credit shall be equal to the Original Stated Amount, less (x) the amount of any drawings to the extent such amounts have not been reinstated and (y) the amount by which the Trustee and the Issuer, in a certificate delivered to the Bank, have permanently reduced the amount of the Letter of Credit to the extent such reduction is not already accounted for by a reduction in the available amount pursuant to clause (x) above.

The Reimbursement Agreement requires the Issuer to reimburse the Bank for the full amount of any drawings under the Letter of Credit on the day on which such drawing is paid; provided, however, that so long as no Default (as defined in the Reimbursement Agreement) or Event of Default has occurred and is continuing under the Reimbursement Agreement, any drawing on the Letter of Credit in order to pay the purchase price of the Series 2023-1 Notes in connection with an Optional Tender or a Mandatory Tender shall be reimbursed as follows: (i) a drawing to pay the interest component of the purchase price with respect to the Series 2023-1 Notes must be reimbursed by the Issuer on the date of such drawing and (ii) a drawing to pay the principal component of the purchase price with respect to the Series 2023-1 Notes must be reimbursed by the Issuer in accordance with the amortization terms stated in the Reimbursement Agreement. Except for certain obligations stated in the Reimbursement Agreement, all of the Issuer's obligations under the Reimbursement Agreement are limited obligations of the Issuer payable from the Trust Estate. To secure its obligations under the Reimbursement Agreement, the Issuer will, under the Indenture, grant a security interest in the Trust Estate to the Trustee for the benefit of each Credit Provider, including the Bank, and the Noteholders of the Notes, including the Series 2023-1 Notes.

The Letter of Credit, by its terms, will expire on the earliest of (a) November 6, 2026 (as such date may be extended from time-to-time by the Bank); (b) receipt by the Bank of notice, in the form specified in the Letter of Credit, that the Issuer has obtained an Alternate Credit Facility; (c) the earlier of (i) the Business Day immediately succeeding the date of the Trustee's receipt of notice, in the form specified in the Letter of Credit, that the Series 2023-1 Notes have been converted to a rate other than the Weekly Rate or the Daily Rate; and (ii) the date on which the Bank honors a drawing under the Letter of Credit on or after the related Conversion Date (as defined in the Letter of Credit); (d) the earlier of (i) the date the Bank honors a drawing under the Letter of Credit in connection with the acceleration of all of the Series 2023-1 Notes pursuant to the terms of the Indenture and (ii) the Business Day immediately succeeding the date that is 10 days after the Trustee's receipt of notice, in the form specified in the Letter of Credit, that an Event of Default has occurred under the Reimbursement Agreement; (e) the earlier of (i) the date the Bank honors a drawing under the Letter of Credit in connection with the mandatory tender of all of the Series 2023-1 Notes pursuant to the terms of the First Supplemental Indenture and (ii) the Business Day immediately succeeding the date that is 10 days after the Trustee's receipt of notice that an Event of Default has occurred under the Reimbursement Agreement; and (f) the earlier of (i) the date the Bank honors a drawing under the Letter of Credit in connection with the mandatory tender of all of the Series 2023-1 Notes pursuant to the terms of the First Supplemental Indenture and (ii) the Business Day immediately succeeding the date that is 10 days after the Trustee's receipt of notice that there has been a failure to reimburse the Bank for an Interest Drawing under the Reimbursement Agreement.

Events of Default Under the Reimbursement Agreement. Each of the following events shall constitute an "Event of Default" under the Reimbursement Agreement:

(a) *Payments.* The Issuer fails to pay when due any of its Obligations under the Reimbursement Agreement or any other Related Document when such Obligations are due or are declared due;

(b) *Representations*. Any representation or warranty made by or on behalf of the Issuer in the Reimbursement Agreement or in any other Related Document or in any certificate or statement delivered thereunder proves to have been inaccurate, misleading or incomplete in any material respect when made or deemed to have been made;

(c) *Covenants*. The Issuer fails to perform any of the certain enumerated covenants contained in the Reimbursement Agreement, which enumerated covenants are not subject to a grace period;

(d) *Other Covenants*. The Issuer fails to perform or observe any other term, covenant or agreement (other than ones described in any other paragraph of the Events of Default) contained in the Reimbursement Agreement or any other Related Document on its part to be performed or observed which failure continues for ten Business Days or more following the earlier of (i) the Bank providing the Issuer written notice thereof and (ii) the date on which such failure first becomes known to an Authorized Officer of the Issuer or another responsible person of the Issuer;

(e) *Default on Debt.* Any default or similar event not covered by another paragraph of the Reimbursement Agreement occurs under any document evidencing Debt of the Issuer in an amount in excess of $5,000,000;

(f) *Invalidity; Contest of Validity.* Any provision of the Reimbursement Agreement, the Series 2023-1 Notes or any of the other Related Documents ceases to be valid and binding; or the Issuer or any Governmental Authority (as defined therein) contests any such provision; or the Issuer or any agent or trustee on behalf of the Issuer denies that it has any further liability under any provision of the Reimbursement Agreement, the Series 2023-1 Notes or any of the other Related Documents; or the Issuer, in writing to the Trustee, the Bank or any other Person, (i) claims that the Indenture, the Series 2023-1 Notes, the Reimbursement Agreement, the Fee Letter or any other Related Document is not valid or binding on it, (ii) repudiates its obligations under the Reimbursement Agreement, the Indenture, the Series 2023-1 Notes, the Fee Letter (as defined therein) or any other Related Document, and/or (iii) initiates any legal proceedings to seek an adjudication that the Reimbursement Agreement, the Indenture, the Series 2023-1 Notes, the Fee Letter or any other Related Document or its obligation to repay any Obligations or Material Debt (as defined therein) is not valid or binding on it;

(g) *Determination of Invalidity*. Any court of competent jurisdiction or other Governmental Authority with jurisdiction to rule on the validity of any provision of the Reimbursement Agreement, the Fee Letter, the Series 2023-1 Notes, the Indenture or any other Related Document finds or rules that the Reimbursement Agreement, the Series 2023-1 Notes, the Fee Letter, the Indenture or any other Related Document is not valid or is not binding on the Issuer;

(h) *Judgments.* Any judgment, writ or warrant of attachment or of any similar process is entered or filed in an amount in excess of $1,000,000 against the Issuer or against any of its property and in each case the Issuer fails to vacate, bond, stay or contest in good faith such judgment, writ, warrant of attachment or other process for a period of thirty (30) days or if not so vacated, bonded or stayed, fails to pay or satisfy such judgment within sixty (60) days or as otherwise required by such judgment or writ or warrant of attachment;

(i) *Other Documents*. Any default, event of default (as defined respectively therein) or similar event under any of the Related Documents (other than the Reimbursement Agreement) or any Parity Facility (as defined therein) occurs;

(j) *Litigation.* (i) Any litigation (including derivative actions), arbitration proceedings or governmental proceedings (whether or not existing at the time of the execution of the Reimbursement Agreement and that could have a Material Adverse Effect on the Issuer) not disclosed in writing by the Issuer to the Bank prior to the execution and delivery of the Reimbursement Agreement is pending against the Issuer or any of its Affiliates (as defined therein); or (ii) any material development has occurred in any such litigation or proceedings (whether or not previously disclosed) which, in the case of clause (i) or (ii) above, in the reasonable opinion of the Bank, has a Material Adverse Effect on the Issuer.

(k) *Event of Bankruptcy.* An Event of Bankruptcy (as defined therein) with respect to the Issuer has occurred;

(l) *Change in Law.* Any elimination, diminution, modification or other change in the rights of the holders of any of the Series 2023-1 Notes (including but not limited to the Bank Noteholder) in any collateral or other security related to any of the Series 2023-1 Notes resulting from the repeal or amendment of any statute, regulation, ordinance or other law occurs;

(m) *Parity Ratio.* The Issuer fails to maintain the Parity Ratio (as defined therein) pursuant to the Reimbursement Agreement;

(n) *Material Adverse Effect.* An event or circumstance occurs which, in the reasonable judgment of the Bank is a Material Adverse Effect;

(o) *Other Documents*. Any default, event of default (as defined respectively therein) or similar event under any of the Related Documents (other than the Reimbursement Agreement) has occurred;

(p) *Guarantee Agreements.* The Issuer or any Guarantor defaults in the due observance or performance of any term, condition or covenant of any Guarantee Agreement to which it is a party (with respect to Financed Loans comprising part of the Trust Estate) and such default has not been remedied within sixty (60) days; or any Guarantee Agreement ceases to be in full force and effect; *provided* that an Event of Default under this clause (p) with respect to such Guarantee Agreement will not occur if there has been provided to the Bank evidence satisfactory to the Bank that the Secretary of Education has assumed, pursuant to the terms of the Higher Education Act, all of the obligations of the related Guarantor with respect to each Financed Loan which is Guaranteed by such Guarantor or such obligations have been assigned to another Permitted Guarantor (as defined therein) acting pursuant to an enforceable Guarantee Agreement;

(q) *Servicer Default.* A Servicer Default (as defined therein) shall have occurred;

(r) *Guarantor Event of Bankruptcy.* An Event of Bankruptcy with respect to any Guarantor occurs; *provided* that an Event of Bankruptcy with respect to such Guarantor will not constitute an Event of Default if there has been provided to the Bank evidence satisfactory to the Bank that the Secretary of Education has assumed, pursuant to the terms of the Higher Education Act, all of the obligations of such Guarantor with respect to each Financed Loan which is Guaranteed by such Guarantor or such obligations have been assigned to another Permitted Guarantor acting pursuant to an enforceable Guarantee Agreement;

(s) *Trust Estate.* The Trust Estate is not held by, or is otherwise not subject to a first priority security interest in favor of the Trustee solely for the benefit of the Bank and the holders of the Series 2023-1 Notes;

(t) *Higher Education Act.* The Higher Education Act is repealed; or the Higher Education Act is amended, supplemented or modified in any manner that may be reasonably likely to materially adversely affect any security provided to the Bank or the security interest of the Trustee in the Trust Estate or the ability or the obligation of the Issuer to pay any principal of, or interest on, any Obligation or the priority of any Obligation;

(u) *Notes.* Any notes, bonds or other debt under the Indenture are issued in violation of the Reimbursement Agreement or the Indenture;

(v) *Lien of Trust Estate.* (i) The Issuer or any Person with authority to act on its behalf asserts in writing that, the Reimbursement Agreement or any other Related Document or the Higher Education Act is amended to the effect that, or (ii) a final judgment or order which is non-appealable or unstayed of any Governmental Authority having jurisdiction over the Issuer is entered finding, in each case, that, the Issuer's obligations in respect of the principal of or interest accrued and to accrue on the Series 2023-1 Notes are for any reason not be secured by a valid and enforceable lien on, or are not be payable from, any of the Trust Estate;

(w) *Subordinate Notes.* The Issuer fails, wholly or partially, to make timely any payment required to be made on any Subordinate Note or any obligation payable on a parity with any Subordinate Note;

(x) *Bank Notes.* Any Parity Notes (as defined therein) are at any time held as "bank notes" under any Parity Facility;

(y) *Remarketing Agreements*. The Remarketing Agent fails to comply with the terms of a Remarketing Agreement to which it is a party, and such failure has a material adverse effect on the rights or remedies of the Bank under the Reimbursement Agreement or any of the other Related Documents;

(z) *Eligible Lender Status; Lender ID Numbers.* The Issuer shall (i) fail to remain an Eligible Lender or use an "eligible lender trustee" acceptable to the Bank, or (ii) (except as expressly permitted by the Reimbursement Agreement), fail to maintain all Student Loans from the Borrower Portfolio which are included among the Financed Loans under the Borrower Portfolio LID and unique identifier as set forth therein (such capitalized terms as defined therein);

(aa) *Bankruptcy Code Matters.* The Issuer shall at any time be eligible to be a "debtor" under Chapter 7 of the Bankruptcy Code; or

(bb) *Change in Guarantee*. There shall occur any retrospective material change in the return or guaranty characteristics of the Financed Student Loans which has not been approved in writing by the Bank.

Remedies Under the Reimbursement Agreement. Upon the occurrence of any Event of Default under the Reimbursement Agreement, the Bank, in its sole and absolute discretion, (a) may declare all Obligations (as defined in the Reimbursement Agreement) (together with accrued interest thereon) to be, and all such outstanding Obligations (together with accrued interest thereon) will thereupon become, immediately due and payable, without presentment, demand, protest or other notice of any kind, all of

which are waived by the Issuer under the Reimbursement Agreement, (b) may cure any default, Event of Default or event of non-performance under the Reimbursement Agreement or under any of the Related Documents (as defined in the Reimbursement Agreement) (in which case the Issuer must reimburse the Bank therefor as provided in the Reimbursement Agreement), (c) may deliver to the Trustee written notice that an Event of Default has been declared under the Reimbursement Agreement and that the Letter of Credit will terminate 10 days after the Trustee's receipt of such notice and directing the acceleration of the Series 2023-1 Notes, (d) may deliver to the Trustee written notice that an Event of Default has been declared under the Reimbursement Agreement and that the Letter of Credit will terminate 10 calendar days after the Trustee's receipt of such notice and directing the mandatory tender of all of the Series 2023-1 Notes, and (e) may proceed to protect its rights by suit in equity, action at law or other appropriate proceedings, whether for specific performance of any covenant or agreement of the Issuer contained in the Reimbursement Agreement or in and of the exercise of any power or remedy granted to the Bank under any of the Related Documents or may exercise any other rights or remedies available under any Related Documents, any other agreement or at law or in equity. In addition to the foregoing remedies, upon the failure of the Issuer to reimburse the Bank for any Interest Drawing under the Letter of Credit, the Bank may send to the Trustee, at or before the close of business on the tenth day after such Interest Drawing was honored by the Bank, a written notice terminating the Letter of Credit. Furthermore, following any Event of Default, the Bank may exercise its banker's lien or right of setoff. If the Series 2023-1 Notes are accelerated as described above, the Issuer must immediately reimburse the Bank for all Obligations, including without limitation reimbursement for any Drawing related thereto.

Replacement of Letter of Credit. Under the Indenture and subject to the terms of the Reimbursement Agreement, the Issuer may replace the Letter of Credit with an Alternate Credit Facility; provided, however, that any extension of the Letter of Credit shall not be deemed to be an Alternate Credit Facility. Any Alternate Credit Facility accepted by the Trustee on or prior to the Conversion Date must provide for all drawings described in the Letter of Credit, including all drawings for credit and liquidity. The Series 2023-1 Notes will be subject to mandatory tender on the date of such replacement as described under the caption "DESCRIPTION OF THE SERIES 2023-1 NOTES—Tender Provisions—*Mandatory Tender*" herein.

The Bank

The following information has been provided by Royal Bank of Canada for use in this Offering Memorandum. Such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Issuer or the Underwriter. This information has not been independently verified by the Issuer or the Underwriter. No representation is made by the Issuer or the Underwriter as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

Royal Bank of Canada (referred to in this section as "Royal Bank") is a Schedule I bank under the Bank Act (Canada), which constitutes its charter and governs its operations. Royal Bank's corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J5, Canada, and its head office is located at 1 Place Ville Marie, Montreal, Quebec, H3B 3A9, Canada. Royal Bank is the parent company of RBC Capital Markets, LLC, the Underwriter and the Remarketing Agent.

Royal Bank is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 97,000+ employees who leverage their imaginations and insights to bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada's biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our 17 million clients in Canada, the U.S. and 27 other countries.

Royal Bank had, on a consolidated basis, as at July 31, 2023, total assets of C$1,957.7 billion (approximately US$1,484.0 billion[1]), equity attributable to shareholders of C$112.3 billion (approximately US$85.1 billion[1]) and total deposits of C$1,215.6 billion (approximately US$921.4 billion[1]). The foregoing figures were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been extracted and derived from, and are qualified by reference to, Royal Bank's unaudited Interim Condensed Consolidated Financial Statements included in its quarterly Report to Shareholders for the fiscal period ended July 31, 2023.

The senior long-term debt[2] of Royal Bank has been assigned ratings of A (stable outlook) by S&P Global Ratings, A1 (stable outlook) by Moody's Investors Service and AA- (stable outlook) by Fitch Ratings. The legacy senior long-term debt[3] of Royal Bank has been assigned ratings of AA- by S&P Global Ratings, Aa1 by Moody's Investors Service and AA by Fitch Ratings. Royal Bank's common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange under the trading symbol "RY." Its preferred shares are listed on the Toronto Stock Exchange.

On written request, and without charge, Royal Bank will provide a copy of its most recent publicly filed Annual Report on Form 40-F, which includes audited Consolidated Financial Statements, to any person to whom this Offering Memorandum is delivered. Requests for such copies should be directed to Investor Relations, Royal Bank of Canada, by writing to 200 Bay Street, South Tower, Toronto, Ontario, M5J 2J5, Canada, or by calling 416-842-2000, or by visiting rbc.com/investorrelations[4].

The delivery of this Offering Memorandum does not imply that there has been no change in the affairs of Royal Bank since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

---

[1] As at July 31, 2023: C$1.00 = US$0.758

[2] Includes senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Canadian Bank Recapitalization (Bail-in) regime.

[3] Includes senior long-term debt issued prior to September 23, 2018 and senior long-term debt issued on or after September 23, 2018 which is excluded from the Bail-in regime.

[4] This website URL is an inactive textual reference only, and none of the information on the website is incorporated in this Offering Memorandum.

RISK FACTORS

Potential investors in the Series 2023-1 Notes should consider the following risk factors together with all other information in this Offering Memorandum in deciding whether to purchase the Series 2023-1 Notes. The following discussion of possible risks is not meant to be an exhaustive list of the risks associated with the purchase of the Series 2023-1 Notes and does not necessarily reflect the relative importance of the various risks. The order in which these considerations are presented is not intended to represent the magnitude of the risks discussed. Additional risk factors relating to an investment in the Series 2023-1 Notes are described throughout this Offering Memorandum, whether or not specifically designated as risk factors. There can be no assurance that other risk factors will not become material in the future.

Although the various risks discussed in this Offering Memorandum are generally described separately, prospective investors in the Series 2023-1 Notes should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased.

The Credit Provider

On each date on which principal of or interest on the Series 2023-1 Notes is payable, whether upon redemption, an acceleration or stated maturity, or a tender and a failed or incomplete remarketing of the Series 2023-1 Notes, the Trustee is required by the Indenture to draw moneys under the Letter of Credit (up to the amount available thereunder and in accordance with the terms thereof) in an amount sufficient to pay any principal of or interest due on such Series 2023-1 Notes on such date, and is required to apply such moneys to pay such principal and interest when due without further authorization or direction. *There can be no assurance that the Bank will have sufficient revenues to enable it to honor its commitments under the Letter of Credit.* See the caption "THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT" herein for further information concerning the Bank, the Letter of Credit, and the Reimbursement Agreement. The Bank has the right to consent to, direct and control certain of the remedies taken by the Trustee under the Indenture upon an Event of Default; provided, however, the Bank will not be allowed to waive any Event of Default under the Indenture if the Bank has failed to honor a properly presented and conforming draw under the Letter of Credit. See the caption "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" hereto.

The Series 2023-1 Notes are not a suitable investment for all investors

The Series 2023-1 Notes are not a suitable investment if a Noteholder requires a fixed or otherwise predictable schedule of interest payments. The Series 2023-1 Notes are variable rate 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 prepayment, reinvestment, default and market risk, the tax consequences of an investment, and the interaction of these factors.

There will be no market valuation of the Financed Loans

The Financed Loans are all currently owned by the Issuer or an affiliate of the Issuer and are not being acquired pursuant to a bidding process. Proceeds from the sale of the Series 2023-1 Notes will be used primarily to acquire such Financed Loans in the amounts necessary to release such Financed Loans from the liens of the indentures under which they are currently pledged (see "SOURCES AND USES OF FUNDS" herein) and is not based upon their fair market value as determined by any independent advisor.

Risks associated with interest rates

The interest rates on the Series 2023-1 Notes will be variable and will fluctuate from one interest period to another in response to changes in benchmark rates or general market conditions. The Issuer can make no representation as to what these rates may be in the future.

The Financed Loans will bear interest either at fixed rates or at rates which are generally based upon the bond equivalent yield of the 91-day U.S. Treasury Bill rate. In addition, the Financed Loans may be entitled to receive Special Allowance Payments from the Department of Education currently based upon SAP Adjusted SOFR or the 91-day U.S. Treasury Bill rate. See the caption "CHARACTERISTICS OF THE FINANCED LOANS" herein and "DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" in Appendix A hereto. If there is a decline in the rates payable on Financed Loans or Special Allowance Payments, the amount of funds representing interest deposited into the Revenue Account may be reduced and may not be sufficient to pay interest on the Series 2023-1 Notes when due, or reimburse the Credit Provider therefor, or other expenses of the Trust Estate.

Special Allowance Payments on all of the Financed Loans that were disbursed after January 1, 2000 (approximately 92.16% by principal balance of the Financed Loans as of the Statistical Cut-Off Date) were based on SAP One Month LIBOR prior to July 1, 2023. The Federal LIBOR Act amended the Higher Education Act to substitute SAP Adjusted SOFR as the basis for Special Allowance Payment rate-setting effective July 1, 2023. There are important differences between LIBOR and SOFR and SOFR is not expected to be representative of LIBOR. The Issuer cannot provide any assurances that SAP Adjusted SOFR will produce the economic equivalent of One Month LIBOR over the life of the Series 2023-1 Notes or that the index used to calculate Special Allowance Payments will not be changed in the future.

If there is a decline in the rates payable on Financed Loans, the amount of funds representing interest deposited into the Revenue Account may be reduced. If the interest rates payable on the Series 2023-1 Notes do not decline in a similar manner and time, the Issuer may not have sufficient funds to pay interest on the Series 2023-1 Notes when due or reimburse the Credit Provider therefor. Even if there is a similar reduction in the rates applicable to the Series 2023-1 Notes, there may not necessarily be a reduction in the other amounts required to be paid by the Issuer, such as administrative expenses, causing interest payments to be deferred to future periods. Similarly, if there is a rapid increase in the interest rate payable on the Series 2023-1 Notes without a corresponding increase in rates payable on the Financed Loans, the Issuer may not have sufficient funds to pay interest on the Series 2023-1 Notes when due or reimburse the Credit Provider therefor. Sufficient funds may not be available in future periods to make up for any shortfalls in the current payments of interest on the Series 2023-1 Notes or expenses of the Trust Estate created under the Indenture.

For Eligible Loans disbursed prior to April 1, 2006, lenders are entitled to retain interest income in excess of the special allowance support level in instances when the Eligible Loan interest rate exceeds the special allowance support level. However, owners of the Eligible Loans are not allowed to retain interest income in excess of the special allowance support level on loans disbursed on or after April 1, 2006, and are required to rebate any such "excess interest" to the federal government on a quarterly basis. This modification effectively limits such owners' returns on those loans to the special allowance support level and could require a lender to rebate excess interest accrued but not yet received. For fixed rate loans, the excess interest owed to the federal government will be greater when the SAP Adjusted SOFR rate is relatively low, causing the special allowance support level to fall below the student loan rate. There can be no assurance that such factors or other types of factors will not occur or that, if they occur, such occurrence will not materially adversely affect the sufficiency of the Trust Estate established under the Indenture to pay the principal of and interest on the Series 2023-1 Notes, as and when due, or reimburse the Credit Provider therefor.

Social and economic factors may adversely affect repayment of the Financed Loans

Collections on the Financed Loans may vary greatly in both timing and amount from the payments actually due on the Financed Loans due to 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 incurred by the borrower, 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 global or localized economic or political conditions, weather events, 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 Loans are concentrated. The Issuer is unable to determine and has no basis to predict to what extent social or economic factors will affect the Financed Loans.

Following the financial crisis that began in 2008, the United States experienced an extended period of economic weakness or recession. This period was marked by high unemployment, substantial decreases in home value, increased mortgage and consumer loan delinquencies, decreased availability of consumer credit, increased volatility in financial markets, general deleveraging of consumer balance sheets, and defaults and losses on consumer loans and receivables, including personal loans similar to the Financed Loans. The United States also experienced a recession as a result of the COVID-19 pandemic and a significant increase to the unemployment rate. Recently there has been growing concern that the United States may suffer slowing growth or recession as a result, in part, of interest rate increases by the Federal Reserve Board's attempt to curb inflationary pressures. The number of delinquencies and defaults on consumer receivables is significantly influenced by the employment status of borrowers. There can be no assurance that high levels of unemployment or underemployment will not recur, or that other factors relating to the uncertain economic climate will not result in increased delinquencies and defaults with respect to consumer receivables in the future. Such adverse economic conditions may also materially impair the ability of the Issuer, Higher Education Servicing Corporation (the "Administrator"), the Servicers, the Subservicers, the Eligible Lender Trustee or the Trustee to meet their respective obligations under the transaction documents. The occurrence of any increased delinquencies or defaults with respect to the Financed Loans or material impairment of the ability of the above referenced parties to meet their respective obligations under the transaction documents increases the likelihood that Noteholders will experience losses with respect to the Series 2023-1 Notes.

Failures by borrowers to pay the principal of and interest on their Financed Loans on schedule or an increase in deferments or forbearances could affect the timing and amount of Revenues for any month and the payment of principal of and interest on the Series 2023-1 Notes. The effect of these factors, including the effect on the timing and amounts of Revenues for any month and the payment of principal of and interest on the Series 2023-1 Notes, is difficult to predict. 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, inflation and continuing political and economic instability in Europe, the United States, China and other locations in the world, the continuing effects of the COVID-19 Pandemic 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 Loans, although the severity or duration of these effects are unknown.

General Economic Conditions

On March 10, 2023, the California Department of Financial Protection and Innovation closed Silicon Valley Bank and appointed the Federal Deposit Insurance Corporation (the "FDIC") as receiver following a major outflow of deposits from Silicon Valley Bank and its failure to raise new capital. The failure of Silicon Valley Bank was the largest bank failure in the United States since 2008. On March 12, 2023, the New York State Department of Finance closed Signature Bank and appointed the FDIC as receiver after its customers withdrew more than $10 billion in deposits at the bank. On May 1, 2023, the FDIC announced that First Republic Bank had been closed by the California Department of Financial Protection and Innovation and its assets seized by the FDIC, which were ultimately acquired by JPMorgan Chase Bank, N.A. The failure of such banks has resulted in significant concern regarding the health of other banking institutions and the ability of such institutions to withstand the economic conditions posed by rapidly increasing interest rates, including a decline in value of securities and loan portfolios, and it is unclear if there will be additional bank failures. Rating agencies have downgraded a number of small and mid-sized U.S. banks and a number of larger lenders are under review for potential downgrade. To the extent there is a failure of a party to the financing agreements relating to the Series 2023-1 Notes, such failure could have a material adverse impact on the payment of principal and interest on the Series 2023-1

Notes and/or the value and liquidity of the Series 2023-1 Notes. It is not clear at this time what impact, if any, such events will have on securities similar to the Series 2023-1 Notes, or whether the liquidity or market value of the Series 2023-1 Notes could be adversely affected.

Economic conditions may also be impacted by 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, prolonged or recurring government shutdowns, conflicts or wars, regional hostilities, including the war between Russia and Ukraine, 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. It is impossible to predict the status of the economy or at what point a downturn in the economy would significantly reduce Revenues or a Guaranty Agency's ability to pay default claims. An economic downturn might also affect the ability of the transaction parties to perform their duties and obligations under the transaction documents, which could adversely affect the market value of the Series 2023-1 Notes.

Impact of turmoil in the credit markets on the business of the Issuer

The Issuer regularly finances its student loan purchases on a long-term basis through the issuance of bonds or notes secured by the student loans it has acquired with the proceeds of such bonds or notes. The cost of asset-backed financings has increased over time, including due to changes in the national credit markets since the fall of 2007 and, more recently, March 2020 in connection with the COVID-19 Pandemic. Some of the issues that have made asset-backed borrowings more difficult include: the collapse of the auction rate securities market; the downgrade of national bond insurers; the investigations and related matters as to the manipulation of LIBOR and the discontinuation thereof; fluctuations in the availability of credit support and liquidity in the market; the requirement by those credit and liquidity providers that are in the market of higher amounts of equity and higher fees payable to such credit and liquidity providers; the establishment by the credit rating agencies of significantly more rigorous cash flow assumptions and requirements; and the downgrading of the long-term sovereign credit rating on the obligations of the United States by S&P and Fitch. In addition to the turmoil in the credit markets, the changes in the FFEL Program imposed by the Health Care and Education Reconciliation Act of 2010 (as discussed herein) have adversely impacted the profitability of financing FFELP Loans.

Cashflows to the Trust Estate may be affected by natural disasters or pandemics

Student loan borrowers in regions affected by natural disasters or pandemics may experience difficulty in timely payment of their Eligible Loans. This could reduce the funds available to the Issuer to pay principal and interest on the Series 2023-1 Notes.

An Outbreak Similar to the COVID-19 Pandemic Could Adversely Affect Borrowers' Ability To Repay Their Financed Loans

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, spread globally, including throughout the United States, and was declared a pandemic by the World Health Organization in 2020. In response to the pandemic, international, federal, state and local governments, as well as private organizations, implemented numerous measures intended to mitigate the spread and effects of COVID-19. Individuals and businesses altered their behavior to adapt to such measures and to respond

to the spread of COVID-19. 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 U.S. capital markets.

The Issuer cannot predict any pandemic's long-term economic effects, including its effects on borrowers. Additional outbreaks of COVID-19 and its variants or other illnesses and further actions or extensions of actions taken to limit such outbreaks and their economic effects could lead to further disruptions in economic activities, the financial markets, and the global economy in general. As a result, there may be a delay in, or reduction of, total education loan collections that might materially and adversely affect the ability of the Issuer to pay the principal of and interest on the Series 2023-1 Notes, as and when due, or reimburse the Credit Provider therefor.

The extent to which a future pandemic may affect the Series 2023-1 Notes will largely depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the pandemic and the actions taken to contain it or alleviate its effects. The Issuer cannot predict how legal and regulatory responses to a pandemic and related economic problems may affect the Issuer or the Series 2023-1 Notes, however, the Issuer or the Series 2023-1 Notes may be negatively impacted by such events.

Forbearance may delay payments of interest and principal

The Higher Education Act permits, and in some cases requires, "forbearance" periods from loan collection in some circumstances. Interest that accrues during a forbearance period is never subsidized. Forbearance is most often granted to borrowers for periods of economic hardship affecting the borrower, which may occur for a variety of reasons. During periods of deteriorating economic conditions in the United States or globally, such as during disruptive political, social or economic events, forbearance requests typically increase. Forbearance is also often granted to borrowers when a federal disaster or emergency has been declared such as in response to COVID-19.

For details of forbearance policies under the FFELP see "APPENDIX A—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Deferment and Forbearance Periods" herein. An increase in forbearances on the Financed Loans may result in a delay in payments of interest or principal on the Financed Loans, which could negatively affect the ability of the Issuer to generate sufficient cash flow to pay its obligations and which, in turn, may cause losses on the Series 2023-1 Notes.

Federal financial regulatory legislation may affect the Series 2023-1 Notes

The Dodd Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010) (the "Dodd-Frank Act"), which was enacted in July 2010, represented a comprehensive overhaul of the financial services industry within the United States, and established the federal Consumer Financial Protection Bureau (the "CFPB"). The CFPB, an independent agency within the Federal Reserve, regulates consumer financial products, including education loans, and other financial services offered primarily for personal, family, or household purposes, and the CFPB and other federal agencies, including the Securities and Exchange Commission (the "SEC") 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 impacted the Issuer.

The Dodd-Frank Act has affected the Issuer's student loan portfolio securitization transactions which resulted in the issuance of asset-backed securities. In December 2014, the SEC and federal banking agencies published final regulations, effective December 24, 2016, for issuers of student loan asset-backed securities, generally 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 SEC approved changes to the rules applicable to issuers of asset-backed securities under the Securities Act and the Securities Exchange Act, that 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 Issuer may be affected. No assurance can be given that the standards contained in the amended Regulation AB will not have an adverse impact on the Issuer or on the value or marketability of the Series 2023-1 Notes.

Student loans and student loan servicing are top priorities for the CFPB. In May 2015, the CFPB launched a public inquiry into student loan servicing practices throughout the industry. In September 2015, the CFPB issued a report discussing public comments submitted in response to the inquiry and, in consultation with the Department of Education and Department of the Treasury, released recommendations to reform student loan servicing to improve borrower outcomes and reduce defaults. In July 2016, the Department of Education expanded on these joint principles by outlining enhanced customer service standards and protections that will be incorporated into federal servicing contracts and guidelines. The CFPB has also announced that it may issue student loan servicing rules in the future.

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 ("Nelnet") and Navient Solutions, LLC ("Navient") are each currently servicing more than one million student loan borrower accounts and are therefore subject to this rule. See "SERVICING OF THE FINANCED LOANS" herein. If the CFPB were to determine that a Servicer or Subservicer is not in compliance, it is possible that this could result in material adverse consequences to such Servicer or Subservicer, including, without limitation, settlements, fines, penalties, adverse regulatory actions, changes in a Servicer's or Subservicer's business practices, or other actions. However, it is not possible to estimate the potential financial or other impact on the Issuer or the Servicers or Subservicers, including any impact on their ability to satisfy their obligations with respect to the Financed 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. In early 2022, the CFPB announced that it will step up its enforcement of nonbank financial entities where the CFPB believes such entities pose risks to consumers. The CFPB also announced new procedural rules to investigate nonbank financial institutions and enforce determinations in both civil and administration adjudications.

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 Issuer 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 2023-1 Notes, including a U.S. or foreign bank or an affiliate or subsidiary thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule and regulatory implementation.

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

Ratings of other securities issued by the Issuer may be reviewed or downgraded

Certain student loan-backed bonds and notes have been downgraded in connection with rating agencies revising their rating methodologies with respect to failed auction rate securities, basis risk and loan default expectations, among other factors. Following the downgrade by Fitch Ratings of the United States Long Term Foreign Currency Issuer Default Rating to AA+ from AAA, on August 3, 2023, Fitch Ratings downgraded 287 U.S. Federal FFELP student loan asset backed securities from AAA to AA+ reflecting the support thereof by the U.S. Federal Government. This downgrade and any other adverse action by any rating agency regarding other securities issued by the Issuer may adversely affect the market value of the Series 2023-1 Notes or any secondary market for the Series 2023-1 Notes that may develop.

Changes to the Higher Education Act and changes to other applicable law may affect the Series 2023-1 Notes and the Financed Loans

On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 ("HCERA" or the "Reconciliation Act") was enacted into law. Effective July 1, 2010, the Reconciliation Act eliminated the origination of new FFELP Loans. All loans made under the Higher Education Act beginning on July 1, 2010 have been, and in the future will be, originated under the Direct Loan Program. The terms of FFELP Loans originated prior to July 1, 2010 are not materially affected by the Reconciliation Act and continue to be subject to the terms of the FFEL Program.

The curtailment of the FFEL Program could have a material adverse impact on the Issuer, the Servicers, the Subservicers and the Guaranty Agencies. For example, the Servicers and Subservicers may experience increased costs due to reduced economies of scale to the extent the volume of loans serviced by such Servicers and Subservicers is reduced. Those cost increases could affect the ability of the Servicers and the Subservicers to satisfy their obligations to service the Financed Loans held in the Trust Estate securing the Series 2023-1 Notes. FFELP Loan volume reductions could further reduce revenues received by the Guaranty Agencies available to pay claims on defaulted FFELP Loans. In addition, the level of competition currently in existence in the secondary market for FFELP Loans could be reduced, resulting in

fewer potential buyers of FFELP Loans and lower prices available in the secondary market for those FFELP Loans.

In addition to the passage of the Reconciliation Act, Title IV of the Higher Education Act and the regulations promulgated by the Department of Education thereunder have been the subject of frequent and extensive amendments and reauthorizations. See "APPENDIX A—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto for more information on the Higher Education Act and various amendments thereto. There can be no assurance that the Higher Education Act or other relevant federal or state laws, rules and regulations may not be further amended or modified in the future in a manner that could adversely affect the Issuer or its student loan programs, the Trust Estate created under the Indenture, the Financed Loans, or the financial condition or ability of the Issuer, the Servicers, the Subservicers or the Guaranty Agencies to comply with their obligations under the various transaction documents or the Series 2023-1 Notes. Future changes could also have a material adverse effect on the revenues received by the Guaranty Agencies that are available to pay claims on defaulted Financed Loans in a timely manner. In addition, if legislation were to be passed in the future requiring the sale of the Financed Loans held in the Trust Estate to the federal government, proceeds from such sale would be deposited to the Revenue Account and used to pay the Series 2023-1 Notes in advance of their current expected Maturity Date. No assurance can be given as to the amount that would be received from such sale or whether such amount would be sufficient to pay all principal and accrued interest due on the Series 2023-1 Notes, as there is no way to know what purchase price would be paid by the federal government for the Financed Loans.

Funds for payment of interest benefit payments, Special Allowance Payments and other payments under the FFEL Program are subject to annual budgetary appropriations by Congress. Federal budget legislation has contained provisions that restricted payments made under the FFEL Program to achieve reductions in federal spending. For example, federal budget provisions that became effective on July 1, 2014, reduced payments by the Department of Education to Guaranty Agencies for assisting student loan borrowers with the rehabilitation of defaulted loans under the FFEL Program. Future federal budget legislation may adversely affect expenditures by the Department of Education, and the financial condition of the Issuer, the Servicers, the Subservicers and the Guaranty Agencies.

The Issuer cannot predict whether any other changes will be made to the Higher Education Act or other relevant federal laws, and rules and regulations promulgated by the Secretary of Education in future legislation, or the effect of such legislation or executive orders on the Issuer, the Servicers, the Subservicers, the Guaranty Agencies, the Financed Loans or the Issuer's loan programs.

Consolidation under the Federal Direct Student Loan Program may impact the payment of the Series 2023-1 Notes

The Direct Loan Program was established under the Student Loan Reform Act of 1993. Under the Direct Loan Program, approved institutions of higher education, or alternative loan originators approved by the Department of Education, make loans to students or parents without application to or funding from outside lenders or guaranty agencies. The Department of Education provides the funds for such loans, and the program provides for a variety of flexible repayment plans, including consolidations under the Direct Loan Program of existing FFEL Program student loans. Such consolidation permits borrowers to prepay existing student loans and consolidate them into a Federal Direct Consolidation Loan under the Direct Loan Program. As a result of the enactment of the Reconciliation Act, no FFELP Loans have been, or in the future will be, originated after June 30, 2010, and all loans made under the Higher Education Act will be originated under the Direct Loan Program. The Direct Loan Program may result in prepayments of Financed Loans if such Financed Loans are consolidated under the Direct Loan Program.

Because of the limited recourse nature of the Trust Estate created under the Indenture for the Series 2023-1 Notes, the Direct Loan Program should not impact the payment of the Series 2023-1 Notes unless it causes (a) erosion in the finances of the Issuer to such an extent that it cannot honor any administration or similar obligations under the Indenture; or (b) prepayments of Financed Loans if such Financed Loans are consolidated under the Direct Loan Program.

On August 24, 2022, the Biden-Harris Administration announced its Student Debt Relief ("SDR") Plan. The SDR Plan provided up to $20,000 in one-time debt relief to income-qualified recipients with student loans held by the Department of Education and a repayment pause on Department of Education held loans. Following publication of the SDR Plan, a number of states and private organizations initiated legal challenges to the SDR Plan in various courts throughout the country, which ultimately resulted in the implementation of the SDR Plan being disallowed. The Biden-Harris Administration and the Department of Education subsequently appealed both cases to the Supreme Court of the United States. On June 30, 2023, the Supreme Court ruled that the Department of Education was prohibited from implementing the SDR Plan; thus, payments are scheduled to resume in October 2023.

While the SDR Plan was invalidated, the Department of Education recently announced that it has begun a new rulemaking process to consider other ways to provide debt relief to borrowers, which preliminarily includes borrowers with privately held FFELP Loans. Further, on July 10, 2023, the Department of Education issued final regulations on income-driven repayment plans for Direct loans, which are student loans held by the Department of Education. Eligible FFELP borrowers can access the new changes by consolidating their loans into the Direct Loan Program. The new regulations are effective July 1, 2024; however, the Department of Education has elected early implementation for some features starting July 30, 2023. The regulations provide a lower monthly loan payment on a Direct loan by decreasing discretionary income (i.e., taxable income over 225% of the federal poverty guideline), decreasing the percentage of discretionary income that must be paid toward a Direct loan to 5% (for undergraduates), and providing the option for married borrowers to exclude their spouse's income from being factored by filing a separate tax return. Other changes provide for the elimination of accrued interest that is not covered by the monthly payment amount, provide credit towards loan forgiveness that counts certain periods of deferment and forbearance, a shorter loan forgiveness period (10-years) for borrowers with an original principal balance less than or equal to $12,000, and credit toward loan forgiveness for eligible payments on a Direct or FFELP loan that is repaid by a Direct Consolidation loan.

This new income-driven repayment plan may increase consolidation activity in the future as FFELP borrowers consolidate their loans into the Direct Loan Program in order to be eligible for the new income-driven repayment plan. This could have a material impact on the payment of the Series 2023-1 Notes in advance of their current expected Maturity Dates. Repayment of the Series 2023-1 Notes could also be materially impacted if such policies were to be directly or indirectly extended to the Financed Loans.

Some borrowers of the Financed Loans may also hold student loans made under the Direct Loan Program, which student loans have not required payments to be made since March of 2020. Repayment of student loans made under the Direct Loan Program is set to recommence in October of 2023. If the borrowers of Financed Loans experience financial hardship as they resume repayment of their Direct Loan Program student loans, delinquency and default rates on the Financed Loans may increase, causing a decrease in cash flow available to make payments on the Series 2023-1 Notes.

In addition, further executive action or legislation providing for the cancellation or prepayment of student loans made under the Direct Loan Program by the federal government may be proposed. There is no assurance as to whether any or all of these proposals will become effective. Furthermore, there can be no assurance that any future federal 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 Issuer to pay the principal of and interest on the Series 2023-1 Notes when due.

Other litigation risks

The Issuer may be subject to various claims, lawsuits, tax audits and proceedings that arise from time to time. See the caption "LEGAL PROCEEDINGS" herein.

Electronic Based Loan Servicing and Cybersecurity

The Issuer and its contractors use 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 (i) cause certain provisions of the Financed Loans to be unenforceable against the borrowers, (ii) otherwise create liability of the Issuer to the borrowers with respect to data breaches or (iii) otherwise have a material adverse effect on the Issuer's operation of its student loan programs, the ability of the Issuer to make principal and interest payments on the Series 2023-1 Notes may be adversely affected.

Military service obligations, natural disasters and pandemics may cause a delay in payments on the Financed Loans

Military service obligations, natural 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 Eligible Loan, and to individuals who live in a disaster area or suffer a direct economic hardship as a result of a national emergency or a pandemic.

The number and aggregate principal balance of the Financed Loans that may be affected by the application of these statutes and other guidelines will not be known at the time the Series 2023-1 Notes are issued. If a substantial number of borrowers of the Financed Loans become eligible for the relief under these statutes and other guidelines, or any actions Congress may take to respond to natural disasters or pandemics, there could be an adverse effect on the total collections on those Financed Loans and the Issuer's ability to provide for payments of principal and interest on the Series 2023-1 Notes.

The Servicemembers Civil Relief Act limits the ability of a lender under the FFELP to take legal action against a borrower during the borrower's period of active duty and, in some cases, during an additional three-month period thereafter, and may limit the interest rate on a Financed Loan to 6% per annum while the borrower is in military service if the loan was incurred before the borrower's entry into military service.

The Issuer does not know how many Financed Loans have been or may be affected by the application of the Servicemembers Civil Relief Act. Payments on Financed Loans may be delayed as a result of these requirements, which may reduce the funds available to the Issuer to pay principal and interest on the Series 2023-1 Notes.

Higher Education Relief Opportunities for Students Act of 2003 may result in delayed payments from borrowers

The Higher Education Relief Opportunities for Students Act of 2003 ("HEROES Act of 2003"), signed into law on August 18, 2003, authorizes the Secretary of Education to waive or modify any statutory or regulatory provisions applicable to student financial aid programs under Title IV of the Higher Education Act as the Secretary deems necessary for the benefit of "affected individuals" who:

- are serving on active military duty or performing qualifying national guard duty during a war or other military operation or national emergency;
- reside or are employed in an area that is declared by any federal, state or local office to be a disaster area in connection with a national emergency; or
- suffered direct economic hardship as a direct result of war or other military operation or national emergency, as determined by the Secretary.

The Secretary is authorized to waive or modify any provision of the Higher Education Act to ensure that:

- such recipients of student financial assistance are not placed in a worse financial position in relation to that assistance;
- administrative requirements in relation to that assistance are minimized;
- calculations used to determine need for such assistance accurately reflect the financial condition of such individuals;
- provision is made for amended calculations of overpayment; and
- institutions of higher education, eligible lenders, guaranty agencies and other entities participating in such student financial aid programs that are located in, or whose operations are directly affected by, areas that are declared to be disaster areas by any federal, state or local official in connection with a national emergency may be temporarily relieved from requirements that are rendered infeasible or unreasonable.

The number and aggregate principal balance of Financed Loans that may be affected by the application of the HEROES Act of 2003 is not known at this time. Accordingly, payments the Issuer receives on Financed Loans made to a borrower who qualifies for such relief may be subject to certain limitations. If a substantial number of borrowers become eligible for the relief provided under the HEROES Act of 2003, there could be an adverse effect on the total collections on the Financed Loans and the Issuer's ability to pay principal and interest on the Series 2023-1 Notes.

Consumer protection laws may affect enforceability of Financed 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. Some states impose finance charge ceilings and other restrictions on certain consumer transactions and require contract disclosures in addition to those required under federal law. These requirements impose

specific statutory liability that could affect an assignee's ability to enforce consumer finance contracts such as the Financed Loans. In addition, the remedies available to the Trustee, the Credit Provider or the Noteholders upon an Event of Default under the Indenture may not be readily available or may be limited by applicable state and federal laws.

Noteholders will rely on the Servicers and Subservicers for the servicing of the Financed Loans

Noteholders will be relying on the Servicers and Subservicers to service all of the Financed Loans. The Issuer has contracted with Higher Education Servicing Corporation ("HESC") to act as both a master servicer (the "Master Servicer") and a direct servicer of certain of the Financed Loans. The Issuer has also contracted with Navient to provide servicing with respect to certain of the Financed Loans. HESC, in its capacity as Master Servicer, has contracted with Aspire Resources Inc. ("Aspire") and Nelnet (together, the "Subservicers") to provide servicing with respect to certain of the Financed Loans. HESC, Navient, the Subservicers and any servicers with respect to the Financed Loans that may be appointed in the future in accordance with the Indenture are referred to herein as the "Servicers" and, each, a "Servicer." See "SERVICING OF THE FINANCED LOANS" herein. The cash flow projections relied upon by the Issuer in structuring the issuance of the Series 2023-1 Notes were based upon assumptions with respect to servicing costs which the Issuer based on the Servicers' costs to service the Financed Loans. No assurance can be made that the costs to the Servicers for servicing the Financed Loans will not increase, or that the Issuer would be successful in entering into servicing agreements with other Servicers that would be acceptable to the Credit Provider at the assumed level of servicing cost. Although the Servicers are obligated to service the Financed Loans in accordance with the Higher Education Act and their servicing agreements, the timing of payments to be actually received with respect to the Financed Loans will be dependent upon the ability of the current Servicers or any future Servicer to adequately service the Financed Loans. In addition, the Noteholders will be relying on the Servicers' compliance with applicable federal and state laws and regulations.

A default by a Servicer could adversely affect the Series 2023-1 Notes

In the event of a default by HESC, Nelnet, Navient or Aspire and the removal of any such Servicer and the appointment of a successor Servicer, there may be additional costs associated with the transfer of servicing to the successor Servicer, including, but not limited to, an increase in the Servicing Fees the successor Servicer charges. In addition, the Issuer cannot predict the ability of the successor Servicer to perform the obligations and duties under any servicing agreement. If any such successor third-party Servicer defaults on its obligations to service the loans serviced by it, the Issuer may remove the third-party successor Servicer with the consent of the Credit Provider.

If a Servicer or a successor Servicer fails to comply with the Department of Education's or state licensing or other regulations, payments on the Series 2023-1 Notes could be adversely affected

The Department of Education regulates each servicer of federal student loans. Numerous states have implemented legislation requiring the licensing and regulation of student loan servicers. Under these regulations, a servicer is jointly and severally liable with its client lenders (including the Issuer and the Eligible Lender Trustee) for liabilities to the Department of Education arising from its violation of applicable requirements. Liabilities are also imposed for violations of state servicer licensing laws. In

addition, if any lender or servicer fails to meet standards of financial responsibility or administrative capability included in the federal regulations, or violates other requirements, the Department of Education may impose penalties or fines and limit, suspend, or terminate the lender's ability to participate in or a servicer's eligibility to contract to service loans originated under the FFEL Program.

If the Issuer (or the Eligible Lender Trustee) were so fined, or its FFEL Program eligibility were limited, suspended or terminated, payment on the Series 2023-1 Notes could be adversely affected. If a Servicer were so fined, or its FFEL Program eligibility were limited, suspended, or terminated, its ability to properly service the Financed Loans and to satisfy any remedies owed by it to the Issuer under a servicing agreement relating to Financed Loans could be adversely affected. In addition, if the Department of Education terminates a Servicer's eligibility, a servicing transfer will take place and there may be delays in collections and temporary disruptions in servicing. Any servicing transfer may temporarily adversely affect payments to the Noteholders.

Failure to comply with loan origination and servicing procedures for Financed Loans may result in loss of Guarantee or other benefits

The Issuer and other lenders must meet various requirements in order to maintain the federal guarantee on the Financed Loans. These requirements establish servicing requirements and procedural guidelines and specify school and borrower eligibility criteria.

A Guaranty Agency (including any Guaranty Agency guaranteeing the Financed Loans) may reject an Eligible Loan for claim payment due to a violation of the FFEL Program due diligence collection and servicing requirements. In addition, a Guaranty Agency may reject claims under other circumstances, including, for example, if a claim is not timely filed or adequate documentation is not maintained. Once a Financed Loan ceases to be guaranteed, it is ineligible for federal interest benefit and Special Allowance Payments. If a Financed Loan is rejected for claim payment by a Guaranty Agency, the Issuer, through its Servicers, continues to pursue the borrower for payment or institutes a process to reinstate the guarantee. Guaranty agencies may reject claims as to portions of interest for certain violations of the due diligence collection and servicing requirements even though the remainder of a claim may be paid.

Examples of errors that cause claim rejections include isolated missed collection calls, or failures to send collection letters as and when required. Violations of due diligence collection and servicing requirements can result from human error. Violations can also result from computer processing system errors, or from problems arising in connection with the implementation of a new computer platform or the conversion of additional loans to a servicing system.

Limitation on enforceability of remedies against the Issuer could result in payment delays or losses

The remedies available to the Trustee and the Noteholders 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 specifically Title 11 of the United States Code, the remedies specified by the Indenture and such other documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2023-1 Notes and the Indenture will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

In addition, the Higher Education Act provides that a security interest in FFELP Loans may be perfected by the filing of notice of such security interest in the manner in which security interests in accounts may be perfected by applicable state law, which, under the Texas Uniform Commercial Code, is accomplished by filing a financing statement with the Texas Secretary of State. Nonetheless, if through fraud, inadvertence or otherwise a third-party lender or purchaser acting in good faith were to obtain possession of any of the promissory notes evidencing the Financed Loans (or, in the case of a master promissory note, a copy thereof), any security interest of the Trustee in the related Financed Loans could be preempted. The Issuer (or the Eligible Lender Trustee on behalf of the Issuer) currently maintains control and shall continue to maintain control of all Financed Loans that are evidenced by an electronically signed note in compliance with applicable federal and state laws. Custody of all other promissory notes relating to Financed Loans will be maintained by the Issuer (or the Eligible Lender Trustee on behalf of the Issuer), or a custodial agent on its behalf, or by a Servicer.

The obligations of each of the Trustee, the Servicers and the Eligible Lender Trustee are limited

The duties, actions and obligations of each of the Trustee, the Servicers and the Eligible Lender Trustee 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 such documents. The remedies available against such transaction parties are similarly limited by the terms of the transaction documents. None of the foregoing transaction parties has any duty or obligation to take any additional action unless specifically directed to take such action in accordance with the applicable transaction documents 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.

Certain factors relating to security

The Issuer has covenanted in the Indenture that the assets constituting the trust estate pledged by the Issuer under the Indenture are and will be owned by the Issuer (or the Eligible Lender Trustee on behalf of the 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, and that all action on the part of the Issuer (and the Eligible Lender Trustee on behalf of the Issuer) to that end has been duly and validly taken. The Issuer acquired more than 71.8% by principal balance of the Financed Loans by purchasing such loans from California Education Assistance, Inc., formerly known as Access to Loans for Learning Student Loan Corporation. When purchasing the Financed Loans, the Issuer obtained representations from the Access to Loans for Learning Student Loan Corporation as to certain matters, including that the loans were originated in accordance with the Higher Education Act and that such loans were transferred to the Issuer's affiliates free of any liens. Notwithstanding the foregoing, under applicable law, security interests in the Financed Loans may exist and may not be ascertained by the Issuer. Therefore, no absolute assurance can be given that liens other than the lien of the Indenture do not and will not exist.

The use of master promissory notes for the Financed Loans may compromise the Trustee's security interest

Student loans made under the FFEL Program may be evidenced by a master promissory note. Once a borrower executes a master promissory note with a lender, additional FFELP Loans made by the lender

to such borrower are evidenced by a confirmation sent to the borrower, and all Eligible Loans are governed by the single master promissory note.

A FFELP Loan evidenced by a master promissory note may be sold independently of the other Eligible Loans governed by the master promissory note. If the Issuer originated a Financed Loan governed by a master promissory note and does not retain possession of the master promissory note, other parties could claim an interest in the Financed Loan. This could occur if the holder of the master promissory note were to take an action inconsistent with the Issuer's rights to a Financed Loan, such as delivery of a duplicate copy of the master promissory note to a third party for value. Although such action would not defeat the Issuer's rights to the Financed Loan or impair the security interest held by the Trustee for the investors' benefit, it could delay receipt of principal and interest payments on the Financed Loan.

Investors may incur losses or delays in payment on their Series 2023-1 Notes if borrowers do not make timely payments or default on their Financed Loans

For a variety of economic, social and other reasons all the payments that are actually due on Financed Loans may not be made or may not be made in a timely fashion. Borrowers' failure to make timely payments of the principal and interest due on the Financed Loans will affect the revenues of the Trust Estate created under the Indenture, which may reduce the amounts available to pay principal and interest due on the Series 2023-1 Notes.

The cash flow from the Financed Loans, and the Issuer's ability to make payments due on the Series 2023-1 Notes will be reduced to the extent interest is not currently payable on the Financed Loans. The borrowers on most Eligible Loans are not required to make payments during the period in which they are in school and for certain authorized periods thereafter, as described in the Higher Education Act. The Department of Education will make all interest payments while payments are deferred under the Higher Education Act on certain subsidized Eligible Loans that qualify for interest benefit payments. For all other Eligible Loans, interest generally will be capitalized and added to the principal balance of the Eligible Loans. The Financed Loans will consist of Eligible Loans for which payments are deferred as well as Eligible Loans for which the borrower is currently required to make payments of principal and interest. The proportions of the Financed Loans for which payments are deferred and currently in repayment will vary during the period that the Series 2023-1 Notes are outstanding.

In general, a Guaranty Agency reinsured by the Department of Education will guarantee 100% of each Financed Loan with a first disbursement prior to October 1, 1993, 98% of each Financed Loan with a first disbursement on or after October 1, 1993 and before July 1, 2006, and 97% of each Financed Loan with a first disbursement on or after July 1, 2006. All but an insignificant component of the Financed Loans had their first disbursements on or after October 1, 1993. As a result, if a borrower of a Financed Loan defaults, the Issuer will experience a loss of approximately 2% or 3% of the outstanding principal and accrued interest on each of the defaulted loans depending upon when it was first disbursed. The Issuer does not have any right to pursue the borrower for the remaining portion that is not subject to the guarantee. If defaults occur on the Financed Loans and the credit enhancement described herein is not sufficient, Noteholders may suffer a delay in payment or a loss on their investment.

As of the Statistical Cut-Off Date, approximately 1.09% by principal balance of the Financed Loans are "rehabilitation loans," which are Eligible Loans that have previously defaulted, but for which the borrower thereunder has made a specified number of on-time payments as described in "APPENDIX A—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees—*Rehabilitation of Defaulted Loans*" hereto. Although rehabilitation loans benefit from the

same guarantees as other Eligible Loans, rehabilitation loans have generally experienced re-default rates that are higher than default rates for Eligible Loans that have not previously defaulted.

Risk of geographic concentration of the Financed Loans

The concentration of the Financed Loans in specific geographic areas may increase the risk of losses on the Financed Loans. A deterioration in economic conditions in the states where borrowers reside could adversely affect the ability and willingness of borrowers to meet their payment obligations under the Financed Loans and may consequently affect the delinquency and loss and recovery experience of the Issuer with respect to the Financed Loans. Extreme weather conditions, natural disasters or pandemics could cause substantial business disruptions, economic losses, unemployment and an economic downturn. Moreover, events that are otherwise global or national in scope, such as the COVID-19 pandemic, may nevertheless have disproportionate adverse effects in one or more states, whether on a continuous basis or for isolated periods of time, and/or result in one or more states making changes to relevant laws (such as debt collection standards or other consumer credit regulatory requirements or expectations) that may not be made in other jurisdictions. As of the Statistical Cut-Off Date, approximately 46.32% and 22.86% of the Financed Loans by principal balance were to borrowers with current billing addresses in the States of California and Texas, respectively. As of the Statistical Cut-Off Date, no other state accounts for more than 5.00% of the Financed Loans by principal balance. 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 above referenced states any adverse economic conditions disproportionately affecting those states may have a greater effect on the Series 2023-1 Notes than if these concentrations did not exist.

The Trustee may be forced to sell the Financed Loans at a loss after an event of default

Generally, if an Event of Default occurs under the Indenture, the Trustee may sell, and, at the direction of the Credit Provider or the Noteholders (in varying percentages as specified in the Indenture), will sell the Financed Loans. However, the Trustee may not find a purchaser for the Financed Loans, or the market value of the Financed Loans plus other assets in the Trust Estate created under the Indenture might not equal the principal amount of outstanding Series 2023-1 Notes plus accrued interest. Competition currently existing in the secondary market for student loans made under the FFEL Program also could be reduced, resulting in fewer potential buyers of the Financed Loans and lower prices available in the secondary market for the Financed Loans. Noteholders may suffer a loss if the Trustee is unable to find purchasers willing to pay prices for the Financed Loans sufficient to pay the principal amount of the Series 2023-1 Notes plus accrued interest.

The characteristics of the portfolio of Financed Loans may change

The characteristics of the pool of Eligible Loans expected to be pledged to the Trustee under the Indenture are described herein as of the Statistical Cut-Off Date. The aggregate characteristics of the entire pool of Eligible Loans, including the composition of the Eligible Loans and the related borrowers, the related Guaranty Agencies, the distribution by student loan type, the distribution by interest rate, the distribution by principal balance and the distribution by remaining term to scheduled maturity, may vary from the information presented herein, since the information presented herein is as of the Statistical Cut-Off Date, and the date that the Financed Loans will be pledged to the Trustee under the Indenture will occur after that date.

In the event that the principal amount of Eligible Loans required to provide collateral for the Series 2023-1 Notes varies from the amounts anticipated herein, whether by reason of a change in the collateral requirement of the Credit Provider, the principal amount of Series 2023-1 Notes to be offered, the rate of amortization or prepayment on the portfolio of Eligible Loans from the Statistical Cut-Off Date to the date of issuance varying from the rates that were anticipated, or otherwise, the portfolio of Eligible Loans to be pledged to the Trustee under the Indenture may consist of a subset of the pool of Eligible Loans described herein or may include additional Eligible Loans not described under "CHARACTERISTICS OF THE FINANCED LOANS" herein.

The Issuer believes that the information set forth in this Offering Memorandum with respect to the pool of Eligible Loans as of the Statistical Cut-Off Date is representative of the characteristics of the pool of Eligible Loans as they will exist on the date of issuance for the Series 2023-1 Notes. However, Noteholders should consider potential variances when making their investment decision concerning the Series 2023-1 Notes. See the caption "CHARACTERISTICS OF THE FINANCED LOANS" herein.

Payment offsets by a Guaranty Agency or the Department of Education could prevent the Issuer from paying the full amount of the principal and interest due on the Series 2023-1 Notes

The Issuer, through its Eligible Lender Trustee, may use the same Department of Education lender identification number for the Financed Loans included in the Trust Estate established under the Indenture as it uses for certain other Eligible Loans it holds. As a consequence, the billings submitted to the Department of Education and the claims submitted to the applicable Guaranty Agency for the Financed Loans will be consolidated with the billings and claims for payments for Eligible Loans that are not included in the Trust Estate but using the same lender identification number. Payments on those billings by the Department of Education as well as claim payments by any applicable Guaranty Agency will be made to the Issuer, or to a Servicer on behalf of the Issuer, in lump sum form. Those payments must be allocated by the Issuer to the Trust Estate and to the other trust estates or indentures of the Issuer or other Eligible Loans held by the Issuer that use the same lender identification number.

If the Department of Education or a Guaranty Agency determines that the Issuer owes any amount on any Eligible Loan held by it under a lender identification number, the Department of Education or a Guaranty Agency may seek to collect such amount by offsetting it against any payments due to the Issuer under that lender identification number. If the amount of any such offset exceeds the amount owed to the Trust Estate or other holder of such Eligible Loan, the offset could reduce the amounts otherwise available for payment in respect of Eligible Loans in the other trust estates, indentures and bond resolutions, including the Financed Loans pledged to secure the Series 2023-1 Notes. Any offsetting or shortfall of payments due to the Issuer could adversely affect the amount of funds available to the Trust Estate created under the Indenture and the Issuer's ability to pay principal and interest on the Series 2023-1 Notes or to reimburse the Credit Provider therefor.

The Financed Loans are unsecured and the ability of the applicable Guaranty Agency to honor its Guarantee may become impaired

The Higher Education Act requires that all FFELP Loans be unsecured. As a result, the only security for payment of the Financed Loans are the guarantees provided by the applicable Guaranty Agency.

A deterioration in the financial status of an applicable Guaranty Agency and its ability to honor guarantee claims on defaulted Financed Loans could delay or impair that Guaranty Agency's ability to

make claims payments to the Trustee. The financial condition of a Guaranty Agency can be adversely affected if it submits a sufficiently large number of reimbursement claims to the Department of Education, which results in a reduction of the amount of reimbursement that the Department of Education is obligated to pay a Guaranty Agency. The Department of Education may also require a Guaranty Agency to return its reserve funds to the Department of Education upon a finding that the reserves are unnecessary for a Guaranty Agency to pay its program fees or to serve the best interests of the Federal Family Education Loan Program. The inability of a Guaranty Agency to meet its guarantee obligations could reduce the amount of money available to pay principal and interest on the Series 2023-1 Notes or delay those payments past their due date.

If the Department of Education has determined that the applicable Guaranty Agency is unable to meet its guarantee obligations, the Eligible Loan holder may submit claims directly to the Department of Education and the Department of Education is required to pay the full guarantee claim amount due with respect to such claims. However, the Department of Education's obligation to pay guarantee claims directly in this fashion is contingent upon the Department of Education making the determination that a Guaranty Agency is unable to meet its guarantee obligations. The Department of Education may not ever make this determination with respect to a Guaranty Agency and, even if the Department of Education does make this determination, payment of the guarantee claims may not be made in a timely manner. See the caption "GUARANTY AGENCIES" herein and "APPENDIX A—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees" hereto.

Commingling of payments on Financed Loans could prevent the Issuer from paying the full amount of the principal and interest due on the Series 2023-1 Notes

Payments received on the Financed Loans generally are deposited into an account in the name of the Issuer each Business Day. Payments received on the Financed Loans may not always be segregated from payments the Issuer receives on other Eligible Loans it owns, and payments received on the Financed Loans that are part of the Trust Estate created under the Indenture may not be segregated from payments received on other Eligible Loans that are not part of the Trust Estate created under the Indenture. Such amounts that relate to the Financed Loans once identified by the Issuer as such are transferred to the Trustee for deposit into the Revenue Account within two Business Days of receipt. If the Issuer fails to transfer such funds to the Trustee, Noteholders may suffer a loss.

Incentive or borrower benefit programs may affect the Series 2023-1 Notes

Most of the Financed Loans are eligible to receive an interest rate reduction for enrolling in automatic bank draft payments. Certain of the Financed Loans are subject to other borrower benefit programs, which may vary. Any incentive program that effectively reduces borrower payments or principal balances on Financed Loans may result in the principal amount of Financed Loans amortizing faster than anticipated. The Issuer may discontinue, increase or modify such benefits at any time, but only subject to the provisions of the Indenture. The Issuer cannot accurately predict the number of borrowers that will utilize the borrower benefits provided under these programs. The greater the number of borrowers that utilize such benefits with respect to Financed Loans, the lower the total loan receipts on such Financed Loans. Although such borrower benefits may decrease the payments to be received from the Financed Loans, the Issuer does not expect these borrower benefits to impair its ability to make payments of principal

and interest on the Series 2023-1 Notes when due. See the caption "CHARACTERISTICS OF THE FINANCED LOANS—Borrower Benefits" herein.

The Series 2023-1 Notes are expected to be issued only in book-entry form

The Series 2023-1 Notes are expected to be initially represented by certificates registered in the name of Cede & Co., the nominee for DTC, and will not be registered in any investor's name or the name of any investor's nominee. Unless and until definitive securities are issued, holders of the Series 2023-1 Notes will not be recognized by the Trustee as Noteholders as that term is used in the Indenture. Until definitive securities are issued, holders of the Series 2023-1 Notes will only be able to exercise the rights of Noteholders indirectly through DTC and its participating organizations. See the caption "DESCRIPTION OF THE SERIES 2023-1 NOTES—Book-Entry System" herein.

The Remarketing Agent is paid by the Issuer

The Remarketing Agent's responsibilities include determining the interest rate on the Series 2023-1 Notes from time-to-time and using best efforts to remarket Series 2023-1 Notes that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Remarketing Agreement), as further described in this Offering Memorandum. The Remarketing Agent is appointed by the Issuer and is paid by the Issuer for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of Series 2023-1 Notes.

The Remarketing Agent may purchase Series 2023-1 Notes for its own account

The Remarketing Agent acts as a remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, may purchase such obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Series 2023-1 Notes for its own account and, in its sole discretion, may acquire such tendered Series 2023-1 Notes in order to achieve a successful remarketing of the Series 2023-1 Notes (*i.e.*, because there otherwise are not enough buyers to purchase the Series 2023-1 Notes) or for other reasons. However, the Remarketing Agent is not obligated to purchase Series 2023-1 Notes, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Series 2023-1 Notes by purchasing and selling Series 2023-1 Notes other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Series 2023-1 Notes. The Remarketing Agent may also sell any Series 2023-1 Notes it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series 2023-1 Notes. The purchase of Series 2023-1 Notes by the Remarketing Agent may create the appearance that there is greater third-party demand for the Series 2023-1 Notes in the market than is actually the case. The practices described above also may result in fewer Series 2023-1 Notes being tendered in a remarketing.

Series 2023-1 Notes may be offered at different prices on any date including a Rate Determination Date

Pursuant to the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Series 2023-1 Notes bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable Rate Determination Date. The interest rate will reflect, among other factors, the

level of market demand for the Series 2023-1 Notes (including whether the Remarketing Agent is willing to purchase Series 2023-1 Notes for its own account). There may or may not be Series 2023-1 Notes tendered and remarketed on a Rate Determination Date, the Remarketing Agent may or may not be able to remarket any Series 2023-1 Notes tendered for purchase on such date at par and the Remarketing Agent may sell Series 2023-1 Notes at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Series 2023-1 Notes at the remarketing price. In the event the Series 2023-1 Remarketing Agent owns any Series 2023-1 Notes for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series 2023-1 Notes on any date, including the Rate Determination Date, at a discount to par to some investors.

The ability to sell the Series 2023-1 Notes other than through the tender process may be limited

The Remarketing Agent may buy and sell Series 2023-1 Notes other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require holders that wish to tender their Series 2023-1 Notes to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the Series 2023-1 Notes, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2023-1 Notes other than by tendering the Series 2023-1 Notes in accordance with the tender process.

Under certain circumstances, the Remarketing Agent may be removed, resign or terminate its obligations under the Remarketing Agreement

The Remarketing Agent may terminate its obligations under the Remarketing Agreement by notifying the Issuer, the Trustee and the Credit Provider in writing of its election to do so upon the earlier to occur of (a) the expiration or termination of the Letter of Credit in accordance with its terms or (b) the occurrence of certain events set forth in the Remarketing Agreement, including but not limited to certain legislative changes, national emergencies or certain credit downgrades associated with the Series 2023-1 Notes. The Remarketing Agent may also resign at any time and be discharged of all duties and obligations under the Remarketing Agreement and under the Indenture by giving notice, in writing, 45 days prior to the effective date of such resignation, to the Issuer, the Credit Provider and the Trustee.

The Issuer may at any time remove the Remarketing Agent and terminate the Remarketing Agreement by giving notice, in writing, 60 days prior to the effective date of such removal and termination, to the Remarketing Agent, the Credit Provider and the Trustee.

THE ISSUER

General

The Issuer is a nonprofit corporation located at 4381 West Green Oaks Boulevard, Suite 200, Arlington, Texas 76016, Telephone (817) 265-9158. Originally created under the Texas Non Profit Corporation Act in 1971 under the name of "Dallas Schools Foundation," the Issuer was dormant from its incorporation in 1971 until 1978 when it was reorganized at the request of the Cities of Arlington and Denton, Texas, for the purpose of acting on their behalf to purchase Eligible Loans made to students or residents of Texas. At that time its articles of incorporation were amended to change its name and purpose to the present name and purpose.

The Issuer's current purpose is to purchase and make guaranteed student loans and alternative education loans and to otherwise provide educational opportunities in keeping with state and federal law.

From 1978 to 2012, the Issuer issued revenue bonds to purchase Eligible Loans made to students or residents of the State of Texas. When issuing these bonds, the Issuer acted on behalf of the Cities of Arlington, Texas and Denton, Texas, and its bonds were public securities under Texas law. In 2015, the Issuer requested that the City of Denton, Texas withdraw its sponsorship of the Issuer so that it could simplify its operations. The City of Denton, Texas complied with the Issuer's request, leaving the City of Arlington, Texas (the "City") as the remaining sponsor of the Issuer.

In 2018 and 2021, the Issuer issued notes to purchase Eligible Loans made to students or residents outside of the State of Texas. When issuing these notes, the Issuer did not act on behalf of the City, but in its capacity as a nonprofit corporation under Texas law.

Proceeds of the Series 2023-1 Notes will be used to acquire three portfolios of FFELP Loans, most of which were made to students or residents outside of the State of Texas, and to refinance certain FFELP Loans owned by the Issuer. See "SOURCES AND USES OF FUNDS" herein. When issuing the Series 2023-1 Notes, the Issuer will not act on behalf of the City but in its capacity as a nonprofit corporation. The Issuer is issuing the Series 2023-1 Notes pursuant to Section 53B.47(f) of the Texas Education Code, Chapters 20 and 22, Texas Business Organizations Code, and the provisions of Title 1, Texas Business Organizations Code, applicable to a nonprofit corporation (collectively, the "Authorizing Statutes").

The Issuer is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a private foundation under Section 509(a) of the Code.

The Issuer has no employees. Administration of the Issuer's activities is provided by HESC, in its capacity as Administrator, and Phillip Wambsganss, Executive Director of HESC, is Executive Director of the Issuer. See "SERVICING OF THE FINANCED LOANS—Higher Education Servicing Corporation."

The Issuer is governed by a Board of Directors consisting of six Directors. All Directors are appointed by the City Council of the City. The Issuer submits nominations to the City. The City Council of the City may also remove those Directors appointed by it. Directors serve two-year staggered terms of office. The occupations and Board of Directors positions for each of the Directors of the Issuer are set forth below. The members of the Board of Directors serve without compensation, except for the payment of expenses incurred in connection with the business of the Issuer. The Bylaws of the Issuer provide for the appointment of Advisory Directors by the Board of Directors. Advisory Directors serve two-year terms and are entitled to all of the rights and powers of a Board member, except that Advisory Directors may not vote nor may they hold the offices of President or Vice President. The City appoints an ex officio member to the Board whose term is non-expiring and who has no powers or voting rights.

The Issuer has amended its articles of incorporation to permit it to purchase student loans other than Eligible Loans and to provide that upon its dissolution its funds will be paid to the City.

Board of Directors

As of the date hereof, the members of the board of directors of the Issuer and their principal occupations are as follows:

Name and Position Held	Principal Occupation	Term Expires (September 30)
Mr. Governor E. Jackson President	Director of Student Financial Aid Texas Woman's University[1] Denton, Texas (retired)	2025
Mr. Jerry McCullough Vice President	Superintendent, Arlington ISD Arlington, Texas (retired)	2024
Ms. Amy Michie Secretary/Treasurer	Certified Public Accountant, Director of Grants Management & Government Compliance Big Brothers Big Sisters Lone Star Arlington, Texas	2025
Mr. David Petter	Attorney at Law Curnutt & Hafer LLP Arlington, Texas	2024
Mr. Tony Pompa	Pompa Industries Arlington, Texas	2025
Ms. Gracie Riddick	Certified Public Accountant PSK LLP Arlington, Texas	2024

[1] Eligible Institution

Previous Financings of the Issuer

Since 1978, the Issuer has issued bonds and notes secured by Eligible Loans. The Issuer has paid in full all scheduled interest due and payable on each outstanding series of bonds and notes, and there are no prior payment defaults on any such bonds and notes. As of August 31, 2023, the Issuer had outstanding obligations in the following amounts issued under the following indentures and line of credit. The following table does not give effect to the issuance of the Series 2023-1 Notes as described herein or the use of certain proceeds from the sale of the Series 2023-1 Notes to redeem the Bonds outstanding under the ALL 2010 Indenture or the Notes outstanding under the ALL 2012 Indenture, the ALL 2013 Indenture or the 2023A Line of Credit.

[Remainder of page intentionally left blank]

Financing	Amounts Outstanding
ALL 2010 Indenture[1,2]	$ 54,212,679.54
ALL 2012 Indenture[3,2]	40,426,288.00
ALL 2013 Indenture[4,2]	121,629,693.00
2021-1 Indenture[5]	335,513,000.00
2021-2 Indenture[6]	304,513,000.00
2023A Line of Credit[7,2]	14,896,000.00
Total	$871,190,660.54

[1] Bonds were issued by Access to Loans for Learning Student Loan Corporation pursuant to the Indenture of Trust dated as of September 1, 2010.
[2] Expected to be discharged with proceeds of the Series 2023-1 Notes.
[3] Notes were issued by Access to Loans for Learning Student Loan Corporation pursuant to the Indenture of Trust dated as of December 1, 2012.
[4] Notes were issued by Access to Loans for Learning Student Loan Corporation pursuant to the Indenture of Trust dated as of December 1, 2013.
[5] Notes were issued pursuant to the Indenture of Trust dated as of September 1, 2021.
[6] Bonds were issued pursuant to the Indenture of Trust dated as of October 1, 2021.
[7] Line of Credit expiring May 2025.

After the issuance of the Series 2023-1 Notes and the application of the proceeds thereof, the Issuer will have two series of obligations outstanding in addition to the Series 2023-1 Notes: the Taxable Student Loan Asset-Backed Notes, Series 2021-1 currently outstanding in the principal amount of $335,513,000, and the Taxable Student Loan Asset-Backed Bonds, Series 2021-2, currently outstanding in the principal amount of $304,513,000. Each of those series of obligations will be secured by separate collateral from the Series 2023-1 Notes and are not subject to the lien of the Indenture under which the Series 2023-1 Notes will be issued. Furthermore, the Series 2023-1 Notes to be issued under the Indenture will not be secured by the indentures referred to above, or any other indentures or similar documents with respect to the Issuer's prior issuances of bonds and notes or other debt obligations.

In addition, as of August 31, 2023, the Issuer had no outstanding short-term indebtedness.

Financial and Other Information

The most recent audited financial statements of the Issuer are available on the Issuer's website located at https://www.nthea.com/reports.html, which information and website are not part of, and are not incorporated by reference into, this Offering Memorandum. The Issuer's financial statements include information with respect to its loan programs generally, including its FFELP Loan program and other information regarding the Issuer. These financial statements are referenced for general background purposes only and for the convenience of Noteholders. Since the Series 2023-1 Notes are limited obligations of the Issuer, payable solely from the Financed Loans and other assets pledged to the Trustee under the Indenture, the overall financial status of the Issuer, or that of its other programs, does not indicate and does not affect whether the Trust Estate created under the Indenture will be sufficient to fund the timely and full payment of principal and interest on the Series 2023-1 Notes or reimburse the Credit Provider therefor. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-1 NOTES."

Repurchase Requests

The documents entered into in connection with prior Issuer sponsored securitization transactions and this transaction contain covenants requiring the repurchase or replacement of Eligible Loans in the case of a breach of certain representations and warranties. Therefore, pursuant to Rule 15Ga-1, the Issuer is

responsible for disclosure of all fulfilled and unfulfilled repurchase requests for Eligible Loans in such securitization transactions. There have not been any fulfilled or unfulfilled repurchase requests for Eligible Loans with respect to any of the Issuer sponsored securitization transactions. With respect to the Series 2023-1 Notes, the Issuer will furnish a Form ABS-15G at the times required by and pursuant to Rule 15Ga-1 of the Securities Exchange Act as required by the SEC.

THE ISSUER'S FFEL PROGRAM

General

Since 1978, the Issuer has established a program for purchasing certain Eligible Loans originated pursuant to the Federal Family Education Loan Program ("FFELP" or the "FFEL Program"), authorized by Title IV of the federal Higher Education Act (such loans, "FFELP Loans"). The FFEL Program authorized by the Higher Education Act is described in "APPENDIX A—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" attached hereto. All of the Financed Loans pledged to the Trustee under the Indenture will consist of Eligible Loans that are loans originated under the Higher Education Act, and only loans originated under the Higher Education Act are eligible to be financed under the Indenture.

On March 30, 2010, the Reconciliation Act was enacted into federal law. Included in the Reconciliation Act were provisions that eliminated the origination of new FFELP Loans under the FFEL Program. As of July 1, 2010, no additional FFELP Loans were permitted to be originated and all new federal student loans were to be originated solely under the Direct Loan Program. However, FFELP Loans originated under the Higher Education Act prior to July 1, 2010, which have been acquired by the Issuer (including the loans described in this Offering Memorandum under the caption "CHARACTERISTICS OF THE FINANCED LOANS" herein) continued to be subject to the provisions of the FFEL Program and were not materially affected by the Reconciliation Act.

The portfolio of Financed Loans may include Eligible Loans with borrower benefits. See the caption "CHARACTERISTICS OF THE FINANCED LOANS—Borrower Benefits" herein.

Change to Index for Calculation of Special Allowance Payments

Commencing with the Special Allowance Payment calculations for the calendar quarter beginning on April 1, 2012, the index for Special Allowance Payment calculations on the Financed Loans disbursed after January 1, 2000 was the one month LIBOR index pursuant to an affirmative election under Public Law 112-74. Pursuant to the Federal LIBOR Act, the Higher Education Act was amended to substitute the 30-day Average SOFR in effect for each of the days in an applicable calendar quarter, adjusted daily by adding the tenor spread adjustment of 0.11448 percent, for one-month LIBOR as the basis for special allowance payment rate-setting. The rate-setting mechanism for Special Allowance Payments transitioned from LIBOR to SOFR effective July 1, 2023. See the captions "RISK FACTORS" and "CHARACTERISTICS OF THE FINANCED LOANS" herein and "APPENDIX A—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Special Allowance Payments" hereto.

SERVICING OF THE FINANCED LOANS

Each Servicer is required under the Higher Education Act and the rules and regulations of the Guaranty Agencies to cause the servicing and collection of the Financed Loans to be conducted with due diligence. The Higher Education Act defines due diligence as requiring the use of collection practices at least as extensive and forceful as those generally practiced by financial institutions for the collection of

consumer loans. The Higher Education Act also requires the exercise of reasonable care and diligence in the making and servicing of student loans originated under the Higher Education Act and provides that the Secretary may disqualify an "eligible lender" (which includes the Eligible Lender Trustee as holder of student loans originated under the Higher Education Act) from further federal insurance if the Secretary is not satisfied that the foregoing standards have been or will be met. An eligible lender may not relieve itself of its responsibility for meeting these standards by delegation of its responsibility to any servicing agent and, accordingly, if any Servicer fails to meet such standards, the Issuer's ability to realize the benefits of insurance may be adversely affected.

The Higher Education Act requires that a Guaranty Agency ensure that due diligence will be exercised by an eligible lender in making and servicing student loans originated under the Higher Education Act guaranteed by such Guaranty Agency. Each Guaranty Agency establishes procedures and standards for due diligence to be exercised by the servicer and by eligible lenders which service loans subject to such guaranty agencies' guarantee. If a Servicer does not comply with the established due diligence standards, the Issuer's ability to realize the benefits of any guaranty may be adversely affected.

The Trustee has no duties or obligations to service, collect or monitor the servicing and collecting of the Financed Loans. The Trustee also is not responsible for accounting and reporting functions required under the Higher Education Act to preserve the guarantee of any Guaranty Agency or the insurance of the Secretary on the Financed Loans.

HESC, in its capacity as Master Servicer, will oversee the servicing of the Financed Loans expected to be serviced by the Subservicers pursuant to a master servicing agreement among HESC, the Issuer and the Trustee. HESC, as a direct Servicer, will also directly service and make collections on certain of the Financed Loans. The Issuer has contracted with Navient directly to service certain of the Financed Loans. The Issuer may from time to time enter into other servicing agreements and arrangements in accordance with the terms of the Indenture.

Servicing by HESC

The following information has been furnished by HESC for use in this Offering Memorandum. Neither the Issuer nor the Underwriter makes any guarantee or any representation as to the accuracy or completeness thereof or the absence of material adverse change in such information or in the condition of HESC subsequent to the date hereof.

HESC. HESC is a non-profit corporation organized under the Texas Non-Profit Corporation Act in September 1978 to provide Texas higher education authorities with student loan billing and servicing, and to provide headquarters and administrative support services to such authorities. HESC is located at 4381 West Green Oaks Boulevard, Suite 200, Arlington, Texas 76016, Telephone (817) 265-9158 and is governed by a self-perpetuating five-member Board of Directors.

HESC has provided management and administrative support and servicing of Eligible Loans to the Issuer since 1978. In 2005, the Issuer expressed its desire for HESC to gradually perform full servicing of the Issuer's Eligible Loans without the use of subservicers because it believed that HESC's servicing activities were superior to those provided by the subservicers. Accordingly, HESC expanded its staff and facilities so that it could perform all servicing duties associated with the Issuer's Eligible Loans. HESC began full servicing of certain Eligible Loans for the Issuer in May 2006 and is currently servicing approximately $448 million of Eligible Loans owned by the Issuer. HESC utilizes student loan servicing software that it developed known as HELIUM.

HESC undergoes numerous annual and periodic examinations, audits and reviews from both external and internal sources pursuant to all applicable governing entities, contractual obligations and industry standards. These cover the entirety of HESC's operations, policies and procedures, controls, and systems (network, servicing and originations platforms). Externally, a licensed third-party conducts HESC's annual SOC1 Type 2 audit in compliance with the AICPA Statement on Standards for Attestation Engagements 18 guidelines. Separate biennial program reviews are conducted by both the Department of Education Financial Institution Oversight Service and a Guarantor-appointed CRI team in accordance with the Higher Education Act for participation in the FFEL Program. Annual Financial Audits are also performed by a licensed third party in compliance with the U.S. Department of Education's Lender Servicer Financial Audit and Compliance Attestation Guide; as well as HESC's Financial Report in accordance with Government Auditing Standards and Financial Accounting Standards Board issued ASU Presentation for Not-for-Profit Entities. Lender servicer audits are conducted biennially as well by the lender/owner of loans HESC services; these include some standards of the Federal Trade Commission, which has oversight of the lender, including the Fair Debt Collection Practices Act. Internally, HESC's in-office auditor also provides objective assurance towards the goal of improving processes and controls by identifying areas of concern and importance, empirically conducting: Risk Assessments; Oversight of Vendors/Sub-Contractors; and in-house reviews on Access, Credit Reporting, Due Diligence, Complaints, and others as needed.

As a servicer, HESC works to minimize the net reject rate, which is the amount of claims submitted for payment that are rejected by the guarantor and are subsequently unable to be cured. The net reject rate for both the number and dollar value of HESC's FFELP Loans for the last five calendar years is listed below.

	FFELP Net Reject Rate	
Year	Loans	Dollars
2023	0.00%	0.00%
2022	0.00	0.00
2021	0.00	0.00
2020	0.01	0.00
2019	0.00	0.00

The net reject rate is calculated based on claims submitted three years prior which were unable to be cured during the three-year cure period which ended during the calendar years noted above. The number and dollar value of rejected claims not cured is divided by the total claims filed during that same period three years prior.

[Remainder of page intentionally left blank]

The present Board of Directors of HESC is as follows:

Name and Position Held	Principal Occupation
Mr. Kenneth D. Woods Chairman	President CMW Management Corporation (retired)
Mr. Stephen Vincent Vice Chairman	President and Founder Power from the Son
Mrs. Judy Schneider Director	Consultant Financial Aid Services (retired) and Director of Financial Aid University of Texas at Arlington (retired)
Ms. Stephanie Buduhan Director	Certified Public Accountant and Owner Stephanie Buduhan CPA

The current staff of HESC consists of 47 permanent full-time employees and 5 permanent part-time employees. The following is a brief description of the qualifications of the professional staff:

Phillip Wambsganss, Executive Director, 1998. Mr. Wambsganss has been with HESC for 25 years and has served in various management positions. He was named Executive Director of both HESC and the Issuer in 2015. Prior to joining HESC, Mr. Wambsganss worked in the banking industry for 10 years. He has actively been involved in many service-oriented and education-related organizations, committees and boards including the Arlington Higher Education Finance Corporation, Education Finance Council, United Way of Tarrant County, Arlington Chamber of Commerce, Grace Preparatory Academy, Rush Creek Church and others. He holds a Bachelor of Science degree from the University of Texas at Arlington and an MBA from LeTourneau University, Longview, Texas.

Kevin Montgomery, Director of Operations, 2005. Mr. Montgomery has been with HESC for 18 years and is responsible for all creative, communications and project management. He is the primary design architect for HESC and is responsible for developing all customer interactions from letters, websites and borrower portals. He also acts as the lead project manager for the company. He graduated with a BBA in Management from the University of Texas at Tyler in 2001 and later earned his Med in Higher Education Administration from the University of North Texas where he was also inducted into the Honor Society of Phi Kappa Phi. Prior to joining HESC, Mr. Montgomery worked in higher education as a financial aid counselor at both large and small, private and public institutions.

Courtney Churchwell, Director of Accounting, 1997. Ms. Churchwell has been with HESC for 26 years. She has responsibility for oversight of all accounting functions, including accounting staff and student loan accounting, overseeing borrower payment applications, lender accounts, and account reconciliation activities. She received her BBA degree in Finance from the University of Texas at Arlington.

Denise Dunn-Trakshel, Controller, 2017. Ms. Dunn-Trakshel has been with HESC for 6 years and has responsibility for oversight of all general ledger accounting functions, cash management, loan portfolios, and investment activities. Prior to joining HESC she served as an accounting manager at AT&T in their International Controllers organization in Dallas, Texas, for five years and as a senior accountant in their domestic parent organization in Bedminster, New Jersey, for eleven years. She also previously worked as cash and financial reporting manager for Penguin Putnam in East Rutherford, New Jersey and as corporate controller for Medic One in Cincinnati, Ohio. She received a BS degree in Accounting and a BA

degree in business psychology from Miami University, Oxford, Ohio and an MBA in Accounting from University of Phoenix. She is a certified public accountant as well as a chartered global management accountant.

Phil Kinman, Director of Compliance, 2014. Mr. Kinman has been with HESC for 9 years and has responsibilities including internal audit and oversight of regulatory and statutory compliance. Prior to joining HESC in 2014, he spent 13 years working in the student loan industry. He was previously employed by two other student loan servicers, Brazos Loan Servicing and the Missouri Higher Education Loan Authority, providing compliance management and supervision for their Private, Federal Family Education Loan Program, and Direct Loan portfolios. Mr. Kinman has served on multiple industry committees for the National Council of Higher Education Resources, Student Loan Servicing Alliance ("SLSA"), Consumer Bankers Association, and the Education Finance Council. He has continuously served on the SLSA Board of Directors in multiple capacities since 2014.

Rob Lamberson, Director of IT and Systems Development, 2007. Mr. Lamberson has been with HESC for 16 years and is responsible for all software development. He graduated magna cum laude with a BS degree in Information Systems from the University of Texas at Arlington and has been developing software since 1999 in both the financial and manufacturing industries. He is the primary architect of the HESC-owned HELIUM loan servicing system. Prior to designing and building financial and manufacturing software Mr. Lamberson served in the United States Air Force.

Leslie Johnston Birdow, Director of Community Affairs, 2020. Ms. Leslie Johnston Birdow has been with HESC for three years and comes to HESC with over 20 years of education, communications and community engagement experience. In her role as Director of Community Affairs, she leads HESC's Outreach Division known as inspirED and serves as its principal ambassador in the community. She most recently served as the Director of Communications for Arlington ISD where she worked the past 11 years. Ms. Birdow holds a Bachelor of Science in Public Relations from the University of Texas in Austin and a Master's Degree in Educational Leadership and Policy Studies from the University of Texas in Arlington.

Jean-Marc Eichner, Director of Marketing and Business Development, 2022. Mr. Eichner has been with HESC for one year and comes to HESC with over 30 years of marketing and sales experience in financial services. In his role as Director of Marketing and Business Development, he leads HESC's efforts to grow the portfolio of loans we originate and service, as well as the licensing of our proprietary servicing system, HELIUM. He most recently worked for such companies as Deloitte & Touche, Capital One, CitiMortgage and Bank of America. Mr. Eichner holds an MSc in marketing from HEC Paris in France.

Bryndan Wright, Director of Government Affairs & Federal Contracting, 2022. Mr. Wright joined HESC in September 2022. He previously worked in education, government and business. He has been a teacher in Arlington, Fort Worth and Dallas ISD's, spent five years as a campus principal and served as the chief operations officer for one Texas's largest charter schools. He has served in both state and federal government and was a small business owner for 10 years. He has a BS in education from Liberty University, a BA in political science from UT Arlington, and master's in public Administration from UT Arlington's School of Urban and Public Affairs. Mr. Wright is also a United States Marine Corps veteran.

Lindsey Sciortino, Director of Loan Services, 2004. Ms. Sciortino has been with HESC for 16 years and has worked in various departments throughout her time here. Starting in our FFELP Loan Originations department in 2004 and training new hires in Collections and Customer Service until 2015. She managed the merge of our Customer Service and Collection department into Customer Assistance and was promoted to Customer Assistance Manager in 2019. She was later promoted to Director of Loan Services in 2023 and she is currently responsible for Customer Assistance (including collections), Account Maintenance, Claims, Skip Tracing and Records and Vault Management.

The Administration Agreement. HESC will act as the Administrator under the Indenture pursuant to an Administration Agreement among the Issuer, the Trustee, the Eligible Lender Trustee and HESC and will receive a portion of the Servicing and Administration Fees as compensation for its services. The following summary of the material terms of the Administration Agreement does not cover every detail of the Administration Agreement, and reference should be made to the Administration Agreement for a full and complete statement of its provisions.

The Administrator agrees in the Administration Agreement to perform all of the duties of the Issuer and the Administrator set forth in the Indenture and other Basic Documents (including the Master Servicing Agreement, the Servicing Agreements, the Student Loan Purchase Agreements, the Custodian Agreements, the Guarantee Agreements, the Eligible Lender Trust Agreement and the Joint Sharing Agreement) with the exception of the non-ministerial duties described below, including the specific duties listed in the Administration Agreement. The Administrator will not limit its activities under the Administration Agreement to the specific duties set forth in the Basic Documents but will instead take an active role in coordinating among all the parties involved in the Issuer's student loan program under the Indenture.

The Issuer will appoint the Administrator and each successor administrator as its attorney-in-fact for the purpose of executing on behalf of the Issuer any such documents, reports, filings, instruments, certificates and opinions enabling the Administrator to comply with the duties set forth above.

With respect to matters that in the reasonable judgment of the Administrator are non-ministerial, the Administrator will not be under any obligation to take any action, and in any event will not take any action, unless the Administrator will have received written instructions from the Board of Directors of the Issuer or, if any event of default has occurred and is continuing, from the Trustee (who is not required to provide such instructions unless directed to do so by the Credit Provider or the requisite percentage of Noteholders as specified in the Indenture) and, if deemed reasonably necessary by the Administrator, receipt of one or more additional powers of attorney, and the Administrator will not be under any obligation to take any action unless the Administrator has received provision for reimbursement of its reasonable costs and expenses (including, as applicable, reasonable out of pocket expenses of its agents and subcontractors and fees and disbursements of independent accountants, attorneys and other third parties) reasonably satisfactory to it.

The Administrator will maintain appropriate books of account and records relating to services performed under the Administration Agreement, which books of account and records will be accessible for inspection, at their own expense, by the Issuer, the Trustee, the Noteholders and the Eligible Lender Trustee, and their respective designated representatives, during normal business hours and at such reasonable times as the Issuer and the inspecting party may determine; provided, that such inspection is made in a manner which protects the Administrator's proprietary and confidential information (and, in this regard, the Administrator may require the execution of a confidentiality agreement). Except during the continuance of an event of default relating to the Administrator, any such person will be limited to a single such examination in any calendar year.

The Administrator will indemnify the Issuer and its agents for, and hold them harmless against, any losses, liability, claim, action, suit, cost or expense, of any kind or nature whatsoever, including reasonable attorneys' fees and expenses, incurred without negligence, willful misconduct, or bad faith on their part, arising out of the willful misconduct, negligence or bad faith or other act of the Administrator in the performance of the Administrator's duties under the Administration Agreement.

The Issuer will indemnify the Administrator and its officers, directors, employees, agents and subcontractors for, and hold them harmless against, any and all losses, liability, claim, action, suit, damage, judgment, obligation, penalty, cost or expense, of any kind or nature whatsoever, including reasonable

attorneys' fees and expenses, incurred without negligence, willful misconduct, or bad faith on their part, arising out of or imposed on the Administrator through the willful misconduct, negligence or bad faith or other act of the Authority in the performance of its duties under the Administration Agreement or the other Basic Documents to which it is a party. Amounts payable by the Issuer to the Administrator described in this paragraph are payable solely out of the general unrestricted funds of the Authority and are not payable from the Trust Estate.

The Administration Agreement will continue in force until the discharge of the Indenture, except in the following circumstances: (a) the Administrator may resign as Administrator upon providing 180 days' written notice to the Issuer, the Trustee, and the Eligible Lender Trustee; (b) the Issuer may terminate the Administrator upon the Administrator's breach of the Administration Agreement on not less than 90 days' written notice, unless the breach is cured within such notice period, or upon the occurrence of an Insolvency Event, defined as one of the following events: (i) the Administrator becomes insolvent, however, insolvency is evidenced, (ii) a petition under Title 11 of the U.S. Code (or any similar law) is filed by or against the Administrator, or (iii) a trustee, receiver, conservator or the like is appointed for the Administrator by a court or agency having authority to do so. After resignation or termination as Administrator, the Administrator will continue to be responsible for all of the Administrator's duties under the Administration Agreement until a successor Administrator is appointed by the Issuer with the written consent of the Credit Provider. The Trustee may terminate the Administration Agreement as to the Trustee upon appointment of a successor Trustee under the terms of the Indenture.

The provisions of the Administration Agreement are subject to the following limitation: If by reason of force majeure the Administrator is unable in whole or in part to carry out any agreement on its part therein contained, the Administrator will not be deemed in default during the continuance of such inability. The term force majeure, as used in the Administration Agreement means, without limitation, the following: acts of God, strikes, lockouts, or other industrial disturbances; acts of public enemies; order or restraint of any kind of the government of the United States of America or of the State of Texas or City of Arlington or any of their departments, agencies, or officials, or any civil or military authority; insurrections, riots, landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, equipment, transmission pipes or canals; or any other cause or event reasonably outside the control of the Administrator.

The Master Servicing Agreement. HESC will act as Master Servicer under the Indenture pursuant to the Master Servicing Agreement. The following summary of the material terms of the Master Servicing Agreement does not cover every detail of the Master Servicing Agreement, and reference should be made to the Master Servicing Agreement for a full and complete statement of its provisions.

The term of the Master Servicing Agreement will commence on the date of issuance of the Notes and will terminate on the discharge of the First Supplemental Indenture, unless sooner terminated upon the occurrence of certain events as provided in the Master Servicing Agreement. Pursuant to the Master Servicing Agreement HESC will act as Master Servicer with respect to the Financed Loans serviced by the Subservicers (the "Subservicer Loans") and it will act as servicer in its own right without the use of a Subservicer with respect to Financed Loans it is servicing for the Issuer (the "HESC Loans" and collectively with the Subservicer Loans, the "Serviced Loans").

The Master Servicer agrees to diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of the Subservicing Agreements, including the prompt payment of all amounts due the Issuer thereunder, including, without limitation, all principal and interest payments, and Guarantee payments which relate to any Subservicer Loans. The Master Servicer will not permit the release of the obligations of the Subservicer under any Subservicing Agreement, except as may be permitted by the Indenture. The Master Servicer agrees at all

times, to the extent permitted by law, to cause to be defended, enforced, preserved and protected the rights and privileges of the Issuer, the Trustee and the Noteholders under or with respect to each Subservicing Agreement. The Master Servicer will not waive any default by a Subservicer under a Subservicing Agreement without first receiving the approval of the Issuer and the Noteholders owning at least a majority of the collective aggregate principal amount of the Notes then Outstanding; provided that in the event there is a Credit Provider with respect to the Notes, the Credit Provider shall direct any approvals that would otherwise be provided by the Noteholders.

The Master Servicer also agrees to review the compliance of Navient with the Navient Servicing Agreements (defined herein) and notify the Issuer and the Administrator of any non-compliance found by the Master Servicer. The Master Servicer agrees at all times, to the extent permitted by law, to cause to be defended, enforced, preserved and protected the rights and privileges of the Issuer, the Trustee and the Noteholders under or with respect to the Navient Servicing Agreements and to make recommendations to the Issuer and Administrator, as necessary, to enable such rights and privileges to be defended, enforced, preserved and protected.

The Master Servicer will pay each Servicer from the Servicing and Administration Fee.

In accordance with the Master Servicing Agreement, HESC will perform servicing functions for the HESC Loans. Pursuant to the Master Servicing Agreement, HESC will: take all steps necessary to maintain the Guarantee on all HESC Loans; prepare and mail to the borrowers all required statements, notices, disclosures and demands; provide accounting for all transactions related to individual HESC Loans; process all deferments and forbearances; process all address changes; collect all interest, principal payments and late fees; prepare statistical data and reports for computation of Interest Subsidy Payments and Special Allowance Payments; answer inquiries pertaining to the HESC Loans; file any necessary claims for loss with the Guaranty Agencies; and perform collection procedures required by the Act. HESC also agrees to prepare all reports required to be filed by the Issuer, the Trustee or the Eligible Lender Trustee under the Act, the regulations or by any Guaranty Agency with respect to the HESC Loans.

HESC assumes no liability for the failure of any Borrower to repay his or her HESC Loan, nor the failure of the United States government to pay any principal, Interest Subsidy Payment or Special Allowance Payment, nor for the failure of a Guaranty Agency to make a required payment of any principal and/or interest on any HESC Loan, unless such failure is caused by HESC's failure to comply with the Act or regulations or follow accepted servicing procedures in servicing the HESC Loans in accordance with the Master Servicing Agreement. HESC will not be responsible for consequences of unreasonable acts of any Guaranty Agency, as such acts are defined in the Master Servicing Agreement.

In no event will any party be liable to the other parties to the Master Servicing Agreement under any theory of tort, contract, strict liability or other legal or equitable theory, for any lost profits or exemplary, punitive, special, incidental, indirect or consequential damages, each of which is excluded by agreement of the parties regardless of whether or not the other party has been advised of the possibility of such damages.

In the event HESC takes any action in connection with servicing responsibilities under the Master Servicing Agreement (whether or not such action or inaction amounts to negligence) or fails to take any action required under the Master Servicing Agreement which causes any HESC Loan to be denied the benefit of any applicable guarantee (except as set forth in the Master Servicing Agreement), HESC will have a reasonable time to cause such benefits of the guarantee to be reinstated. If such benefits are not reinstated within 180 days, in accordance with applicable regulations, of denial by the Guaranty Agency or the Department of Education, HESC is obligated to pay the Trustee an amount equal to the outstanding principal balance of the HESC Loan plus all accrued interest and Special Allowance Payments due thereon, less the amount subject to risk sharing under the Higher Education Act, and the Eligible Lender Trustee

and the Issuer will convey title to the HESC Loan to such party as HESC designates. In the event the guarantee is fully reinstated, the Issuer agrees to purchase the HESC Loan from the owner at an amount equal to the principal balance plus all accrued interest and Special Allowance Payments due thereon, less the amount subject to risk-sharing under the Higher Education Act.

In the event HESC takes any action in connection with servicing responsibilities under the Master Servicing Agreement (whether or not such action or inaction amounts to negligence) or fails to take any action required under the Master Servicing Agreement which causes any claim for payment on any HESC Loan to be denied in part or denied in full due to death, disability or bankruptcy of the borrower, HESC agrees to pay the Trustee the amounts described in the Master Servicing Agreement.

HESC agrees to pay for any loss, liability or expense, including reasonable attorney's fees, which arise out of or relate to HESC's acts or omissions with respect to the services provided under the Master Servicing Agreement; provided, however (a) the Issuer, the Administrator, the Eligible Lender Trustee or the Trustee must provide written notice of each claim or other event for which HESC could be liable thereunder promptly but in no event less than sixty days after the Issuer obtains knowledge thereof (unless HESC has actual knowledge already), and (b) no additional liability will be imposed on HESC with respect to losses that are attributable to breaches that are remedied by HESC's purchase of a HESC Loan or payment of money as described above. To the extent permitted by law, the Issuer will reimburse HESC for all reasonable expenses and costs in connection with all claims, liabilities, losses, damages, costs and expenses (including reasonable attorney's fees) asserted against or incurred by HESC as a result of HESC's complying with any instruction or directive of the Issuer or performing its obligations under the Master Servicing Agreement. Amounts payable by the Issuer to HESC as described in this paragraph are payable solely out of the Issuer's general unrestricted funds (and not from assets in the Trust Estate).

The Master Servicing Agreement provides that HESC will not be responsible for any deficiencies in the origination or servicing of Serviced Loans by others prior to the date it accepts them for servicing on its system.

HESC may terminate its duties as the servicer of the HESC Loans upon providing 60 days' written notice to the Issuer, the Administrator and the Trustee of such determination. The Issuer may terminate HESC as the servicer of the HESC Loans upon a material breach of the direct servicing provisions of the Master Servicing Agreement by HESC, on not less than 120 days' written notice, unless the breach is cured within such notice period, or upon the occurrence of an insolvency event with respect to HESC.

HESC may resign as Master Servicer under the Master Servicing Agreement upon providing 120 days' written notice to the Issuer, the Administrator, the Credit Provider and the Trustee of such determination. The Issuer may terminate HESC as Master Servicer under the Master Servicing Agreement upon a material breach of the master servicing provisions of the Master Servicing Agreement by HESC, on not less than 120 days' written notice, unless the breach is cured within such notice period, or upon the occurrence of an insolvency event with respect to HESC. After resignation or termination as Master Servicer, HESC will continue to be responsible for performing the duties of the Master Servicer under the Master Servicing Agreement until a successor Master Servicer is appointed by the Issuer pursuant to the terms of the Indenture.

Servicing by Navient

The following information has been furnished by Navient Solutions, LLC for use in this Offering Memorandum. Neither the Issuer nor the Underwriter makes any guarantee or any representation as to the accuracy or completeness thereof or the absence of material adverse change in such information or in the condition of Navient Solutions, LLC subsequent to the date hereof.

Navient. Navient Solutions, LLC ("Navient") is acting as a Servicer for a portion of the Financed Loans. Navient is a wholly-owned subsidiary of Navient Corporation ("Navient Corporation") and acts as the principal management company for most of Navient Corporation's business activities. Navient's servicing division manages and operates the loan servicing functions for Navient Corporation and its affiliates. Effective as of December 31, 2003, Sallie Mae, Inc. merged with Sallie Mae Servicing L.P. Sallie Mae, Inc. was the surviving entity and succeeded to all of the rights and obligations of Sallie Mae Servicing L.P. Sallie Mae, Inc. changed its name to Navient Solutions, Inc. on May 1, 2014. Effective as of January 31, 2017, Navient Solutions, Inc. became a limited liability company and changed its name to Navient Solutions, LLC. Navient is a Delaware limited liability company and its principal executive offices are at 13865 Sunrise Valley Drive, Herndon, Virginia 20171. Its telephone number is (703) 810-3000. Navient Corporation owns approximately $58.6 billion of student loans, of which approximately $40.9 billion, or approximately 70%, are federally insured as of June 30, 2023. Navient Corporation began trading on NASDAQ as an independent company on May 1, 2014. Navient Corporation's website is navient.com. Information contained or referenced on Navient Corporation's website is not incorporated by reference into and does not form a part of this Offering Memorandum. As of June 30, 2023, Navient (on behalf of Navient Corporation, Legacy SLM Corporation and Student Loan Marketing Association) has sponsored approximately 223 student loan securitizations involving approximately 153 FFELP student loan transactions and approximately 70 private education loan transactions. Navient may, subject to certain conditions and approvals, delegate or subcontract its duties as servicer, but no delegation or subcontract will relieve Navient of its liability under the related servicing agreement.

Litigation and Inquiries. Navient Corporation and its subsidiaries and affiliates, including Navient, are subject to various claims, lawsuits and other actions that arise in the normal course of business. Navient Corporation believes that these claims, lawsuits and other actions will not, individually or in the aggregate, have a material adverse effect on its business, financial condition or results of operations, except as otherwise disclosed. Most of these matters are claims including individual and class action lawsuits against Navient's servicing or business processing subsidiaries alleging the violation of state or federal laws in connection with servicing or collection activities on education loans and other debts.

In the ordinary course of Navient Corporation's business, Navient Corporation, its subsidiaries and affiliates, including Navient, receive information and document requests and investigative demands from various entities including State Attorneys General, U.S. Attorneys, legislative committees, individual members of Congress and administrative agencies. These requests may be informational, regulatory or enforcement in nature and may relate to Navient Corporation's business practices, the industries in which Navient Corporation operates, or other companies with whom Navient Corporation conducts business. Generally, Navient Corporation's practice has been and continues to be to cooperate with these bodies and to be responsive to any such requests.

The number of these inquiries and the volume of related information demands have normalized at elevated levels and therefore Navient Corporation must continue to expend time and resources to timely respond to these requests which may, depending on their outcome, result in payments of restitution, fines and penalties.

Navient Corporation has been named as defendant in a number of putative class action cases alleging violations of various state and federal consumer protection laws including the Telephone Consumer Protection Act, the Consumer Financial Protection Act of 2010 ("CFPA"), the Fair Credit Reporting Act ("FCRA"), the Fair Debt Collection Practices Act ("FDCPA"), in adversarial proceedings under the United States Bankruptcy Code, and various state consumer protection laws. At this point in time, Navient Corporation is unable to anticipate the timing of a resolution or the impact that these legal proceedings may have on Navient Corporation's consolidated financial position, liquidity, results of operation or cash flows. As a result, it is not possible at this time to estimate a range of potential exposure, if any, for amounts that

may be payable in connection with these matters and reserves have not been established. It is possible that an adverse ruling or rulings may have a material adverse impact on Navient Corporation.

In January 2017, the CFPB and the Attorneys General for the State of Illinois and the State of Washington initiated civil actions naming Navient Corporation and several of its subsidiaries (including Navient) as defendants alleging violations of certain federal and state consumer protection statutes, including the CFPA, the FCRA, the FDCPA and various state consumer protection laws. The Attorneys General for the States of Pennsylvania, California, Mississippi, and New Jersey also initiated actions against Navient Corporation and certain subsidiaries alleging violations of various state and federal consumer protection laws based on similar alleged acts or failures to act. In addition to these matters, a number of lawsuits have been filed by nongovernmental parties or, in the future, may be filed by additional governmental or nongovernmental parties seeking damages or other remedies related to similar issues raised by the CFPB and the State Attorneys General. In January 2022, Navient Corporation entered into a series of Consent Judgment and Orders (the "Navient Agreements") with 40 State Attorneys General to resolve all matters in dispute related to the State Attorneys General cases as well as the related investigations, subpoenas, civil investigative demands and inquiries from various other state regulators. These Navient Agreements do not resolve the litigation involving Navient Corporation and the CFPB.

Navient Corporation believes the allegations in the CFPB suit are false and that they improperly seek to impose penalties on Navient Corporation based on new, previously unannounced servicing standards applied retroactively against only one servicer. Navient Corporation therefore has denied these allegations and is vigorously defending against the allegations in that case. At this point in time, it is reasonably possible that a loss contingency exists; however, Navient Corporation is unable to anticipate the timing of a resolution or the impact that an adverse ruling in the CFPB case may have on Navient Corporation's consolidated financial position, liquidity, results of operation or cash flows. As a result, it is not possible at this time to estimate a range of potential exposure, if any, for amounts that may be payable in connection with this matter and reserves have not been established. It is possible that an adverse ruling or rulings may have a material adverse impact on Navient Corporation.

On April 12, 2023, Navient Corporation reached an agreement in principle ("Settlement") with certain plaintiffs for a nationwide settlement of claims raised in the following bankruptcy adversary actions: Coyle v. Navient Solutions, LLC, No. 22-80018 (Bankr. W.D. Mich.); Homaidan v. SLM Corp., No. 1:17-ap-01085 (Bankr. E.D.N.Y.); Mazloom v. Navient Solutions, LLC, No. 20-80033-6 (Bankr. N.D.N.Y.); and Woodard v. Navient Solutions, LLC, No. 08-81442 (Bankr. D. Neb.) collectively referred to as the "Bankruptcy Cases." This settlement in principle is subject, among other things, to final documentation and final court approval. Under the Settlement, Navient Corporation will forego the collection of defined balances for borrowers or co-borrowers of certain private loans — all of which were originated prior to Navient Corporation's separation — who have received a discharge in bankruptcy during the periods covered by the agreements. As a result, Navient Corporation recorded a $23 million additional private loan provision for loan losses in the first quarter of 2023 related to the estimated future charge offs that are expected to occur. Navient Corporation has also agreed to fund settlement funds. Navient Corporation anticipates that any cash contribution it will be required to make to these funds will not exceed $44 million in the aggregate and will be fully covered by insurance. The net impact to operating expense for this element of the settlement for the first quarter of 2023 was $0 due to the accrual of the offsetting insurance reimbursements.

Regulatory Matters. Navient Corporation and its subsidiaries are subject to examination or regulation by various federal regulatory, state licensing or other regulatory agencies as part of its ordinary course of business including the SEC, CFPB, the Federal Financial Institutions Examination Council and the Department of Education. Items or matters similar to or different from those described above may arise during the course of those examinations. Navient Corporation also routinely receives inquiries or requests

from various regulatory entities or bodies or government agencies concerning the business or assets of Navient Corporation and its subsidiaries. Generally, Navient Corporation endeavors to cooperate with each such inquiry or request.

Navient Corporation has received separate Civil Investigative Demands ("CIDs") or subpoenas from multiple State Attorneys General that are similar to the CIDs or subpoenas that preceded the lawsuits referenced above. Those CIDs and subpoenas have been resolved as part of Navient Corporation's settlement with the State Attorneys General. Nevertheless, Navient Corporation has and, in the future, may receive additional CIDs or subpoenas and other inquiries from these or other Attorneys General with respect to similar or different matters.

Under the terms of the Separation and Distribution Agreement between Navient Corporation and SLM BankCo (the "Separation and Distribution Agreement"), Navient Corporation agreed to indemnify SLM BankCo for claims, actions, damages, losses or expenses that may arise from the conduct of activities of pre-spin-off SLM BankCo occurring prior to the spin-off from Navient Corporation other than those specifically excluded in that agreement. Also, as part of the Separation and Distribution Agreement, SLM BankCo agreed to indemnify Navient Corporation for certain claims, actions, damages, losses or expenses subject to the terms, conditions and limitations set forth in that agreement. As a result, subject to the terms, conditions and limitations set forth in that agreement, Navient Corporation agreed to indemnify and hold harmless Sallie Mae and its subsidiaries, including Sallie Mae Bank from liabilities arising out of the regulatory matters and CFPB and State Attorneys General lawsuits mentioned above. In addition, Navient Corporation asserted various claims for indemnification against Sallie Mae and Sallie Mae Bank for such specifically excluded items arising out of the CFPB and the State Attorneys General lawsuits if and to the extent any indemnified liabilities exist now or in the future. Navient Corporation has no reserves related to indemnification matters with SLM BankCo as of June 30, 2023.

Navient Servicing Agreement. The Loan Origination and Management Services Agreement, dated as of December 1, 1999, between Navient Solutions, LLC (as successor to Sallie Mae, Inc.), the Issuer (as successor to Access to Loans for Learning Student Loan Corporation), the Trustee (as successor to Chase Bank of Texas, National Association) and the Eligible Lender Trustee (as amended and supplemented, the "Navient Loan Origination and Management Agreement") and the Loan Servicing Agreement, dated as of December 1, 1999, between Navient Solutions, LLC (as successor to Sallie Mae, Inc.), the Issuer (as successor to Access to Loans for Learning Student Loan Corporation), the Trustee (as successor to Chase Bank of Texas, National Association) and the Eligible Lender Trustee (as amended and supplemented, the "Navient Loan Servicing Agreement," and together with the Navient Loan Origination and Management Agreement, the "Navient Servicing Agreements") provide for the servicing of certain of the Financed Loans.

The Navient Loan Origination and Management Agreement provides for a term that will be extended on a year-to-year basis, while the term of the Navient Loan Servicing Agreement will remain in force for so long as the loans serviced under the Navient Loan Servicing Agreement remain outstanding. The Navient Servicing Agreements may be terminated earlier pursuant to certain provisions therein.

Navient agrees to provide certain services under the Navient Servicing Agreements, including servicing all Financed Loans offered for servicing to Navient by the Issuer pursuant to the Navient Servicing Agreements, all in accordance with laws and regulations applicable to the servicing of the Financed Loans and the Navient Servicing Agreements. Navient is to maintain custody of the Financed Loan documentation unless custody is to be maintained by a Guarantee Agency; is to manage, service, administer and make collections on the Financed Loans; is to maintain records with respect to the Financed Loans; and is to make reports as specified in the Navient Servicing Agreements. Navient is to (i) attempt to collect payments from the obligors of the financed Loans and when the same become due and payable (including late fees to

the extent authorized by the Higher Education Act and the regulations thereunder, but Navient is authorized to waive such fees in its discretion); (ii) submit, pursue and collect guarantee claims with respect to the Financed Loans from a Guaranty Agency as and when the same become due and payable; (iii) take all other steps mandated by the Higher Education Act and the regulations thereunder in connection with third-party servicing and necessary to preserve the guarantee of a Financed Loan under the Higher Education Act; (iv) process all deferrals and forbearances; and (v) prepare and transmit to the Issuer all necessary information for interest subsidy and Special Allowance Payment billing applicable to the Financed Loans.

Pursuant to the Navient Loan Origination and Management Agreement, Navient will also provide cure servicing consisting of taking reasonable steps to reinstate a guarantee for a Financed Loan that loses its guarantee or for which the guarantee is impaired without the fault of Navient.

The Navient Servicing Agreements may be terminated by the Issuer upon the occurrence of any of the following events (each a "Servicer Default"), so long as such Servicer Default is not remedied and upon 30 days' written notice to Navient: (a) any determination by the U.S. Secretary of Education or his or her delegate or successor that Navient is no longer eligible as a third-party servicer; (b) a "Servicer Insolvency Event" ("Servicer Insolvency Event" is defined in the Navient Servicing Agreements as the existence of any of the following conditions: (i) a petition in bankruptcy or insolvency regarding the party shall be approved; (ii) the party shall admit in writing its inability to pay its debts generally; (iii) the party shall make a general assignment for the benefit of creditors; (iv) any proceeding shall be instituted by the party seeking relief by such party, as debtor, under any bankruptcy or insolvency legislation, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts, or seeking the entry of an order for the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property; or (v) any of the foregoing actions shall be instituted against a party and not dismissed within 60 days or a party shall take any corporate action to authorize any of the actions set forth above); and (c) material failure by Navient to observe for two or more consecutive quarters any material agreement of Navient as set forth in the Navient Servicing Agreements, and such material default shall not have been cured or remedied within the period of time provided for in the agreement, generally ten days for any "Monetary Breach" as defined therein, or for any other breach a reasonable amount of time not less than 30 days and not more than 120 days after notice.

The Navient Servicing Agreements are to be terminated as to a specific Financed Loan upon (i) write-off of such Financed Loan pursuant to the policies set forth in the Navient Servicing Agreements, or (ii) the payment in full of all principal and interest by or on behalf of any obligor of a Financed Loan, the U.S. Secretary of Education or his or her delegate or successor, or any Guarantee Agency, (iii) the purchase or other acquisition of such Financed Loan by Navient, or (iv) upon the sale of such Financed Loan by the Issuer to a third-party, other than in connection with the sale of all Financed Loans then outstanding and serviced under the Navient Servicing Agreements, unless Navient has consented to the assignment and delegation of the Navient Servicing Agreements. Whether or not the Navient Servicing Agreements are terminated with respect to specific Financed Loans pursuant to clauses (i) – (iv) above, they will remain in full force and effect with respect to all other Financed Loans, unless otherwise terminated pursuant to the terms thereof.

The terms and conditions of the Navient Servicing Agreements cannot be amended unless done in writing with such written amendment being signed by all parties thereto.

In the event of a "Material Guarantee Breach" (as defined below) that is not curable by reinstatement of a Guarantee Agency's guarantee, Navient shall purchase (or arrange for its designee to purchase) the affected Financed Loan(s) as soon as practicable but not later than 120 days following the earlier of (i) the date of discovery of such Material Guarantee Breach, and (ii) the date of receipt of a Guarantee Agency reject transmittal form with respect to such Loan. In the event of a Material Guarantee

Breach with respect to a Financed Loan that is curable by reinstatement of a Guarantee Agency's guarantee, unless the Material Guarantee Breach shall have been cured within 360 days following the earlier of the date of discovery of such Material Guarantee Breach and the date of receipt of a Guarantee Agency reject transmittal form with respect to such Financed Loan, Navient shall purchase the affected Loan(s) not later than the sixtieth day following the end of such 360-day period. Notwithstanding the previous two sentences, if a Servicer Default has occurred and is continuing, Navient shall purchase the Financed Loan(s) affected by the Material Guarantee Breach not later than 30 days after receipt of a written demand from the Issuer or the Eligible Lender Trustee. The purchase price under the Navient Servicing Agreements will be the sum of the unpaid principal amount plus accrued interest (calculated using the amount that a Guarantee Agency would have paid), the amount of any unpayable interest subsidy payments and Special Allowance Payments through the date of payment of the purchase price, plus any amounts the Issuer or the Eligible Lender Trustee must pay the U.S. Secretary of Education in respect of such Financed Loan (including interest subsidy payments and Special Allowance Payments which must be refunded to the U.S. Secretary of Education). A "Material Guarantee Breach" is a servicing breach that causes a full loss of a Guarantee Agency's guarantee of a Financed Loan serviced pursuant to the Navient Servicing Agreements. Any servicing breach that relates to compliance with the requirements of the Higher Education Act or the applicable Guarantee Agency but that does not cause a full loss of such Guarantee Agency's obligation to guarantee payments of a Financed Loan is not a Material Guarantee Breach for purposes of the Navient Servicing Agreements.

Navient, after notice and opportunity to cure as provided in the Navient Servicing Agreements, will indemnify and hold the Issuer harmless from any loss, cost, or expense suffered or incurred by the Issuer, including reasonable attorneys' fees, and that results from any material failure of Navient to comply with the terms of the Navient Servicing Agreements. The Issuer will indemnify and hold Navient harmless from any loss, cost, or expense suffered or incurred by Navient, including reasonable attorneys' fees, that results from any action of Navient authorized by the Navient Servicing Agreements or otherwise authorized by the Issuer, or that results from any material failure of the Issuer to comply with the terms of the Navient Servicing Agreements.

Subservicing by Nelnet

The following information has been furnished by Nelnet Servicing, LLC for use in this Offering Memorandum. Neither the Issuer nor the Underwriter makes any guarantee or any representation as to the accuracy or completeness thereof or the absence of material adverse change in such information or in the condition of Nelnet Servicing, LLC subsequent to the date hereof.

Nelnet. 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 an education services company focused primarily on providing fee-based processing services and quality education-related products and services in four core areas: loan financing, loan servicing, payment processing, and enrollment services (education planning). These products and services help students and families plan, prepare, and pay for their education and make the administrative and financial processes more efficient for schools and financial organizations. Nelnet ranks among the nation's leaders in student loan assets originated, held and serviced, principally consisting of loans originated under FFELP and the Federal Direct Loan Program.

Nelnet offers a broad range of pre-college, in-college and post-college products and services that help students and families plan and pay for their education and plan their careers. Nelnet's products and services are designed to simplify the education planning and financing process and provide value to customers throughout the education life cycle.

Nelnet Servicing provides for the servicing of Nelnet's student loan portfolio and the portfolios of third parties. The loan servicing activities include loan origination activities, loan conversion activities, application processing, borrower updates, payment processing, due diligence procedures and claim processing. These activities are performed internally for Nelnet's portfolio in addition to generating external fee revenue when performed for third-party clients. Nelnet Servicing uses proprietary systems to manage the servicing process. These systems provide for automated compliance with most of the federal student loan regulations adopted under the Higher Education Act.

Nelnet began its education loan servicing operations on January 1, 1978, and provides, through its subsidiaries, student loan servicing that includes application processing, underwriting, fund disbursement, customer service, account maintenance, federal reporting and billing, payment processing, default aversion, claim filing and delinquency servicing services. These activities are performed internally for Nelnet's portfolio and for third-party clients. Nelnet has offices located in, among other cities, Aurora, Colorado, Madison, Wisconsin and Lincoln, Nebraska. As of December 31, 2022, Nelnet's subsidiaries serviced approximately $545.4 billion of student loans for 15.8 million borrowers. Nelnet Servicing's due diligence schedule is conducted through automated letter generation. Telephone calls are made using automatic dialing systems where available and appropriate pursuant to applicable law. All functions are monitored by an internal quality control system to ensure their performance. Compliance training is provided on both centralized and unit level basis. In addition, Nelnet Servicing has distinct compliance and internal auditing departments whose functions are to advise on and coordinate implementations of compliance measures, and to then independently test those compliance measures.

Nelnet Servicing'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, which information and website are not part of, and are not incorporated by reference into, this Offering Memorandum.

Nelnet Subservicing Agreement. The Loan Servicing Agreement, dated as of May 30, 2008, between Nelnet, Inc. and HESC (as amended, the "Nelnet Subservicing Agreement"), provides for a term that will be extended on a month-to-month basis until completion of deconversion of a portfolio of student loans unrelated to this transaction to another servicer.

In accordance with the Nelnet Subservicing Agreement, Nelnet Servicing will perform servicing functions for those Financed Loans presented to it for servicing by HESC. Pursuant to the Nelnet Subservicing Agreement, Nelnet servicing will: maintain a complete file for the eligible student loans of each borrower; take all steps (excluding cure activity if non-Servicer error) necessary to maintain the insurance or guarantee coverage on each student loan in full force and effect at all times; endeavor to collect or cause to be collected and, upon receipt, pay to HESC all payments of principal of and interest on all eligible loans; retain summary records of all contacts, follow-ups and collection efforts; prepare and maintain all appropriate accounting records with respect to all transactions related to the eligible loans of each borrower; handle the processing of all adjustments, including extensions, reinstatements and deferments; handle the processing of all address changes; in the case of defaulted eligible loans, take all steps necessary to file and prove a claim for loss with the Secretary of Education or the guarantee agency, as the case may be and as required, and assume responsibility for all necessary communication and contact with the Secretary or the guarantee agency, as the case may be, to accomplish recovery on such defaulted eligible loans; maintain the original file pertaining to all eligible loans in fireproof storage facilities; and answer all inquiries from borrowers or HESC pertaining to eligible loans.

In the event Nelnet Servicing takes any action in connection with servicing responsibilities under the Nelnet Subservicing Agreement or fails to take any action which causes any serviced student loan to be denied the benefit of any applicable guarantee, Nelnet Servicing is required to arrange to have the loans purchased from the Issuer. Nelnet Servicing is not responsible for defects which arise prior to the time Nelnet Servicing processes the application or places the student loan on its system.

In no event is Nelnet Servicing liable for any lost profits or exemplary, punitive, special, incidental, indirect or consequential damages. Any action for the breach of any provision of the Nelnet Subservicing Agreement must be commenced within one year after the breach was discovered or should have been discovered.

There is a removal fee if any student loans serviced by Nelnet Servicing are removed from Nelnet Servicing's system prior to their payment in full due to an increase in fees not accepted by HESC or a breach of the Nelnet Subservicing Agreement.

GUARANTY AGENCIES

All of the Financed Loans expected to be financed with proceeds of the Series 2023-1 Notes are loans guaranteed (with respect to payments of principal and interest) by a Guaranty Agency and reinsured by the Secretary under the Higher Education Act. The Guarantee provided by a Guaranty Agency is an obligation solely of that Guaranty Agency and is not supported by the full faith and credit of the federal or any state government. However, the Higher Education Act provides that if the Secretary determines that a Guaranty Agency is unable to meet its insurance obligations, the Secretary shall assume responsibility for all functions of that Guaranty Agency under its loan insurance program. Additional discussion that relates to Guaranty Agencies generally under the FFEL Program is included in "APPENDIX A—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto.

In the issuance of Guarantees on loans, each Guaranty Agency is required to review loan applications to verify the completion of required information. In addition, each Guaranty Agency is required to make a determination that the applicant has not borrowed amounts in excess of those permitted under the Higher Education Act. In addition to the Guaranty Agencies described below, the Indenture provides that Financed Loans may be guaranteed by any entity authorized to guarantee student loans under the Higher Education Act and with which the Issuer has entered into a Guarantee Agreement.

As of the Statistical Cut-Off Date (and based on the aggregate outstanding principal balances of the Financed Loans as of such date), of the Financed Loans to be held in the Trust Estate created under the Indenture, approximately:

- 46.2% are guaranteed by Ascendium Education Solutions, Inc. (f/k/a Great Lakes Higher Education Guaranty Corporation) ("Ascendium");

- 27.3% are guaranteed by Texas Guaranteed Student Loan Corporation, d/b/a Trellis Company ("Trellis");

- 23.3% are guaranteed by Educational Credit Management Corporation ("ECMC"); and

- the remaining 3.2% are guaranteed by other Guaranty Agencies (each such Guaranty Agency guarantees less than 10% of the Financed Loans as of the Statistical Cut-Off Date).

The following is certain additional information with respect to the significant Guaranty Agencies.

Information Relating to Ascendium

The following information has been furnished by Ascendium for use in this Offering Memorandum. Neither the Issuer nor the Underwriter makes any guarantee or any representation as to the accuracy or completeness thereof or the absence of material adverse change in such information or in the condition of Ascendium subsequent to the date hereof.

Ascendium Education Solutions, Inc. f/k/a Great Lakes Higher Education Guaranty Corporation ("Ascendium") is a Wisconsin nonstock, nonprofit corporation, the sole member of which is Ascendium Education Group, Inc. f/k/a Great Lakes Higher Education Corporation ("Ascendium Education Group"). Ascendium's predecessor organization, Ascendium Education Group, was organized as a Wisconsin nonstock, nonprofit corporation and began guaranteeing student loans under the Higher Education Act in 1967. Ascendium is the designated guaranty agency under the Higher Education Act for Wisconsin, Arkansas, Iowa, Minnesota, Montana, North Dakota, Ohio, South Dakota, Puerto Rico and the Virgin Islands. The primary operations center for Ascendium Education Group and its affiliates (including Ascendium) is in Madison, Wisconsin, which includes operational staff offices for guaranty functions. Ascendium will provide a copy of Ascendium Education Group's most recent consolidated financial statements on receipt of a written request directed to 38 Buttonwood Court, Madison, Wisconsin 53718, Attention: Chief Financial Officer.

United Student Aid Funds, Inc. ("USAF") was organized as a private, nonprofit corporation under the General Corporation Law of the State of Delaware in 1960. USAF (i) maintained facilities for the provision of guarantee services with respect to approved education loans made to or for the benefit of eligible students attending approved educational institutions; (ii) guaranteed education loans made pursuant to certain loan programs under the Higher Education Act, as well as loans made under certain private loan programs; and (iii) served as the designated guarantor for education-loan programs under the Higher Education Act in Arizona, Hawaii and certain Pacific Islands, Indiana, Kansas, Maryland, Mississippi, Nevada and Wyoming.

USAF was the sole member of the Northwest Education Loan Association ("NELA"), a guarantor serving the states of Washington, Idaho and the Northwest. Ascendium Education Group became a member of USAF effective January 1, 2017.

Effective as of December 31, 2018, NELA was dissolved, with its remaining assets going to its sole member, USAF. Immediately thereafter, USAF was merged into Ascendium. Thus, the portfolios previously held by USAF and NELA are now held by Ascendium.

The information in the following tables has been provided to the Issuer from reports provided by or to the U.S. Department of Education and has not been verified by the Issuer, Ascendium, or the Underwriter. No representation is made by the Issuer, Ascendium, or the Underwriter as to the accuracy or completeness of this information. Prospective investors may consult the U.S. Department of Education Data Books and Web sites http://www2.ed.gov/finaid/prof/resources/data/opeloanvol.html and http://www.fp.ed.gov/pubs.html for further information concerning Ascendium or any other guaranty agency. Such websites are not incorporated into this Offering Memorandum.

Guaranty Volume. Pursuant to the SAFRA Act, part of the Reconciliation Act, Ascendium, the former USAF, and the former NELA ceased issuing new loan guarantees on June 30, 2010. The most recent year for which the U.S. Department of Education has issued guaranty volume information is 2009. Ascendium issued $7.0 billion in new loan guarantees in that year.

Reserve Ratio. The reserve ratios for Ascendium, the former USAF and the former NELA are as follows:

The Ascendium Portfolio*

Following are Ascendium's reserve fund levels as calculated in accordance with 34 CFR 682.410(a)(10) for the last five federal fiscal years:

Federal Fiscal Year	Federal Guaranty Reserve Fund Level[1]
2018	2.21%
2019	0.64
2020	0.96
2021	0.00
2022	0.44

The U.S. Department of Education's website has posted reserve ratios for Ascendium for federal years 2018, 2019 and 2020 of 1.15%, 0.49% and 0.59%, respectively. The 2021 and 2022 information has not yet been published. Ascendium believes the Department of Education has not calculated the reserve ratio in accordance with the Act and the correct ratio should be 2.21%, 0.64% and 0.96% respectively, as shown above and as explained in the following footnote. On November 17, 2006, the U.S. Department of Education advised Ascendium that beginning in Federal Fiscal Year 2006 it will publish reserve ratios that include loan loss provision and deferred revenues. Ascendium believes this change more closely approximates the statutory calculation. According to the U.S. Department of Education, available cash reserves may not always be an accurate barometer of a guarantor's financial health.

[1] In accordance with Section 428(c)(9) of the Higher Education Act, does not include loans transferred from the former Higher Education Assistance Foundation, Northstar Guarantee Inc., Ohio Student Aid Commission, Puerto Rico Higher Education Assistance Corporation, Student Loan Guarantee Foundation of Arkansas, Student Loans of North Dakota, Montana Guaranteed Student Loan Program, or designated states of Arizona, Hawaii, Idaho, Indiana, Kansas, Maryland, Mississippi, Nevada, Washington, Wyoming, and certain Pacific Trust Territories. (The minimum reserve fund ratio under the Higher Education Act is 0.25%.).

Per DCL GEN 21-03 this requirement is waived until the end of the National Emergency.

* The percentages for 2018 include only the Ascendium portfolio; the percentages for 2019-2022 include the combined portfolios of Ascendium, USAF and NELA.

The Former USAF Portfolio Now Held by Ascendium

Following are USAF's reserve fund levels as calculated in accordance with 34 CFR 682.410(a)(10) for the combined federal fiscal years above:

Federal Fiscal Year	Federal Guaranty Reserve Fund Level[1]
2018	0.363%

[1] In accordance with Section 428(c)(9) of the Higher Education Act, does not include loans transferred from the former Higher Education Assistance Foundation, Northstar Guarantee Inc., Ohio Student Aid Commission, Puerto Rico Higher Education Assistance Corporation, Student Loan Guarantee Foundation of Arkansas, Student Loans of North

Dakota, Montana Guaranteed Student Loan Program, or designated states of Arizona, Hawaii, Idaho, Indiana, Kansas, Maryland, Mississippi, Nevada, Washington, Wyoming, and certain Pacific Trust Territories. (The minimum reserve fund ratio under the Higher Education Act is 0.25%.).

The Former NELA Portfolio Now Held by Ascendium

Following are NELA's reserve fund levels as calculated in accordance with 34 CFR 682.410(a)(10) for the combined federal fiscal years above:

Federal Fiscal Year	Federal Guaranty Reserve Fund Level
2018	0.460%

Claims Rate. The claims rate for Ascendium, USAF and NELA are as follows:

The Ascendium Portfolio*

For the past five federal fiscal years, Ascendium's claims rate has not exceeded 5%, and, as a result, the highest allowable reinsurance has been paid on all Ascendium's claims. The actual claims rates are as follows:

Federal Fiscal Year	Claims Rate
2018	0.35%
2019	2.00
2020	1.40
2021	1.36
2022	3.81

* The percentages for 2018 include only the Ascendium portfolio; the percentages for 2019-2022 include the combined portfolios of Ascendium, USAF and NELA.

As a result of various statutory and regulatory changes over the past several years, historical rates may not be an accurate indicator of current delinquency or default trends or future claims rates.

Information Relating to Trellis Company

The following information has been furnished by Trellis, as a guaranty agency, for use in this Offering Memorandum. Neither the Issuer nor the Underwriter makes any guarantee or any representation as to the accuracy or completeness thereof or the absence of material adverse change in such information or in the condition of Trellis subsequent to the date hereof.

Organization. The Texas Guaranteed Student Loan Corporation (d/b/a Trellis Company) is a Texas non-profit corporation organized in 1980 to operate as a guarantee agency in the Federal Family Education Loan Program (FFELP), providing a Federally reinsured guaranty of eligible Stafford, PLUS and consolidation student loans. Trellis Company's state enabling statute was substantially revised effective September 2013 resulting in a conversion from public to private non-profit status. Located at 301 Sundance Parkway, Round Rock, Texas 78681, Trellis Company is governed by six directors, and is staffed by approximately 190 employees.

Guarantee Volume. Pursuant to Federal legislation, the origination of federal student loans under FFELP was discontinued in July 2010.

Portfolio Loans. Loan default rates for students attending proprietary and two-year schools typically exceed that for four-year schools. The school type mix for the total portfolio is as follows:

School Type	Total Portfolio as of September 30, 2023
Four-year	81%
Two-year	10
Proprietary	9

Including consolidation loans, the total portfolio as of September 30, 2023 is comprised of 18.3% four-year, 2.4% two-year, 2.0% proprietary, and 77.4% consolidation.

Reserves. Trellis Company's Reserve Ratio is as follows:

Federal Fiscal Year	Reserve Ratio
2017	4.314%
2018	5.019
2019	6.288
2020	7.663
2021	7.942
2022	7.478
2023	3.206*

* The reserve ratio decreased because of the acquisition of additional guarantee portfolios in 2023.

Claims Rate. Trellis Company's claims rate represents the percentage of Federal reinsurance claims made by Trellis Company during a Federal fiscal year, minus claims repurchased and rehabilitated during the year, relative to Trellis Company's portfolio of loans designated as "in repayment" at the end of the prior Federal fiscal year. Trellis Company's historical claims rates are as follows:

Federal Fiscal Year Claims Rates

2018	1.17%
2019	1.53
2020	0.88
2021	0.39
2022	3.54*
2023	7.13*

* The suspension of collection activity on FFELP defaults since March 2020 and the resulting reduced volume of default rehabilitations caused an increase in the claims rate during 2022 & 2023. Rehabilitations are subtracted from the numerator of the claims rate and have lowered the rate to a greater extent in prior years.

No Liability to Bondholders. The information concerning Trellis Company in this Offering Memorandum has been provided for the sole purpose of describing Trellis Company's function as guarantor of certain of the Eligible Loans. Trellis Company has no obligation or liability of any kind to the holders of these bonds or to pay the principal of, redemption premium or interest on these bonds.

Miscellaneous. Liabilities created by Trellis Company are not debts of the State of Texas and Trellis Company may not secure any liability with funds or assets of the State of Texas.

Trellis Company has not reviewed any other section of this Offering Memorandum and shall have no responsibility for any information contained therein.

Information Relating to ECMC

The following information has been furnished by ECMC, as a guaranty agency, for use in this Offering Memorandum. Neither the Issuer nor the Underwriter makes any guarantee or any representation as to the accuracy or completeness thereof or the absence of material adverse change in such information or in the condition of ECMC subsequent to the date hereof.

Educational Credit Management Corporation ("ECMC"), a nonprofit corporation established in 1994 with its headquarters in Minneapolis, Minnesota, is a national student loan guaranty agency under the Federal Family Education Loan Program ("FFELP"). ECMC was designated by the U.S. Department of Education to be the FFELP guarantor for the Commonwealth of Virginia in 1996, for the state of Oregon in 2005, for the state of Connecticut in December 2009, for the state of California in November 2010, for the state of Tennessee in July 2016, for the state of South Carolina in December 2016, for the state of Rhode Island in July 2018, for the state of Maine in December 2019, for the state of Illinois in May 2022, for the state of Missouri in October 2022, for the state of Louisiana in January 2023, and for the state of Utah in March 2023.

The following information and data has been provided by ECMC from reports provided by or to the U.S. Department of Education. References to fiscal year refer to the federal fiscal year that begins on October 1 and ends on September 30 each year. ECMC has not verified, and makes no representation as to the accuracy or completeness of, the information compiled by the U.S. Department of Education or as to any calculations other than as required by federal regulation.

Federal Reserve and Operating Funds and Loan Portfolio. As part of the FFELP, ECMC maintains federal reserve fund and operating fund accounts for the ECMC portfolio. The operating fund and federal reserve fund assets related to the guaranteed loan portfolio are restricted to certain uses by statute. As of September 30, 2023, the ECMC loan portfolio had total federal reserve fund assets of approximately $40.9 million. Through September 30, 2023, the outstanding unpaid aggregate amount of principal and interest on loans that had been guaranteed by ECMC under FFELP was approximately $20.9 billion. ECMC had operating fund assets as of September 30, 2023 totaling approximately $27.1 million.

In addition, pursuant to its charter with the U.S. Department of Education, ECMC performs a number of specialized services for the U.S. Department of Education through ECMC's Federal Services Bureau. These services include bankruptcy servicing and processing, providing a safety-net function for the U.S. Department of Education to assist other guaranty agencies during periods of economic difficulty, and assisting the U.S. Department of Education in other areas as requested. ECMC maintains a separate account for reserve fund assets in its Federal Service Bureau. Although ECMC may accumulate assets in this account during the month, ECMC returns all excess reserve fund assets in its Federal Services Bureau at the end of each month. Therefore, as of September 30, 2019, ECMC had no reserve fund assets in its Federal Services Bureau account. These assets are the property of the United States Department of Education and are not available for payment of claims for ECMC guaranteed loans.

Guaranty Volume. The guaranty volume is the approximate net principal amount of FFELP loans (excluding Federal Consolidation Loans) guaranteed by ECMC. As a result of the Health Care and Education Reconciliation Act of 2010, signed by President Obama on March 30, 2010, all new loans guaranteed and disbursed under the FFELP were eliminated as of July 1, 2010. Instead, the federal government directly makes federal student loans for higher education, rather than insuring federal student loans made by private lenders and guaranteed by a guaranty agency such as ECMC. As such, under current law, no new FFELP loan guaranty volume has occurred since July 1, 2010. However, ECMC will continue to perform its obligations as the guaranty agency for the remaining outstanding loan portfolio.

Reserve Ratios. The reserve ratio represents the percentage of the guarantor's federal reserve fund balance relative to the total amount of loans outstanding guaranteed by the guarantor. The U.S. Department of Education published reserve ratios for the federal reserve fund administered by ECMC for the last five fiscal years for which information has been published by the U.S. Department of Education as follows:

	Reserve Ratio Federal Fiscal Year				
Guarantor	**2016**	**2017**	**2018**	**2019**	**2020***
ECMC	2.53%	3.23%	3.88%	4.92%	5.56%

* The U.S. Department of Education waived the Reserve Ratio requirement for FY21 pursuant to its DCL GEN 21-03, and accordingly FSA did not publish this for FY21.

Claims Rates. ECMC's claims rate represents the percentage of federal reinsurance claims paid by the Secretary of the U.S. Department of Education during any fiscal year relative to ECMC's existing portfolio of loans in repayment at the end of the prior fiscal year. For the last five fiscal years for which information has been published by the U.S. Department of Education, ECMC's claims rate was as follows:

	Claims Rate Federal Fiscal Year				
Guarantor	**2016**	**2017**	**2018**	**2019**	**2020***
ECMC	0.19%	0.05%	0.77%	1.19%	1.28%

* The U.S. Department of Education waived the Claims Rate (Trigger Rate) requirement pursuant to its DCL GEN 21-03, and accordingly FSA did not publish this for FY21 or FY22 at this time.

Recovery Rates. ECMC's recovery rate, which provides a measure of the effectiveness of the collection efforts against defaulting borrowers after the guarantee claim has been paid, is determined by dividing the amount recovered from borrowers by ECMC during the fiscal year by the aggregate amount of default claims paid by ECMC outstanding at the end of the prior fiscal year. The U.S. Department of Education published ECMC's recovery rates for the past five federal fiscal years for which information has been published by the U.S. Department of Education as follows:

	Recovery Rate Federal Fiscal Year				
Guarantor	**2018**	**2019**	**2020**	**2021**	**2022**
ECMC	36.94%	35.15%	26.88%	11.48%	4.91%

ECMC has not reviewed any other section of this Offering Memorandum or any of the other offering documents. ECMC has no responsibility for any information contained therein.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 4975 of the Code impose certain restrictions on:

- employee benefit plans as defined in Section 3(3) of ERISA;
- certain other retirement plans and arrangements described in Section 4975 of the Code, including:
    1. individual retirement accounts and annuities, and
    2. Keogh plans;
- collective investment funds and separate accounts and, as applicable, insurance company general accounts in which those plans, accounts or arrangements are invested that are subject to the fiduciary responsibility provisions of ERISA and Section 4975 of the Code;
- any other entity whose assets are deemed to be "plan assets" as a result of any of the above plans, arrangements, funds or accounts investing in such entity; and
- persons who are fiduciaries with respect to plans in connection with the investment of plan assets.

The term "Plans" includes the plans, accounts, entities and arrangements listed above.

ERISA generally imposes on Plan fiduciaries certain general fiduciary requirements, including those of investment prudence and diversification and the requirement that the Plan's investments be made in accordance with the documents governing the Plan. In addition, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of a Plan and persons who are called "Parties in Interest" under ERISA and "Disqualified Persons" under the Code ("Parties in Interest") who have certain specified relationships to the Plan unless a statutory, regulatory or administrative exemption is available. The Issuer, the Underwriter, the Eligible Lender Trustee, the Trustee, the Servicers, any provider of credit support, or any of their affiliates may be considered to be or may become Parties in Interest with respect to certain Plans. Some Parties in Interest that participate in a prohibited transaction may be subject to an excise tax imposed under Section 4975 of the Code or a penalty imposed under Section 502(i) of ERISA, unless a statutory or administrative exemption is available. These prohibited transactions generally are set forth in Section 406 of ERISA and Section 4975 of the Code. In addition, because these parties may receive certain benefits from the sales of the Series 2023-1 Notes, the purchase of the Series 2023-1 Notes using Plan assets over which any of them has investment authority or is providing investment advice for a fee should not be made if it could be deemed a violation of the prohibited transaction rules of ERISA and the Code for which no exemption is available.

Under regulations issued by the Department of Labor called the "Plan Asset Regulations", if a Plan makes an "equity" investment in an entity, the underlying assets and properties of that entity will be deemed for purposes of ERISA to be assets of the investing Plan unless exceptions in the regulation apply. The Plan Asset Regulations define an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. If the Series 2023-1 Notes are treated as debt for purposes of the Plan Asset Regulations, the Financed Loans and the other assets in the Trust Estate should not be deemed to be assets of an investing Plan. If, however, the Series 2023-1 Notes were treated as "equity" for purposes of the Plan Asset Regulations, a Plan purchasing the Series 2023-1 Notes could be treated as owning an undivided interest in the Financed Loans and the other assets in the Trust Estate.

Although there is little guidance on this subject, the Series 2023-1 Notes should be treated as indebtedness without substantial equity features and not as equity interests for purposes of the Plan Asset Regulations. However, without regard to this characterization of the Series 2023-1 Notes, prohibited transactions under Section 406 of ERISA and Section 4975 of the Code may arise if a Series 2023-1 Note is acquired by a Plan with respect to which any of the Issuer, the Underwriter, the Eligible Lender Trustee, the Trustee, the Servicers, any provider of credit support, or certain of their affiliates is a Party in Interest unless the transactions are subject to one or more statutory or administrative exemptions.

Included among the administrative exemptions are the following exemptions:

- Prohibited Transaction Class Exemption ("PTCE") 96-23, which exempts certain transactions effected on behalf of a Plan by an "in-house asset manager";

- PTCE 90-1, which exempts certain transactions between insurance company separate accounts and Parties in Interest;

- PTCE 91-38, which exempts certain transactions between bank collective investment funds and Parties in Interest;

- PTCE 95-60, which exempts certain transactions between insurance company general accounts and Parties in Interest; or

- PTCE 84-14, which exempts certain transactions effected on behalf of a Plan by a "qualified professional asset manager."

There is also a statutory exemption that may be available under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code to a Party in Interest that is a service provider to a Plan investing in the Series 2023-1 Notes for adequate consideration, provided such service provider is not (i) the fiduciary with respect to the Plan's assets used to acquire the Series 2023-1 Notes or an affiliate of such fiduciary or (ii) an affiliate of the employer sponsoring the Plan. Adequate consideration means fair market value as determined in good faith by the Plan fiduciary pursuant to regulations to be promulgated by the Department of Labor.

These administrative and statutory exemptions may not apply with respect to any particular Plan's investment in Series 2023-1 Notes and, even if an exemption were deemed to apply, it might not apply to all prohibited transactions that may occur in connection with the investment. Accordingly, before making an investment in the Series 2023-1 Notes, investing Plans should determine whether the Issuer, the Underwriter, the Eligible Lender Trustee, the Trustee, the Servicers, any provider of credit support, or any of their affiliates is a Party in Interest with respect to the Plan and, if so, whether the transaction is eligible for one or more statutory, regulatory or administrative exemptions.

Some employee benefit plans, such as governmental plans described in Section 3(32) of ERISA, and certain church plans described in Section 3(33) of ERISA, are not subject to the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, these plans may be subject to the provisions of any other applicable federal or state law, materially similar to the provisions of ERISA and Section 4975 of the Code described in this Offering Memorandum. Moreover, if a plan is not subject to ERISA requirements but is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code, the prohibited transaction rules in Section 503 of the Code will apply. These plans, together with Plans, are referred to herein as "Benefit Plans."

Each acquirer of Series 2023-1 Notes, by its acceptance thereof, will have (or will be deemed to have, if purchasing a Series 2023-1 Note through the book-entry system) represented and warranted that such acquisition or purchase will not constitute or otherwise result in: (A) in the case of a Benefit Plan subject to Section 406 of ERISA or Section 4975 of the Code, a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (B) in the case of a Benefit Plan subject to a substantially similar federal, State, local or non-U.S. law, a violation of such substantially similar law.

A Benefit Plan fiduciary considering the purchase of the Series 2023-1 Notes is strongly encouraged to consult with its tax and/or legal advisors regarding whether the Trust Estate assets would be considered plan assets, whether the investment could be a prohibited transaction, the possibility of exemptive relief from the prohibited transaction rules and other related issues and their potential consequences. Each Benefit Plan fiduciary also should determine whether, under any applicable fiduciary standards of investment prudence and diversification, an investment in the Series 2023-1 Notes is appropriate for the Benefit Plan, also considering the overall investment policy of the Benefit Plan and the composition of the Benefit Plan's investment portfolio, as well as whether the investment is permitted under the Benefit Plan's governing instruments.

Retained Interest

The Retained Interest will be treated as equity under the Plan Asset Regulations and there is no statutory, regulatory or administrative exemption that is applicable to the acquisition and holding of such interest. Therefore, the Retained Interest may not be acquired by a Benefit Plan. Each acquirer of the

Retained Interest, by its acceptance thereof, will have (or will be deemed to have) represented and warranted that it is not a Benefit Plan.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the material U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes for the Noteholders described below. This discussion is general in nature and does not address issues that may be relevant to a particular Noteholder subject to special treatment under U.S. federal income tax laws (such as tax-exempt organizations, partnerships, S corporations or other pass-through entities, persons that are members of an "expanded group" or a "modified expanded group" within the meaning of Treasury Regulations Section 1.385-1 of which the Issuer is also treated as a member, investors that own more than 50% of the Retained Interests or that are related to investors that own more than 50% of the Retained Interests, persons holding Series 2023-1 Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, financial institutions, brokers, dealers in Series 2023-1 Notes or currencies and traders that elect to mark-to-market their securities). In addition, this discussion does not consider the effect of any alternative minimum taxes, the Medicare tax on net investment income or foreign, state, local or other tax laws, or any U.S. federal tax consequences (e.g., estate or gift tax), other than material U.S. federal income tax consequences, that may be applicable to particular Noteholders. Furthermore, this discussion assumes that Noteholders hold Series 2023-1 Notes as "capital assets" (generally, property held for investment) within the meaning of section 1221 of the Code. This discussion also assumes that, with respect to Series 2023-1 Notes reflected on the books of a qualified business unit of a Noteholder, such qualified business unit is a U.S. resident.

A Noteholder that uses an accrual method of accounting for U.S. federal income tax purposes generally is required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such Noteholder. The application of this rule thus may require the accrual of income earlier than would be the case under the general rules discussed below. The U.S. Treasury Department has released regulations that exclude from this rule any item of gross income for which a taxpayer uses a special method of accounting required by certain sections of the Code, including, income subject to the timing rules for OID, income under the contingent payment debt instrument rules, income and gain associated with an integrated transaction, de minimis OID, accrued market discount, and de minimis market discount. In addition, interest on the Series 2023-1 Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Prospective investors are encouraged to consult their tax advisors with regard to the application of these rules.

This discussion is based on the Code and applicable Treasury regulations, rulings, administrative pronouncements and judicial decisions thereunder as of the date hereof, all of which are subject to change or differing interpretations at any time with possible retroactive effect. There are no rulings or cases on similar transactions. Thus, there can be no assurance that the U.S. federal income tax consequences of the Series 2023-1 Notes described below will be sustained if the relevant transactions are examined by the Internal Revenue Service (the "IRS") or by a court if the IRS proposes to disallow such treatment. The Issuer will be provided with an opinion of federal tax counsel to the Issuer regarding the classification of the Series 2023-1 Notes as debt, as described below. An opinion of federal tax counsel, however, is not binding on the IRS or the courts.

Unless otherwise indicated herein, it is assumed that any Noteholder is a U.S. person, and, except as set forth below, this discussion does not address the tax consequences of holding a Series 2023-1 Note to any Noteholder who is not a U.S. person. As used herein, "U.S. person" means a person that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;

- a corporation, organized in or under the laws of the United States, any state thereof or the District of Columbia;

- an estate the income of which is includible in gross income for U.S. federal income tax purposes, regardless of its source; or

- a trust whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust.

To the extent provided in Treasury regulations, some trusts in existence on August 20, 1996, and treated as U.S. persons prior to that date, that elected to continue to be treated as U.S. persons, will be treated as U.S. persons. Persons who are not U.S. persons (other than partnerships) are referred to herein as "non-U.S. persons."

The U.S. federal income tax treatment of a partner in a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) that holds a Series 2023-1 Note will depend, among other things, upon whether or not the partner is a U.S. person. Partners and partnerships should consult their tax advisors as to the particular U.S. federal income tax consequences applicable to them.

For purposes of this discussion, references to the Issuer, the Series 2023-1 Notes and related terms, parties and documents refer, unless described differently in this offering memorandum, to the Issuer and the Series 2023-1 Notes and related terms, parties and documents applicable to the Issuer. References to a Noteholder of a Series 2023-1 Note generally are deemed to refer to the beneficial owner of the Series 2023-1 Note.

Tax Consequences to Noteholders

Treatment of the Series 2023-1 Notes as Indebtedness. Based, in part, on the facts set forth herein, additional information and assuming the accuracy of and compliance with certain assumptions, representations and covenants, federal tax counsel to the Issuer will deliver an opinion on the closing date that the Series 2023-1 Notes sold to parties unrelated to the holders of the Retained Interests will be classified as debt for U.S. federal income tax purposes. Unlike a ruling from the IRS, such opinion is not binding on the courts or the IRS. The consequences of the Series 2023-1 Notes being treated as debt for U.S. federal income tax purposes are described below.

Alternative Treatment of the Series 2023-1 Notes. Treatment of the Series 2023-1 Notes as equity interests in the Issuer, or as an equity interest in the Financed Loans, could have adverse tax consequences to certain Noteholders. For example, all or a portion of the income accrued by tax-exempt entities, including pension funds, could be "unrelated business taxable income," and income accrued by non-U.S. persons might be subject to U.S. federal income tax and require U.S. federal income tax return filing and withholding requirements. Moreover, the equity interest could be viewed as creating an interest in a joint venture or partnership with the Issuer. Therefore, it is possible that the IRS could assert that, for purposes of the Code, the transaction contemplated by this Offering Memorandum constitutes a sale of the Financed Loans (or an interest therein) to the Noteholders or that the Series 2023-1 Notes are an equity interest in the Financed Loans or that the relationship which will result from this transaction is that of a partnership or an association taxable as a corporation.

If, instead of treating the transaction as creating secured debt, the transaction were treated as creating equity interests in a partnership held by the Noteholders, the resulting partnership would not be subject to U.S. federal income tax. Rather, each Noteholder would be taxed individually on its respective distributive shares of the partnership's income, gain, loss, deductions and credits which could have adverse tax consequences to certain Noteholders. For example, the amount, character and timing of items of income and deduction of the Noteholder could differ if the Series 2023-1 Notes were determined to constitute partnership interests, rather than indebtedness.

If, alternatively, it were determined that the relationship that will result from this transaction caused the Financed Loan arrangement to be classified as an association or characterized as a publicly traded partnership taxable as a corporation, the resulting deemed entity would be subject to U.S. federal income tax at corporate income tax rates on its taxable income, including taxable income derived from the Financed Loans, which would reduce the amounts available for payment to the Noteholders. Moreover, if the Noteholders were treated as equity holders in such an entity, payments to the Noteholders generally would be treated as dividends for tax purposes to the extent of such entity's accumulated and current earnings and profits.

The Issuer will express in the Indenture its intent that, for U.S. federal income tax purposes, the Series 2023-1 Notes will be indebtedness. The Issuer, and each Noteholder, by accepting its Series 2023-1 Notes subject to the Indenture, agree to treat the Series 2023-1 Notes as indebtedness for U.S. federal income tax and all applicable state and local income and franchise tax purposes in all tax filings, reports and returns and otherwise, and will not take, or participate in the taking of or permit to be taken, any action that is inconsistent with such tax treatment and tax reporting of the Series 2023-1 Notes, unless required by applicable law.

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

The Issuer believes that it has retained the preponderance of the primary benefits and burdens associated with ownership of the Financed Loans and that as a result, the Noteholders should not be treated as the owners of the Financed Loans for U.S. federal income tax purposes. If, however, the IRS were successfully to assert that this transaction should be treated as a sale of the Financed Loans, the IRS could further assert that the entity created pursuant to the Indenture, as the owner of the Financed Loans for U.S. federal income tax purposes, should be deemed engaged in a financial business and, therefore, characterized as a publicly traded partnership taxable as a corporation. Prospective Noteholders are strongly encouraged to consult with their own tax advisors regarding the possibility that the Series 2023-1 Notes could be treated as equity interests and not debt for federal income tax purposes.

The remainder of the discussion below assumes that the Series 2023-1 Notes are characterized as debt for U.S. federal income tax purposes.

Stated Interest. Stated interest constituting "qualified stated interest," as defined below, on the Series 2023-1 Notes will generally be taxable as ordinary income for U.S. federal income tax purposes when received or accrued in accordance with the usual method of accounting of the Noteholder of the Series

2023-1 Notes for such purposes. As noted above, a Noteholder that uses an accrual method of accounting for U.S. federal income tax purposes generally is required to include certain amounts in income no later than the time such amounts are reflected on certain "applicable financial statements" of such Noteholder. The application of this rule thus could require the accrual of income earlier than would be the case under the general rules, subject to the exceptions set forth above.

Original Issue Discount. Stated interest other than qualified stated interest must be accrued under the rules applicable to OID. "Qualified stated interest" is interest that must be unconditionally payable at least annually. Unless otherwise stated herein, the discussion below assumes that all payments on the Series 2023-1 Notes are denominated in U.S. Dollars, and that the interest formula for the Series 2023-1 Notes meets the requirements for "qualified stated interest" under Treasury regulations relating to OID. If these conditions are not satisfied with respect to the Series 2023-1 Notes, payments of stated interest on the Series 2023-1 Notes would be considered to be part of such Series 2023-1 Notes "stated redemption price at maturity", as discussed below, and the Series 2023-1 Notes would be treated as having been issued with OID.

Subject to the discussion above, a Series 2023-1 Note will be treated as issued with OID if the excess of the Series 2023-1 Note's "stated redemption price at maturity" over its issue price equals or exceeds a *de minimis* amount equal to one-fourth of one percent of the Series 2023-1 Note's stated redemption price at maturity multiplied by the number of years to its maturity, based on the anticipated weighted average life of the Series 2023-1 Notes, calculated by using the "prepayment assumption," if any, used in pricing the Series 2023-1 Notes and weighing each payment by reference to the number of full years elapsed from the closing date prior to the anticipated date of such payment. Generally, the issue price of a Series 2023-1 Note should be the first price at which a substantial amount of the Series 2023-1 Notes are sold to persons other than initial purchasers, underwriters, brokers or wholesalers. The stated redemption price at maturity of a Series 2023-1 Note is generally equal to all payments on the Series 2023-1 Note other than payments of "qualified stated interest." Assuming that interest payable with respect to the Series 2023-1 Notes qualifies as qualified stated interest, the stated redemption price of a Series 2023-1 Note is generally expected to equal the principal amount of the Series 2023-1 Note. Any *de minimis* OID must be included in income as principal payments are received on the Series 2023-1 Notes in the proportion that each such payment bears to the original principal balance of the Series 2023-1 Note. The treatment of such income is subject to the general rules discussed under "—*Sale or Other Taxable Disposition*" in this offering memorandum.

If the Series 2023-1 Notes are treated as issued with OID, a Noteholder will be required to include OID in income before the receipt of cash attributable to such income using a constant yield method. The amount of OID generally includible in income is the sum of the daily portions of OID with respect to a Series 2023-1 Note for each day during the taxable year or portion of the taxable year in which the Noteholder holds the Series 2023-1 Note. Special provisions apply to debt instruments on which payments may be accelerated due to prepayments of other obligations securing those debt instruments. Under these provisions, the computation of OID on such debt instruments must be determined by taking into account both the prepayment assumption, if any, used in pricing the debt instrument and the actual prepayment experience. As a result of these special provisions, the amount of OID on the Series 2023-1 Notes issued with OID that will accrue in any given accrual period may either increase or decrease depending upon the actual prepayment rate.

Holders of the Series 2023-1 Notes are strongly encouraged to consult with their own tax advisors regarding the impact of the OID rules in the event that Series 2023-1 Notes are issued with OID. If a Noteholder purchases a Series 2023-1 Note issued with OID at an acquisition premium—that is, at a price in excess of its "adjusted issue price" but less than its stated redemption price—the amount includible in income in each taxable year as OID is reduced by that portion of the excess properly allocable to such year.

The adjusted issue price of a Series 2023-1 Note is the sum of its issue price plus prior accruals of OID, reduced by the total payments made with respect to the Series 2023-1 Note in all prior periods, other than "qualified stated interest" payments. Acquisition premium is allocated on a pro rata basis to each accrual of OID, so that the Noteholder is allowed to reduce each accrual of OID by a constant fraction.

Market Discount. The Series 2023-1 Notes, whether or not issued with OID, may be subject to the "market discount rules" of Section 1276 of the Code. In general, these rules apply if the Noteholder purchases the Series 2023-1 Note at a market discount—that is, a discount from its stated redemption price at maturity or, if the Series 2023-1 Notes are issued with OID, its adjusted issue price—that exceeds a *de minimis* amount specified in the Code. If the Noteholder acquires the Series 2023-1 Note at a market discount and (a) recognizes gain upon a disposition, or (b) receives payments that do not constitute qualified stated interest, the lesser of (1) such gain or payment or (2) the accrued market discount that has not previously been included in income, will be taxed as ordinary interest income.

Generally, market discount accrues in the ratio of stated interest allocable to the relevant period to the sum of the interest for such period plus the remaining interest as of the end of such period, computed taking into account the prepayment assumption, if any, or in the case of a Series 2023-1 Note issued with OID, in the ratio of OID accrued for the relevant period to the sum of the OID accrued for that period plus the remaining OID as of the end of such period. A Noteholder may elect, however, to determine accrued market discount under the constant yield method, computed taking into account the prepayment assumption, if any. The treatment of the resulting income is subject to the general rules discussed under "*—Sale or Other Taxable Disposition*" in this offering memorandum.

Limitations imposed by the Code which are intended to match deductions with the taxation of income may defer deductions for interest on indebtedness incurred or continued, or short-sale expenses incurred, to purchase or carry a Series 2023-1 Note with accrued market discount. A Noteholder may elect to include market discount in gross income as it accrues. If it makes this election, the Noteholder will not be required to defer deductions. Any such election will apply to all debt instruments acquired by the Noteholder on or after the first day of the first taxable year to which such election applies. The adjusted basis of a Series 2023-1 Note subject to such election will be increased to reflect market discount included in gross income, thereby reducing any gain or increasing any loss on a sale or taxable disposition.

Amortizable Note Premium. In general, if a Noteholder purchases a Series 2023-1 Note at a premium—that is, an amount in excess of the amount payable at maturity—the Noteholder will be considered to have purchased the Series 2023-1 Note with "amortizable note premium" equal to the amount of such excess. A Noteholder may elect to amortize such note premium as an offset to interest income and not as a separate deduction item as it accrues under a constant yield method, or one of the other methods described above under "*—Market Discount*" in this offering memorandum over the remaining term of the Series 2023-1 Note, using the prepayment assumption, if any. A Noteholder's tax basis in the Series 2023-1 Note will be reduced by the amount of the amortized note premium. Any such election shall apply to all debt instruments, other than instruments the interest on which is excludible from gross income, held by the Noteholder at the beginning of the first taxable year for which the election applies or thereafter acquired and is irrevocable without the consent of the IRS. Note premium on a Series 2023-1 Note held by a Noteholder who does not elect to amortize the premium will decrease the gain or increase the loss otherwise recognized on the disposition of the Series 2023-1 Note.

Election to Treat all Interest as OID. A Noteholder may elect to include in gross income all interest with respect to the Series 2023-1 Notes, including stated interest, OID, *de minimis* OID, market discount, and *de minimis* market discount, as adjusted by any amortizable note premium or acquisition premium, using the constant yield method described under "*—Original Issue Discount*" in this offering memorandum. This election will generally apply only to the specific Series 2023-1 Note for which it was

made. It may not be revoked without the consent of the IRS. Holders are strongly encouraged to consult with their own tax advisors before making this election.

Sale or Other Taxable Disposition. If a Noteholder of a Series 2023-1 Note sells, exchanges, redeems or otherwise disposes of a Series 2023-1 Note, the Noteholder will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized on the sale and the Noteholder's adjusted tax basis in the Series 2023-1 Note. The adjusted tax basis will equal the Noteholder's cost for the Series 2023-1 Note, increased by any market discount, OID and gain previously included by the Noteholder in income with respect to the Series 2023-1 Note, and decreased by the amount of any note premium previously amortized and by the amount of principal payments previously received by the noteholder with respect to the Series 2023-1 Note. Any such gain or loss will be capital gain or loss if the Series 2023-1 Note was held as a capital asset, except for gain representing accrued interest, accrued market discount not previously included in income and in the event of a prepayment or redemption, any not yet accrued OID. Capital gains or losses will be long-term capital gains or losses if the Series 2023-1 Note was held for more than one year. Capital losses generally may be used only to offset capital gains.

Defeasance, Waivers, Amendments and Changes in Interest Rates. The Indenture (i) permits the Issuer to deposit funds or securities in escrow in such amounts as to cause the Series 2023-1 Notes to be deemed to be no longer outstanding under the Indenture ("defeasance") and (ii) allows the Noteholders to waive certain events of default and make certain other amendments. Moreover, the Indenture permits the Issuer, by complying with certain conditions, to convert the interest rate Mode on the Series 2023-1 Notes from a Weekly Rate to another interest rate, including to a different form of adjustable rate, an indexed rate or a rate that is fixed to the maturity of the Series 2023-1 Notes. Upon conversion of the Series 2023-1 Notes to any other interest Mode, Noteholders will be required to make a mandatory tender of their Series 2023-1 Notes for purchase at the principal amount thereof plus unpaid accrued interest to the tender date. Any such defeasance, waiver, amendment of the terms of the Series 2023-1 Notes, or change in yield of the Series 2023-1 Notes by a mandatory tender could be treated for U.S. federal income tax purposes as a constructive exchange by a Noteholder of the relevant Series 2023-1 Notes for new Series 2023-1 Notes, upon which gain or loss might be recognized in the same manner as a taxable disposition. See *"—Sale or Other Taxable Disposition*" above. Among the modifications which may be treated as significant are those which relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. For U.S. federal income tax purposes, if a deemed exchange occurs as a result of a significant modification of the Series 2023-1 Notes, a Noteholder could recognize gain or loss, and some or all of the resulting new Series 2023-1 Notes could be treated as (i) issued with original issue discount or with amortizable note premium or (ii) constituting equity interests in a partnership or a corporation. The constructive sale regulations provide an exception to the deemed exchange rules for certain alterations to legal rights or terms of a debt instruments occurring by operation of the terms of the debt instrument. Whether the mandatory redemption required upon a change in interest rate Mode would qualify for such exception is uncertain, since an actual exchange of debt instruments occurs pursuant to applicable state law. A Noteholder may recognize gain in respect of such an actual or constructive taxable exchange depending upon the availability of an exception under the regulations, or if no exception is available, the Noteholder's basis in the Series 2023-1 Notes deemed exchanged and other factors, such as whether pricing quotations on the Series 2023-1 Notes are readily available. Potential Noteholders should consult their tax advisors concerning the circumstances in which the Series 2023-1 Notes could be deemed significantly modified and reissued and the possible U.S. federal income tax consequences to the Noteholder, including the application of the rules under Section 1001 of the Code.

Tax Consequences to Foreign Investors. The following information describes the material U.S. federal income tax consequences to investors in the Series 2023-1 Notes that are non-U.S. persons. The IRS has issued regulations which set forth procedures to be followed by a non-U.S. person in establishing non-U.S. status for certain purposes. Prospective investors are strongly encouraged to consult with their

tax advisors concerning the requirements imposed by the regulations and their effect on the holding of the Series 2023-1 Notes.

Interest paid or accrued to a non-U.S. person that is not effectively connected with the conduct of a trade or business within the United States by the non-U.S. person will generally be considered "portfolio interest" and generally will not be subject to U.S. federal income tax and withholding tax, as long as the non-U.S. person:

- is not actually or constructively a "10 percent shareholder" of the Issuer, or a "controlled foreign corporation" with respect to which the Issuer is a "related person" within the meaning of the Code, and

- provides an appropriate statement, signed under penalties of perjury, certifying that the Noteholder is a non-U.S. person and providing that non-U.S. person's name and address. For beneficial owners that are individuals or entities treated as corporations, this certification may be made on an IRS Form W-8BEN or IRS Form W-8BEN-E. If the information provided in this statement changes, the non-U.S. person must report that change within 30 days of such change. The statement generally must be provided in the year a payment occurs or in any of the three preceding years.

If the interest on Series 2023-1 Notes was not portfolio interest, then it would be subject to U.S. federal income and withholding tax at a current rate of 30% unless reduced or eliminated pursuant to an applicable income tax treaty.

Any capital gain realized on the sale or other taxable disposition of a Series 2023-1 Note by a non-U.S. person will be exempt from U.S. federal income and withholding tax, provided that:

- the gain is not effectively connected with the conduct of a trade or business in the United States by the non-U.S. person, and

- in the case of an individual non-U.S. person, the non-U.S. person is not present in the United States for 183 days or more in the taxable year and certain other requirements are met.

If the interest, gain or income on a Series 2023-1 Note held by a non-U.S. person is effectively connected with the conduct of a trade or business in the United States by the non-U.S. person, the Noteholder—although exempt from the withholding tax previously discussed if a duly executed IRS Form W-8ECI is furnished—generally will be subject to U.S. federal income tax on the interest, gain or income at regular U.S. federal income tax rates. In addition, if the non-U.S. person is a non-U.S. corporation, it may be subject to a branch profits tax equal to 30% of its "effectively connected earnings and profits" (within the meaning of the Code) for the taxable year, as adjusted for certain items, unless it qualifies for a lower rate under an applicable tax treaty.

Information Reporting and Backup Withholding. The Issuer or its representative will be required to report annually to the IRS, and to each Noteholder, the amount of interest (including OID) paid on, or the proceeds from the sale or other taxable disposition of, the Series 2023-1 Notes and the amount withheld for U.S. federal income taxes, if any, for each calendar year, except as to exempt recipients—generally, corporations, tax-exempt organizations, qualified pension and profit-sharing trusts, individual retirement accounts, or nonresident aliens who provide certification as to their status. Each Noteholder that is a U.S. Person other than one who is not subject to the reporting requirements will be required to provide, under penalties of perjury, a certificate containing its name, address, correct federal taxpayer identification

number, which includes a U.S. social security number, and a statement that the holder is not subject to backup withholding. Backup withholding is not an additional tax. Should a non-exempt Noteholder fail to provide the required certification or should the IRS notify the Issuer that the holder has provided an incorrect federal taxpayer identification number or is otherwise subject to backup withholding, the Issuer will be required to withhold at a prescribed rate from the interest otherwise payable to the Noteholder, or the proceeds from the sale or other taxable disposition of the Series 2023-1 Notes, and remit the withheld amounts to the IRS as a credit against the Noteholder's U.S. federal income tax liability.

Treasury Regulations Under Section 385 of the Code. The U.S. Treasury Department has published final regulations under Section 385 of the Code that address the debt or equity treatment of instruments held by parties related to the issuing entity. The tax treatment of the Series 2023-1 Notes owned by an investor or group of related investors that own 50% or more of the Retained Interests is not entirely clear. The Retained Interest is expected to be retained by the Issuer and no portion of the Retained Interest will be held by any Noteholder. Thus, it is expected that these regulations would not apply to the Series 2023-1 Notes. However, should any such expectation be inaccurate, the IRS could impose liability for failing to withhold U.S. federal withholding tax in respect of payments to the affected owner of Series 2023-1 Notes, which withholding tax liability could adversely impact cash flow available to repay Noteholders. Accordingly, prospective investors are encouraged to consult their tax advisors regarding the possible effects of these regulations.

Foreign Account Tax Compliance

Under the Foreign Account Tax Compliance Act ("FATCA"), a 30% withholding tax will be imposed on certain payments (which include interest in respect of Series 2023-1 Notes and, subject to the caveat below, gross proceeds from the sale, exchange or other disposition of such Series 2023-1 Notes) made to a foreign entity if such entity fails to satisfy certain disclosure and reporting rules. FATCA generally requires that (i) in the case of a foreign financial institution (defined broadly to include a hedge fund, a private equity fund, a mutual fund, a securitization vehicle or other investment vehicle), the entity identify and provide information in respect of financial accounts with such entity held (directly or indirectly) by U.S. persons and U.S.-owned non-U.S. entities and (ii) in the case of a non-financial foreign entity, the entity identify and provide information in respect of substantial U.S. owners of such entity. Notwithstanding the foregoing, the IRS and the United States Treasury have issued proposed regulations, upon which taxpayers generally may rely, that exclude gross proceeds from the sale or other disposition of the Series 2023-1 Notes from the application of the withholding tax imposed under FATCA.

FATCA generally will apply to the Series 2023-1 Notes offered hereby. Noteholders may be required to provide the Issuer with FATCA-related information, including appropriate IRS forms, and the Issuer may be required to withhold on interest payable on the Series 2023-1 Notes if any Noteholder fails to provide the required documentation or to the extent any FATCA or other withholding tax is otherwise applicable. Investors in the Series 2023-1 Notes that are foreign persons are strongly encouraged to consult with their own tax advisors regarding the application and impact of FATCA.

STATE TAX CONSEQUENCES

The above discussion does not address the tax treatment of the Issuer or the Noteholders of the Series 2023-1 Notes under any state or local tax laws. The activities of the Servicers in servicing and collecting the Financed Loans will take place at each of the locations at which the Servicers' operations are conducted and, therefore, different tax regimes may apply to the Issuer and the Noteholders of the Series 2023-1 Notes. Prospective investors are urged to consult with their own tax advisors regarding the state and local tax treatment of the receipt of interest from the Issuer as well as any state and local tax consequences to them of purchasing, owning and disposing of the Series 2023-1 Notes.

* * *

The federal and state tax discussions described above may not be applicable depending upon each Noteholder's particular tax situation. Prospective purchasers are strongly encouraged to consult with their own tax advisors as to the tax consequences to them of purchasing, owning or disposing of Series 2023-1 Notes, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in federal or other tax laws.

CERTAIN INVESTMENT COMPANY ACT CONSIDERATIONS

The Issuer 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 Rule 3a-7 promulgated thereunder, although there may be additional exclusions or exemptions available to the Issuer. The Issuer 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 Issuer does not constitute a "covered fund" for purposes of Section 619 of the Dodd-Frank Act, also known as the Volcker Rule. Since the Issuer has not registered, and does not intend to register, as an investment company under the Investment Company Act, Noteholders will not be afforded protections of the provisions of the Investment Company Act designed to protect investment company investors.

UNDERWRITING

The Series 2023-1 Notes are to be purchased by RBC Capital Markets, LLC (the "Underwriter") pursuant to a Note Purchase Agreement (the "Note Purchase Agreement") between the Issuer and the Underwriter. The Underwriter will purchase the Series 2023-1 Notes at a price equal to the par amount of the Series 2023-1 Notes. Pursuant to the Note Purchase Agreement, the Underwriter will be paid an underwriting fee of $1,444,024.39. The Note Purchase Agreement provides that the Underwriter will purchase all of the Series 2023-1 Notes if any are purchased. The obligation of the Underwriter to purchase the Series 2023-1 Notes is subject to certain terms and conditions set forth in the Note Purchase Agreement. The initial public offering prices of the Series 2023-1 Notes set forth on the inside front cover page may be changed without notice by the Underwriter. The Underwriter may offer and sell the Series 2023-1 Notes to certain dealers (including dealers depositing Series 2023-1 Notes 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.

During and after the offering, the Underwriter may engage in transactions, including open market purchases and sales, to stabilize the prices of the Series 2023-1 Notes. The Underwriter, for example, may over-allot the Series 2023-1 Notes for the account of the underwriting syndicate to create a syndicate short position by accepting orders for more Series 2023-1 Notes than are to be sold. In general, over allotment transactions and open market purchases of the Series 2023-1 Notes for the purpose of stabilization or to reduce a short position could cause the price of a Series 2023-1 Note to be higher than it might be in the absence of those transactions. The Underwriter or its affiliates may retain a material percentage of the Series 2023-1 Notes for its own accounts. The retained Series 2023-1 Notes may be resold by such Underwriter or such affiliates at any time in one or more negotiated transactions at varying prices to be determined at the time of sale. See the caption "RELATIONSHIPS AMONG FINANCING PARTICIPANTS" herein.

The Issuer has agreed to indemnify the Underwriter and, under certain limited circumstances, the Underwriter will indemnify the Issuer, against certain civil liabilities, including liabilities under the Securities Act.

Royal Bank of Canada, acting through a branch located at 200 Vesey Street, New York, New York, is providing an irrevocable direct pay letter of credit to support the Series 2023-1 Notes.

RBC Capital Markets, LLC has been appointed to serve as the initial remarketing agent (the "Remarketing Agent") for the Series 2023-1 Notes.

FINANCIAL ADVISOR

SL Capital Strategies LLC is serving as financial advisor to the Issuer in connection with the issuance of the Series 2023-1 Notes. Although SL Capital Strategies LLC reviewed and commented on certain legal documentation, including this Offering Memorandum, SL Capital Strategies LLC is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or adequacy of the information contained in this Offering Memorandum or any of the other legal documents, and further, SL Capital Strategies LLC does not assume any responsibility for the information, covenants and representations with respect to the possible impact of any present, pending or future actions taken by any legislative or judicial bodies or Rating Agencies.

RELATIONSHIPS 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 Issuer. 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 Issuer. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various advisory and investment management services for the Issuer, for which they received or will receive customary fees and expenses. If such advisory and investment management activities are undertaken, the Underwriter and its affiliates will have the obligation to meet their fair dealing or fiduciary duties, as the case may be, to the Issuer, under applicable laws and regulations.

INVESTOR REPORTING

The Issuer intends to make monthly servicing reports available to Noteholders on the Issuer's website at https://www.nthea.com/reports.html. The website is not incorporated into and shall not be deemed to be a part of this Offering Memorandum. The Issuer is not obligated to provide such reports and may discontinue this practice at any time without notice. The Issuer may also change the web site domain where it posts such reports at any time. Such reports will not be audited and will not constitute financial statements prepared in accordance with generally accepted accounting principles.

CONTINUING DISCLOSURE

At the request of the Underwriter, the Issuer will enter into a continuing disclosure agreement with respect to the Series 2023-1 Bonds (a "Continuing Disclosure Agreement") setting forth the undertaking of the Issuer regarding continuing disclosure with respect to the Series 2023-1 Bonds. The proposed form of the Continuing Disclosure Agreement is set forth in Appendix C attached hereto.

During the last five years, the Issuer has, to the best of its knowledge, complied in all material respects with its previous contractual undertakings to provide annual financial information, operating data and notices of material events in accordance with the Rule except for the following matters: (i) the Issuer did not link its audited financial statements for fiscal years 2018 through 2022 to certain CUSIP numbers for securities that are no longer outstanding; (ii) the Issuer did not publish the required operating data for fiscal years 2018 through 2022 for securities that are no longer outstanding; (iii) the Issuer omitted certain operating data from its filings for fiscal years 2018 through 2020 for securities that are no longer outstanding; (iv) the Issuer published its fiscal year 2021 and 2022 operating data 410 days late and 45 days late, respectively, for certain outstanding securities. The Issuer filed a late filing notice on the Electronic Municipal Market Access ("EMMA") website on October 25, 2023, with respect to the items listed in clause (iv) in the preceding sentence.

LEGAL PROCEEDINGS

There is no controversy or litigation of any nature now pending or, to the knowledge of the Issuer, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Series 2023-1 Notes, or in any way contesting or affecting the validity of the Series 2023-1 Notes, any proceedings of the Issuer taken with respect to the issuance or sale thereof, the pledge or application of any moneys or securities provided for the payment of the Series 2023-1 Notes or the due existence or powers of the Issuer.

The Issuer may be subject to various claims, lawsuits, and proceedings that arise from time to time.

LEGAL MATTERS

Norton Rose Fulbright US LLP, Houston, Texas, as special counsel to the Issuer, will give opinions on specified legal matters for the Issuer.

Kutak Rock LLP, Denver, Colorado, will give opinions on specified legal matters for the Underwriter.

Chapman and Cutler LLP, Chicago, Illinois, will give opinions on specified legal matters for Royal Bank.

RATINGS

The Series 2023-1 Notes are expected to be assigned long-term ratings of "AA-" and "Aa1" by S&P Global Ratings ("S&P") and Moody's Investors Service ("Moody's"), respectively, and short-term ratings of "A-1+" and "VMIG 1" by S&P and Moody's, respectively, with the understanding that the Bank will deliver the Letter of Credit simultaneously with the issuance of the Series 2023-1 Notes.

Such ratings reflect only the views of S&P and Moody's at the time such ratings were given and the Issuer 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 and Moody's. 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 or Moody's if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2023-1 Notes. The ratings are not a recommendation to buy or sell the Series 2023-1 Notes, and are not a comment as to the suitability of the Series 2023-1 Notes for any investor.

MISCELLANEOUS

Any statements in this Offering Memorandum involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Offering Memorandum is not to be construed as a contract or agreement between the Issuer and the purchasers or owners of any of the Series 2023-1 Notes.

SEC Rule 15Ga-1 requires "securitizers" of "asset-backed securities" as such terms are defined for purposes of the rule (including, with respect to the Series 2023-1 Notes, the Issuer), for which the underlying transaction documents contain a covenant to repurchase or replace underlying assets for breaches of representations or warranties, to periodically file specified information regarding securitized assets that were the subject of a demand for repurchase or replacement due to a breach of a representation or warranty. On October 16, 2023, the Issuer furnished a Form ABS-15G to the Securities and Exchange Commission pursuant to Rule 15Ga-1 of the Securities Exchange Act of 1934, as amended, noting that it had no activity to report. The Issuer also filed Form ABS-15G on October 23, 2023 on EMMA noting that it had no activity to report.

All quotations from, and summaries and explanations of, the Higher Education Act, the Indenture and other documents contained herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions.

The Indenture provides that all covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any officer, director or employee of the Issuer in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Series 2023-1 Notes or for any claim based thereon or on the Indenture against any officer or employee of the Issuer or against any person executing the Series 2023-1 Notes.

The execution and delivery of this Offering Memorandum have been duly authorized by the Issuer.

NORTH TEXAS HIGHER EDUCATION
AUTHORITY, INC.

By: */s/ Phillip Wambsganss*
Phillip Wambsganss
Executive Director

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

DESCRIPTION OF
THE FEDERAL FAMILY EDUCATION LOAN PROGRAM

As of July 1, 2010, FFELP Loans made pursuant to the Higher Education Act were no longer originated, and all new federal student loans are originated solely under the Federal Direct Student Loan Program (the "Direct Loan Program"). However, FFELP Loans originated under the Higher Education Act prior to July 1, 2010 which have been originated or acquired by the Issuer continue to be subject to the provisions of the FFEL Program. The following description of the FFEL Program has been provided solely to explain certain of the provisions of the FFEL Program applicable to the approximately 94.38% by principal balance of the Financed Loans originated on or after July 1, 1998 and prior to July 1, 2010. Certain additional information about the FFELP Loans which comprise approximately 5.62% by principal balance of the Financed Loans originated prior to July 1, 1998 is also included. Notwithstanding anything herein to the contrary, after June 30, 2010, no new FFELP Loans (including Consolidation Loans) may be made or insured under the FFEL Program, and no funds are authorized to be appropriated, or may be expended, under the Higher Education Act to make or insure loans under the FFEL Program (including Consolidation Loans) for which the first disbursement is after June 30, 2010, except as expressly authorized by an Act of Congress.

The Higher Education Act provides for several different educational loan programs (collectively, the "Federal Family Education Loan Program" or "FFEL Program," and the loans originated thereunder, "Federal Family Education Loans" or "FFELP Loans"). Under the FFEL Program, state agencies or private nonprofit corporations administering student loan insurance programs ("Guaranty Agencies") are reimbursed for portions of losses sustained in connection with FFELP Loans, and holders of certain loans made under such programs are paid subsidies for owning such FFELP Loans. Certain provisions of the Federal Family Education Loan Program are summarized below. This summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the text of the Higher Education Act and the regulations thereunder.

The Higher Education Act has been subject to frequent amendments and federal budgetary legislation, the most significant of which has been the passage of H.R. 4872 (the "Health Care & Education Affordability Reconciliation Act of 2010" or "HCEARA") which terminated originations of FFELP Loans under the FFEL Program after June 30, 2010 such that all new federal student loans originated on and after July 1, 2010 are originated under the Direct Loan Program.

Federal Family Education Loans

Several types of loans were authorized as Federal Family Education Loans pursuant to the Federal Family Education Loan Program. These included: (a) loans to students meeting certain financial needs tests with respect to which the federal government makes interest payments available to reduce student interest cost during periods of enrollment ("Subsidized Stafford Loans"); (b) loans to students made without regard to financial need with respect to which the federal government does not make such interest payments ("Unsubsidized Stafford Loans" and, collectively with Subsidized Stafford Loans, "Stafford Loans"); (c) loans to graduate students, professional students, or parents of dependent students ("PLUS Loans"); and (d) loans available to borrowers with certain existing federal educational loans to consolidate repayment of such loans ("Consolidation Loans").

Generally, a FFELP Loan was made only to a United States citizen or permanent resident or otherwise eligible individual under federal regulations who (a) had been accepted for enrollment or was

enrolled and was maintaining satisfactory progress at an eligible institution; (b) was carrying at least one-half of the normal full-time academic workload for the course of study the student was pursuing, as determined by such institution; (c) agreed to notify promptly the holder of the loan of any address change; (d) was not in default on any federal education loans; (e) met the applicable "need" requirements; and (f) had not committed a crime involving fraud or obtaining funds under the Higher Education Act which funds had not been fully repaid. Eligible institutions included higher educational institutions and vocational schools that complied with certain federal regulations. With certain exceptions, an institution with a cohort default rate that was equal to or greater than 25% for each of the three most recent fiscal years for which data was available was not an eligible institution under the Higher Education Act. However, beginning in fiscal year 2012, the threshold was raised from 25% to 30%. In addition, an institution with a cohort default rate that was equal to or greater than 40% for the most recent fiscal year for which data was available is also not an eligible institution under the Higher Education Act.

Subsidized Stafford Loans

The Higher Education Act provides for federal (a) insurance or reinsurance of eligible Subsidized Stafford Loans, (b) interest benefit payments for borrowers remitted to eligible lenders with respect to certain eligible Subsidized Stafford Loans, and (c) Special Allowance Payments representing an additional subsidy paid by the Secretary to such holders of eligible Subsidized Stafford Loans.

Subsidized Stafford Loans were eligible for reinsurance under the Higher Education Act if the eligible student to whom the loan was made had been accepted or was enrolled in good standing at an eligible institution of higher education or vocational school and was carrying at least one-half the normal full-time workload at that institution. In connection with eligible Subsidized Stafford Loans there were limits as to the maximum amount which could be borrowed for an academic year and in the aggregate for both undergraduate and graduate/professional study. The Secretary had discretion to raise these limits to accommodate students undertaking specialized training requiring exceptionally high costs of education.

Subject to these limits, Subsidized Stafford Loans were available to borrowers in amounts not exceeding their unmet need for financing as provided in the Higher Education Act.

Unsubsidized Stafford Loans

Unsubsidized Stafford Loans were available to students who did not qualify for Subsidized Stafford Loans due to parental and/or student income or assets in excess of permitted amounts. In other respects, the general requirements for Unsubsidized Stafford Loans were essentially the same as those for Subsidized Stafford Loans. The interest rate, the loan fee requirements and the Special Allowance Payment provisions of the Unsubsidized Stafford Loans were the same as the Subsidized Stafford Loans. However, the terms of the Unsubsidized Stafford Loans differ materially from Subsidized Stafford Loans in that the Secretary does not make interest benefit payments and the loan limitations were determined without respect to the expected family contribution. The borrower was required to pay interest from the time such loan was disbursed or capitalize the interest until repayment began.

PLUS Loan Program

The Higher Education Act authorized PLUS Loans to be made to graduate students, professional students, or parents of eligible dependent students. Only graduate students, professional students and parents who did not have an adverse credit history were eligible for PLUS Loans. The basic provisions applicable to PLUS Loans were similar to those of Stafford Loans with respect to the involvement of Guaranty Agencies and the Secretary in providing federal reinsurance on the loans. However, PLUS Loans

differ significantly from Subsidized Stafford Loans, particularly because federal interest benefit payments are not available under the PLUS Program and Special Allowance Payments are more restricted.

The Consolidation Loan Program

The Higher Education Act authorized a program under which certain borrowers were permitted to consolidate their various student loans into a single loan insured and reinsured on a basis similar to Subsidized Stafford Loans. The authority to make such Consolidation Loans expired on June 30, 2010. Consolidation Loans were made in an amount sufficient to pay outstanding principal, unpaid interest and late charges on certain federally insured or reinsured student loans incurred under and pursuant to the Federal Family Education Loan Program (other than Parent PLUS Loans) selected by the borrower, as well as loans made pursuant to the Perkins Loan Program, the Health Professions Student Loan Programs and the Direct Loan Program. Consolidation Loans made pursuant to the Direct Loan Program must conform to the eligibility requirements for Consolidation Loans under the Federal Family Education Loan Program. The borrowers could have been either in repayment status or in a grace period preceding repayment, but the borrower could not still be in school. Delinquent or defaulted borrowers were eligible to obtain Consolidation Loans if they agreed to re-enter repayment through loan consolidation. Borrowers were permitted to add additional loans to a Consolidation Loan during the 180-day period following origination of the Consolidation Loan. Further, a married couple who agreed to be jointly and severally liable was treated as one borrower for purposes of loan consolidation eligibility. A Consolidation Loan was federally insured or reinsured only if such loan was made in compliance with the requirements of the Higher Education Act.

The Higher Education Act authorizes the Secretary to offer the borrower a Direct Consolidation Loan with repayment provisions authorized under the Higher Education Act and terms consistent with a Consolidation Loan made pursuant to the FFEL Program. In addition, the Secretary may offer the borrower of a Consolidation Loan a Direct Consolidation Loan for one of three purposes: (a) providing the borrower with an income contingent repayment plan (or income-based repayment plan as of July 1, 2009) if the borrower's delinquent loan has been submitted to a Guaranty Agency for default aversion (or, as of July 1, 2009, if the loan is already in default); (b) allowing the borrower to participate in a public service loan forgiveness program offered under the Direct Loan Program; or (c) allowing the borrower to use the no accrual of interest for active duty service members benefit offered under the Direct Loan Program for not more than 60 months for loans first disbursed on or after October 1, 2008. In order to participate in the public service loan forgiveness program, the borrower must not have defaulted on the Direct Loan; must have made 120 monthly payments on the Direct Loan after October 1, 2007 under certain income based repayment plans, a standard 10-year repayment plan for certain Direct Loans, or a certain income contingent repayment plan; and must be employed in a public service job at the time of forgiveness and during the period in which the borrower makes each of his 120 monthly payments. A public service job is defined broadly and includes working at an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and restated (the "IRC"), which is exempt from taxation under Section 501(a) of the IRC. No borrower may, however, receive a reduction of loan obligations under both the public service loan forgiveness program offered under the Direct Loan Program and the following programs: (i) the loan forgiveness program for teachers offered under both the FFEL Program and the Direct Loan Program; (ii) the loan forgiveness program for service in areas of national need offered under the FFEL Program; and (iii) the loan repayment program for civil legal assistance attorneys offered under the FFEL Program.

Federal Direct Student Loan Program

The Student Loan Reform Act of 1993 established the Direct Loan Program. The first loans under the Direct Loan Program were made available for the 1994-1995 academic year. Under the Direct Loan

Program, approved institutions of higher education, or alternative loan originators approved by the United States Department of Education (the "Department of Education"), make loans to students or parents without application to or funding from outside lenders or Guaranty Agencies. The Department of Education provides the funds for such loans, and the program provides for a variety of flexible repayment plans, including extended, graduated and income contingent repayment plans, forbearance of payments during periods of national service and consolidation under the Direct Loan Program of existing student loans. Such consolidation permits borrowers to prepay existing student loans and consolidate them into a Federal Direct Consolidation Loan under the Direct Loan Program. The Direct Loan Program also provides certain programs under which principal may be forgiven or interest rates may be reduced. Direct Loan Program repayment plans, other than income contingent plans, must be consistent with the requirements under the Higher Education Act for repayment plans under the FFEL Program. Due to the enactment of HCEARA, FFELP Loans made pursuant to the Higher Education Act are no longer originated, and as of July 1, 2010 new federal student loans are originated solely under the Direct Loan Program.

Interest Rates

Subsidized and Unsubsidized Stafford Loans. Subsidized and Unsubsidized Stafford Loans made on or after October 1, 1998 but before July 1, 2006 which are in in-school, grace and deferment periods bear interest at a rate equivalent to the 91-day T-Bill rate plus 1.70%, with a maximum rate of 8.25%. Subsidized Stafford Loans and Unsubsidized Stafford Loans made on or after October 1, 1998 but before July 1, 2006 in all other payment periods bear interest at a rate equivalent to the 91-day T-Bill rate plus 2.30%, with a maximum rate of 8.25%. The rate is adjusted annually on July 1.

Subsidized Stafford Loans disbursed on or after July 1, 2006 and before July 1, 2010 bear interest at progressively lowered rates described below. Subsidized Stafford Loans made on or after July 1, 2006 but before July 1, 2008 bear interest at a rate equal to 6.80% per annum. Subsidized Stafford Loans made on or after July 1, 2008 but before July 1, 2009 bear interest at a rate equal to 6.00% per annum. Subsidized Stafford Loans made on or after July 1, 2009 but before July 1, 2010 bear interest at a rate equal to 5.60% per annum.

Unsubsidized Stafford Loans made on or after July 1, 2006 and before July 1, 2010 bear interest at a rate equal to 6.80% per annum.

PLUS Loans. PLUS Loans made on or after October 1, 1998 but before July 1, 2006 bear interest at a rate equivalent to the 91-day T-Bill rate plus 3.10%, with a maximum rate of 9.00%. The rate is adjusted annually on July 1. PLUS Loans made on or after July 1, 2006 and before July 1, 2010 bear interest at a rate equal to 8.50% per annum.

Consolidation Loans. Consolidation Loans for which the application was received by an eligible lender on or after October 1, 1998 and that was disbursed before July 1, 2010 bear interest at a fixed rate equal to the lesser of (a) the weighted average of the interest rates on the loans consolidated, rounded upward to the nearest 1/8 of 1.00%; or (b) 8.25%. For Consolidation Loans disbursed before July 1, 1994, the applicable interest rate is fixed at the greater of 9% or the weighted average of the interest rates on the loans being consolidated, rounded to the nearest whole percent. For Consolidation Loans disbursed on or after July 1, 1994, based on applications received by the lender before November 13, 1997, the applicable interest rate is fixed and is based on the weighted average of the interest rates on the loans being consolidated, rounded up to the nearest whole percent. For Consolidation Loans (which do not include a HEAL loan) on which the application was received by the lender between November 13, 1997 and September 30, 1998, inclusive, the applicable interest rate is variable based on the bond equivalent rate of the 91-day Treasury bills, auctioned at the final auction before the preceding June, plus 3.1% (adjusted annually on July 1).

Servicemembers Civil Relief Act—6.00% Interest Rate Limitation. As of August 14, 2008, FFELP Loans incurred by a servicemember, or by a servicemember and the servicemember's spouse jointly, before the servicemember enters military service may not bear interest at a rate in excess of 6.00% during the period of military service.

Loan Disbursements

The Higher Education Act generally required that Stafford Loans and PLUS Loans made to cover multiple enrollment periods, such as a semester, trimester, or quarter, be disbursed by eligible lenders in at least two separate disbursements. The Higher Education Act also generally required that the first installment of such loans made to a student who was entering the first year of a program of undergraduate education and who had not previously obtained a FFEL Program loan (a "First FFEL Student") must have been presented by the institution to the student 30 days after the First FFEL Student begins a course of study. However, certain institutions whose cohort default rate was less than 10% prior to October 1, 2011 and less than 15% on or after October 1, 2011 for each of the three most recent fiscal years for which data was available were permitted to (a) disburse any such loan made in a single installment for any period of enrollment that was not more than a semester, trimester, quarter, or four months; and (b) deliver any such loan that was to be made to a First FFEL Student prior to the end of the 30-day period after the First FFEL Student began his or her course of study at the institution.

Loan Limits

A Stafford Loan borrower was permitted to receive a subsidized loan, an unsubsidized loan, or a combination of both for an academic period. Generally, the maximum amount of Stafford Loans, made prior to July 1, 2007, for an academic year was not permitted to exceed $2,625 for the first year of undergraduate study, $3,500 for the second year of undergraduate study and $5,500 per year for the remainder of undergraduate study. The maximum amount of Stafford Loans, made on or after July 1, 2007, for an academic year was not permitted to exceed $3,500 for the first year of undergraduate study and $4,500 for the second year of undergraduate study. The aggregate limit for undergraduate study was $23,000 (excluding PLUS Loans). Dependent undergraduate students were permitted to receive an additional unsubsidized Stafford Loan of up to $2,000 per academic year, with an aggregate maximum of $31,000. Independent undergraduate students were permitted to receive an additional Unsubsidized Stafford Loan of up to $6,000 per academic year for the first two years and up to $7,000 per academic year thereafter, with an aggregate maximum of $57,500. The maximum amount of subsidized loans for an academic year for graduate students was $8,500. Graduate students were permitted to borrow an additional Unsubsidized Stafford Loan of up to $12,000 per academic year. The Secretary had discretion to raise these limits by regulation to accommodate highly specialized or exceptionally expensive courses of study.

The total amount of all PLUS Loans that (a) parents were permitted to borrow on behalf of each dependent student, or (b) graduate or professional students were permitted to borrow for any academic year was not permitted to exceed the student's estimated cost of attendance minus other financial assistance for that student as certified by the eligible institution which the student attends.

Repayment

General. Repayment of principal on a Stafford Loan does not commence while a student remains a qualified student, but generally begins six months after the date a borrower ceases to pursue at least a half-time course of study (the six-month period is the "Grace Period"). Repayment of interest on an Unsubsidized Stafford Loan begins immediately upon disbursement of the loan; however, the lender may capitalize the interest until repayment of principal is scheduled to begin. Except for certain borrowers as described below, each loan generally must be scheduled for repayment over a period of not more than

10 years after the commencement of repayment. The Higher Education Act currently requires minimum annual payments of $600, including principal and interest, unless the borrower and the lender agree to lesser payments. Regulations of the Secretary require lenders to offer borrowers standard, graduated, income-sensitive, or, as of July 1, 2009 for certain eligible borrowers, income-based repayment plans. Use of income-based repayment plans may extend the 10-year maximum term.

Effective July 1, 2009, a new income-based repayment plan became available to certain FFEL Program borrowers and Direct Loan Program borrowers. To be eligible to participate in the plan, the borrower's annual amount due on loans made to a borrower prior to July 1, 2010 with respect to FFEL Program borrowers and prior to July 1, 2014 with respect to Direct Loan Program borrowers (as calculated under a standard 10-year repayment plan for such loans) must exceed 15% of the result obtained by calculating the amount by which the borrower's adjusted gross income (and the borrower's spouse's adjusted gross income, if applicable) exceeds 150% of the poverty line applicable to the borrower's family size. With respect to any loan made to a new Direct Loan Program borrower on or after July 1, 2014, the borrower's annual amount due on such loans (as calculated under a standard 10-year repayment plan for such loans) must exceed 10% of the result obtained by calculating the amount by which the borrower's adjusted gross income (and the borrower's spouse's adjusted gross income, if applicable) exceeds 150% of the poverty line applicable to the borrower's family size. Such a borrower may elect to have his payments limited to the monthly amount of the above described result. Furthermore, the borrower is permitted to repay his loans over a term greater than 10 years. The Secretary will repay any outstanding principal and interest on eligible FFEL Program loans and cancel any outstanding principal and interest on eligible Direct Loan Program loans for borrowers who participated in the new income-based repayment plan and, for a period of time prescribed by the Secretary (but not more than 25 years for a borrower whose loan was made prior to July 1, 2010 with respect to FFEL Program loans and prior to July 1, 2014 with respect to Direct Loan Program loans and not more than 20 years for a Direct Loan Program borrower whose loan was made on or after July 1, 2014), have (a) made certain reduced monthly payments under the income-based repayment plan, (b) made certain payments based on a 10-year repayment period when the borrower first made the election to participate in the income-based repayment plan, (c) made certain payments based on a standard 10-year repayment period, (d) made certain payments under an income-contingent repayment plan for certain Direct Loan Program loans, or (e) have been in an economic hardship deferment.

Borrowers of Subsidized Stafford Loans and of the subsidized portion of Consolidation Loans, and borrowers of similar subsidized loans under the Direct Loan Program receive additional benefits under the new income-based repayment program: the Secretary will pay any unpaid interest due on the borrower's subsidized loans for up to three years after the borrower first elects to participate in the new income-based repayment plan (excluding any periods where the borrower has obtained economic hardship deferment). For both subsidized and unsubsidized loans, interest is capitalized when the borrower either ends his participation in the income-based repayment program or begins making certain payments under the program calculated for those borrowers whose financial hardship has ended.

PLUS Loans enter repayment on the date the last disbursement is made on the loan. Interest accrues and is due and payable from the date of the first disbursement of the loan. The first payment is due within 60 days after the loan is fully disbursed, subject to deferral. For parent borrowers whose loans were first disbursed on or after July 1, 2008, it is possible, upon the request of the parent, to begin repayment on the later of (a) six months and one day after the student for whom the loan is borrowed ceases to carry at least one-half of the normal full-time academic workload (as determined by the school); and (b) if the parent borrower is also a student, six months and one day after the date such parent borrower ceases to carry at least one-half such a workload. Similarly, graduate and professional student borrowers whose loans were first disbursed on or after July 1, 2008 may begin repayment six months and one day after such student ceases to carry at least one-half the normal full-time academic workload (as determined by the school). Repayment plans are the same as in the Subsidized and Unsubsidized Stafford Loan Program for all PLUS

Loans except those PLUS Loans which are made, insured, or guaranteed on behalf of a dependent student; such excepted PLUS Loans are not eligible for the income-based repayment plan which became effective on July 1, 2009. Furthermore, eligible lenders were permitted to determine for all PLUS Loan borrowers (i) whose loans were first disbursed on or after July 1, 2008 that extenuating circumstances existed if between January 1, 2007 through December 31, 2009, a PLUS Loan applicant (A) was or had been delinquent for 180 days or less on the borrower's residential mortgage loan payments or on medical bills; and (B) did not otherwise have an adverse credit history, as determined by the lender in accordance with the regulations promulgated under the Higher Education Act prior to May 7, 2008; and (ii) whose loans were first disbursed prior to July 1, 2008 that extenuating circumstances existed if between January 1, 2007 through December 31, 2009, a PLUS Loan applicant (A) was or had been delinquent for 180 days or less on the borrower's residential mortgage loan or on medical bills, and (B) was not and had not been delinquent on the repayment of any other debt for more than 89 days during the period.

Consolidation Loans enter repayment on the date the loan is disbursed. The first payment is due within 60 days after all holders of the loan have discharged the liabilities of the borrower on the loan selected for consolidation. Consolidation Loans which are not being paid pursuant to income-sensitive repayment plans (or, as of July 1, 2009, income-based repayment plans) must generally be repaid during a period agreed to by the borrower and lender, subject to maximum repayment periods which vary depending upon the principal amount of the borrower's outstanding student loans (but no longer than 30 years for Consolidation Loans made after January 1, 1993). Consolidation Loans may also be repaid pursuant to the new income-based repayment plan which became effective on July 1, 2009. However, Consolidation Loans which have been used to repay a PLUS Loan that has been made, insured, or guaranteed on behalf of a dependent student were not eligible for this new income-based repayment plan.

FFEL Program borrowers who accumulate outstanding FFELP Loans on or after October 7, 1998 totaling more than $30,000 were permitted to receive an extended repayment plan, with a fixed annual or graduated payment amount paid over a longer period of time, not to exceed 25 years. A borrower may accelerate principal payments at any time without penalty. Once a repayment plan is established, the borrower may annually change the selection of the plan.

Deferment and Forbearance Periods. No principal repayments need to be made during certain periods prescribed by the Higher Education Act ("Deferment Periods") but interest accrues and must be paid. Generally, Deferment Periods include periods (a) when the borrower has returned to an eligible educational institution on a half-time basis or is pursuing studies pursuant to an approved graduate fellowship or an approved rehabilitation training program for disabled individuals; (b) not in excess of three years while the borrower is seeking and unable to find full-time employment; (c) while the borrower is serving on active duty during a war or other military operation or national emergency, is performing qualifying National Guard duty during a war or other military operation or national emergency, and for 180 days following the borrower's demobilization date for the above described services; (d) during the 13 months following service if the borrower is a member of the National Guard, a member of a reserve component of the military, or a retired member of the military who (i) is called or ordered to active duty, and (ii) is or was enrolled within six months prior to the activation at an eligible educational institution; (e) if the borrower is in active military duty, or is in reserve status and called to active duty; and (f) not in excess of three years for any reason which the lender determines, in accordance with regulations, has caused or will cause the borrower economic hardship. Deferment periods extend the maximum repayment periods. Under certain circumstances, a lender may also allow periods of forbearance ("Forbearance") during which the borrower may defer payments because of temporary financial hardship. The Higher Education Act specifies certain periods during which Forbearance is mandatory. Mandatory Forbearance periods include, but are not limited to, periods during which the borrower is (A) participating in a medical or dental residency and is not eligible for deferment; (B) serving in a qualified medical or dental internship program or certain national service programs; or (C) determined to have a debt burden of certain federal loans equal

to or exceeding 20% of the borrower's gross income. In other circumstances, Forbearance may be granted at the lender's option. Forbearance also extends the maximum repayment periods.

Master Promissory Notes

Since July 2000, all lenders were required to use a master promissory note (the "MPN") for new Stafford Loans. Unless otherwise notified by the Secretary, each institution of higher education that participated in the FFEL Program was permitted to use a master promissory note for FFELP Loans. The MPN permitted a borrower to obtain future loans without the necessity of executing a new promissory note. Borrowers were not, however, required to obtain all of their future loans from their original lender, but if a borrower obtains a loan from a lender which does not presently hold an MPN for that borrower, that borrower was required to execute a new MPN. A single borrower may have several MPNs evidencing loans to multiple lenders. If multiple loans have been advanced pursuant to a single MPN, any or all of those loans may be individually sold by the holder of the MPN to one or more different secondary market purchasers.

Interest Benefit Payments

The Secretary is to pay interest on Subsidized Stafford Loans while the borrower is a qualified student, during a Grace Period or during certain Deferment Periods. In addition, Consolidation Loans made after August 10, 1993, that repay only Subsidized Stafford Loans are eligible for Interest Benefit Payments. Consolidation Loans made on or after November 13, 1997, are eligible for Interest Benefit Payments on that portion of the Consolidation Loan that repays subsidized FFELP Loans or similar subsidized loans made under the Direct Loan Program are eligible for interest benefit payments. The Secretary is required to make interest benefit payments to the holder of Subsidized Stafford Loans in the amount of interest accruing on the unpaid balance thereof prior to the commencement of repayment or during any Deferment Period. The Higher Education Act provides that the holder of an eligible Subsidized Stafford Loan, or the eligible portions of Consolidation Loans, shall be deemed to have a contractual right against the United States to receive interest benefit payments in accordance with its provisions.

Special Allowance Payments

The Higher Education Act provides for Special Allowance Payments to be made by the Secretary to eligible lenders. The rates for Special Allowance Payments are based on formulas that differ according to the type of loan, the date the loan was first disbursed, the interest rate and the type of funds used to finance such loan (tax-exempt or taxable). Loans made or purchased with funds obtained by the holder from the issuance of tax-exempt obligations issued prior to October 1, 1993, have an effective minimum rate of return of 9.50%. Amounts derived from recoveries of principal on loans made prior to October 1, 1993 may only be used to originate or acquire additional loans by a unit of a state or local government, or non-profit entity not owned or controlled by or under common ownership of a for-profit entity and held directly or through any subsidiary, affiliate or trustee, which entity has a total unpaid balance of principal equal to or less than $100,000,000 on loans for which special allowances were paid in the most recent quarterly payment prior to September 30, 2005. Such entities were permitted to originate or acquire additional loans with amounts derived from recoveries of principal until December 31, 2010. The Special Allowance Payments payable with respect to student loans acquired or funded with the proceeds of tax-exempt obligations issued after September 30, 1993, are equal to those paid to other lenders.

Public Law 112-74, dated December 23, 2011, amended the Higher Education Act, reflecting financial market conditions, to allow FFELP lenders to make an affirmative election to permanently change the index for Special Allowance Payment calculations on all FFELP Loans in the lender's portfolio (with certain limited exceptions) disbursed after January 1, 2000, from the Three Month Commercial Paper Rate

(as hereafter defined) to the One Month LIBOR Rate (as hereafter defined), commencing with the Special Allowance Payment calculations for the calendar quarter beginning on June 1, 2012. Such election to permanently change the index for Special Allowance Payment calculations must have been made by June 1, 2012, and must also have waived all contractual, statutory or other legal rights to the Special Allowance Payment calculation formula in effect at the time the loans were first disbursed.

The Adjustable Interest Rate (LIBOR) Act (the "Federal LIBOR Act") signed into law by the President on March 15, 2022, in part, amends the Higher Education Act to substitute the 30-day Average Secured Overnight Financing Rate ("SOFR") in effect for each of the days in an applicable calendar quarter, adjusted daily by adding the tenor spread adjustment of 0.11448 percent for One Month LIBOR as the basis for Special Allowance Payment rate-setting ("SAP Adjusted SOFR"). The rate-setting mechanism for Special Allowance Payments transitioned from LIBOR to SOFR on July 1, 2023.

Subject to the foregoing, the formulas for Special Allowance Payment rates for Subsidized and Unsubsidized Stafford Loans are summarized in the following chart. The term "T-Bill" as used in this table and the following table, means the average 91-day treasury bill rate calculated at a "bond equivalent rate" in the manner applied by the Secretary as referred to in Section 438 of the Higher Education Act. The term "Three Month Commercial Paper Rate" means the 90-day commercial paper index calculated quarterly and based on an average of the daily 90-day commercial paper rates reported in the Federal Reserve's Statistical Release H-15. The term "One Month LIBOR Rate" means the one-month London Interbank Offered Rate for United States dollars in effect for each of the days in such quarter as compiled and released by Intercontinental Exchange Group (ICE) and from and after July 1, 2023, refers to SAP Adjusted SOFR.

Date of Loans	**Annualized SAP Rate**
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after July 1, 1995	T-Bill Rate less Applicable Interest Rate + 3.10%[1]
On or after July 1, 1998	T-Bill Rate less Applicable Interest Rate + 2.80%[2]
On or after January 1, 2000 (and before October 1, 2007)	Three Month Commercial Paper Rate[6] less Applicable Interest Rate + 2.34%[3]
On or after October 1, 2007, and before July 1, 2010, if an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate[6] less Applicable Interest Rate + 1.94%[4]
On or after October 1, 2007, and before July 1, 2010, if an eligible lender other than an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate[6] less Applicable Interest Rate + 1.79%[5]

[1] Substitute 2.50% in this formula while such loans are in the in-school or grace period.
[2] Substitute 2.20% in this formula while such loans are in the in-school or grace period.
[3] Substitute 1.74% in this formula while such loans are in the in-school or grace period.
[4] Substitute 1.34% in this formula while such loans are in the in-school or grace period.
[5] Substitute 1.19% in this formula while such loans are in the in-school or grace period.
[6] Substitute "One Month LIBOR Rate" for "Three Month Commercial Paper Rate" in this formula where lenders made the affirmative election by no later than June 1, 2012, under Public Law 112-74, dated December 23, 2011, to permanently change the index for Special Allowance Payment calculations for all loans in the lender's portfolio.

The formulas for Special Allowance Payment rates for PLUS Loans are as follows:

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after January 1, 2000 (and before October 1, 2007)	Three Month Commercial Paper Rate* less Applicable Interest Rate +2.64%
On or after October 1, 2007, and before July 1, 2010, if an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 1.94%
On or after October 1, 2007, and before July 1, 2010, if an eligible lender other than an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 1.79%

* Substitute "One Month LIBOR Rate" for "Three Month Commercial Paper Rate" in this formula where lenders made the affirmative election by no later than June 1, 2012, under Public Law 112-74, dated December 23, 2011, to permanently change the index for Special Allowance Payment calculations for all loans in the lender's portfolio.

The formulas for Special Allowance Payment rates for Consolidation Loans are as follows:

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after January 1, 2000 (and before October 1, 2007)	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.64%
On or after October 1, 2007, and before July 1, 2010, if an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.24%
On or after October 1, 2007, and before July 1, 2010, if an eligible lender other than an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.09%

* Substitute "One Month LIBOR Rate" for "Three Month Commercial Paper Rate" in this formula where lenders made the affirmative election by no later than June 1, 2012, under Public Law 112-74, dated December 23, 2011, to permanently change the index for Special Allowance Payment calculations for all loans in the lender's portfolio.

Special allowance payments are generally payable, with respect to variable rate FFELP Loans to which a maximum borrower interest rate applies, only when the maximum borrower interest rate is in effect. The Secretary offsets interest benefit payments and Special Allowance Payments by the amount of origination fees and lender loan fees described under the caption "—Loan Fees" below.

The Higher Education Act provides that a holder of a qualifying loan who is entitled to receive Special Allowance Payments has a contractual right against the United States to receive those payments during the life of the loan. Receipt of Special Allowance Payments, however, is conditioned on the eligibility of the loan for federal insurance or reinsurance benefits. Such eligibility may be lost due to violations of federal regulations or Guaranty Agencies' requirements.

The Higher Education Act provides that for FFELP Loans first disbursed prior to June 1, 2006, lenders are entitled to retain interest income in excess of the special allowance support level in instances when the loan rate exceeds the special allowance support level. However, lenders are not allowed to retain interest income in excess of the special allowance support level on FFELP Loans disbursed on or after June 1, 2006, and are required to rebate any such "excess interest" to the Secretary on a quarterly basis. This modification effectively limits lenders' returns to the special allowance support level and could require a lender to rebate excess interest accrued but not yet received.

Loan Fees

Insurance Premium. For loans guaranteed before July 1, 2006, a Guaranty Agency was authorized to charge a premium, or guarantee fee, of up to 1.00% of the principal amount of the loan, which may be deducted proportionately from each installment of the loan. Generally, Guaranty Agencies had waived this fee since 1999. For loans guaranteed on or after July 1, 2006, that are first disbursed before July 1, 2010, a federal default fee equal to 1.00% of principal was required to be paid into such Guaranty Agency's Federal Student Loan Reserve Fund (hereinafter defined as the "Federal Fund").

Origination Fee. Lenders were authorized to charge borrowers of Subsidized Stafford Loans and Unsubsidized Stafford Loans an origination fee in an amount not to exceed: 3.00% of the principal amount of the loan for loans disbursed prior to July 1, 2006; 2.00% of the principal amount of the loan for loans disbursed on or after July 1, 2006, and before July 1, 2007; 1.50% of the principal amount of the loan for loans disbursed on or after July 1, 2007, and before August 1, 2008; 1.00% of the principal amount of the loan for loans disbursed on or after August 1, 2008, and before July 1, 2009; and 0.50% of the principal amount of the loan for loans disbursed on or after July 1, 2009, and before July 1, 2010. The Secretary is authorized to charge borrowers of Direct Loans 4.00% of the principal amount of the loan for loans disbursed prior to February 8, 2006. A lender was permitted to charge a lesser origination fee to Stafford Loan borrowers so long as the lender did so consistently with respect to all borrowers who resided in or attended school in a particular state. For borrowers of Direct Loans other than Federal Direct Consolidation Loans and Federal Direct PLUS Loans, the Secretary may charge such borrowers as follows: 3.00% of the principal amount of the loan for loans disbursed on or after February 8, 2006, and before July 1, 2007; 2.50% of the principal amount of the loan for loans disbursed on or after July 1, 2007, and before August 1, 2008; 2.00% of the principal amount of the loan for loans disbursed on or after August 1, 2008, and before July 1, 2009; 1.50% of the principal amount of the loan for loans disbursed on or after July 1, 2009, and before July 1, 2010; and 1.00% of the principal amount of the loan for loans disbursed on or after July 1, 2010. These fees must be deducted proportionately from each installment payment of the loan proceeds prior to payment to the borrower. The lenders were required to pass the origination fees received under the FFEL Program on to the Secretary.

Lender Loan Fee. The lender of any FFELP Loan was required to pay to the Secretary an additional origination fee equal to 0.50% of the principal amount of the loan for loans first disbursed on or after October 1, 1993, but prior to October 1, 2007. For all loans first disbursed on or after October 1, 2007, and before July 1, 2010, the lender was required to pay an additional origination fee equal to 1.00% of the principal amount of the loan.

The Secretary collects from the lender or subsequent holder of the loan the maximum origination fee authorized (regardless of whether the lender actually charges the borrower) and the lender loan fee, either through reductions in interest benefit payments or Special Allowance Payments or directly from the lender or holder of the loan.

Rebate Fee on Consolidation Loans. The holder of any Consolidation Loan for which the first disbursement was made on or after October 1, 1993, is required to pay to the Secretary a Monthly

Consolidation Rebate Fees equal to .0875% (1.05% per annum) of the principal amount plus accrued unpaid interest on the loan. However, for Consolidation Loans for which applications were received from October 1, 1998, to January 31, 1999, inclusive, the Monthly Consolidation Rebate Fees is approximately equal to .0517% (.62% per annum) of the principal amount plus accrued interest on the loan.

Insurance and Guarantees

A Guaranty Agency guarantees Federal Family Education Loans made to students or parents of students by eligible lenders. A Guaranty Agency generally purchases student loans subject to a default or specialty claim which it has guaranteed with its reserve fund (as described under the caption "Guaranty Agency Reserves" below). A Federal Family Education Loan is considered to be in default for purposes of the Higher Education Act when the borrower fails to make an installment payment when due, or to comply with other terms of the loan, and if the failure persists for 270 days in the case of a loan repayable in monthly installments or for 330 days in the case of a loan repayable in less frequent installments. If the loan is guaranteed by a Guaranty Agency in accordance with the provisions of the Higher Education Act, the Guaranty Agency is to pay the holder a percentage of such amount of the loss subject to a reduction (as described in 20 U.S.C. § 1075(b)) within 90 days of notification of such default. The default claim package submitted to a Guaranty Agency must include all information and documentation required under the Federal Family Education Loan Program regulations and such Guaranty Agency's policies and procedures.

The Higher Education Act gives the Secretary of Education various oversight powers over the Guaranty Agencies. These include requiring a Guaranty Agency to maintain its reserve fund at a certain required level and taking various actions relating to a Guaranty Agency if its administrative and financial condition jeopardizes its ability to meet its obligations.

Federal Insurance. The Higher Education Act provides that, subject to compliance with such Act, the full faith and credit of the United States is pledged to the payment of insurance claims and ensures that such reimbursements are not subject to reduction. In addition, the Higher Education Act provides that if a Guaranty Agency is unable to meet its insurance obligations, holders of loans may submit insurance claims directly to the Secretary until such time as the obligations are transferred to a new Guaranty Agency capable of meeting such obligations or until a successor Guaranty Agency assumes such obligations. Federal reimbursement and insurance payments for defaulted loans are paid from the student loan insurance fund established under the Higher Education Act. The Secretary is authorized, to the extent provided in advance by appropriations acts, to issue obligations to the Secretary of the Treasury to provide funds to make such federal payments.

Guarantees. If the loan is guaranteed by a Guaranty Agency in accordance with the provisions of the Higher Education Act, the eligible lender is reimbursed by the Guaranty Agency for a statutorily set percentage (100% for loans first disbursed prior to October 1, 1993, 98% for loans first disbursed on or after October 1, 1993, but before July 1, 2006, and 97% for loans first disbursed on or after July 1, 2006, but before July 1, 2010) of the unpaid principal balance of the loan plus accrued unpaid interest on any defaulted loan so long as the eligible lender has properly serviced such loan. Under the Higher Education Act, the Secretary enters into a guarantee agreement and a reinsurance agreement (the "Guarantee Agreements") with each Guaranty Agency which provides for federal reimbursement for amounts paid to eligible lenders by the Guaranty Agency with respect to defaulted loans.

Guarantee Agreements. Pursuant to the Guarantee Agreements, the Secretary is to reimburse a Guaranty Agency for the amounts expended in connection with a claim resulting from the death of a borrower; bankruptcy of a borrower; total and permanent disability of a borrower (including those borrowers who have been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition); inability of a borrower to engage in any substantial, gainful activity by reason

of any medically determinable physical or mental impairment that can be expected to result in death, has lasted continuously for at least 60 months, or can be expected to last continuously for at least 60 months; the death of a student whose parent is the borrower of a PLUS Loan; certain claims by borrowers who are unable to complete the programs in which they are enrolled due to school closure; borrowers whose borrowing eligibility was falsely certified by the eligible institution; or the amount of an unpaid refund due from the school to the lender in the event the school fails to make a required refund. Such claims are not included in calculating a Guaranty Agency's claims rate experience for federal reimbursement purposes. Generally, educational loans are non-dischargeable in bankruptcy unless the bankruptcy court determines that the debt will impose an undue hardship on the borrower and the borrower's dependents. Further, the Secretary is to reimburse a Guaranty Agency for any amounts paid to satisfy claims not resulting from death, bankruptcy, or disability subject to reduction as described below. See the caption "—Education Loans Generally Not Subject To Discharge in Bankruptcy" below.

The Secretary may terminate Guarantee Agreements if the Secretary determines that termination is necessary to protect the federal financial interest or to ensure the continued availability of loans to student or parent borrowers. Upon termination of such Guarantee Agreements, the Secretary is authorized to provide the Guaranty Agency with additional advance funds with such restrictions on the use of such funds as is determined appropriate by the Secretary, in order to meet the immediate cash needs of the Guaranty Agency, ensure the uninterrupted payment of claims, or ensure that the Guaranty Agency will make loans as the lender-of-last-resort.

If the Secretary has terminated or is seeking to terminate Guarantee Agreements, or has assumed a Guaranty Agency's functions, notwithstanding any other provision of law: (a) no state court may issue an order affecting the Secretary's actions with respect to that Guaranty Agency; (b) any contract entered into by the Guaranty Agency with respect to the administration of the Guaranty Agency's reserve funds or assets purchased or acquired with reserve funds shall provide that the contract is terminable by the Secretary upon 30 days' notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets or is inconsistent with the terms or purposes of the Higher Education Act; and (c) no provision of state law shall apply to the actions of the Secretary in terminating the operations of the Guaranty Agency. Finally, notwithstanding any other provision of law, the Secretary's liability for any outstanding liabilities of a Guaranty Agency (other than outstanding student loan guarantees under the Higher Education Act), the functions of which the Secretary has assumed, shall not exceed the fair market value of the reserves of the Guaranty Agency, minus any necessary liquidation or other administrative costs.

Reimbursement. The amount of a reimbursement payment on defaulted loans made by the Secretary to a Guaranty Agency is subject to reduction based upon the annual claims rate of the Guaranty Agency calculated to equal the amount of federal reimbursement as a percentage of the original principal amount of originated or guaranteed loans in repayment on the last day of the prior fiscal year. The claims experience is not accumulated from year to year, but is determined solely on the basis of claims in any one federal fiscal year compared with the original principal amount of loans in repayment at the beginning of that year. The formula for reimbursement amounts is summarized below:

[Remainder of page intentionally left blank]

Claims Rate	Guaranty Agency Reinsurance Rate for Loans Made prior to October 1, 1993	Guaranty Agency Reinsurance Rate for Loans Made Between October 1, 1993, and September 30, 1998	Guaranty Agency Reinsurance Rate for Loans Made on or After October 1, 1998, and Prior to July 1, 2010*
0% up to 5%	100%	98%	95%
5% up to 9%	100% of claims up to 5%; and 90% of claims 5% and over	98% of claims up to 5%; and 88% of claims 5% and over	95% of claims up to 5% and 85% of claims 5% and over
9% and over	100% of claims up to 5%; 90% of claims 5% up to 9%; 80% of claims 9% and over	98% of claims up to 5%; 88% of claims 5% up to 9%; 78% of claims 9% and over	95% of claims up to 5%, 85% of claims 5% up to 9%; 75% of claims 9% and over

* Student loans made pursuant to the lender-of-last resort program have an amount of reinsurance equal to 100%; student loans transferred by an insolvent Guaranty Agency have an amount of reinsurance ranging from 80% to 100%.

The amount of loans guaranteed by a Guaranty Agency which are in repayment for purposes of computing reimbursement payments to a Guaranty Agency means the original principal amount of all loans guaranteed by a Guaranty Agency less: (a) guarantee payments on such loans, (b) the original principal amount of such loans that have been fully repaid, and (c) the original amount of such loans for which the first principal installment payment has not become due.

In addition, the Secretary may withhold reimbursement payments if a Guaranty Agency makes a material misrepresentation or fails to comply with the terms of its agreements with the Secretary or applicable federal law. A supplemental guarantee agreement is subject to annual renegotiation and to termination for cause by the Secretary.

Under the Guarantee Agreements, if a payment by the borrower on a FFELP Loan guaranteed by a Guaranty Agency is received after reimbursement by the Secretary, the Secretary is entitled to receive an equitable share of the borrower's payment. The Secretary's equitable share of the borrower's payment equals the amount remaining after the Guaranty Agency has deducted from such payment: (a) the percentage amount equal to the complement of the reinsurance percentage in effect when payment under the Guarantee Agreement was made with respect to the loan; and (b) as of October 1, 2007, 16% of the borrower's payments (to be used for the Guaranty Agency's Operating Fund (hereinafter defined)). The percentage deduction for use of the borrower's payments for the Guaranty Agency's Operating Fund varied prior to October 1, 2007; from October 1, 2003, through and including September 30, 2007, the percentage in effect was 23% and prior to October 1, 2003, the percentage in effect was 24%. The Higher Education Act further provides that on or after October 1, 2006, a Guaranty Agency may not charge a borrower collection costs in an amount in excess of 18.50% of the outstanding principal and interest of a defaulted loan that is paid off through consolidation by the borrower; provided that the Guaranty Agency must remit to the Secretary a portion of the collection charge equal to 8.50% of the outstanding principal and interest of the defaulted loan. In addition, on or after October 1, 2009, a Guaranty Agency must remit to the Secretary any collection fees on defaulted loans paid off with consolidation proceeds by the borrower which are in excess of 45% of the Guaranty Agency's total collections on defaulted loans in any one federal fiscal year.

Lender Agreements. Pursuant to most typical agreements for guarantee between a Guaranty Agency and the originator of the loan, any eligible holder of a loan insured by such a Guaranty Agency is

entitled to reimbursement from such Guaranty Agency, subject to certain limitations, of any proven loss incurred by the holder of the loan resulting from default, death, permanent and total disability, certain medically determinable physical or mental impairment, or bankruptcy of the student borrower at the rate of 100% for loans first disbursed prior to October 1, 1993, 98% for loans first disbursed on or after October 1, 1993, but before July 1, 2006, and 97% for loans in default made on or after July 1, 2006 but prior to July 1, 2010. Certain holders of loans may receive higher reimbursements from Guaranty Agencies. For example, lenders of last resort may receive reimbursement at a rate of 100% from Guaranty Agencies.

Guaranty Agencies generally deem default to mean a student borrower's failure to make an installment payment when due or to comply with other terms of a note or agreement under circumstances in which the holder of the loan may reasonably conclude that the student borrower no longer intends to honor the repayment obligation and for which the failure persists for 270 days in the case of a loan payable in monthly installments or for 330 days in the case of a loan payable in less frequent installments. When a loan becomes at least 60 days past due, the holder is required to request default aversion assistance from the applicable Guaranty Agency in order to attempt to cure the delinquency. When a loan becomes 240 days past due, the holder is required to make a final demand for payment of the loan by the borrower. The holder is required to continue collection efforts until the loan is 270 days past due. At the time of payment of insurance benefits, the holder must assign to the applicable Guaranty Agency all right accruing to the holder under the note evidencing the loan. The Higher Education Act prohibits a Guaranty Agency from filing a claim for reimbursement with respect to losses prior to 270 days after the loan becomes delinquent with respect to any installment thereon.

Any holder of a loan is required to exercise due care and diligence in the servicing of the loan and to utilize practices which are at least as extensive and forceful as those utilized by financial institutions in the collection of other consumer loans. If a Guaranty Agency has probable cause to believe that the holder has made misrepresentations or failed to comply with the terms of its agreement for guarantee, the Guaranty Agency may take reasonable action including withholding payments or requiring reimbursement of funds. The Guaranty Agency may also terminate the agreement for cause upon notice and hearing.

Rehabilitation of Defaulted Loans. Under the Higher Education Act, the Secretary of Education is authorized to enter into an agreement with each Guaranty Agency pursuant to which a Guaranty Agency sells student loans subject to a default that are eligible for rehabilitation to an eligible lender. For a student loan subject to a default to be rehabilitated, the borrower must request rehabilitation and the applicable Guaranty Agency must receive an on-time, voluntary, full payment each month for 12 consecutive months. However, effective July 1, 2006, for a student loan to be eligible for rehabilitation, the applicable Guaranty Agency must receive nine payments made within 20 days of the due date during 10 consecutive months. Upon rehabilitation, a student loan is eligible for all the benefits under the Higher Education Act for which it would have been eligible had no default occurred.

A Guaranty Agency repays the Secretary an amount equal to 100% of the amount of the principal balance outstanding at the time of the sale of such student loan, multiplied by the reinsurance percentage in effect when payment under the guaranty agreement was made with respect to the student loan, and may charge to the borrower an amount not to exceed 16% of the outstanding principal and interest at the time of the loan sale. The amount of such repayment is deducted from the amount of federal reimbursement payments for the fiscal year in which such repayment occurs, for purposes of determining the reimbursement rate for that fiscal year.

Loans Subject to Repurchase. The Higher Education Act requires a lender to repurchase student loans from a Guaranty Agency, under certain circumstances, after a Guaranty Agency has paid for the student loan through the claim process. A lender is required to repurchase: (a) a student loan found to be legally unenforceable against the borrower; (b) a student loan for which a bankruptcy claim has been paid

if the borrower's bankruptcy is subsequently dismissed by the court or, as a result of the bankruptcy hearing, the student loan is considered non-dischargeable and the borrower remains responsible for repayment of the student loan; (c) a student loan which is subsequently determined not to be in default; or (d) a student loan for which a Guaranty Agency inadvertently paid the claim.

Guaranty Agency Reserves

Each Guaranty Agency is required to establish a Federal Fund which, together with any earnings thereon, is deemed to be property of the United States. Each Guaranty Agency is required to deposit into the Federal Fund any reserve funds plus reinsurance payments received from the Secretary, a certain percentage of default collections equal to the complement of the reinsurance percentage in effect when payment under the Guarantee Agreement was made, insurance premiums, 70% of payments received after October 7, 1998, from the Secretary for administrative cost allowances for loans insured prior to that date, and other receipts as specified in regulations. A Guaranty Agency is authorized to transfer up to 180 days' cash expenses for normal operating expenses (other than claim payments) from the Federal Fund to the Operating Fund at any time during the first three years after establishment of the fund. The Federal Fund may be used to pay lender claims and to pay default aversion fees into the Operating Fund. A Guaranty Agency is also required to establish an operating fund (the "Operating Fund"), which, except for funds transferred from the Federal Fund to meet operating expenses during the first three years after fund establishment, is the property of the Guaranty Agency. A Guaranty Agency was permitted to deposit into the Operating Fund loan processing and issuance fees equal to 0.40% of the total principal amount of loans insured during the fiscal year for loans originated on or after October 1, 2003, and first disbursed before July 1, 2010, 30% of payments received after October 7, 1998, for the administrative cost allowances for loans insured prior to that date, the account maintenance fee paid by the Secretary for Direct Loan Program loans in the amount of 0.06% of the original principal amount of the outstanding loans insured, any default aversion fee that is paid, the Guaranty Agency's 16% retention on collections of defaulted loans and other receipts as specified in the regulations. An Operating Fund must be used for application processing, loan disbursement, enrollment and repayment status management, default aversion, collection activities, school and lender training, financial aid awareness and related outreach activities, compliance monitoring, and other student financial aid related activities. For Subsidized and Unsubsidized Stafford Loans guaranteed on or after July 1, 2006, and first disbursed before July 1, 2010, Guaranty Agencies were required to collect and deposit a federal default fee to the Federal Fund equal to 1.00% of the principal amount of the loan.

The Higher Education Act provides for a recall of reserves from each Federal Fund in certain years, but also provides for certain minimum reserve levels which are protected from recall. The Secretary is authorized to enter into voluntary, flexible agreements with Guaranty Agencies under which various statutory and regulatory provisions can be waived; provided, however, the Secretary is not authorized to waive, among other items, any deposit of default aversion fees by Guaranty Agencies. In addition, under the Higher Education Act, the Secretary is prohibited from requiring the return of all of a Guaranty Agency's reserve funds unless the Secretary determines that the return of these funds is in the best interest of the operation of the FFEL Program, or to ensure the proper maintenance of such Guaranty Agency's funds or assets or the orderly termination of the Guaranty Agency's operations and the liquidation of its assets. The Higher Education Act also authorizes the Secretary to direct a Guaranty Agency to: (a) return to the Secretary all or a portion of its reserve fund which the Secretary determines is not needed to pay for the Guaranty Agency's program fees and contingent liabilities; and (b) cease any activities involving the expenditure, use or transfer of the Guaranty Agency's reserve funds or assets which the Secretary determines is a misapplication, misuse or improper expenditure.

Lender-of-Last-Resort Program

The FFEL Program allowed Guaranty Agencies and certain eligible lenders to act as lenders-of-last-resort before July 1, 2010. A lender-of-last-resort was authorized to receive advances from the Secretary in order to ensure that adequate loan capital exists in order to make loans to students before July 1, 2010. Students and parents of students who were otherwise unable to obtain FFELP Loans (other than Consolidation Loans) were permitted to apply to receive loans from the state's lenders-of-last-resort before July 1, 2010.

Education Loans Generally Not Subject To Discharge in Bankruptcy

Under the U.S. Bankruptcy Code, educational loans are not generally dischargeable. Title 11 of the United States Code at Section 523(a)(8)(A)(i)-(ii) provides that a discharge under Section 727, 1141, 1228(a), 1228(b), or 1328(b) of Title 11 of the United States Code does not discharge an individual debtor from any debt for an education benefit overpayment or loan made, insured, or guaranteed by a governmental unit or made under any program funded in whole or in part by a governmental unit or nonprofit institution, or for an obligation to repay funds received as an educational benefit, scholarship or stipend unless excepting such debt from discharge under this section will impose an undue hardship on the debtor and the debtor's dependents.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

SUMMARY OF TRUST INDENTURE

The Trust Indenture contains various covenants and security provisions, certain of which are extracted below. Reference should be made to the Trust Indenture for a full and complete statement of its provisions.

Definitions

"*Account*" means any of the trust accounts created and established by the Indenture and, except when the context requires otherwise, the Rebate Account and the Excess Interest Account.

"*Accountant*" means any independent certified public accountant as may be selected by the Issuer.

"*Additional Notes*" means Notes in addition to any Notes then Outstanding issued pursuant to a Supplemental Indenture and the Trust Indenture.

"*Administration Agreement*" means the Series 2023-1 Administration Agreement between the Administrator and the Issuer, dated as of November 1, 2023, as the same may be amended from time to time consistent with the Trust Indenture.

"*Administrator*" means Higher Education Servicing Corporation or any successor appointed by the Issuer to perform any administrative duties under the Trust Indenture.

"*Aggregate Market Value*" means, on any calculation date, the sum of the Values of the Trust Estate. "Value" means the value of the Trust Estate calculated by the Issuer as follows:

(i) with respect to any Financed Loan, the unpaid principal amount, accrued interest, accrued Special Allowance Payments, and accrued Interest Subsidy Payments, or such other valuation as specified by the Issuer upon receipt of a Credit Confirmation; and

(ii) with respect to any funds on deposit in any commercial bank or with respect to any banker's acceptance or repurchase agreement or investment agreement, the amount thereof plus accrued interest thereon; and

(iii) with respect to any Permitted Investments of an investment company, the bid price of the shares as reported by the investment company; and

(iv) with respect to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times), the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination plus accrued interest thereon; and

(v) with respect to any investment not described in clauses (i) through (iv) above, the lower of (a) the bid prices at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Issuer in its absolute discretion) at the time making a market in such investments or (b) the bid price published by a nationally recognized pricing service, plus in each case, accrued interest thereon.

"*Asset Requirement*" means that the Asset Requirement Ratio is at least equal to such percentage as set forth in the applicable Supplemental Indenture, and as further agreed to by the Issuer and the Credit Provider.

"*Asset Requirement Ratio*" means the ratio (expressed as a percentage) of the Aggregate Market Value to the aggregate principal amount of the respective Outstanding Notes and accrued interest thereon, together with accrued Fees and Expenses.

"*Authorized Officer*" means when used with reference to the Issuer, the President, the Secretary/Treasurer, or other member of the Board of Directors, the Executive Director, or any other individual then authorized by resolution of the Issuer to perform such act or discharge such duty.

"*Beneficial Owner*" means, with respect to any Book-Entry Note, the beneficial owner of such Note as determined in accordance with the applicable rules of the Securities Depository.

"*Book-Entry Note*" means any Note which is then held in book-entry form as provided in the Trust Indenture.

"*Borrower Benefits*" means with respect to any Financed Loan, pursuant to an agreement or agreements, any reduction or forgiveness of principal and/or interest payments or a reduction in interest rate provided on such Financed Loan pursuant to a program as determined by the Issuer.

"*Business Day*" with respect to each series of Notes has the meaning provided in the Supplemental Indenture relating to such Notes.

"*Certificate*" means (i) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to the Indenture or (ii) the report of an Accountant as to audit or other procedures called for by the Indenture.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the regulations, rulings and court decisions promulgated thereunder and pertaining thereto. Such regulations also include any successor provision to any existing regulations thereafter promulgated by the Internal Revenue Service pursuant to Section 141 through 150 of the Code applicable to the Notes.

"*Costs of Issuance*" means all items of expense, directly or indirectly payable or reimbursable by or to the Issuer and related to the authorization, sale and issuance of Notes, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees, charges and expenses of the Trustee or any Marketing Party, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, costs of mathematical verification of certain computations, fees and charges for preparation, execution, transportation and safekeeping of Notes, expenses of the Issuer and any other cost, charge or fee in connection with the issuance of any Notes.

"*Counsel's Opinion*" means an opinion signed by an attorney or firm of attorneys of recognized standing in the field of law to which such opinion relates, selected by the Issuer.

"*Credit Confirmation*" means (i) if any Notes with respect to which a Credit Confirmation is required are supported by Credit Enhancement, the written consent of the Credit Provider of each such Credit Enhancement, and (ii) if any Notes with respect to which a Credit Confirmation is required are rated and are not supported by Credit Enhancement, a Rating Agency Notification.

"*Credit Enhancement*" means any bond insurance, letter of credit, surety bond, line of credit, purchase agreement or other credit support or liquidity facility providing for the payment of all principal or

purchase price of and interest on any series of Notes, and any extension thereof or substitution therefor, including any combination of any of such instruments.

"*Credit Enhancement Fees*" means the ongoing commitment fees (including, without limitation, any facility fees and draw fees) payable by the Issuer to a Credit Provider in consideration for the issuance of a Credit Enhancement by such Credit Provider.

"*Credit Provider*" means the issuer or other provider of any Credit Enhancement.

"*Custodial Agreement*" means any custodial agreement or bailment agreement entered into by the Issuer with a Custodian relating to the Financed Loans.

"*Custodian*" means any Person entering into a custodial agreement or bailment agreement to hold Eligible Loans.

"*Direction*" of the Issuer means a written direction, order, request, requisition or similar instrument signed by an Authorized Officer of the Issuer; and the term "direct" or any form of such verb means the giving by the Issuer of a Direction.

"*Eligible Lender*" means an Eligible Lender as defined in the Higher Education Act.

"*Eligible Lender Trust Agreement*" means the Eligible Lender Trust Agreement, dated as of October 2, 2023, between the Issuer and the Eligible Lender Trustee, as the same may be supplemented or amended from time to time thereafter.

"*Eligible Lender Trustee*" means Manufacturers and Traders Trust Company, a state banking corporation duly organized and operating under the laws of the State of New York, as Eligible Lender Trustee for the benefit of the Issuer.

"*Eligible Loan*" means any loan authorized pursuant to the Higher Education Act made to a borrower to finance or refinance, or consolidate loans made to finance or refinance, post-secondary education, which is guaranteed by a Guarantor.

"*Eligible Moneys*" means:

(a) Note proceeds deposited with the Trustee contemporaneously with the issuance and sale of the Notes and which are continuously thereafter held subject to the lien of the Indenture in a separate and segregated fund, account or subaccount established under the Indenture in which no moneys which are not Eligible Moneys are at any time held;

(b) moneys (i) paid or deposited by the Issuer to or with the Trustee; (ii) held in any fund, account or subaccount established under the Indenture in which no other moneys which are not Eligible Moneys are held; and (iii) which have so been on deposit with the Trustee for at least 124 consecutive days from their receipt by the Trustee or at least 367 consecutive days from their receipt by the Trustee if such funds are provided by an Insider (within the meaning of title 11 of the United States Bankruptcy Code), with respect to the Issuer, during and prior to which period no petition by or against the Issuer or any such Insider under any bankruptcy or similar law in effect, as of the date of the Trust Indenture or thereafter, will have been filed and no bankruptcy or similar proceeding otherwise initiated (unless such petition or proceeding has been dismissed and such dismissal be final and not subject to appeal), together with investment earnings on such moneys;

(c) moneys received by the Trustee from any payment under a Credit Enhancement which are held in any fund, account or subaccount established under the Indenture in which no other moneys which are not Eligible Moneys are held, together with investment earnings on such moneys;

(d) proceeds from the remarketing of any Notes pursuant to the provisions of the Indenture to any person other than the Issuer or any Insider;

(e) proceeds from the issuance and sale of refunding bonds, together with the investment earnings on such proceeds, if there is delivered to the Trustee and each Rating Agency at the time of issuance and sale of such refunding bonds an opinion of nationally recognized bankruptcy counsel experienced in bankruptcy matters (which opinion may assume that no holder of a Note is an Insider) to the effect that the use of such proceeds and investment earnings to pay the principal or Redemption Price of or interest on the Notes would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code recoverable under Section 550 of the Bankruptcy Code should the Issuer become a debtor in a proceeding commenced thereunder; and

(f) moneys which are derived from any source, including without limitation moneys from the Issuer, together with the investment earnings on such moneys, if the Trustee and each Rating Agency has received an unqualified opinion of nationally recognized bankruptcy counsel experienced in bankruptcy matters (which opinion may assume that no holder of a Note is an Insider) to the effect that payment of such amounts to a holder of a Note would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code recoverable under Section 550 of the Bankruptcy Code should the Issuer become a debtor in a proceeding commenced thereunder;

provided, that, such proceeds, moneys or income will not be deemed to be Eligible Moneys or available for payment of the Notes if, among other things, an injunction, restraining order or stay is in effect preventing such proceeds, moneys or income from being applied to make such payment.

"*ELT Fees*" means an annual fee of $12,000, payable in twelve equal monthly installments on the first Business Day of each month, as may be amended or updated from time to time in accordance with the Trustee Fee Letter, dated as of September 13, 2023, or such other eligible lender trustee agreement or fee letter as the Issuer may designate prior to a successor Eligible Lender Trustee being appointed under the Indenture, which amount payable to a successor Eligible Lender Trustee will not exceed $15,000 per each Series of Bonds per annum, payable monthly.

"*Enabling Legislation*" means Section 53B.47(f), Texas Education Code, Chapters 20 and 22, Texas Business Organizations Code, and any provision of Title 1, Texas Business Organizations Code, applicable to a nonprofit corporation.

"*Event of Default*" means any of the events specified in the Trust Indenture.

"*Excess Interest*" means, as of the date of computation, the smallest amount that, if treated as a payment for the Financed Loans (i.e., taken into account in calculating yield) paid on that date, would reduce the yield on the Financed Loans financed by a series of Tax-Exempt Notes to a yield that is not higher than the yield on the Notes plus the permitted spread under Federal tax law. For purposes of this definition only, yield on the Notes of any series and yield on the Financed Loans financed by any series of Notes will be calculated in accordance with Treas. Reg. §1.148-4 and 1.148-5, respectively, or such other applicable regulations under the Code.

"*Excess Interest Account*" means the Excess Interest Account established pursuant to the Trust Indenture. The Excess Interest Account is not part of the Trust Estate.

"*Excess Interest Calculation Date*" means, with respect to each series of Tax-Exempt Notes, a date as of which Excess Interest is calculated, which will be no later than ten years after the date of issuance for a series of Notes and on the same day of each fifth year thereafter while any of the Notes of the series is Outstanding, and the day upon which the last Note of such Series is retired.

"*Expense Cap*" means, for each year ending December 31, an annual amount equal to $100,000; provided, however, that the Expense Cap will not apply upon the occurrence of and during the continuance of an Event of Default.

"*Favorable Opinion*" means a Note Counsel Opinion 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 the Tax-Exempt Notes which are the subject of such opinion.

"*Fees and Expenses*" means, collectively, Trustee Fees, ELT Fees, Servicing and Administration Fees, Credit Enhancement Fees and Remarketing Agent Fees.

"*Financed Loan*" means any Eligible Loan financed or otherwise pledged under the Trust Indenture; it being recognized and agreed that only Eligible Loans can and are intended to be financed under the Trust Indenture. For the avoidance of doubt, any Eligible Loan which subsequently no longer qualifies as an Eligible Loan, will nonetheless constitute a Financed Loan under the Indenture.

"*Financial Product Agreement*" means any agreement with a counterparty providing for an interest rate cap, floor, swap, or other similar instrument entered into pursuant to the Indenture relating to the payment of obligations owing by the Issuer under the Indenture or with respect to payments owing under the Financed Loans.

"*Fiscal Year*" means the fiscal year of the Issuer established from time to time; currently, the Fiscal Year of the Issuer commences each September 1 and ends each August 31.

"*Fitch*" means Fitch Ratings, Inc., its successors and assigns, and, if such corporation is dissolved or liquidated or longer performs the functions of a securities rating agency, "Fitch" will be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"*Guarantee Agreement*" means a guaranty or lender agreement with any Guarantor, and any amendments thereto.

"*Guarantor*" means any guarantor designated by the Issuer and authorized to act as such under the Higher Education Act.

"*Higher Education Act*" means Title IV, Part B of the Higher Education Act of 1965, as amended, and the regulations thereunder.

"*Indenture*" means the Trust Indenture and any Supplemental Indenture and any other amendments or supplements made in accordance with the terms thereof.

"*Interest Payment Date*" means any date set forth in a Supplemental Indenture upon which interest on any Notes is due and payable in accordance with their terms.

"*Interest Subsidy Payment*" means an interest payment of a Financed Loan received pursuant to the Higher Education Act and an agreement with the federal government, or any similar payments.

"*Issuer*" means North Texas Higher Education Authority, Inc., a non-profit corporation of the State of Texas, or any corporation, body, agency or instrumentality which will after the date of the Trust Indenture succeed to the powers, duties and function of such Issuer.

"*Joint Sharing Agreement*" means any joint sharing agreement, between the Issuer and any other trustee, as may be supplemented and amended, or any successor agreement thereto.

"*Junior Subordinate Notes*" means any Notes which are secured by a lien on and payable from the Trust Estate on a basis subordinate to the Senior Notes, the Senior Subordinate Notes and the Subordinate Notes.

"*Letter of Representations*" means the Blanket Letter of Representations, dated September 1, 2021 between the Issuer and the Depository Trust Company.

"*Loan Account*" means the Loan Account established pursuant to the Trust Indenture.

"*Loan Purchase Agreement*" means an agreement between the Issuer and a seller pursuant to which the Issuer has purchased from the seller, and the seller has sold to the Issuer, Eligible Loans. Any such agreement will contain standard representations and warranties by the seller with respect to such Eligible Loans and the obligation of the seller to repurchase any Eligible Loan, at a purchase price of at least par plus accrued and unpaid interest, upon a breach of any of such representations and warranties with respect thereto.

"*Long-Term Rate*" means a single rate of interest on any Note which remains in effect for more than one year.

"*Marketing Party*" means any authenticating agent, determination agent, purchase agent, remarketing agent, tender agent or other similar party relating to the marketing or remarketing of the Notes, or the determination of the interest rate thereon.

"*Master Servicer*" means Higher Education Servicing Corporation, a Texas non-profit corporation or any successor corporation.

"*Master Servicing Agreement*" means the Series 2023-1 Master Servicing Agreement among the Master Servicer, the Issuer, and Manufacturers and Traders Trust Company, as trustee, dated as of November 1, 2023, as the same may be supplemented or amended from time to time thereafter.

"*Monthly Report*" means a report, in substantially the form attached to the Trust Indenture, prepared by the Issuer or the Servicer and signed by the Issuer and furnished to the Trustee.

"*Moody's*" means Moody's Investors Service Inc., its successors and assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, "Moody's" will be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Navient Servicing Agreement" means, collectively, the Loan Origination and Management Services Agreement dated December 1, 1999 and that certain Loan Servicing Agreement dated as of December 1, 1999, each among the Issuer, Navient Solutions, LLC (formerly known as Sallie Mae, Inc. and Navient Solutions, Inc.), a Delaware limited liability company, and Manufacturers and Traders Trust Company (as successor to Chase Bank of Texas, National Association), as eligible lender trustee including any amendments thereof entered into in accordance with the provisions thereof and of the Indenture.

"*Note*" means any one of the notes authenticated and delivered pursuant to a Supplemental Indenture and Article II of the Trust Indenture, including Senior Notes, Senior Subordinate Notes, Subordinate Notes and Junior Subordinate Notes.

"*Note Counsel*" means Norton Rose Fulbright US LLP, or another attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Issuer.

"*Note Counsel Opinion*" means an opinion addressed to the Issuer and the Trustee and signed by Note Counsel.

"*Note Registrar*" means the Trustee serving in such capacity under the terms of the Indenture.

"*Outstanding,*" when used with reference to Notes, means, as of any date, all Notes theretofore or thereupon being authenticated and delivered under the Indenture (including any Notes paid with amounts received under a Credit Enhancement) except:

(i) any Note cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;

(ii) any Note in lieu of or in substitution for which other Notes will have been authenticated and delivered pursuant to the Trust Indenture or Notes described in the Trust Indenture; and

(iii) any Note deemed to have been paid as provided in the Trust Indenture.

"*Owner*" or "*owner*" or "*Holder*" or "*holder*" or "*Noteowner*" or "*Noteholder*" or words of similar import, when used with reference to a Note, means any person who will be the registered owner of any Note as shown on the books of the Note Registrar.

"*Participant*" means any direct or indirect participant in the book-entry system of a Securities Depository.

"*Paying Agent*" means the Trustee or any commercial bank or trust company designated by the Issuer as paying agent for the Notes, and its successor or successors thereafter appointed, provided the same has accepted the appointment in the manner provided in the Trust Indenture.

"*Payment Account*" means the Payment Account established pursuant to the Trust Indenture.

"*Permitted Investments*" means and includes, unless otherwise specified in the Supplemental Indenture with respect to a Series of Notes, any of the following obligations, to the extent the same are at the time legal for investment of funds of the Issuer under the laws of the State:

(i) marketable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or any agency thereof rated in one of the two highest rating categories by each Rating Agency which rates such obligations, or book-entry interests therein;

(ii) senior debt obligations rated in the highest long-term rating category by each Rating Agency issued by the Federal National Mortgage Association or the Federal Home Loan

Mortgage Corporation, and senior debt obligations of other federal government-sponsored agencies approved by each Rating Agency;

(iii) U.S. dollar denominated deposit amounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase in the highest short-term rating category by each Rating Agency and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(iv) commercial paper which is rated at the time of purchase in the highest short-term rating category by each Rating Agency (without regard to plus or minus or other modifiers), and which matures not more than 270 days after the date of purchase;

(v) repurchase agreements, in a standard form prescribed by The Securities Industry and Financial Markets Association or similar form, contracted with banks (which may include the Trustee) which are members of the Federal Deposit Insurance Corporation, or with government bond dealers reporting to and trading with the Federal Reserve Bank of New York, in each case rated in the highest rating category by each Rating Agency which rates such debt, which agreements are secured by obligations described in clause (i) above and have been delivered to each Rating Agency for review;

(vi) shares in an investment company (including any such company for which the Trustee or any affiliate receives compensation with respect to such investment) rated in the highest rating category by each Rating Agency which rates such investment company, and registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933 and whose only investments are obligations described in clauses (i), (ii), (iii) and/or (iv) above;

(vii) a collective investment fund of the Trustee created pursuant to Regulation 9 of the Office of the Controller of the Currency which is invested in one or more of the types of obligations described in clauses (i) or (ii) above;

(viii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (a) which are rated, based upon an irrevocable escrow account or fund (the "escrow"), in the highest rating category of each Rating Agency; or (b) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in item (a) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and which escrow is sufficient, as verified by an independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(ix) any investment agreement having a term of not more than 18 months with an entity having outstanding short-term debt rated at least A-1, P-1 or Fl+, as applicable, or the equivalent;

(x) any money market fund, including the Trustee's money market funds and a qualified regulated investment company described in I.R.S. Notice 87-22, each rated by Moody's and S&P not lower than its highest applicable rating category;

(xi) any other investment allowed by law and approved in writing in advance by the Credit Provider. The Trustee has no obligation to determine whether any investment is allowed by law, and the Trustee will be entitled to rely upon, and be fully protected in so relying upon, the written investment instruction of the Issuer as constituting confirmation to the effect that such investment is at the time legal for investment of funds of the Issuer under the laws of the State.

"*Principal Office*" means, (i) with respect to the Trustee and the Eligible Lender Trustee, except as otherwise set forth in clause (ii), its office at the address set forth in the Trust Indenture or such other office as designated in writing to the Issuer; (ii) with respect to the Paying Agent or the Note Registrar (if the Trustee) for Note transfer purposes and for purposes of presentment and surrender of any Notes for final distributions thereon, 213 Market Street, Harrisburg, Pennsylvania 17101 or such other office as designated in writing to the Issuer; (iii) with respect to the Paying Agent or the Note Registrar (if other than the Trustee), such office designated in writing to the Trustee and the Issuer as the location of its principal office for the performance of its duties as Paying Agent or Note Registrar, as applicable; and (iv) with respect to any Marketing Party, the office thereof designated in writing by such Marketing Party to the Issuer and the Trustee.

"*Proposed Action*" means any proposed action, failure to act or other event which, under the terms of the Trust Indenture is conditioned upon a Rating Agency Notification.

"*Rating Agency*" or "*Rating Agencies*" means at any time any of Fitch, Moody's, and S&P to the extent such agency has been requested by the Issuer to issue and continue a rating on any of the Notes and such agency has issued and continues to maintain a rating on such Notes at such time; provided that notwithstanding any outstanding rating by any such agency of any Notes which are subject to purchase at the demand of the Owners thereof if notice is given at least fifteen (15) days in advance of the modification removing such agency as a Rating Agency under the Trust Indenture, such 15 days includes an opportunity for holders of the Notes to demand such a purchase and if all demands for purchase of Notes are honored, such agency will not be deemed to be a "Rating Agency" for purposes of the Indenture thereafter.

"*Rating Agency Notification*" means, with respect to a Proposed Action, that the Issuer has given written notice of such Proposed Action to each Rating Agency at least twenty Business Days prior to the proposed effective date thereof.

"*Rebate Account*" means the Rebate Account established pursuant to the Trust Indenture. The Rebate Account is not part of the Trust Estate.

"*Rebate Requirement*" means the amount of rebatable arbitrage with respect to a series of Tax-Exempt Notes, determined in accordance with Treas. Reg. §1.148-3.

"*Redemption Date*" when used with respect to any Note, all or any portion of the principal amount of which is to be redeemed, means the date fixed for such redemption pursuant to the Trust Indenture and the applicable Supplemental Indenture.

"*Redemption Price*" when used with respect to any Note to be redeemed, means the price at which it is to be redeemed pursuant to the Indenture.

"*Remarketing Agent Fees*" means the fees and expenses of any remarketing agent then acting under a Supplemental Indenture, as such fees may be limited in the Supplemental Indenture or Credit Enhancement with respect to a Series of Notes.

"*Required Retained Interest*" means that part of the Retained Interest required to be maintained by the Issuer pursuant to any Supplemental Indenture.

"*Reserve Account*" means the Reserve Account established pursuant to the Trust Indenture.

"*Reserve Account Requirement*" means, with respect to any Notes, such amount (including any surety bond, letter of credit or other instrument) as will be specified in the Supplemental Indenture authorizing the issuance of such Notes.

"*Responsible Officer*" means, with respect to the Trustee or the Eligible Lender Trustee, any officer within the corporate trust office, including any director, vice president, assistant vice president, assistant treasurer, assistant secretary, trust officer or any other officer customarily performing functions similar to those performed by any of the above designated officers, in each case having direct responsibility for the administration of the Indenture, or to whom any matter is referred because of his or her knowledge of or any familiarity with the particular subject.

"*Retained Interest*" means the right to receive amounts released, or that may be released, to the Issuer pursuant to the Trust Indenture.

"*Revenue Account*" means the Revenue Account established pursuant to the Trust Indenture.

"*Revenues*" mean all payments, proceeds, charges and other cash income received by the Issuer from or on account of any Financed Loan, including any Special Allowance Payments and any Interest Subsidy Payments, scheduled, delinquent and advance payments of and any insurance or guarantee proceeds with respect to, interest and principal on any Financed Loan, all payments received by the Issuer relating to a Financial Product Agreement and all interest earned or gain realized from the investment of amounts in any Account (other than amounts required to be deposited to or on deposit in the Rebate Account or the Excess Interest Account).

"*S&P*" means S&P Global Ratings, its successors and assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, "S&P" will be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"*Secretary*" means the Secretary of Education, the United States Department of Education, or the successor to the functions of such officer or such office under the Higher Education Act.

"*Securities Depository*" means The Depository Trust Company and its successors and assigns, or if (i) the then Securities Depository resigns from its functions as depository of the Notes or (ii) the Issuer discontinues use of the Securities Depository, any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Notes and which is selected by the Issuer.

"*Senior Notes*" means any Notes which are secured by a lien on and payable from the Trust Estate prior to all other Notes except those issued on a parity as to payments therewith.

"*Senior Subordinate Notes*" means any Notes which are secured by a lien on and payable from the Trust Estate on a basis subordinate to the Senior Notes and prior to the Subordinate Notes and the Junior Subordinate Notes.

"*Series*" means a series of Notes authenticated and delivered on original issuance in a simultaneous transaction pursuant to the Trust Indenture and a Supplemental Indenture authorizing such Notes, regardless of variations in maturity, interest rate or other provisions and may also mean, if appropriate, a lot or subseries of any Series if, for any reason, the Issuer should determine to divide any Series into two or more lots or subseries.

"*Servicer*" means (i) Higher Education Servicing Corporation, a Texas non-profit corporation; (ii) Navient Solutions, LLC (formerly known as Sallie Mae, Inc. and Navient Solutions, Inc.), a Delaware limited liability company; (iii) Nelnet Servicing, LLC, d/b/a Firstmark Services, a Nebraska limited liability company; (iv) Aspire Resources Inc., formerly known as ISL Service Corp.; and (v) any other additional Servicer or successor Servicer or subservicer selected by the Issuer, with the prior written consent of the Credit Provider, with which the Issuer has entered into a Servicing Agreement with respect to the Financed Loans.

"*Servicing Agreements*" means the Master Servicing Agreement, the Navient Servicing Agreement and any other servicing agreement or agreements with any Servicer or Servicers relating to the Financed Loans, as any such servicing agreement may be amended, modified, restated or supplemented from time to time.

"*Servicing and Administration Fees*" means, with respect to a Series of Notes, a monthly fee in an amount set forth in the Supplemental Indenture authorizing such Series of Notes which will be released to the Administrator to pay its compensation for performing duties under the Administration Agreement and to pay the Master Servicer for Servicing Fees for Financed Loans and any additional services it performs under the Master Servicing Agreement.

"*Servicing Fees*" means the servicing fees to be paid to any Servicer pursuant to the Servicing Agreement for servicing of the Financed Loans.

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

"*State*" means the State of Texas.

"*Student Loan Program*" means the program for the financing of the acquisition of Eligible Loans for post-secondary education under the Higher Education Act established by the Issuer, as the same may be amended from time to time consistent with the Trust Indenture, but only to the extent that such program is financed through the issuance of Notes or obligations to be refunded thereby or from amounts otherwise available out of the money and assets held or pledged pursuant to the Trust Indenture.

"*Subordinate Notes*" means any Notes which are secured by a lien on and payable from the Trust Estate on a basis subordinate to the Senior Notes and the Senior Subordinate Notes and prior to the Junior Subordinate Notes.

"*Supplemental Indenture*" means any indenture supplemental to or amendatory of the Trust Indenture, between the Issuer, the Trustee and the Eligible Lender Trustee and effective in accordance with the provisions of the Trust Indenture, as any such supplemental indenture may itself be supplemented or amended pursuant to such provisions.

"*Taxable Notes*" means Notes designated as such in the Supplemental Indenture pursuant to which they are issued.

"*Tax Certificate*" means any tax certificate, agreement or similar document, concerning certain matters pertaining to any Tax-Exempt Notes, executed by the Issuer on the date of the issuance of such Notes, as may be more specifically identified in the Supplemental Indenture authorizing the issuance of such Notes, including any and all exhibits to such document, as the same may be amended from time to time.

"*Tax-Exempt Notes*" means any Notes not designated as Taxable Notes in the Supplemental Indenture pursuant to which they are issued.

"*Tender Agent*" with respect to any Series of Notes, if applicable thereto, will have the meaning set forth in the related Supplemental Indenture.

"*Trust Estate*" means all right, title, interest, privileges and other property described in the Granting Clauses of the Indenture.

"*Trustee*" means Manufacturers and Traders Trust Company, a state banking corporation duly organized and operating under the laws of the State of New York, in its capacity as trustee, and any successor at any time substituted in its place pursuant to the Indenture.

"*Trustee Fees*" means (a) an annual fee of $30,000, payable in twelve equal monthly installments on the first Business Day of each month, as may be amended or updated from time to time in accordance with the Trustee Fee Letter, dated as of September 13, 2023, or such other trustee fee letter as the Issuer may designate prior to a successor Trustee being appointed under the Trust Indenture, which amount payable to a successor Trustee may not exceed $35,000 per each Series of Notes, per annum, payable monthly, and (b) the fees of the Tender Agent as set forth in the Trustee Fee Letter, dated as of September 13, 2023, as may be amended or updated from time to time and payable on the first Business Day of each month to the extent actually incurred, which as of the date of the Trust Indenture, amount to $500 per each tender of the Notes, or such other trustee fee letter as the Issuer may designate prior to a successor Trustee being appointed under the Trust Indenture, payable monthly.

"*Trust Indenture*" means the Trust Indenture dated as of November 1, 2023, by and among the Issuer, the Trustee and the Eligible Lender Trustee.

"*Variable Rate*" means a single rate of interest on any Note which remains in effect for one year or less.

"*Yield Reduction Payment*" means the minimum amounts payable to the United States Treasury as defined in Treas. Reg. §1.148-59(c).

References to Credit Provider

All provisions of the Trust Indenture, including any Supplemental Indenture, regarding consents, approvals, directions, waivers, appointments, requests or other actions by any Credit Provider will be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and will be read as if such Credit Provider were not mentioned therein (i) at any time when no Credit Enhancement is in effect under the Trust Indenture; or (ii) with respect to any particular Credit Provider, during any period during which such Credit Provider has failed to honor a properly presented and conforming drawing under its Credit Enhancement; provided, however, that the payment of amounts due to any Credit Provider pursuant to the terms of the Trust Indenture will continue in full force and effect. The foregoing will not affect any other rights of any Credit Provider, including rights it may be entitled to as the Owner of any Notes under the Indenture.

All provisions in the Trust Indenture relating to the rights of any Credit Provider will be of no force and effect if its Credit Enhancement is no longer in effect and all amounts owing to such Credit Provider under its agreement to provide credit have been paid. In such event, all references to such Credit Provider will have no force or effect.

Pledge and Security Interest Effected by the Trust Indenture

To the fullest extent provided by applicable laws, the Trust Estate will immediately be subject to the lien of the Trust Indenture without any physical delivery, filing or recording thereof or further act, and such lien will be valid and binding against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice of the Trust Indenture.

The Trust Indenture creates a valid and binding pledge and assignment of security interest in the Trust Estate pledged under the Trust Indenture in favor of the Trustee for the benefit of the Noteholders and any Credit Provider as security for payment of the Notes and all amounts owing to a Credit Provider from time to time pursuant to the terms of any agreement with or Credit Enhancement provided by a Credit Provider, enforceable by the Trustee in accordance with the terms of the Trust Indenture.

Creation and Operation of Accounts

Pursuant to the Trust Indenture, the Issuer establishes and creates the following segregated, non-interest bearing trust accounts:

(i) Revenue Account;

(ii) Payment Account;

(iii) Loan Account; and

(iv) Reserve Account.

To the extent directed by the Issuer, the Trustee will create separate accounts for each Series of Tax-Exempt Notes and each Series of Taxable Notes. The Trustee is authorized for the purpose of facilitating administration of the Trust Estate to create subaccounts in any of the various Accounts established under the Trust Indenture as may be directed by the Issuer or otherwise provided by Supplemental Indenture.

The Issuer also establishes and creates segregated, non-interest bearing trust accounts to be held by the Trustee and to be called the Rebate Account and the Excess Interest Account, which Accounts are not included within the Trust Estate.

All such Accounts will be held and maintained by the Trustee and will be identified by the Issuer and the Trustee according to the designations provided in the Trust Indenture in such manner as to distinguish such Accounts from the accounts established by the Trustee for any of its other obligations. All moneys or securities held by the Trustee pursuant to the Indenture will be held in trust as provided in the Trust Indenture, and applied only in accordance with the provisions of the Indenture.

Revenue Account; Payment Account. (a) The Issuer will cause all Revenues to be deposited promptly with the Trustee in the Revenue Account. There will be deposited in the Revenue Account any amount required to be deposited therein pursuant to the Indenture and any other amounts (including counterparty exchange payments received from a Financial Product Agreement) available therefor and determined by the Issuer to be deposited therein from time to time.

(b) Not later than the later of (i) 10:00 a.m. (New York time) on the third Business Day prior to the first Business Day of the month, or (ii) if applicable, during the time a Series of Notes bears interest at a Variable Rate and such Variable Rate is reset on any of the three Business Days prior to the first Business Day of the month, 10:00 a.m. on the last Business Day prior to the first Business Day of the month,

the Issuer will deliver to the Trustee a Monthly Report setting forth and directing the payments and transfers to be made pursuant to the Trust Indenture, and specifying the amounts, payees and Accounts in respect of such payments and transfers, upon which the Trustee will be entitled to conclusively rely, and Trustee will, in accordance with such Monthly Report, pay out of the Revenue Account all moneys then deposited therein, as follows on the first Business Day of each month, commencing December 1, 2023, and in the following order of priority:

FIRST: An amount sufficient to provide for the reconciliation of Special Allowance Payments under the Higher Education Act among the Issuer, the trust estates of the Issuer under any Joint Sharing Agreement and the United States Department of Education, or to make any other payments due and payable to the United States Department of Education related to the Financed Loans (including, without limitation, consolidation loan rebate fees).

SECOND: For any Series of Tax-Exempt Notes, into the Rebate Account an amount to be calculated by or on behalf of the Issuer (as set forth in a Direction of the Issuer delivered to the Trustee) which, when added to the amount already within the Rebate Account, will equal the amount required to be on deposit therein and into the Excess Interest Account an amount to be calculated by or on behalf of the Issuer (as set forth in a Direction of the Issuer delivered to the Trustee) which, when added to the amount already in the Excess Interest Account, equals the Excess Interest on any date of calculation.

THIRD: An amount sufficient to pay (a) the Trustee Fees, ELT Fees and Servicing and Administration Fees in connection with the Financed Loans which are then payable to the Trustee, Eligible Lender Trustee, the Administrator, the Master Servicer, or any Servicer, (b) any expense reimbursement and indemnity amounts due and owing to the Trustee, the Tender Agent and the Eligible Lender Trustee (provided, however, that the maximum amount of such expense reimbursement and indemnity payable to the Trustee, the Tender Agent or the Eligible Lender Trustee during any year (beginning January 1 of each year) prior to any Event of Default will be limited to the Expense Cap).

FOURTH: An amount sufficient to pay Remarketing Agent Fees and Credit Enhancement Fees and such other fees permitted in a Credit Confirmation with respect thereto in connection with the Notes which are then payable or which are estimated to become payable during the next month, as set forth in a Monthly Report delivered to the Trustee.

FIFTH: Into the Payment Account (i) if such monthly transfer date is also an Interest Payment Date or a date on which principal is due on the Senior Notes (at maturity, mandatory sinking fund redemption or term out of Senior Notes held by Credit Providers), the amount, if any, which when added to the amount already within such Account will be sufficient to pay interest and principal on the Senior Notes due on such Interest Payment Date or principal payment date, as applicable, and (ii) if such monthly transfer date is not also an Interest Payment Date or date on which principal is due on the Senior Notes (at maturity, optional redemption, mandatory redemption or mandatory sinking fund redemption or term out of Senior Notes held by Credit Providers), an amount equal to one-sixth of the interest due on the Senior Notes on the next Interest Payment Date and if principal on the Senior Notes is due within the next twelve months at maturity or mandatory sinking fund redemption or term out of Senior Notes held by Credit Providers, one-twelfth of the principal so to become due.

SIXTH: Into the Payment Account (i) if such monthly transfer date is also an Interest Payment Date or a date on which principal is due on the Senior Subordinate Notes (at maturity, mandatory sinking fund redemption or term out of Senior Subordinate Notes held by Credit Providers), the amount, if any, which when added to the amount already within such Account will

be sufficient to pay interest and principal on the Senior Subordinate Notes due on such Interest Payment Date or principal payment date, as applicable, and (ii) if such monthly transfer date is not also an Interest Payment Date or date on which principal is due on the Senior Subordinate Notes (at maturity, optional redemption, mandatory redemption or mandatory sinking fund redemption or term out of Senior Subordinate Notes held by Credit Providers), an amount equal to one-sixth of the interest due on the Senior Subordinate Notes on the next Interest Payment Date and if principal on the Senior Subordinate Notes is due within the next twelve months at maturity or mandatory sinking fund redemption or term out of Senior Subordinate Notes held by Credit Providers, one-twelfth of the principal so to become due.

SEVENTH: Into the Payment Account (i) if such monthly transfer date is also an Interest Payment Date or a date on which principal is due on the Subordinate Notes (at maturity, mandatory sinking fund redemption or term out of Subordinate Notes held by Credit Providers), the amount, if any, which when added to the amount already within such Account will be sufficient to pay interest and principal on the Subordinate Notes due on such Interest Payment Date or principal payment date, as applicable, and (ii) if such monthly transfer date is not also an Interest Payment Date or date on which principal is due on the Subordinate Notes (at maturity, optional redemption, mandatory redemption or mandatory sinking fund redemption or term out of Subordinate Notes held by Credit Providers), an amount equal to one-sixth of the interest due on the Subordinate Notes on the next Interest Payment Date and if principal on the Subordinate Notes is due within the next twelve months at maturity or mandatory sinking fund redemption or term out of Subordinate Notes held by Credit Providers, one-twelfth of the principal so to become due.

EIGHTH: Into the Payment Account (i) if such monthly transfer date is also an Interest Payment Date or a date on which principal is due on the Junior Subordinate Notes (at maturity, mandatory sinking fund redemption or term out of Junior Subordinate Notes held by Credit Providers), the amount, if any, which when added to the amount already within such Account will be sufficient to pay interest and principal on the Junior Subordinate Notes due on such Interest Payment Date or principal payment date, as applicable, and (ii) if such monthly transfer date is not also an Interest Payment Date or date on which principal is due on the Junior Subordinate Notes (at maturity, optional redemption, mandatory redemption or mandatory sinking fund redemption or term out of Junior Subordinate Notes held by Credit Providers), an amount equal to one-sixth of the interest due on the Junior Subordinate Notes on the next Interest Payment Date and if principal on the Junior Subordinate Notes is due within the next twelve months at maturity or mandatory sinking fund redemption or term out of Junior Subordinate Notes held by Credit Providers, one-twelfth of the principal so to become due.

NINTH: Into the Reserve Account any amount necessary to increase the amount on deposit therein to the Reserve Account Requirement.

TENTH: Subject to the limits set forth in any Supplemental Indenture, the amount, if any, necessary to pay any other amounts due to the Credit Providers (other than any contingent amount or contingent default amount), other than as provided for in clauses FIRST through FOURTH above, then unpaid, as determined by the Issuer (as set forth in a Monthly Report delivered to the Trustee), less the amounts previously transferred but not used for such purpose.

ELEVENTH: Except as limited by any Supplemental Indenture, upon receipt by the Trustee of a Direction of the Issuer, into the Payment Account for any mandatory redemptions as set forth in a Supplemental Indenture, all remaining amounts in the Revenue Account after giving effect to the above transfers, provided that no such deposit will be made after any date specified in

a Supplemental Indenture as the last date for such transfer, as such date may be extended pursuant to any subsequent Supplemental Indenture.

TWELFTH: Into the Payment Account the amount, if any, which when added to the amount already within such account will be sufficient to pay the Redemption Price of any Notes which have been called for optional redemption prior to maturity.

THIRTEENTH: An amount sufficient to pay any outstanding Trustee Fees, ELT Fees, and any expense reimbursement and indemnity amounts due and owing to the Trustee, the Tender Agent and the Eligible Trustee to the extent not paid under clause THIRD above, without regard to any Expense Cap.

FOURTEENTH: Except as limited by any Supplemental Indenture, when the Asset Requirement is satisfied, any amounts in excess of the amounts needed to satisfy the Asset Requirement may be transferred to the Issuer, at the Direction of the Issuer, free and clear of the lien or the pledge of the Indenture.

FIFTEENTH: Into the Payment Account an amount, if any, equal to any contingent amount or contingent default amount, as required by any agreement between the Issuer and a Credit Provider (as described in such agreement).

(c) Notwithstanding the provisions described in subsection (b) above, and upon receipt of a Credit Confirmation with respect thereto, no payments will be required to be made into the Revenue Account for so long as the aggregate amount on deposit therein, together with amounts on deposit in the Loan Account (exclusive of Eligible Loans therein), will be sufficient to pay all Outstanding Notes in accordance with their terms (and at an assumed maximum possible interest rate to the maturity of any Notes which bear interest at a Variable Rate) and all other items to be paid from the Revenue Account, and any Revenues thereafter received by the Issuer may be applied to any purpose of the Issuer free and clear of the lien or the pledge of the Indenture.

(d) The Issuer may enter into any Financial Product Agreement, provided that prior to entering into such Financial Product Agreement (i) a Credit Confirmation will have been received with respect to entering into such Financial Product Agreement and (ii) the Issuer will deliver to the Trustee a Direction with respect to the Account or Accounts into which amounts received pursuant to such Financial Product Agreement are to be deposited, accompanied by a Note Counsel Opinion to the effect that entering into the Financial Product Agreement and compliance therewith will not affect the exclusion from gross income of interest on any Tax-Exempt Notes for federal income tax purposes; and any other provision of the Trust Indenture notwithstanding, in such event the Issuer will direct the Trustee to pay to the counterparty of any such Financial Product Agreement such amount as will be due from the Issuer thereunder, as specified in such Monthly Report delivered to the Trustee pursuant to the Trust Indenture, in such order of priority with respect to clauses FIFTH through FIFTEENTH in subsection (b) above as may be specified in such Monthly Report. In addition, the obligation to pay any such counterparty may be secured by the Trust Estate. Net payments due to the Issuer under any such agreement will be considered Revenues, and net payments due from the Issuer under any such agreement (other than termination payments) will, if so specified by the Issuer, be payable with the same priority of claim as Senior Notes, Senior Subordinate Notes, Subordinate Notes or Junior Subordinate Notes, as applicable. Termination payments relating to a Financial Product Agreement may be made from amounts which may be released from the lien of the Indenture under clause FOURTEENTH in subsection (b) above. In connection with the foregoing, and upon Direction of the Issuer, the Trustee will open one or more Accounts to account for any payments made or received by the Issuer relating to a Financial Product Agreement.

(e) Credit Enhancement may be provided for any Series of Notes, in accordance with the provisions of the Supplemental Indenture providing for the issuance of such Notes. In such event, the Issuer will direct the Trustee to pay to the related Credit Provider, as reimbursement for any amounts paid pursuant to such Credit Enhancement together with interest thereon, such amount as will be due from the Issuer thereunder, either (1) as specified in the Monthly Report delivered to the Trustee pursuant to the Trust Indenture, in such order of priority with respect to the Trust Indenture as may be specified in such Supplemental Indenture, as reflected in such Monthly Report, or (2) for any other amounts payable from the Revenue Account, as established in the related Supplemental Indenture. In addition, the obligation to pay any such reimbursement amounts plus interest and to pay any fees or other amounts due with respect to such Credit Enhancement may be secured by the Trust Estate as provided in such Supplemental Indenture. "Notes" will include any Notes which are held by a Credit Provider, if any.

(f) Amounts deposited in the Payment Account will be paid to the applicable recipients described in priorities FIFTH, SIXTH, SEVENTH, EIGHTH, ELEVENTH, TWELFTH and FIFTEENTH.

Loan Account. There will be deposited in the Loan Account proceeds of Notes in accordance with a Direction by the Issuer, any other amounts which are required to be deposited therein pursuant to the Indenture, and any other amount, as specified in a Direction by the Issuer, available therefor and determined by the Issuer to be deposited therein and not inconsistent with the Indenture. The Trustee will, as directed by the Issuer, (i) pay out of the Loan Account any Costs of Issuance, and (ii) transfer from the Loan Account to the Payment Account on each Interest Payment Date or other Redemption Date the amounts required for the payment of the principal, if any, of or interest or premium, if any, due on the Outstanding Notes on such date not provided for pursuant to clauses FIFTH, SIXTH, SEVENTH or EIGHTH of the "Revenue Account; Payment Account" subsection (b) above.

In addition to the uses described in the preceding paragraph, amounts in the Loan Account will be expended (i) to make any payments required pursuant to clause SECOND of the "Revenue Account; Payment Account" subsection (b) above; (ii) to finance the acquisition of Eligible Loans as provided the Trust Indenture, including costs of such acquisition; (iii) to pay Costs of Issuance or other Trustee Fees, ELT Fees, Servicing and Administration Fees, Credit Enhancement Fees and Remarketing Agent Fees, and such other expenses or indemnity amounts due and owing to each other party not otherwise provided for; (iv) to pay when due the principal of and interest and premium, if any, on any Notes, whether at maturity or earlier redemption, or to reimburse any Credit Provider which has provided funds to make such payments, as provided in the Trust Indenture; and (v) to refund any bonds or other obligations of the Issuer. The price paid for any Eligible Loan will include interest accrued thereon and may include any other amounts permitted by applicable laws. All Eligible Loans financed by application of amounts in the Loan Account will be held by a Custodian or Servicer (including the Issuer), as bailee for the Trustee, and credited as an asset of the Loan Account.

The Trustee will pay out and withdraw amounts on deposit in the Loan Account at any time for the purpose of making payments pursuant to the Trust Indenture, but only upon receipt of:

(i) a Direction setting forth the amount to be paid, the person or persons to whom such payment is to be made (which may be or include the Issuer) and, in reasonable detail, the purpose or purposes of such withdrawal; and

(ii) a Certificate of an Authorized Officer identifying such Direction and stating that the amount to be withdrawn from the Loan Account pursuant to such requisition is a proper charge thereon and, if such Direction is made to finance Eligible Loans, (A) that such Eligible Loans comply with the covenants and requirements of the Trust Indenture; (B) that the charge to the Loan Account of financing such Eligible Loans does not exceed (x) the purchase price permitted by applicable law and regulations then in effect or (y) any limitation described in the immediately

preceding paragraph; and (C) that the Issuer has received the promissory note with respect to each such Eligible Loan so financed or, in the case of a master promissory note, a true and correct copy thereof.

Reserve Account. Amounts on deposit in the Reserve Account will be used by the Trustee to pay debt service on the Notes when due to the extent amounts available therefor in clauses FIFTH, SIXTH, SEVENTH OR EIGHT of the "Revenue Account; Payment Account" subsection (b) and amounts on deposit in the Loan Account are insufficient. Amounts on deposit in the Reserve Account in excess of the Reserve Account Requirement may, at the Direction of the Issuer, be transferred to the Revenue Account or the Loan Account. The Issuer may direct the Trustee to apply amounts on deposit in the Reserve Account to the purchase or redemption of Notes if, upon giving effect to such purchase or redemption, the amount on deposit in the Reserve Account will be not less than the Reserve Account Requirement. Any Supplemental Indenture providing for the issuance of Notes may provide that the Reserve Account Requirement set forth therein may be satisfied by a surety bond, letter of credit or other instrument.

Rebate Account. (a) The Rebate Account will be maintained by the Trustee as an account separate from any other account established and maintained under the Trust Indenture. Subject to the provisions of paragraphs (b) and (e) below, all money at any time deposited in the Rebate Account will be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the Treasury Department of the United States of America, and the Issuer or the Owner of any Notes will not have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Account will be governed by the Trust Indenture and by any applicable Tax Certificate. The Trustee will be deemed conclusively to have complied with the Trust Indenture and with such provisions of the Tax Certificate and will incur no liability to any Person under the Trust Indenture and Tax Certificate if it follows the Direction of the Issuer and will have no liability or responsibility to enforce compliance by the Issuer or any other Person with the terms of said Tax Certificate. In no event will the Trustee be tasked with monitoring or supervision of compliance in respect of the Tax Certificate, and the Trustee will not be deemed to have notice or knowledge, in each case, either actual or constructive, of any of the Issuer's or any other Person's non-compliance therewith. If the Trustee is required to execute the Tax Certificate, it will be deemed to have executed solely in its capacity as the Trustee under the Trust Indenture, and in so executing, will be entitled to all of the rights, privileges, protections, indemnities and immunities afforded to the Trustee under the Trust Indenture, as if the same were fully specifically set forth therein, *mutatis mutandis*.

(b) Upon the Direction of the Issuer, the Trustee will either deposit in the Rebate Account funds received from the Issuer, or will withdraw funds from the Rebate Account for payment upon the order of the Issuer, so that the balance of the amount on deposit thereto will be equal to the Rebate Requirement. Computations of the Rebate Requirement will be furnished by or on behalf of the Issuer in accordance with any applicable Tax Certificate. Excess amounts on deposit in the Rebate Account will be deposited to the Revenue Account.

(c) The Trustee will have no obligation to rebate any amounts required to be rebated pursuant to the Trust Indenture, other than from moneys held in the Rebate Account and other Accounts created under the Indenture or from other moneys provided to it by the Issuer.

(d) The Trustee will invest all amounts held in the Rebate Account in Permitted Investments as provided in Direction of the Issuer. The Issuer, in issuing such Directions, will comply with the restrictions and instructions set forth in any applicable Tax Certificates. Moneys in the Rebate Account may only be applied or transferred from such Account as provided in paragraph (b) above.

(e) Notwithstanding any other provisions of the Trust Indenture, the obligation to remit the Rebate Requirement to the United States of America and to comply with all other requirements of the Trust Indenture and any applicable Tax Certificate will survive the defeasance or payment in full of the Notes.

Excess Interest Account. No later than thirty days after each Excess Interest Calculation Date, the Issuer will determine, or cause to be determined, the Excess Interest as of the preceding Excess Interest Calculation Date and will deliver such calculation to the Trustee and the Credit Provider, along with a statement of a party or parties competent to make such determination.

The first time such calculation shows the existence of Excess Interest, the Issuer will direct the Trustee to establish and Excess Interest Account and to transfer an amount equal to such Excess Interest from the following accounts, in the following order of priority: (i) Revenue Account and (ii) Loan Account. Thereafter, within thirty days after each Excess Interest Calculation Date, the Issuer will take the following actions:

(a) If the amount on deposit in the Excess Interest Account is less than the Excess Interest as of the preceding Excess Interest Calculation Date, the Issuer will direct the Trustee to transfer sufficient funds to the Excess Interest Account so that the amount on deposit is equal to Excess Interest from the following Accounts in the following order of priority: Revenue Account and Loan Account.

(b) If the amount on deposit in the Excess Interest Account is greater than the Excess Interest as of the preceding excess Interest Calculation Date, the Issuer will instruct the Trustee to transfer to the Revenue Account money sufficient to cause the amount on deposit in the Excess Interest Account to be equal to the Excess Interest as of such Excess Interest Calculation Date.

Unless the Issuer obtains a Note Counsel Opinion to the effect that such payments are not required in order to preserve the exclusion from gross income of interest on the Tax-Exempt Notes for federal income tax purposes, the Issuer covenants to direct the Trustee to withdraw from the Excess Interest Account and remit to the United States Treasury, Yield Reduction Payments in such manner and amounts and on such dates as may be required or permitted by Section 148 of the Code and Section 1.148-59(c) of the Treasury Regulations issued thereunder.

Additionally, the Issuer may direct the Trustee to transfer a specified amount from the Excess Interest Account to the Revenue Account at any time, upon providing the Trustee with a Direction of the Issuer in connection with the Issuer's forgiveness of indebtedness on all of a portion of the Financed Loans specified in such Direction in an amount equal to the amount to be transferred and the implementation of such Direction by the Trustee.

Records of the determinations with respect to the above covenant and the Excess Interest Account will be retained by the Issuer until six years after the retirement of the related series of the Tax-Exempt Notes.

The Issuer's payment of Yield Reduction Payments to the United States is for the purpose of preserving the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Notes.

The Issuer will exercise reasonable diligence to assure that no error in the calculations required by the Trust Indenture is made and, if such an error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including the payment to the United States of any delinquent amounts owed to it, interest thereon, and any assessed penalty.

Amounts in the Excess Interest Account will only be used for the purposes specified in the Trust Indenture, and will not be available for any other purpose, including, but not limited to, payment of debt service on the Notes or reimbursement of any Credit Enhancement.

The moneys in the Excess Interest Account will be invested in Permitted Investments or Eligible Loans, and any earnings on or income from such investments will be retained therein.

Investment of Certain Funds

Subject to certain tax provisions of the Trust Indenture, the Trustee will, pursuant to Direction by the Issuer, invest or deposit funds held in any Account under the Trust Indenture in Permitted Investments. The Issuer will direct the Trustee by Direction to invest and reinvest the moneys in any Account in Permitted Investments so that the maturity date or date of redemption will be no later than the date as of which moneys are needed to be expended. In the absence of Direction from the Issuer, funds on deposit in the Accounts will remain un-invested with no liability to the Trustee until such Direction is received. The Trustee will not be liable for any loss, including without limitation any loss of principal or interest, or for any breakage fees or penalties in connection with the purchase or liquidation of any investment made in accordance with the Direction of the Issuer. The Trustee will not be responsible for determining the legality of any investment or, provided the Trustee will have followed the Directions of the Issuer, for any loss, including without limitation any loss of principal or interest, or for any breakage fees or penalties in connection with the purchase or liquidation of any. The Permitted Investments purchased will be held by the Trustee in trust for the benefit of the Owners and will be deemed at all times to be part of the appropriate Account, except as provided below.

Permitted Investments purchased as an investment of moneys in any Account held by the Trustee under the provisions of the Indenture will be deemed at all times to be a part of such Account but, except with respect to the Rebate Account and Excess Interest Account, the income or earnings and gains realized in excess of losses suffered by an Account due to the investment thereof will be deposited in the Revenue Account or will be credited as Revenues to the Revenue Account from time to time and reinvested; provided, however, that the income or earnings and gains realized in excess of losses in the Reserve Account will only be transferred to the Revenue Account if the balance in the Reserve Account is greater than or equal to the Reserve Account Requirement.

The Trustee, pursuant to a Direction of the Issuer, will sell or present for redemption or exchange, or make a withdrawal under, any Permitted Investment purchased by it pursuant to the Indenture in accordance with its terms whenever it will be necessary in order to provide moneys to meet any payment. Any Permitted Investment may be credited on a pro rata basis to more than one Account (other than the Rebate Account and Excess Interest Account) and need not be sold in order to provide for the transfer of amounts from one Account to another. The Trustee will report all investments held for the credit of each Account under the provisions of the Indenture as of the end of the preceding month.

If any funds to be invested are not received in the Accounts by 1:00 p.m. (New York time) on any Business Day, such funds will be invested in accordance with the Trust Indenture on the next succeeding Business Day; *provided* that the Trustee will not be liable for any losses incurred in respect of the failure to invest funds not thereby received.

If the Permitted Investment in which the Issuer has directed the Trustee to invest any funds in any Account ceases to be a Permitted Investment pursuant to the definition thereof, the Issuer will provide the Trustee with new specific written investment Direction pursuant to the Trust Indenture. The Trustee will not have any duty or obligation to monitor whether an investment meets the requirements of a Permitted Investment nor have any liability with respect to any investment which ceases to be a Permitted Investment.

The Trustee and its affiliates are permitted to receive additional compensation that could be deemed to be in its respective economic self-interests for (i) serving as an investment advisor, administrator, shareholder, servicing agent, custodian or sub-custodian with respect to certain Permitted Investments, (ii) using affiliates to effect transactions in certain Permitted Investments and (iii) effecting transactions in

certain Permitted Investments. The Trustee does not guarantee the performance of any Permitted Investments.

Certain Covenants

The Trust Indenture includes the following covenants, among others, of the Issuer:

Payment of Notes. The Issuer will duly and punctually pay or cause to be paid, solely from Trust Estate or Credit Enhancement, the principal of every Note and the interest thereon at the dates and places and in the manner stated in the Notes according to the true intent and meaning thereof.

Tax Covenants. The Issuer covenants that it will not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would aversely affect the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Notes under Section 103 of the Code and the regulations thereunder. In furtherance of the foregoing covenants, the Issuer covenants to comply with each Tax Certificate. Notwithstanding any other provision of the Trust Indenture to the Contrary, the covenants contained in this paragraph will survive the defeasance or payment in full of the Notes.

Accounts and Reports. The Issuer will keep, or cause to be kept, proper books of record and account in which complete and accurate entries will be made of all of its transactions relating to the Financed Loans and all funds and Accounts, which will at all reasonable times be subject to the inspection of the Trustee and the Owners of an aggregate of not less than 5% in principal amount of Notes then Outstanding or their representatives duly authorized in writing, and within one hundred eighty (180) days after the end of each Fiscal Year will cause such books of record and account to be audited by an Accountant.

The Issuer will annually, within one hundred eighty (180) days after the close of each Fiscal Year, file with the Trustee and the Rating Agencies a copy of its financial statements for such Fiscal Year, setting forth in reasonable detail the balance sheet for the Issuer at the end of such Fiscal Year, a statement of the Issuer's revenues and expenses during such Fiscal Year, a statement of changes in financial position as of the end of such Fiscal Year and an Issuer statement as to any Events of Default under the Indenture.

The financial statements will be accompanied by an Accountant's Certificate stating that the financial statements examined present fairly the financial position of the Issuer at the end of the Fiscal Year and that the results of its operations and the changes in financial position for the period examined are in conformity with generally accepted accounting principles.

The Trustee will have no duty to review or analyze the financial statements filed by the Issuer with the Trustee, and will hold such financial statements solely as a repository for the benefit of the Noteholders. The Trustee will not be deemed to have notice of any information contained in such financial statements or any event of default which may be disclosed therein in any manner, except pursuant to the Certificate of the Issuer regarding any Events of Default as required above.

The Issuer will prepare or cause the Servicer to prepare each Monthly Report in the form attached as Exhibit A to the Trust Indenture.

Student Loan Program

The Issuer will from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the provisions of the Trust Indenture, (i) use and apply proceeds of the Notes and moneys in the Loan Account to finance Eligible Loans pursuant to the Indenture or to pay other obligations of the Issuer required to be paid under the Indenture, (ii) do all such acts and things as are

necessary to receive and collect Revenues (including Special Allowance Payments) sufficient to pay the Notes and the expenses of the Issuer's Student Loan Program, and (iii) diligently enforce and take all steps, actions and proceedings reasonably necessary in the judgment of the Issuer to protect its rights with respect to Financed Loans, to maintain any insurance thereon and to enforce all terms, covenants and conditions of the Financed Loans.

No amount in the Loan Account will be expended or applied for the purpose of financing an Eligible Loan, and no Eligible Loan will be financed, unless (except to the extent that a variance from such requirements is required by an agency or instrumentality of the United States of America insuring or guaranteeing the payment of an Eligible Loan) the Issuer has determined:

(i) that the payment of the principal of and interest on any Eligible Loan is guaranteed by a Guarantor to the extent applicable as to such Eligible Loan as provided by federal law, and that the United States Secretary of Education is required, by the Higher Education Act at the time of the financing to reimburse the Guarantor to the extent permitted by federal law for any amount expended by the Guarantor in discharge of its insurance obligation on such Eligible Loan (subject to permitted Borrower Benefits);

(ii) that the stated interest rate borne by an Eligible Loan and payable on such Eligible Loan at the time of its acquisition will not be more than the maximum rate permitted under applicable law at the time the particular Eligible Loan was made;

(iii) that as of the date of acquisition of such Eligible Loan each of the representations in Schedule I of the Trust Indenture is true; and

(iv) if not originated by the Issuer (A) that the Eligible Loan is subject to being repurchased by the seller if such Eligible Loan does not comply with the provisions of the applicable Loan Purchase Agreement or other documentation relating to such Eligible Loan and (B) that the seller or other transferor of such Eligible Loan represents that the loan subject to such transfer is free of any encumbrance or lien.

The foregoing clauses (i) and (ii) notwithstanding, (A) Eligible Loans (i) insured by a Guarantor under the Higher Education Act to less than the percentage provided for in applicable law as of the date of the Trust Indenture (including reductions provided for in such applicable law) of the claim relating thereto or (ii) having a return thereon less than the return as may be provided for in applicable law as of the date of the Trust Indenture will not be financed unless prior thereto a Credit Confirmation will have been received with respect to the financing of any such Eligible Loans; and (B) Eligible Loans insured by a Guarantor which the Issuer knows to be insolvent will not be financed.

If any representation or warranty as to the characteristics and status of the Financed Loans as contained in Schedule I to the Trust Indenture is not correct in all material respects with respect to a Financed Loan or purported Financed Loan, then the Issuer will, within nine months of such breach being made known to the Issuer, either (i) purchase such Financed Loan or purported Financed Loan by depositing into the Loan Account an amount equal to 100% of the then outstanding principal balance of such Financed Loan or purported Financed Loan, plus any unamortized premium paid as a part of the purchase price and all interest accrued and unpaid on such Financed Loan, up to and including the date of repurchase or (ii) substitute for such Financed Loan or purported Financed Loan one or more Eligible Loans with an aggregate outstanding principal balance at least equal to the outstanding principal balance of the Financed Loan or purported Financed Loan being substituted.

The Trustee (and, with respect to the record ownership interest in the Financed Loans, the Eligible Lender Trustee) will, at the Direction of the Issuer, at any time sell, assign, transfer or dispose of a Financed

Loan in the manner specified in such Direction, and the Trustee (and, with respect to the record ownership interest in the Financed Loans, the Eligible Lender Trustee) will execute and deliver such documents as will be necessary to effect such sale, assignment, transfer or other disposition if such sale, assignment, transfer or disposition (A) is made to the entity from which the Issuer obtained such Financed Loan at a price equal to the principal amount of the Financed Loan plus accrued interest, (B) is made for the purpose of consolidating the Financed Loans incurred by any borrower, and if such sale assignment, transfer or disposition is made at a price at least equal to the principal amount of the Financed Loan (plus accrued interest), (C) is made to realize on any insurance or guaranty of any Financed Loan in default, (D) is made to another program, indenture or other obligation of the Issuer at a price not less than par plus accrued interest plus unamortized premium, if any, or origination costs, if any, (E) is necessary to permit the payment of Notes when due, or (F) under any other circumstances not set forth in clauses (A) through (E) above if the Trustee will have received a Credit Confirmation. Dispositions described in clauses (D) and (E) above will be subject to Credit Confirmation.

The Issuer may direct the Trustee (and, with respect to the record ownership interest in the Financed Loans, the Eligible Lender Trustee) to transfer Financed Loans credited to the Loan Account and credit such Financed Loans to any other account of the Issuer, free and clear of the lien of the Indenture, provided that simultaneously therewith, the Issuer will cause there to be delivered to the credit of the Loan Account free of all other liens and encumbrances other than the lien of the Indenture, either or both of (i) cash in an amount equal to the principal of and accrued borrower interest on the transferred Financed Loans plus, if the total cash in the Loan Account on any Interest Payment Date resulting from such transfers aggregates $100,000 or more, any additional amount which is necessary to enable the sum of such cash to produce Revenues in an amount at least equal to the Revenues that would have been produced by the transferred Financed Loans (net of any expenses related to such transferred Financed Loans) until such cash is applied to acquire Eligible Loans or to redeem Notes; or (ii) Eligible Loans with substantially the same principal amount and an average expected remaining term no later than the maturity of the Notes to be paid from such Financed Loans and which either (1) in the reasonable determination of the Issuer (as certified to by an Authorized Officer of the Issuer), would not have the effect of violating any of the terms of the Trust Indenture, or (2) are accompanied by a Credit Confirmation. In connection with any such release, a Direction of the Issuer to the Trustee will be required in order for said Financed Loans to be released from the lien of the Indenture.

The Issuer will use its best efforts to evaluate the reinvestment of amounts transferred to the Loan Account from principal and interest receipts with respect to Financed Loans to ensure that it will continue to be able to fulfill its debt service requirements under the Trust Indenture.

So long as the Higher Education Act requires an Eligible Lender to be the owner or holder of Eligible Loans, (i) the Issuer will either be an Eligible Lender or will utilize an Eligible Lender as its trustee to acquire Eligible Loans; and (ii) it will not dispose of or transfer any Financed Loans or any security interest in any such Financed Loans to any party who is not an Eligible Lender; provided, however, that nothing above will prevent the Issuer from delivering the Financed Loans to a Servicer or a Guarantor for purposes of remediation, collection or similar purposes.

The Issuer will, from and after it will have either entered into, or succeeded to the rights and interests of any Eligible Lender under any guarantee agreement covering any Financed Loans, maintain the same and diligently enforce its rights thereunder; and not consent to or permit any rescission of or consent to any amendment thereto or otherwise take any action under or in connection therewith which in any manner would adversely affect the rights of the Owners or of any Credit Provider. The Issuer will enforce its rights under the agreements with the Secretary and each Guarantor pertaining to the Financed Loans and will not voluntarily consent to or permit any rescission of or consent to any amendment to or otherwise take

any action under or in connection therewith which in any manner will adversely affect the rights of the Owners or any Credit Provider.

The Issuer, through the Servicers, will diligently collect all principal and interest payments on all Financed Loans, and all interest benefit payments, insurance and default claims, Interest Subsidy Payments, and Special Allowance Payments which relate to such Financed Loans. The Issuer will cause the Servicers to assign and file all claims for payment on defaulted Eligible Loans prior to the filing deadline for such claims under the Higher Education Act. The Issuer will comply with the Higher Education Act and regulations thereunder which apply to its Student Loan Program and to all Eligible Loans. Notwithstanding the foregoing, the Issuer may forgive a Financed Loan and cease collection and servicing efforts if the Issuer determines that such forgiveness is necessary to comply with Federal tax law or the probable costs of collection and servicing approximate or exceed the expected proceeds of collection. The Issuer may also offer such Borrower Benefits as are in place at the time of execution of the Trust Indenture or approved by a Credit Confirmation.

Not less frequently than monthly, the Issuer will make available to the applicable Servicer each promissory note received by the Issuer and not previously so provided.

Supplemental Indentures

Supplemental Indentures Effective Without Consent of Owner. The Issuer and the Trustee, without the consent of or notice to any of the Owners, but in each case with the prior written consent of each Credit Provider for the Outstanding Series of Notes, may enter into an agreement or agreements supplemental to the Trust Indenture, or to any Supplemental Indenture, for any one or more of the following purposes:

(a) to provide limitations and restrictions in addition to the limitations and restrictions contained in the Indenture on the authentication and delivery of Notes or the issuance of other evidences of indebtedness, or to add other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as then in effect;

(b) to add to the covenants and agreements of the Issuer in the Indenture other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as then in effect;

(c) to make such amendments to the Indenture as are required to permit the Trustee and the Issuer fully to comply with the Higher Education Act or as required in order for the Indenture, as amended by such Supplemental Indenture, not to be contrary to the terms of the Higher Education Act.

(d) to surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of the Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in the Indenture;

(e) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture, the pledge of the Trust Estate, including Revenues or of any other revenues or assets;

(f) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture;

(g) to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as then in effect;

(h) to provide for additional duties of the Trustee in connection with the Financed Loans or for the appointment of a successor Trustee;

(i) to provide for the issuance of any Series of Notes, and in connection therewith to provide for rights, preferences, privileges, terms and conditions applicable only to such Series of Notes, including without limitation any amendments desirable to provide for the issuance of such Series of Notes as commercial paper or in some other form;

(j) to modify, alter, amend or supplement the Trust Indenture, including any Supplemental Indenture, in any manner which does not alter the interest rate, maturity, or security for any Notes, so long as a Credit Confirmation is received with respect thereto;

(k) to modify, alter, amend or supplement the Trust Indenture, including any Supplemental Indenture, in any other manner that is not materially adverse to the interests of the Owners of any Notes who have not consented thereto, evidenced by a Note Counsel Opinion upon which the Trustee will be entitled to conclusively rely;

(1) to satisfy the requirements of a Rating Agency in order to obtain, maintain or improve the rating on any Notes;

(m) to provide for the orderly sale or remarketing of Notes;

(n) to modify, alter, amend or supplement the Trust Indenture, including any Supplemental Indenture, in any other respect, including amendments which would otherwise be as described elsewhere in the Trust Indenture, (i) as of any date required for mandatory tender of Notes for purchase, to the extent such change affects only Notes which are subject to such mandatory tender on such date; or (ii) if notice of the proposed Supplemental Indenture is given to Owners (in the same manner as notices of redemption are given) at least thirty (30) days before the effective date thereof, and the Owners have the right to demand purchase of their Notes on or before such effective date; and any such Owners of Notes being required to tender such Notes for purchase or having the right to demand purchase thereof will, as of such effective date, be deemed to have consented to such Supplemental Indenture for purposes of determining the percentage of Owners who have consented to any Supplemental Indenture and for all other purposes of the Indenture if all such tenders or demands for purchase are timely honored; and if less than all of the Owners are required to tender their Notes for purchase or have such right to demand purchase, any such Supplemental Indenture may be made applicable only to such Owners and their successors; or

(o) to modify the maximum rate with respect to any Series of Notes, in the manner and to the extent permitted in the Supplemental Indenture with respect to such Notes.

In addition, any and all provisions of the Trust Indenture, including any Supplemental Indenture, relating to procedures for determining any other Variable Rate, may be amended from time to time to conform to market or industry practice, as evidenced by a Note Counsel's Opinion, Certificate of the Issuer or Certificate of the applicable Marketing Parties confirming such conformity to market or industry practice (upon which the Trustee may conclusively rely) solely upon the written consent of the Issuer and the Trustee and upon written notice of such amendment to the applicable Marketing Parties and to the affected Noteholders, and no prior written consent of any such Noteholder will be required in connection with the execution of such amendment. All fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) incurred in connection with any amendment, modification or supplement will be payable by the Issuer.

Supplemental Indentures Effective Only Upon Consent of Owners. At any time or from time to time, a Supplemental Indenture not described in the Trust Indenture may be entered into by the Issuer, the

Trustee, and, with respect to the record ownership interest in the Financed Loans, the Eligible Lender Trustee, subject to consent by Owners affected thereby and by the Credit Provider(s), if any, for each Outstanding Series of Notes, in accordance with and subject to the Trust Indenture. Any such Supplemental Indenture will become fully effective in accordance with its terms only upon the execution thereof and upon compliance with the Trust Indenture. Nothing therein will be construed to limit any requirement in any other document to which the Issuer is a party which requires the consent of any other party to any Supplemental Indenture.

Powers of Amendment. Any modification of or amendment to the Indenture and the rights and obligations of the Issuer and of the Owners of the Notes under the Trust Indenture, in any particular manner not described above, may be made by a Supplemental Indenture, but only, in the event such Supplemental Indenture will be entered into pursuant to the Trust Indenture, with the written consent of the Owners of at least a majority in principal amount of the Notes Outstanding (including at least a majority in principal amount of the Owners (i) of all Outstanding Senior Notes, or (ii) of all Outstanding Senior Subordinate Notes if no Senior Notes are then Outstanding, or (iii) of all Outstanding Subordinate Notes if no Senior Notes or Senior Subordinate Notes are then Outstanding) at the time such consent is given, as provided in the Trust Indenture. If any such modification or amendment will not take effect so long as any particular Notes remain Outstanding, however, the consent of the Owners of such Notes will not be required and such Notes will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Notes under the Trust Indenture. No such modification or amendment will permit a change in the terms of maturity of any Outstanding Note or of any installment of interest thereon or a reduction in the principal amount thereof or in the rate of interest thereon without the consent of the Owner of such Note (the consent of the Owner of which is required to effect any such modification or amendment). The Trustee will have no obligation to determine whether or not in accordance with the foregoing powers of amendment Notes would be affected by any modification or amendment of the Trust Indenture. Nothing in the Trust Indenture will be construed to limit any requirement in any other document to which the Issuer is a party which requires the consent of any other party to any modification to or amendment of the Indenture.

General Provisions. Any Supplemental Indenture permitted or authorized by the Trust Indenture will become effective only (i) on the conditions, to the extent and at the time provided in the Trust Indenture; and (ii) upon receipt by the Trustee of (A) a Counsel's Opinion or Note Counsel Opinion, or both, to the effect that such Supplemental Indenture has been duly and lawfully entered into in accordance with the provisions of the Trust Indenture, is authorized or permitted by the Trust Indenture, and is valid and binding upon the Issuer; (B) a Note Counsel Opinion to the effect that such Supplemental Indenture will not adversely affect the exclusion of interest on any Tax-Exempt Notes affected by such Supplemental Indenture from gross income for federal income tax purposes; and (C) a Credit Confirmation. No Supplemental Indenture will change or modify any of the rights or obligations of the Trustee without its written assent thereto.

Defaults, Acceleration and Remedies

Events of Default. (a) Each of the following events is declared by the Trust Indenture an "Event of Default":

(i) the failure by the Issuer to pay the principal of or any installment of interest on any Note or the Redemption Price or purchase price thereof when and as the same will become due, whether at maturity or otherwise;

(ii) the failure or refusal by the Issuer to comply with the provisions of the Indenture, or default by the Issuer in the performance or observance of any of the covenants, agreements or conditions on its part contained in the Trust Indenture or in any Supplemental Indenture or the Notes, and continuance of such failure, refusal or default for a period of thirty (30) days after written

notice thereof by the Trustee, by any Credit Provider or by the Owners of not less than 25% in principal amount of the Outstanding Notes (provided that such Owners will include the Owners of at least 25% in principal amount of (A) Outstanding Senior Notes, or (B) Outstanding Senior Subordinate Notes if no Senior Notes are then Outstanding, or (C) Outstanding Subordinate Notes if no Senior Notes or Senior Subordinate Notes are then Outstanding); provided that if such failure is such that it cannot be corrected within such 30-day period, it will not constitute an Event of Default if corrective action reasonably acceptable to each Credit Provider is instituted within such period and diligently pursued until the failure is corrected; and

(iii) at the option of any Credit Provider, with written notice to the Issuer and the Trustee, the occurrence of any event of default by the Issuer under the related Credit Enhancement or agreement relating thereto.

(b) The foregoing notwithstanding, for so long as there will be Senior Notes Outstanding failure to pay the principal of or any installment of interest on any Senior Subordinate Note, Subordinate Note or Junior Subordinate Note will not constitute an Event of Default unless there is a corresponding failure to make timely payment on a Senior Note; for so long as there will be Senior Subordinate Notes Outstanding failure to pay the principal of or any installment of interest on any Subordinate Note or Junior Subordinate Note will not constitute an Event of Default unless there is a corresponding failure to make timely payment on a Senior Subordinate Note; and for so long as there will be Subordinate Notes Outstanding failure to pay the principal of or any installment of interest on any Junior Subordinate Note will not constitute an Event of Default unless there is a corresponding failure to make timely payment on a Subordinate Note.

Acceleration. Upon the happening of and during the continuance of any Event of Default, (a) the Trustee may (with the prior written consent of the Credit Provider, if any), and will at the written direction of the Owners of not less than a majority of the principal amount of the Outstanding Notes in the case of an Event of Default described in the Trust Indenture (including a majority in principal amount of (i) Outstanding Senior Notes, or (ii) Outstanding Senior Subordinate Notes if no Senior Notes are then Outstanding, or (iii) Outstanding Subordinate Notes if no Senior Notes or Senior Subordinate Notes are then Outstanding), and (b) the Trustee will, in the case of an Event of Default described in "Events of Default" (a)(ii) and (a)(iii) above and during the continuance thereof, if directed by the Credit Provider, by notice in writing delivered to the Issuer and without requiring or receiving any indemnity therefor, declare the entire principal amount of the Notes secured by the related Credit Enhancement then outstanding and the interest accrued thereon due and payable, whereupon they will, without further action, become and be immediately due and payable, anything to the contrary in the Indenture or the Notes notwithstanding, and the Trustee will promptly draw on the related Credit Enhancement, if applicable, and interest thereon will cease to accrue provided moneys are available for the payment of the accelerated amounts on the date for payment (which will be within two Business Days of the date of declaration).

Other Remedies. Subject to the provisions of the Trust Indenture, if any Event of Default described in "Events of Default" (a)(i) or (a)(iii) above will have occurred, the Trustee will proceed, or if any Event of Default described in "Events of Default" (a)(ii) above will have occurred, the Trustee may proceed, and, upon the written request of the owners of not less than twenty-five percent (25%) in principal amount of the Outstanding Notes, including the owners of at least 25% in principal amount of (i) Outstanding Senior Notes, or (ii) Outstanding Senior Subordinate Notes, if no Senior Notes are then Outstanding, or (iii) Outstanding Subordinate Notes, if no Senior Notes or Senior Subordinate Notes are then Outstanding, will proceed, in its own name, subject, in either case, to the indemnification and other provisions of the Trust Indenture, to protect and enforce the rights of the Owners by such of the following remedies:

(i) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Owners, including the right to require the Issuer to receive and collect Revenues adequate to carry out the covenants and agreements as to Financed Loans, and to require the Issuer to carry out any other covenants or agreements with Owners and to perform its duties as prescribed by law;

(ii) by bringing suit upon the Notes;

(iii) by action or suit in equity, to require the Issuer to account as if it were the trustee of an express trust for the Owners of the Notes;

(iv) by action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Notes;

(v) by selling or otherwise disposing of Financed Loans (with respect to which the Eligible Lender Trustee will cooperate with respect to the record ownership interest in the Financed Loans) and Permitted Investments; or

(vi) by any other remedy as will be legal and appropriate.

Subject to the provisions of the Trust Indenture, in the enforcement of any rights and remedies under the Indenture, the Trustee will be entitled to and will sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due and unpaid from the Issuer for principal, interest or otherwise, under any provisions of the Indenture, including any Supplemental Indenture, or of the Notes, with interest on overdue payments at the rate of interest specified in such Notes, together with any and all costs and expenses of collection and of all proceedings thereunder, without prejudice to any other right or remedy of the Trustee or of the Owners, and to recover and enforce a judgment or decree against the Issuer for any portion of such amounts remaining unpaid, with interest, costs and expenses (including without limitation pre-trial, trial and appellate attorney fees), and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable; provided, however, that any recovery against the Issuer is limited to the Trust Estate.

Priority of Payments After Default. In the event that upon the happening and continuance of any Event of Default the funds held by the Trustee are insufficient for the payment of principal and interest then due on the Notes (other than funds held for the payment of particular Notes which have theretofore become due at maturity or prior redemption), any other amounts received or collected by the Trustee acting pursuant to the Trust Indenture, other than the proceeds of any Credit Enhancement or the proceeds of the remarketing of any Notes (which will, in each case, be held for the payment of the particular Notes with respect to which such proceeds were received), after making provision for the payment of any expenses necessary to protect the interest of the Owners of the Notes and for the payment of the charges, expenses and liabilities (including, without limitation, attorneys' fees and expenses and Trustee Fees, ELT Fees and any expenses and indemnity amounts of any of the Trustee, the Tender Agent and the Eligible Lender Trustee without regard to any Expense Cap) incurred by the Trustee, the Tender Agent and the Eligible Lender Trustee in the performance of its duties under the Indenture and any other amounts owed to the Trustee, the Tender Agent and the Eligible Lender Trustee under the Indenture, will be applied as follows:

(i) Unless the principal of all of the Notes will have become or have been declared due and payable:

FIRST: to the payment to the persons entitled thereto of all installments of interest then due, in the order of Senior Notes first and thereafter Senior Subordinate Notes, then Subordinate Notes and finally Junior Subordinate Notes (or, in each case, to any Credit

Provider as reimbursement for amounts paid with respect to such Notes, in the applicable order of priority), and in order of the maturity of such installments, and, if the amount available will not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference (other than Senior Notes prior to Senior Subordinate Notes, Senior Subordinate Notes prior to Subordinate Notes and Subordinate Notes prior to Junior Subordinate Notes); and

SECOND: to the payment to the persons entitled thereto of the unpaid principal of any Notes which will have become due and, if the amounts available are not sufficient to pay in full all the Notes due, then to the payment thereof for Senior Notes first and thereafter Senior Subordinate Notes, then Subordinate Notes and finally Junior Subordinate Notes (or, in each case, to any Credit Provider as reimbursement for amounts paid with respect to such Notes or otherwise due and owing to the Credit Provider, as set forth in a certificate of the Credit Provider, in the applicable order of priority), and ratably to the extent necessary, according to the amounts of principal due on such date, to the persons entitled thereto, without any discrimination or preference (other than Senior Notes prior to Senior Subordinate Notes, Senior Subordinate Notes prior to Subordinate Notes and Subordinate Notes prior to Junior Subordinate Notes).

(ii) If the principal of all of the Notes will have become or have been declared immediately due and payable, then to the payment of the principal and interest then due and unpaid upon the Notes for Senior Notes first and thereafter Senior Subordinate Note, then Subordinate Notes and finally Junior Subordinate Notes (or, in each case, to any Credit Provider as reimbursement for amounts paid with respect to such Notes or otherwise due and owing to the Credit Provider, as set forth in a certificate of the Credit Provider, in the applicable order of priority), and otherwise without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Senior Note over any other Senior Note, or of any Senior Subordinate Note over any other Senior Subordinate Note, or of any Subordinate Note over any other Subordinate Note, or of any Junior Subordinate Note over any other Junior Subordinate Note, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any other discrimination or preference except as to any difference in the respective rates of interest specified in the Notes.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of the Trust Indenture, such moneys will be applied by the Trustee at such times, and from time to time, as the Trustee will determine, having due regard to the amount of such moneys available for application. The deposit and setting aside of such moneys in trust for the proper purpose will constitute proper application by the Trustee, and the Trustee will incur no liability whatsoever to the Issuer, any Owner or any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances and ultimately applies the same in accordance with such provisions of the Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee will exercise such discretion in applying such moneys, it will fix the date (which will be an Interest Payment Date unless the Trustee will deem another date more suitable and, if applicable, as otherwise provided in the Trust Indenture) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date, and for which funds are available for such payment, will cease to accrue. The Trustee will give such notice as it may deem appropriate for the fixing of any such date. The Trustee will not be required to make payment to the Owner of any Note unless such Note will be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuation of an Event of Default, the Owners of the majority in principal amount of the Notes then Outstanding (including a majority of (i) all Outstanding Senior Notes, or (ii) all Outstanding Senior Subordinate Notes if no Senior Notes are then Outstanding, or (iii) all Outstanding Subordinate Notes if no Senior Notes or Senior Subordinate Notes are then Outstanding) will have the right, by a written instrument or concurrent written instruments executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee under the Trust Indenture, provided that (a) such direction will not be otherwise than in accordance with law or the provisions of the Trust Indenture, (b) there will have been offered to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses (including, without limitation, attorneys' fees and expenses) and liabilities to be incurred, and (c) the Trustee will have the right to decline to follow any direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction or would subject the Trustee to liability.

Limitation on Rights of Owners. No Owner of any Note will have any right to institute any suit, action, mandamus or other proceeding in equity or at law under the Indenture, or for the protection or enforcement of any right under the Trust Indenture unless (i) such Owner will have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and (ii) the Owners of not less than twenty-five percent (25%) in principal amount of the Notes then Outstanding will have made written request of the Trustee, after the right to exercise such powers or rights of action will have accrued, and will have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Trust Indenture or granted under the law or to institute such action, suit or proceeding in its name and there will have been offered to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses (including, without limitation, attorneys' fees and expenses) and liabilities to be incurred, and the Trustee will have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are declared by the Trust Indenture in every such case, to be conditions precedent to the execution by the Trustee of its powers under the Indenture or for any other remedy under the Trust Indenture or by law. It is understood and intended that no one or more Owners of the Notes will have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture, or to enforce any right under the Trust Indenture or under law with respect to the Notes or the Indenture, except in the manner provided in the Trust Indenture, and that all proceedings at law or in equity will be instituted, had and maintained in the manner provided in the Trust Indenture and for the benefit of all Owners of the Outstanding Notes. Nothing contained in the Trust Indenture will affect or impair the right of any Owner of Notes to enforce the payment of the principal of and interest on such Notes, or the obligation of the Issuer (subject to the provisions of the Trust Indenture) to pay the principal of and interest on each Note issued under the Trust Indenture to the Owner thereof at the time and place in said Note expressed.

Anything to the contrary notwithstanding contained in the Trust Indenture, each Owner of any Note by such Owner's acceptance thereof will be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under the Trust Indenture or any Supplemental Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs of such suit, including reasonable pre-trial, trial and appellate attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph will not apply to any suit instituted by the Trustee, to any suit instituted by any Owner or group of Owners holding at least twenty-five percent (25%) in principal amount of the Notes Outstanding, or to any suit instituted by any Owner for the enforcement of the payment of any Note on or after the respective due date thereof expressed in such Note.

Consent or Direction of Credit Provider. Nothing in the Trust Indenture will be construed to limit any requirement therein or in any other document to which the Issuer is a party which requires the consent or permits the direction of any Credit Provider to any action taken pursuant to Article VIII of the Trust Indenture. Payment by any Credit Provider pursuant to its Credit Enhancement will not be deemed to cure any event of default under the agreement with the Credit Provider.

Each Credit Provider who has not failed to honor a properly presented and conforming drawing on its Credit Enhancement will be deemed to be the Owner of the Notes related to such Credit Enhancement for all purposes of directing the remedies to be exercised under Article VIII of the Trust Indenture.

The Trustee

Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by the Indenture by giving not less than sixty (60) days written notice to the Issuer and the Owners, specifying the date when such resignation will take effect, and such resignation will take effect upon any day specified in such notice unless (i) a successor will have been appointed previously, as provided in the Trust Indenture, in which event such resignation will take effect immediately on the acceptance of such successor, or (ii) no such successor will have been appointed, in which event such resignation will take effect immediately upon, but not until, the acceptance of a successor.

Removal of Trustee. The Issuer in its discretion may remove the Trustee at any time, except during the existence of an Event of Default, upon giving sixty (60) days written notice to the Trustee and filing with the Trustee an instrument of appointment signed by an Authorized Officer and accepted by such successor Trustee.

Defeasance

(a) If the Issuer (subject to the prior written consent of the Credit Provider) pays, causes to be paid or otherwise makes adequate provision for payment to the Owners of the Notes the principal and interest, including deferred interest whether or not then due, to become due thereon at the times and in the manner stipulated therein and in the Indenture, and will have paid all other amounts due under the Trust Indenture to the Trustee and due to each Credit Provider pursuant to the terms of the related Credit Enhancement or pursuant to the terms of any agreement pursuant to which such Credit Enhancement was issued, the pledge of the Trust Estate, including any Revenues and other moneys, securities, funds and property pledged by the Trust Indenture and all other rights granted by the Trust Indenture in favor of the Owners will be discharged and satisfied. In such event, upon making the provision for payment to the Owners referred to in the prior sentence, the Trustee, upon the Direction of the Issuer, will execute and deliver to the Issuer all such instruments as may be desirable to evidence the discharge and satisfaction described above, which instruments will be prepared and delivered to the Trustee by the Issuer, and the Trustee will pay over or deliver to the Issuer all moneys or securities held by them pursuant to the Indenture which are not required for the payment of Notes not theretofore surrendered for such payment and will return any Credit Enhancement to the Credit Provider for cancellation, if applicable. If the Issuer will pay or cause to be paid or there will otherwise be paid to the Owners of all Outstanding Notes the principal and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, such Notes will cease to be entitled to any lien, benefit or security under the Trust Indenture and all covenants, agreements and obligations of the Issuer to the Owners of such Notes will thereupon cease, terminate and become void and be discharged and satisfied. The defeasance of Notes bearing interest at a Variable Rate will be subject to any additional conditions set forth in a Supplemental Indenture with respect thereto.

(b) Notes for the payment of which funds are held in trust by the Trustee (through deposit by the Issuer of funds for such payment or otherwise) will, at the maturity thereof, be deemed to have been

paid within the meaning and with the effect expressed in paragraph (a) above. All Notes will, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) above if (i) there will have been deposited with the Trustee funds consisting of moneys or non-callable, fixed rate, direct obligations of or guaranteed by the United States of America the principal of and the interest on which when due will provide moneys sufficient to pay the principal of and interest due and to become due on said Notes on or prior to the maturity date or the prior Redemption Date thereof, and (ii) the Issuer will have given the Trustee, in form satisfactory to it, (A) a Certificate of the Issuer and a Counsel opinion to the effect that all conditions necessary to deem said Notes paid within the meaning and effect expressed in the Trust Indenture have been met and (B) irrevocable written instructions to give notice by mail as soon as practicable to the Owners of such Notes that the deposit required by clause (i) above has been made with the Trustee and that said Notes are deemed to have been paid in accordance with the Trust Indenture and stating the date upon which moneys are to be available for the payment of the principal of and interest on said Notes, such instructions to be accompanied by a certificate of an independent certified public accountant confirming the sufficiency of the deposit as described in clause (i) above. With respect to any Notes enhanced with a Credit Enhancement, any deposit pursuant to the above must be made with Eligible Moneys. Neither (x) non-callable direct obligations of the United States of America or moneys deposited with the Trustee pursuant to the Trust Indenture nor (y) principal or interest payments on any such obligations will be withdrawn or used for any purpose other than the payment of the principal of and interest on said Notes; but any cash received from such principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, will, to the extent practicable and permitted by the Trust Indenture, be reinvested in such direct non-callable United States obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Notes on or prior to the maturity date or Redemption Date thereof, and interest earned from such reinvestments, not needed to redeem Notes, will be paid over to the Issuer, as received by the Trustee, free and clear of any trust, lien or pledge.

(c) The deposit described in paragraph (b) above may be made with respect to Notes within any particular Series and maturity, in which case such maturity of Notes of such Series will no longer be deemed to be Outstanding under the terms of the Indenture, and the Owners of such defeased Notes will be secured only by such trust funds and not by any other part of the Trust Estate, and the Indenture will remain in full force and effect to protect the interests of the Owners of Notes remaining Outstanding thereafter.

(d) Any deposit of moneys made as described in paragraph (b) above will be sufficient for the purposes of this section if in the case of any Notes bearing interest at a rate which may change before the date the Notes are to be paid at maturity or upon redemption, (i) the amount of interest required to be deposited will be computed assuming the maximum rate permitted for such Notes, and (ii) the Trustee and all Marketing Parties required for such Notes will remain in office until such Notes are paid at maturity or upon redemption.

(e) Anything in the Indenture to the contrary notwithstanding, subject to the applicable provisions of the laws of the State, any moneys held by the Trustee in trust for the payment and discharge of any of the Notes which remain unclaimed for four years after the date when all of the Notes have become due and payable, if such moneys were held by the Trustee at such date, or for four years after the date of deposit of such moneys if deposited with the Trustee after the said date when all of the Notes became due and payable, will, at the written request of an Authorized Officer of the Issuer, be repaid by the Trustee to the Issuer, as its absolute property free from trust, and the Trustee will thereupon be released and discharged, and any Owner may only look to the Issuer for payment with respect to any payment thereon.

Limited Liability; No Recourse

The obligations of the Issuer under the Trust Indenture will be limited as provided in the Trust Indenture, and notwithstanding any other provision of the Indenture, any liability incurred by the Issuer as a result of the failure to perform any covenant, undertaking or obligation under the Indenture, the Notes or any other document, or as a result of the incorrectness of any representation made by the Issuer in the Indenture or any other document, or for any other reason, will be limited to the Trust Estate. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture and in any Certificate or Direction of the Issuer will be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer, director or employee of the Issuer in its, his or her individual capacity, and no recourse will be had for the payment of the principal of or interest on the Notes or for any claim based thereon or on the Indenture against any member, officer, director or employee of the Issuer or against any natural person executing the Notes.

Date for Action or Payment

In instances where the Issuer or the Trustee is required to cause any act to be performed on a date certain (including the transfer of moneys), except as otherwise specifically provided in the Trust Indenture, if the date so specified is not a Business Day such action will be taken on the next succeeding Business Day. Except as otherwise provided in the Trust Indenture, payments required under the Trust Indenture to be made or actions required under the Trust Indenture to be taken on any day which is not a Business Day may be made or taken, as the case may be, instead on the next succeeding Business Day, and no interest will accrue on such payments in the interim.

SUMMARY OF FIRST SUPPLEMENTAL INDENTURE

The First Supplemental Indenture contains various covenants and security provisions, certain of which are extracted below. Reference should be made to the First Supplemental Indenture for a full and complete statement of its provisions.

Definitions

"*Bank*" means Royal Bank of Canada, acting through a branch located at 200 Vesey Street, New York, New York, together with its successors and assigns.

"*Closing Date*" means the date of the delivery of the Series 2023-1 Notes.

"*Credit Provider*" means, with respect to the Series 2023-1 Notes, the Bank and any subsequent or replacement Credit Provider.

"*First Supplemental Indenture*" means the First Supplemental Indenture of Trust, dated as of November 1, 2023, between the Issuer and the Trustee, as amended or supplemented in accordance with the terms thereof and of the Indenture.

"*Letter of Credit*" means the initial irrevocable direct-pay letter of credit issued by the Bank, which constitutes a Credit Facility, or any Alternate Credit Facility.

"*Maturity Date*" means, with respect to the Series 2023-1 Notes, December 1, 2053.

"*Person*" means natural persons, firms, partnerships, associations, corporations, trusts, public bodies and other entities.

"*Reimbursement Agreement*" means that certain Letter of Credit Reimbursement Agreement dated November 1, 2023, between the Bank and the Issuer pursuant to which the Letter of Credit is issued, or any other agreement pursuant to which any Alternate Credit Facility is issued for the Series 2023-1 Notes, as each such agreement may be supplemented, amended, restated or otherwise modified from time to time.

"*Remarketing Agent Fees*" with respect to the Series 2023-1 Notes, will not exceed 0.075% per annum of the aggregate amount of Series 2023-1 Notes Outstanding, unless a Credit Confirmation has been obtained.

"*Reserve Account Requirement*" means, with respect to the Series 2023-1 Notes, an amount equal to 0.25% of the aggregate principal amount of Series 2023-1 Notes Outstanding, but in any event not less than $500,000, which amount may be satisfied by a surety bond, letter of credit or other instrument.

"*Servicing and Administration Fee*" with respect to the Series 2023-1 Notes will be 0.85% per annum multiplied by the aggregate outstanding principal amount of the Financed Loans as of the first day of the month preceding the date of payment, and may only be increased with the prior written approval of the Credit Provider.

Limit on Fees and Expenses

Unless otherwise approved in writing by the Credit Provider, the expenses and indemnity amounts of the Trustee and the Eligible Lender Trustee (prior to the occurrence of any Event of Default), Servicing and Administration Fees, Remarketing Agent Fees and Credit Enhancement Fees withdrawn pursuant to the Trust Indenture, in any one Fiscal Year will not exceed the limits for withdrawals for such Fiscal Year as set forth in the Reimbursement Agreement. The Trustee Fees and the ELT Fees will not exceed the amounts set forth in the Trust Indenture and the Reimbursement Agreement unless otherwise approved in writing by the Credit Provider, which approval will not be unreasonably withheld.

No Recycling

No recycling will be permitted during the time the Series 2023-1 Notes are outstanding, unless the Credit Provider consents otherwise.

Release of Revenues

After taking into account the payments required under the Trust Indenture from the Revenue Account under clauses FIRST through THIRTEENTH, the Issuer may, at its option and in accordance with clause FOURTEENTH, request that Revenues be released to the Issuer on the first Business Day of each month, free and clear of the lien and pledge of the Indenture if, as certified in an Issuer's Certificate, upon which the Trustee may conclusively rely, after giving effect to such release, (i) the Asset Requirement Ratio is equal to or exceeds 112.5% which percentage may be reduced upon satisfaction of a Credit Confirmation; (ii) the Aggregate Market Value exceeds the amount of Series 2023-1 Notes Outstanding and other accrued but unpaid liabilities incurred under the Indenture by at least $2,000,000, which amount may be reduced upon satisfaction of Credit Confirmation; (iii) no Bank Notes are outstanding; (iv) the Credit Provider has provided to the Issuer and Trustee its prior written consent to such release; and (v) no Event of Default will be existing under the Indenture and no event of default will be existing under the Reimbursement Agreement. In the event the conditions precedent described above in (i) through (v) are satisfied, the mandatory redemption provisions set forth in the First Supplemental Indenture will not apply.

Limitation on Permitted Investments

The Permitted Investments for amounts relating to the Series 2023-1 Notes will be limited to those permitted by the Reimbursement Agreement.

Defeasance

Prior to defeasing any of the Series 2023-1 Notes pursuant the Trust Indenture, which are bearing interest at a Weekly Rate or a Daily Rate and which are enhanced by a Letter of Credit or substitute irrevocable direct-pay letter of credit, the Issuer will (i) cause such Letter of Credit or substitute irrevocable direct-pay letter of credit then in effect to remain in effect until the earlier of the final Redemption Date or the maturity date of said defeased Series 2023-1 Notes and (ii) issue a Rating Agency Notification.

No Discharge of Indenture During the Weekly Rate Period or Daily Rate Period

Notwithstanding anything in the Trust Indenture or in the First Supplemental Indenture to the contrary, the lien of the Indenture may not be discharged with respect to the Series 2023-1 Notes as provided in the Trust Indenture so long as the Series 2023-1 Notes bear interest at a Daily Rate or a Weekly Rate unless the Credit Provider has provided its written consent thereto.

EXHIBIT A

MULTI-MODAL PROVISIONS

ARTICLE A-I

DEFINITIONS

Section A-101. Definitions. The following terms used in this Exhibit A have the following meanings:

"*Alternate Credit Facility*" means a Credit Facility that is issued in substitution for a then-existing Credit Facility as described in Section A-501 hereof, as the same may be amended or supplemented from time to time.

"*Alternate Liquidity Facility*" means a Liquidity Facility that is issued in substitution for a then-existing Liquidity Facility as described in Section A-501 hereof, as the same may be amended or supplemented from time to time.

"*Authorized Denominations*" means with respect to Notes of a subseries (i) in a Daily Rate Mode or Weekly Rate Mode, $100,000 and any integral multiple of $1,000 in excess thereof and (ii) in a Term Rate Mode, FRN Mode or Fixed Rate Mode, $5,000 and any integral multiple thereof, provided, however, that if as a result of the change in the Mode of the Notes of a subseries from a Term Rate Mode to a Daily Rate Mode or Weekly Rate Mode, it is not possible to deliver all the Notes of a subseries required or permitted to be Outstanding in a denomination described above, Notes of a subseries may be delivered, to the extent necessary, in different denominations.

"*Bank Note(s)*" means any Note of a subseries during any period commencing on the day such Note is owned by or held on behalf of any Liquidity Facility Issuer or its permitted assignee as a result of such Note having been purchased as described in Article A-IV hereof from the proceeds of a draw under any Liquidity Facility and ending when such Note is, pursuant to the provisions of the applicable Reimbursement Agreement or Liquidity Facility, no longer deemed to be a Bank Note.

"*Bank Note Maximum Rate*" means the per annum rate set forth in the Liquidity Facility, but in no event greater than the Maximum Lawful Rate.

"*Bank Election Tender Date*" has the meaning set forth in clause (e) of Section A-403 hereof.

"*Bank Interest Rate*" means with respect to any amounts owing under any Bank Note, the rate of interest which is applicable to the amounts owing under such Bank Note as specified in and computed in accordance with the Liquidity Facility but in no event greater than the Maximum Lawful Rate. For the avoidance of doubt, the Bank Interest Rate will be calculated by the Bank and provided to the Trustee.

"*Benchmark*" means, initially, Term SOFR (if the FRN Notes bear interest at Term SOFR) or the SOFR Index Rate (if the FRN Notes bear interest at the SOFR Index Rate); provided that, if the Issuer determines that prior to the relevant Reference Time a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Term SOFR or the SOFR Index Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to the terms of the First Supplemental Indenture.

"*Benchmark Replacement*" means, for any FRN Rate Determination Date after the Issuer has determined that a Benchmark Transition Event and its related Benchmark Replacement Date has occurred, the sum of: (a) the alternate benchmark rate that has been selected by the Issuer giving due consideration to any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate securities at such time in the United States and (b) the related Benchmark Replacement Adjustment; provided, that if the Benchmark Replacement as so determined would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of the First Supplemental Indenture.

"*Benchmark Replacement Adjustment*" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate securities at such time.

"*Benchmark Replacement Conforming Changes*" means, with respect to the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day, " the definition of "U.S. Government Securities Business Day, " or the addition of a concept of an "interest period", timing and frequency of determining rates and making payments of interest, timing of prepayment or conversion notices, the applicability and length of lookback periods, and other technical, administrative or operational matters) that the Issuer decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Issuer in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Issuer decides is necessary in connection with the administration of the First Supplemental Indenture).

"*Benchmark Replacement Date*" means, with respect to any Benchmark, the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

"*Benchmark Transition Event*" means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark (including the daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or such component) announcing that such administrator has ceased or will cease to provide such Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or such component), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark announcing that such Benchmark is no longer, or as of a specified future date will no longer be, representative.

"*Business Day*" means a day other than (i) a Saturday, Sunday or legal holiday, (ii) as applicable, a day on which the Trustee, the Tender Agent, the Remarketing Agent, the Credit Facility Issuer office where payment draws are to be presented, the Liquidity Facility Issuer office where payment draws are to be presented or banks and trust companies in New York, New York are authorized or required to remain closed, (iii) a day on which the New York Stock Exchange is closed, or (iv) a day on which the Federal Reserve is closed; provided, that, during any FRN Mode, the term "Business Day" will also exclude any

day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"*Calculation Agent*" means, during the FRN Mode, any Person, financial institution or financial advisory firm appointed by the Issuer prior to a change in Mode to an FRN Mode to serve as Calculation Agent for the Notes.

"*Closing Date*" means November 8, 2023, the date of original issuance of the Series 2023-1 Notes.

"*CME Term SOFR Administrator*" means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (or a successor administrator).

"*Compounded SOFR*" with respect to any U.S. Government Securities Business Day means: (i) the applicable compounded average of SOFR for 30 days ("30-day Average SOFR") as published on such U.S. Government Securities Business Day at the SOFR Determination Time; or (ii) if the rate described in (i) does not so appear, the applicable compounded average of SOFR for 30 days as published in respect of the first preceding U.S. Government Securities Business Day for which such rate appeared on the FRBNY's Website.

"*Credit Facility*" means any letter of credit, standby note purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Issuer and is issued by a financial institution, insurance provider or other Person and which provides security in respect of any Note, but excluding, for purposes of this Exhibit A, any Liquidity Facility which is obtained by the Issuer as described in Section A-501 hereof and that provides (to the extent, and subject to the terms and conditions, set forth therein) for the payment of principal of and interest on the Notes of a subseries becoming due and payable during the term thereof, as the same may be amended or supplemented from time to time, including an Alternate Credit Facility. A Credit Facility and a Liquidity Facility may be the same instrument. A Credit Facility constitutes a Credit Enhancement under the Trust Indenture.

"*Credit Facility Issuer*" means the issuer of a Credit Facility. A Credit Facility Issuer will constitute a Credit Provider under the Trust Indenture.

"*Current Mode*" has the meaning set forth in Section A-206 hereof.

"*Daily Rate*" means an interest rate determined as described in Section A-202 hereof.

"*Daily Rate Mode*" means the Mode during which Notes of a subseries bear interest at a Daily Rate.

"*Differential Interest Amount*" has the meaning set forth in Section A-201 hereof.

"*Direct-Pay Credit Facility*" means a Credit Facility that is issued in the form of a direct-pay letter of credit.

"*Direct-Pay Credit Facility Drawing Account*" means the Account that may be established as described in Section A-502 hereof.

"*Electronic Means*" means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition or, with respect to Notes held by DTC, in accordance with DTC's applicable procedures.

"*Expiration Date*" means, with respect to a Credit Facility or Liquidity Facility, the stated expiration date of such Credit Facility or Liquidity Facility, or such stated expiration date as it may be extended from time to time as provided therein; provided, however, that the "Expiration Date" will not mean any date upon which a Credit Facility or Liquidity Facility is no longer effective by reason of its Termination Date, the date on which all Notes of such subseries bear interest at a Fixed Rate or the expiration of such Credit Facility or Liquidity Facility by reason of the obtaining of an Alternate Credit Facility or Alternate Liquidity Facility.

"*Expiration Tender Date*" has the meaning set forth in clause (a) of Section A-403 hereof.

"*Fixed Rate*" means an interest rate fixed to the stated maturity date of the Notes of a subseries.

"*Fixed Rate Mode*" means the period during which Notes of a subseries bear interest at a Fixed Rate.

"*Floor*" means 0.00%.

"*FRBNY*" means the Federal Reserve Bank of New York.

"*FRBNY's Website*" means the website of the FRBNY, currently at https://apps.newyorkfed.org/markets/autorates/sofr-avg-ind or at such other pages as may replace such page on the FRBNY's website.

"*FRN Notes*" means Notes that bear interest at FRN Rates.

"*FRN Index*" means Term SOFR or the SOFR Index Rate, as the Issuer selects in consultation with the Remarketing Agent not less than five Business Days prior to the FRN Rate Conversion Date; provided that, if the Issuer determines that prior to the relevant Reference Time a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Term SOFR or the SOFR Index Rate, then the "FRN Index" means the Benchmark.

"*FRN Interest Rate Period*" means each period during the FRN Period during which FRN Rates are in effect, as described in Section A-207(a) of this Exhibit A.

"*FRN Mode*" means the Mode during which the Notes bear interest at FRN Rates.

"*FRN Period*" means the entire period during which Notes constitute FRN Notes, which FRN Period will generally be comprised of multiple FRN Interest Rate Periods, during which FRN Rates are in effect.

"*FRN Rate*" means, with respect to the FRN Notes in a particular FRN Interest Rate Period, the interest rate per annum on FRN Notes during such FRN Interest Rate Period determined on a periodic basis as provided in Section A-207 hereof, which is equal to the sum of (a) the FRN Index, (b) the FRN Spread Adjustment, if any, and (c) the FRN Spread.

"*FRN Rate Adjustment Date*" means, with respect to FRN Notes, the first Business Day of each calendar month.

"*FRN Rate Conversion Date*" means (a) a continuation of the FRN Notes in a new FRN Interest Rate Period; and (b) a conversion of the FRN Notes to an FRN Interest Rate Period from an Interest Period other than an FRN Interest Rate Period.

"*FRN Rate Determination Date*" means, with respect to any FRN Notes, the second U.S. Government Securities Business Day preceding each FRN Rate Adjustment Date.

"*FRN Rate Mandatory Purchase Date*" means the first day following the last day of each FRN Interest Rate Period.

"*FRN Spread*" means the spread, determined by the Remarketing Agent, in consultation with the Issuer, in accordance with Section A-207(a) prior to the commencement of an FRN Interest Rate Period, based on the relative spreads of securities that bear interest based on the FRN Index (plus the FRN Spread Adjustment, if applicable) that, in the reasonable judgment of the Remarketing Agent under prevailing market conditions, are otherwise comparable to the Notes or affecting the market for the Notes or affecting such other comparable securities in a manner which, in the reasonable judgment of the Remarketing Agent, will affect the market for the Notes (assuming for these purposes that the Notes were to bear interest at FRN Rates for a particular FRN Interest Rate Period).

"*FRN Spread Adjustment*" means the spread adjustment, if any, determined by the Remarketing Agent, in consultation with the Issuer, in accordance with Section A-207(a) prior to the commencement of an FRN Interest Rate Period.

"*Interest Non-Reinstatement Tender Date*" has the meaning set forth in clause (c) of Section A-403 hereof.

"*Interest Payment Date*" means the following dates upon which interest is payable on Notes of a subseries:

(a) the stated maturity date or any Mode Change Date;

(b) with respect to the Daily Rate Mode, the Weekly Rate Mode and the FRN Mode, the first Business Day of each month;

(c) with respect to the Term Rate Mode, each June 1 and December 1, prior to the Purchase Date, and the Purchase Date;

(d) with respect to the Fixed Rate Mode, each June 1 and December 1, provided that the Interest Payment Dates for the Fixed Rate Mode may be changed in connection with the conversion to such Mode upon receipt of a Favorable Opinion; and

(e) with respect to a Bank Note, each date that is specified as a date on which interest is payable thereon pursuant to the Liquidity Facility under which such Bank Note was purchased.

"Interest Period" means the period of time that any interest rate remains in effect, which period:

(i) with respect to Notes of a subseries in the Daily Rate Mode, will be the period from and including the Closing Date (if initially issued in the Daily Rate Mode) or the Mode Change Date that they began to bear interest at the Daily Rate to and excluding the next Business Day and thereafter commencing on each Business Day to and excluding the next Business Day;

(ii) with respect to Notes of a subseries in the Weekly Rate Mode, will be the period from and including the Closing Date (if initially issued in the Weekly Rate Mode) or the Mode Change Date that they began to bear interest at the Weekly Rate to but excluding the following Thursday and thereafter commencing on and including each Thursday to but excluding the earlier of the next succeeding Thursday or any Mandatory Purchase Date or the Maturity Date;

(iii) with respect to Notes of a subseries in the Term Rate Mode, will be the period from and including the Closing Date (if initially issued in the Term Rate Mode) or the Mode Change Date that they began to bear interest at the Term Rate to and including the date selected by the Issuer prior to the Closing Date or the Mode Change Date, as the case may be, as the last day upon which an interest rate determined by the Remarketing Agent as described in Section A-204 hereof is in effect, and thereafter, will be the period beginning on the day after the end of the prior Interest Period and ending on the date selected by the Issuer prior to the end of such Interest Period as the last day upon which an interest rate determined by the Remarketing Agent as described in Section A-204 hereof is in effect; provided, that no Interest Period may extend beyond the day preceding any Mandatory Purchase Date or the Maturity Date; and

(iv) with respect to Notes of a subseries in the Fixed Rate Mode, will be the period from and including the Mode Change Date that they began to bear interest at the Fixed Rate to and including the stated maturity date or date of redemption prior to the stated maturity date; and

(iv) with respect to Notes of a subseries in the FRN Mode will be each FRN Interest Rate Period.

"*Liquidity and Credit Amount*" means at any time:

(i) in the case of a Credit Facility and/or a Liquidity Facility that is not also a Direct-Pay Credit Facility and with respect to (a) the Notes of a subseries bearing interest at the Daily Rate or Weekly Rate, an amount to pay the principal and Purchase Price equal to the principal amount (and, with respect to a Credit Facility, Redemption Price) of the Notes of the Series then Outstanding plus an interest amount equal to 50 days' interest thereon calculated at the Maximum Rate on the basis of a 360 day year for the actual number of days elapsed; and (b) the Notes of a subseries in the Term Rate Mode, an amount equal to the principal amount (and, with respect to a Credit Facility, Redemption Price) of such Notes then Outstanding plus an interest amount equal to 202 days' interest thereon calculated at the then applicable Term Rate; and

(ii) in the case of a Credit Facility and/or a Liquidity Facility that is also a Direct-Pay Credit Facility and with respect to (a) the Notes of a subseries bearing interest at the Daily Rate or Weekly Rate, an amount to pay the principal and Purchase Price equal to the principal amount (and, with respect to a Credit Facility, Redemption Price) of the Notes of the Series then Outstanding plus an interest amount equal to 50 days' interest thereon calculated at the Maximum Rate on the basis of a 360 day year for the actual number of days elapsed; and (b) the Notes of a subseries in the Term Rate Mode, an amount equal to the principal amount (and, with respect to a Credit Facility, Redemption Price) of such Notes then Outstanding plus an interest amount equal to 202 days' interest thereon calculated at the then applicable Term Rate.

"*Liquidity Facility*" means a letter of credit, standby bond purchase agreement, line of credit, loan, guaranty or similar agreement, or any agreement relating to the reimbursement of any payment thereunder (but excluding, for purposes of this Exhibit A, any Credit Facility as defined above) which is obtained by the Issuer as described in Section A-501 hereof and that provides (to the extent, and subject to the terms and conditions, set forth therein) for the payment of the Purchase Price of Notes of a subseries tendered or deemed tendered to the Tender Agent during the term thereof, as the same may be amended or supplemented from time to time, including any Alternate Liquidity Facility. A Liquidity Facility and a Credit Facility may be the same instrument.

"*Liquidity Facility Issuer*" means the issuer of a Liquidity Facility.

"*Liquidity Facility Purchase Account*" means the account by that name as described in Section A-406 hereof.

"*Mandatory Purchase Date*" means any (i) Mode Change Date, (ii) the Interest Non-Reinstatement Tender Date, (iii) the Substitution Date, (iv) the Expiration Tender Date, (v) the Termination Tender Date, (vi) any Bank Election Tender Date, (vii) the Purchase Date of Notes of a subseries in the Term Rate Mode and (viii) the FRN Rate Mandatory Purchase Date.

"*Maximum Lawful Rate*" means the maximum lawful nonusurious interest rate allowed under the laws of the State of Texas, which is the weekly ceiling calculated pursuant to Chapter 303 of the Texas Finance Code and published weekly by the Texas Office of Consumer Credit Commissioner on its website at www.occc.state.tx.us/pages/int_rates/Index.html. If the rate computed for the weekly ceiling is less than 18% per year, the ceiling is 18% per year, and if the rate is computed for the weekly ceiling is more than 24% per year, the ceiling is 24% per year.

"*Maximum Rate*" means (i) with respect to Notes other than FRN Notes, twelve percent (12.0%) per annum; provided, however, that in no event may the Maximum Rate exceed the Maximum Lawful Rate (if less); and (ii) with respect to FRN Notes, the Maximum Lawful Rate. The Maximum Rate may be revised with the approval of the Issuer and the Credit Provider.

"*Mode*" means the Daily Rate Mode, the Weekly Rate Mode, the Term Rate Mode, the Fixed Rate Mode or the FRN Mode.

"*Mode Change Date*" means, with respect to Notes of a subseries, the date one Mode terminates and another Mode begins.

"*Mode Change Notice*" has the meaning set forth in Section A-206(b) hereof.

"*Notes*" and words of like import mean any Series 2023-1 Notes (including Bank Notes) authorized and issued pursuant to the First Supplemental Indenture and issued in accordance with the Indenture, or all such Notes collectively, as the context may require.

"*Notice Parties*" means the Issuer, the Trustee, the Remarketing Agent (if any), the Tender Agent (if any), the Credit Facility Issuer (if any) and the Liquidity Facility Issuer (if any).

"*Purchase Date*" means with respect to any Note of a subseries (i) in the Term Rate Mode, the Business Day after the last day of the Interest Period applicable thereto and (ii) during the Daily Rate Mode or Weekly Rate Mode, any Business Day upon which such Note is tendered or deemed tendered for purchase as described in Section A-401 hereof.

"*Purchase Fund*" means the fund created in Section A-406 hereof.

"*Purchase Price*" means an amount equal to the principal amount of any Note of a subseries purchased on any Purchase Date or Mandatory Purchase Date, plus, unless the Purchase Date for such Note is also an Interest Payment Date, accrued interest through and including the date immediately preceding the Purchase Date.

"*Rate Determination Date*" means any date on which the interest rate on any Notes of a subseries is required to be determined, being: (i) in the case of Notes of a subseries in the Daily Rate Mode, each Business Day; (ii) in the case of any Notes of a subseries in the Weekly Rate Mode, for any Interest Period commencing on a Mode Change Date, the Business Day immediately preceding the Mode Change Date, and for any other Interest Period, each Wednesday or, if such Wednesday is not a Business Day, the

Business Day next preceding such Wednesday; (iii) in the case of any Notes of a subseries to be, or to continue to be, in the Term Rate Mode or Fixed Rate Mode, a Business Day prior to the first day of an Interest Period and (iv) in the case of any Notes of a subseries in the FRN Mode, the FRN Rate Determination Date.

"*Rating Agencies*" means Moody's and S&P or such other nationally recognized securities rating agencies selected by the Issuer.

"*Redemption Date*" means the date fixed for redemption of Notes of a subseries subject to redemption in any notice of redemption given in accordance with the terms hereof.

"*Reference Time*" with respect to any determination of the Benchmark means (a) if the Benchmark is the SOFR Index Rate, 3:00 p.m. (New York time) on each FRN Rate Determination Date for such SOFR Index Rate, (b) if the Benchmark is Term SOFR, 5:00 a.m. (Chicago time) on each FRN Rate Determination Date for such Term SOFR, and (c) if the Benchmark is not the SOFR Index Rate or Term SOFR, the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes.

"*Relevant Governmental Body*" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"*Remarketing Agent*" means with respect to Notes of a subseries the remarketing agent(s), if any, appointed as described in Section A-601 of this Exhibit A.

"*Remarketing Agreement*" means the remarketing agreement entered into between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent has agreed to use its best efforts to remarket the Notes of such subseries on the Purchase Date or Mandatory Purchase Date at a price of not less than 100% of the principal amount thereof.

"*Remarketing Proceeds Account*" means the account by that name created in Section A-406 hereof.

"*Series*" means the series designation assigned to the Notes.

"*SOFR*" means, with respect to any date of determination, the secured overnight financing rate for the applicable tenor published on such date by the FRBNY, as the administrator of SOFR (or any successor administrator of SOFR) on the FRBNY's Website, or successor source.

"*SOFR Index Rate*" means a rate equal to Compounded SOFR (30-day Average SOFR) as determined by the Calculation Agent on each FRN Rate Determination Date as of the Reference Time; provided that if the SOFR Index Rate as so determined would be less than the Floor, such rate will be deemed to be the Floor.

"*Substitution Date*" means:

(a) the Business Day that is specified in a written notice given to the Issuer, the Remarketing Agent, the Trustee and the Tender Agent in accordance with the Liquidity Facility or the Credit Facility as the date on which the assignment of the obligation of the Liquidity Facility Issuer or the Credit Facility Issuer under such Liquidity Facility or Credit Facility will be effective; provided, however, that any date so specified in the written notice is treated as a Substitution Date only if a written notice thereof is given to the Tender Agent, the Trustee and the Remarketing Agent at least thirty (30) days preceding such date; provided further, however, that any date specified in

such written notice as the effective date of such assignment will be treated as the effective date of such assignment even if the assignment fails to occur on such date; and

(b) the Business Day that is specified in a written notice given by the Issuer to the Tender Agent, the Trustee and the Remarketing Agent as the date on which an Alternate Credit Facility or an Alternate Liquidity Facility is to be substituted for a then-existing Credit Facility or Liquidity Facility in effect as described in Section A-501 hereof; provided, however, that any date so specified in the written notice will be treated as a Substitution Date only if a written notice thereof is given to the Tender Agent, the Trustee and the Remarketing Agent at least thirty (30) days preceding such date; provided further, however, that any date so specified in the written notice will be treated as a Substitution Date for the purposes hereby even if the substitution of the Alternate Credit Facility or the Alternate Liquidity Facility fails to occur on such date.

"*Tender Agency Agreement*" means the tender agency agreement entered into between the Issuer and the Tender Agent (if other than the Trustee) with respect to the Notes of a subseries.

"*Tender Agent*" means initially the Trustee and any other tender agent appointed as described in Section A-602 hereof.

"*Term Rate*" means an interest rate determined as described in Section A-204 hereof.

"*Term Rate Mode*" means the mode during which Notes of a subseries bear interest at a Term Rate.

"*Term SOFR*" means such reference rate as is published by the CME Term SOFR Administrator on the CME Term SOFR Administrator's website on the FRN Rate Determination Date; such rate being the rate per annum determined by the Calculation Agent as the forward-looking term rate based on SOFR for an interest period of one (1) month; provided that if Term SOFR as so determined would be less than the Floor, such rate will be deemed to be the Floor.

"*Termination Date*" means, with respect to a Credit Facility or a Liquidity Facility, (i) the date on which such Credit Facility or Liquidity Facility terminates pursuant to its terms or otherwise be terminated prior to its Expiration Date or (ii) the date on which the obligation of the Credit Facility Issuer or the Liquidity Facility Issuer to provide a loan terminates; provided, however, that "Termination Date" will not mean any date upon which a Credit Facility or Liquidity Facility (x) is no longer effective by reason of its Expiration Date or (y) terminates without a right of tender.

"*Termination Tender Date*" has the meaning set forth in clause (b) of Section A-403 hereof.

"*Unadjusted Benchmark Replacement*" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"*U.S. Government Securities Business Day*" means any day except for a Saturday, a Sunday or any day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in U.S. government securities.

"*Weekly Rate*" means an interest rate determined as described in Section A-203 hereof.

"*Weekly Rate Mode*" means a period of time during which Notes of a subseries bear interest at a Weekly Rate.

Section A-102. Rules of Construction.

(a) To the extent that the Notes of a Series are issued in or re-designated into two or more subseries, references in the First Supplemental Indenture and in Exhibit A to the First Supplemental Indenture to the Notes of a subseries will be deemed to refer to Notes of such subseries. To the extent that the Notes are not issued in or re-designated into two or more subseries, references in the First Supplemental Indenture and in Exhibit A to the First Supplemental Indenture to Notes of a subseries will be deemed to refer to the Notes of a Series as a whole.

(b) References to time will be deemed to be New York City time unless otherwise described.

ARTICLE A-II

INTEREST RATE MODES, INTEREST RATES AND PAYMENT

Section A-201. Denominations; Medium, Method and Place of Payment of Principal and Interest. The Notes of each subseries will be issued in Authorized Denominations. Accrued and unpaid interest on the Notes of a subseries will be due on the Interest Payment Dates and payable by wire transfer of immediately available funds to the account specified by the Owner in a written direction received by the Trustee on or prior to a Record Date or, if no such account number is furnished, by check mailed by the Trustee to the Owner at the address appearing on the books required to be kept by the Trustee pursuant to the Indenture. The payment of the Purchase Price of Notes of a subseries on any Purchase Date or Mandatory Purchase Date will be made by wire transfer in immediately available funds by the Tender Agent to the account specified by the Owner in a written direction received by the Tender Agent or, if no such account number is furnished, by check mailed by the Tender Agent to the Owner at the address appearing on the books required to be kept by the Trustee pursuant to the Indenture. Any such direction will remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee or the Tender Agent, as the case may be.

Interest on Notes of a subseries that are issued in the Daily Rate Mode, Weekly Rate Mode or FRN Mode will be calculated on the basis of a 360-day year for the actual number of days elapsed to the Interest Payment Date. Interest on Notes of a subseries that are issued in the Term Rate Mode or in the Fixed Rate Mode will be calculated on the basis of a 360-day year composed of twelve 30-day months.

The interest rates for Notes of a subseries communicated to the Trustee and the Tender Agent by the Remarketing Agent, via Electronic Means, will be conclusive and binding upon the Issuer, the Remarketing Agent, the Trustee, the Tender Agent, the Credit Facility Issuer, the Liquidity Facility Issuer and the Owners.

Notwithstanding the provisions described in Section A-202 through Section A-207, inclusive, each Bank Note will bear interest on the outstanding principal amount thereof at the Bank Interest Rate for each day from and including the date such Note becomes a Bank Note to, but not including, the date such Note is paid in full or is repurchased or remarketed. The Owner of a Note of a subseries other than the Liquidity Facility Issuer or its permitted assignee will be paid (and will be obligated to pay as part of the price paid by such Owner in connection with the remarketing to it of such Notes) interest thereon for an Interest Period only in the amount that would have accrued thereon at the rate or rates established as described in Section A-202, Section A-203, Section A-204, Section A-205, Section A-206 or Section A-207, as applicable, regardless of whether such Note was a Bank Note during any portion of such Interest Period. Accrued interest in respect to any Bank Note will be payable to the Liquidity Facility Issuer or its permitted assignee on each Interest Payment Date applicable thereto; provided that any Differential Interest Amount due to the Liquidity Facility Issuer or its permitted assignee will be paid by the Issuer or by the Trustee on behalf of

the Issuer (and the Trustee is hereby authorized to pay such amounts on behalf of the Issuer) in the manner and at the times specified in the Liquidity Facility. For purposes of the preceding sentence "Differential Interest Amount" means the excess of (a) interest which has accrued on Bank Notes at the Bank Interest Rate up to but excluding the Business Day on which such Bank Notes are purchased from the Liquidity Facility Issuer, less (b) the interest accrued on such Notes received by the Liquidity Facility Issuer as part of the Purchase Price as therein described. Such Differential Interest Amount will be paid from the Revenue Account established under and pursuant to the Indenture and such Differential Interest Amount will be payable on the date such Bank Notes are remarketed.

No Note of a subseries (other than Bank Notes) may bear interest at an interest rate higher than the Maximum Rate. No Bank Note may bear interest at an interest rate higher than the Bank Note Maximum Rate. Under the Reimbursement Agreement, the interest rate component of the Letter of Credit Amount may be revised upon the occurrence of certain events. In connection with such revision, the Maximum Rate of the Notes may be increased upon the approval of the Issuer and the Credit Provider.

If any amount of interest taken or received by any Person is in excess of the Maximum Lawful Rate, then the excess will be deemed to have been the result of a mathematical error by the Issuer, the Trustee and such Person and will be refunded promptly by the Trustee for the account of the Issuer. All amounts paid or agreed to be paid in connection with the indebtedness evidenced by the Notes which under applicable law would be deemed "interest" will, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such obligations.

Section A-202. Determination of Interest Rate During Daily Rate Mode. The interest rate for Notes of a subseries in the Daily Rate Mode for each such Interest Period will be the rate of interest per annum determined by the Remarketing Agent by 10:00 a.m. on the Rate Determination Date as the minimum rate of interest that, in the opinion of the Remarketing Agent, would, under then existing market conditions, result in the sale of the Notes of the Series in the Daily Rate Mode on the Rate Determination Date at a price equal to the principal amount thereof, plus accrued interest, if any. The Remarketing Agent will make the rate available by Electronic Means to each other Notice Party by 10:30 a.m., on the Rate Determination Date or at such other times as may be agreed to by the Issuer and the Remarketing Agent. With respect to any day that is not a Business Day, the interest rate will be the same rate as the interest rate established for the immediately preceding Business Day. The determination of each interest rate by the Remarketing Agent will, in the absence of manifest error, be conclusive and binding upon the Remarketing Agent, the Tender Agent, the Trustee, the Liquidity Facility Issuer, the Credit Facility Issuer, the Issuer and the Owners.

Section A-203. Determination of Interest Rate During Weekly Rate Mode. The interest rate for Notes of a subseries in the Weekly Rate Mode for each such Interest Period will be the rate of interest per annum determined by the Remarketing Agent by 4:00 p.m. on and as of the applicable Rate Determination Date as the minimum rate of interest that, in the opinion of the Remarketing Agent, would, under then existing market conditions, result in the sale of the Notes of the Series in the Weekly Rate Mode on the Rate Determination Date at a price equal to the principal amount thereof, plus accrued interest, if any. The Remarketing Agent will make the rate available by Electronic Means to each other Notice Party by 5:00 p.m., on the Rate Determination Date or at such other times as may be agreed to by the Issuer and the Remarketing Agent. The determination of each interest rate by the Remarketing Agent will be conclusive and binding, in the absence of manifest error, upon the Remarketing Agent, the Tender Agent, the Trustee, the Liquidity Facility Issuer, the Credit Facility Issuer, the Issuer and the Owners.

Section A-204. Determination of Term Rate(s) and Fixed Rate.

(a) *Term Rates*. The Term Rate to be effective for the Interest Period commencing on any Mode Change Date or Purchase Date after which Notes of a subseries will bear interest at a

Term Rate will be determined by the Remarketing Agent. No later than 4:00 p.m. on the Business Day next preceding the Mode Change Date or the Purchase Date, as the case may be, the Remarketing Agent will determine the Term Rate and will make the Term Rate available by Electronic Means to each other Notice Party. The Term Rate will be the minimum rate that, in the sole opinion of the Remarketing Agent, would result in a sale of the Notes of the Series at a price equal to the principal amount thereof, plus any premium, on the Rate Determination Date taking into consideration the duration of the Interest Period, which will be established by the Issuer.

(b) *Fixed Rate*. The Fixed Rate to be effective for the Interest Period commencing on any Mode Change Date after which Notes of a subseries will bear interest at a Fixed Rate, will be determined by the Remarketing Agent. No later than 4:00 p.m. on the Business Day next preceding the Mode Change Date, the Remarketing Agent will determine the Fixed Rate and will make the Fixed Rate available by Electronic Means to each other Notice Party. The Fixed Rate will be the minimum rate that, in the sole judgment of the Remarketing Agent, would result in a sale of the Notes of the Series at a price equal to the principal amount thereof, plus any premium, on the Rate Determination Date taking into consideration the duration of the Interest Period.

(c) *Failure to Establish Term Rate or Fixed Rate*. If, for any reason, a Term Rate or Fixed Rate cannot be established on a Mode Change Date or Purchase Date, as the case may be, the Notes of the Series affected will continue to bear interest in the current Mode and the current interest rate in effect immediately prior to such proposed Mode Change Date or the Purchase Date. If the Notes of a subseries have been in a Term Rate Mode and there has been a failure to pay the Purchase Price of the Notes of such subseries on the Purchase Date, the Notes of such subseries will bear interest at the Maximum Rate until such Purchase Price has been paid.

Section A-205. Alternate Rate for Interest Calculation. In the event (i) the Remarketing Agent fails to determine the interest rate(s) or Interest Periods with respect to the Notes of a subseries, or (ii) the method of determining the interest rate(s) or Interest Periods with respect to the Notes of a subseries is held to be unenforceable by a court of law of competent jurisdiction, the Notes of a subseries will thereupon, (a) in the case of Notes in the Daily Rate Mode, bear interest at the Daily Rate most recently determined for subsequent Interest Periods until such time as the Remarketing Agent again makes such determination, (b) in the case of Notes in the Term Rate Mode, bear interest as set forth in Section A-204(c) hereof, and (c) in the case of Notes in the Weekly Rate Mode, bear interest at the Weekly Rate most recently determined for subsequent Interest Periods until such time as the Remarketing Agent again makes such determination. Notwithstanding the foregoing, if the Notes of a subseries have been in a Term Rate Mode and there has been a failure to pay the Purchase Price of the Notes of such subseries on the Purchase Date, the Notes of such subseries will bear interest at the Maximum Rate until such Purchase Price has been paid.

Section A-206. Changes in Mode.

(a) *Changes*. Any Mode, other than a Fixed Rate Mode, may be changed to any other Mode at the times and in the manner described herein. Subsequent to such change in Mode, the Notes may again be changed to a different Mode at the times and in the manner described herein. Any Notes of a subseries converted to a Fixed Rate Mode may not be changed to any other Mode. A conversion of FRN Notes into a new FRN Interest Rate Period will constitute a change in Mode for purposes of this Section A-206.

(b) *Notice of Intention to Change Mode*. The Issuer will give written notice (the "Mode Change Notice") to the Notice Parties of its intention to effect a change in the Mode from the Mode then prevailing (the "Current Mode") to another Mode (the "New Mode") specified in such written notice, together with the proposed Mode Change Date. Such notice will be given at least twenty (20) days prior to the Mode Change Date.

(c) *General Provisions Applying to Changes from One Mode to Another*.

(1) The Mode Change Date must be a Business Day on which such Notes are otherwise subject to optional redemption as described in Section A-301 hereof and, with respect to FRN Notes, may only occur on an FRN Rate Mandatory Purchase Date.

(2) Additionally, the Mode Change Date from a Term Rate Mode will be the Purchase Date of the current Interest Period.

(3) On or prior to the date the Issuer provides the notice to the Notice Parties described in Section A-206(b) hereof, the Issuer must have received a letter from counsel acceptable to the Issuer and addressed to the Issuer and the other Notice Parties to the effect that it expects to be able to deliver a Favorable Opinion (with respect to a Series of Tax-Exempt Notes) on the Mode Change Date.

(4) No change in Mode will become effective unless all conditions precedent thereto have been met and the following items have been delivered to the Trustee by 11:00 a.m., or such later time as is acceptable to the Authorized Representative, on behalf of the Issuer, and the Trustee, on the Mode Change Date:

(A) except in the case of a change in Mode described in Section A-204(c), Section A-205 or Section A-206(c)(5), a Favorable Opinion (with respect to a Series of Tax-Exempt Notes) dated the Mode Change Date;

(B) except in the case of a change to an FRN Mode or a Fixed Rate Mode, a Liquidity Facility providing for the purchase of Notes upon optional and mandatory tender for purchase thereof;

(C) if required, unless a Tender Agency Agreement and Remarketing Agreement is effective, an executed copy of such Tender Agency Agreement and Remarketing Agreement; and

(D) a certificate of an Authorized Representative of the Tender Agent to the effect that all of the Notes of a subseries tendered or deemed tendered, unless otherwise redeemed, have been purchased at a price at least equal to the Purchase Price thereof.

(5) With respect to a change in the Mode from any Mode to any other Mode, in the event the foregoing conditions have not been satisfied by the Mode Change Date, the New Mode will not take effect and the Notes of the Series that are the subject of the Mode Change Notice will be changed to Notes in the Weekly Rate Mode on the Mode Change Date.

(d) *Serial and Term Notes*. The Issuer may, in the notice given as described in Section A-206(b) hereof in connection with any change of Notes of a subseries to the Term Rate Mode or Fixed Rate Mode, provide that all or some of such Notes will be serial or term Notes. The total aggregate principal amount of Notes due on any date will be equal to the Sinking Fund Installment specified for such date, and the remaining Sinking Fund Installments will continue to be Sinking Fund Installments for the Notes of the Series due on the stated maturity date, unless the Issuer specifies otherwise in the notice. The interest rate for serial or term Notes maturing on a particular date may be different from the interest rate or rates established for other Notes.

(e) *Partial Mode Changes and Subseries Designations*.

(1) Less than all of the Notes of a subseries then subject to a particular Mode may be converted to another Mode as described in this Section; provided, however, that in such event such subseries must be re-designated into two or more subseries for each separate Mode with a new CUSIP number for each subseries. If less than all of the Notes of a subseries are converted from a Mode which is secured by a Credit Facility to a Mode that is not secured by a Credit Facility, such Credit Facility may not be drawn upon for the portion of the Notes not so secured.

(2) If less than all of the Notes of a subseries then subject to a particular Mode are converted to another Mode as described in this Section, the particular Notes of a subseries or portions thereof which are to be converted to a New Mode will be selected by the Issuer in its discretion subject to the provisions hereof regarding Authorized Denominations of Notes of a subseries subject to such New Mode.

(3) No such Partial Mode change may occur without the prior written consent of all Remarketing Agents then in place and without a Credit Confirmation.

Section A-207. Determination of FRN Rates.

(a) *Interest Rate Period*. Whenever Notes are continuing in an FRN Mode or in the case of a conversion to the FRN Mode from another Mode, the initial FRN Interest Rate Period for such FRN Notes will commence on the FRN Rate Conversion Date and end on the last day of such FRN Interest Rate Period, which will be the day immediately preceding the next FRN Rate Adjustment Date. At least five Business Days prior to the FRN Rate Conversion Date, the Remarketing Agent, in consultation with the Issuer, will determine the FRN Index, the FRN Spread, the FRN Spread Adjustment, if any, the length of the FRN Interest Rate Period that begins on such FRN Rate Conversion Date and the dates during which such FRN Notes may be called for optional redemption as described in Section A-301 and the Redemption Price(s) therefor and will give Electronic Notice of such to the Trustee and the Issuer. The FRN Spread will be the spread which, when added to or subtracted from the sum of the FRN Index plus the FRN Spread Adjustment, if any, will result in the minimum FRN Spread which, in the judgment of the Remarketing Agent under prevailing market conditions, will result in the remarketing of such FRN Notes in the new FRN Interest Rate Period at a purchase price equal to their principal amount.

(b) *Calculation of FRN Rate*. Each FRN Rate will be determined by the Calculation Agent from information provided by the Remarketing Agent by 5:00 p.m., New York City time, on the FRN Rate Determination Date to which it relates. Notice of each FRN Rate will be given by the Calculation Agent to the Trustee, the Issuer, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the Notes to which such FRN Rate is applicable by Electronic Notice not later than 6:00 p.m., New York City time, on such FRN Rate Determination Date. The Trustee will inform the Holders of FRN Notes of each FRN Rate upon written or electronic request.

Section A-208. Benchmark Replacement.

(a) If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates. Any determination, decision or election that

may be made by the Issuer in connection with a Benchmark Transition Event or Benchmark Replacement, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer's sole discretion, and, notwithstanding anything to the contrary in this Indenture, will become effective without consent from any other Person (including any Noteholder). Neither the Issuer nor the Trustee will have any liability for any determination made by or on behalf of the Issuer in connection with a Benchmark Transition Event or a Benchmark Replacement as described above, and each Noteholder or Beneficial Owner, by its acceptance of Notes or a beneficial interest in Notes, will be deemed to waive and release any and all claims against the Issuer and the Trustee relating to any such determinations.

(b) The Issuer will provide written notice to the Trustee of a Benchmark Transition Event and its Benchmark Replacement Date no later than one Business Day after the occurrence of such Benchmark Transition Event. At the direction of the Issuer, the Trustee will notify the Noteholders of the occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date, the determination of a Benchmark Replacement and the making of any Benchmark Replacement Conforming Changes no later than thirty days after the occurrence of such Benchmark Transition Event. Notwithstanding anything in this Indenture to the contrary, upon the delivery of such notice to the Noteholders, this Indenture will be deemed to have been amended as of the applicable Benchmark Replacement Date to reflect the new Unadjusted Benchmark Replacement, Benchmark Replacement Adjustment and/or Benchmark Replacement Conforming Changes without further compliance with the amendment provisions of Article VII of the Trust Indenture or Section A-701 of the First Supplemental Indenture.

(c) For the avoidance of doubt, each of the Trustee and the Eligible Lender Trustee will not be under any obligation (i) to monitor, determine or verify the unavailability or cessation of the Benchmark, or whether or when it has occurred, or to give notice to any other transaction party of the occurrence of any Benchmark Transition Event or Benchmark Replacement, (ii) to select, determine or designate any Benchmark Replacement, or other successor or replacement benchmark index, or whether any conditions to the designation of such a rate have been satisfied, (iii) to select, determine or designate any Benchmark Replacement Adjustment, or other modifier to any replacement or successor index, or (iv) to determine whether or what Benchmark Replacement Conforming Changes are necessary or advisable, if any, in connection with any of the foregoing.

(d) Neither the Trustee nor the Eligible Lender Trustee will be liable for any inability, failure or delay on its part to perform any of its duties set forth in the Indenture as a result of the unavailability of the Benchmark and absence of a designated replacement Benchmark, including as a result of any inability, delay, error or inaccuracy on the part of any other transaction party, including without limitation the Issuer, in providing any direction, instruction, notice or information required or contemplated by the terms of this Indenture and reasonably required for the performance of such duties.

ARTICLE A-III

REDEMPTION OF NOTES

Section A-301. Optional Redemption; Special Optional Redemption.

(a) Notes of a subseries in the Daily Rate Mode or Weekly Rate Mode will be subject to redemption at the option of the Issuer, in whole or in part, on any Business Day, at the Redemption Price equal to the principal amount thereof, plus accrued interest to but excluding the Redemption Date. Notwithstanding the foregoing, if a Credit Facility is in effect, then unless the Credit Facility Issuer has failed to honor a properly presented and conforming drawing under the Credit Facility (and such failure remains uncured), no notice of optional redemption will be given by the Trustee until (i) the Issuer has deposited with the Trustee moneys in an amount sufficient to reimburse the Credit Facility Issuer in accordance with the terms of the Credit Facility then in effect for the amount of any draw which is permitted to be made, if any, on the Credit Facility in connection with such redemption, or (ii) the Trustee has received written consent from the Credit Facility Issuer to such optional redemption.

(b) Notes of a subseries in a Term Rate Mode during an Interest Period that is less than 4 years will be subject to redemption at the option of the Issuer, in whole or in part on their individual Purchase Dates, at the Redemption Price equal to the principal amount thereof, plus interest accrued to the Redemption Date.

(c) Notes of a subseries in the Term Rate Mode during an Interest Period that is equal to or greater than 4 years or Notes of a subseries in the Fixed Rate Mode are subject to redemption at the option of the Issuer, in whole or in part, on any date following the "No Call Period" set forth below at the Redemption Prices set forth below, plus accrued interest to the Redemption Date:

OPTIONAL REDEMPTION DURING TERM RATE MODE AND FIXED RATE MODE

Duration of Interest Period in Term Rate Mode Or Fixed Rate Mode	"No Call Period" (commencing on the date of Commencement of the Term Rate Mode or Fixed Rate Mode Interest Period)	Redemption Price
Greater than or equal to 10 years	8 years	100%
Greater than or equal to 8 years and less than 10 years	6 years	100%
Greater than or equal to 4 years and less than 8 years	3 years	100%

(d) The Issuer may, in connection with a change to a Term Rate Mode or Fixed Rate Mode or on any Purchase Date for Notes of a subseries bearing interest at a Term Rate, alter its rights as described above in Section A-301(c) to redeem any Notes of such subseries on and after the Mode Change Date or Purchase Date, as the case may be, without the consent of Owners of the Notes of such subseries; provided, that notice describing the alteration must be submitted to the Tender Agent and the Remarketing Agent, together with a Favorable Opinion (with respect to a Series of Tax-Exempt Notes), addressed to them.

(e) Notes of a subseries in an FRN Mode will be subject to redemption at the option of the Issuer, on any Business Day during the period established as described in Section A-207(a) hereof, at the Redemption Price established therefor as described in Section A-207(a) hereof, plus interest accrued to the Redemption Date.

Section A-302. Redemption from Sinking Fund Installments. The Series 2023-1 Notes are not subject to mandatory sinking fund redemption.

Section A-303. [Reserved]

Section A-304. Notice of Redemption of Notes.

(a) The Trustee, at the Direction of the Issuer, will give notice of any redemption of Notes that are in the Daily Rate Mode, Weekly Rate Mode, FRN Mode or Term Rate Mode not less than fifteen (15) days before the date fixed for redemption, to the Owner of each Note (or part thereof) to be redeemed. The Trustee, at the Direction of the Issuer, will give notice of redemption of Notes in the Fixed Rate Mode not less than thirty (30) days nor more than sixty (60) days before the date fixed for redemption, to the Owner of each Note (or part thereof) to be redeemed.

(b) The notice must contain such information as required by Section 3.7 of the Trust Indenture.

(c) Any notice given as provided in this Section will be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) Any notice of redemption may be rescinded by written notice given to the Trustee by the Issuer. The Trustee, at the Direction of the Issuer, will give notice of such rescission as soon thereafter as practical in the same manner and to the same persons, as notice of such redemption was given.

Section A-305. Redemption of Bank Notes.

(a) The Bank Notes of a subseries will be subject to redemption at the option of the Issuer, in whole or in part, on any Business Day, at the Redemption Price equal to the principal amount thereof, plus accrued interest to but excluding the Redemption Date (using moneys not derived from the Credit Facility).

(b) The Bank Notes of a subseries will also be subject to mandatory redemption as provided in the Reimbursement Agreement.

Section A-306. Bank Notes To Be Redeemed First; Redemption in Part. In the event of redemption of less than all the Notes of a subseries having the same maturity date and bearing the same interest rate, the Trustee will (unless otherwise provided in the Liquidity Facility applicable thereto) first select for redemption all then Outstanding Bank Notes prior to selecting for redemption any Notes of such subseries which are not Bank Notes. The Trustee will promptly give the Liquidity Facility Issuer and the Remarketing Agent notice by telephone of the selection of any Bank Notes for redemption as described in the foregoing provision. New Notes of the Series representing the unredeemed balance of the principal amount thereof will be issued in Authorized Denominations to the Owner thereof, without charge therefor. Any new Note of a subseries issued as described in this Section will be executed and authenticated as provided in the Indenture and will be in an aggregate unpaid principal amount equal to the unredeemed portion of such Note surrendered.

ARTICLE A-IV

PURCHASE OF NOTES

Section A-401. Optional Tenders of Notes in Daily Rate Mode and Weekly Rate Mode.

(a) So long as a Liquidity Facility is in effect to pay the Purchase Price of tendered Notes, any Note of a subseries (or portions thereof in Authorized Denominations) in the Daily Rate Mode that is not a Bank Note is subject to purchase, on the demand of the Owner thereof, at a price equal to the Purchase Price on any Business Day (such purchase to be made on the Business Day upon which such demand is made), upon irrevocable notice submitted by Electronic Means to the Tender Agent and the Remarketing Agent (promptly confirmed in writing by such Owner), by 11:00 a.m., New York City time, at their respective Principal Offices, which states the number and principal amount of such Note being tendered and the Purchase Date. Such tender notice, once transmitted to the Tender Agent, will be irrevocable with respect to the tender for which such tender notice was delivered and such tender will occur on the Business Day specified in such Tender Notice. The Tender Agent will, as soon as practicable, notify the Issuer and the Trustee (if other than Tender Agent) of the principal amount of Notes of the Series being tendered. The contents of any such irrevocable tender notice will be conclusive and binding on all parties.

(b) So long as a Liquidity Facility is in effect to pay the Purchase Price of tendered Notes, the Owners of Notes of a subseries in a Weekly Rate Mode that are not Bank Notes may elect to have such Notes (or portions thereof in Authorized Denominations) purchased at a price equal to the Purchase Price upon delivery of an irrevocable written notice of tender (which may be delivered electronically) to the Tender Agent and Remarketing Agent, at their respective offices, not later than 4:00 p.m. on a Business Day not less than seven (7) days before the Purchase Date specified by the Owner. Such notice will (i) state the number and the principal amount of such Note being tendered and (ii) state that such Note will be purchased on the Purchase Date so specified by the Owner. The Tender Agent will notify the Issuer and the Trustee (if other than Tender Agent) by the close of business on the next succeeding Business Day of the receipt of any notice described in this paragraph.

(c) Notwithstanding anything described herein to the contrary, during any period that the Notes of a subseries are registered in the name of DTC or a nominee thereof pursuant to the First Supplemental Indenture, (i) any notice of tender delivered as described in this Section must identify the DTC participant through whom the beneficial owner will direct transfer, (ii) on or before the Purchase Date, the beneficial owner must direct (or if the beneficial owner is not a DTC participant, cause its DTC participant to direct) the transfer of said Note on the records of DTC, and (iii) it will not be necessary for Notes of a subseries to be physically delivered on the date specified for purchase thereof, but such purchase will be made as if such Notes had been so delivered, and the Purchase Price thereof will be paid to DTC. In accepting a notice of tender of any Note of a subseries described in this Section, the Issuer, the Trustee and the Tender Agent may conclusively assume that the Person providing the notice of tender is the beneficial owner of the Notes being tendered and therefore entitled to tender them. The Issuer, Trustee and Tender Agent assume no liability to anyone in accepting a notice of tender from a Person whom it in good faith believes to be such a beneficial owner of the Notes of the Series.

Section A-402. Mandatory Purchase on Any Mode Change Date. Except for Bank Notes, the Notes of a subseries to be changed to any Mode from any other Mode are subject to mandatory tender for purchase on the Mode Change Date at the Purchase Price.

Section A-403. Mandatory Purchase Upon Expiration Date, Termination Tender Date, Interest Non-Reinstatement Date and Substitution Date. Except for Bank Notes, the Notes of a subseries will be subject to mandatory tender for purchase on:

(a) the second Business Day preceding the Expiration Date of a Credit Facility (including a Direct-Pay Credit Facility) or Liquidity Facility, which second Business Day is hereinafter referred to as an "Expiration Tender Date";

(b) the fifth calendar day (or if such day is not a Business Day, the preceding Business Day) preceding the Termination Date of a Credit Facility (including a Direct-Pay Credit Facility) or a Liquidity Facility, which fifth calendar day is hereinafter referred to as a "Termination Tender Date";

(c) the fifth calendar day (or if such day is not a Business Day, the preceding Business Day) following the receipt by the Trustee of a written notice from the issuer of a Direct-Pay Credit Facility that such Direct-Pay Credit Facility will not be reinstated (in respect of interest) to an amount equal to the interest component of the Liquidity and Credit Amount required with respect to the Notes of such subseries, which fifth calendar day (or if such day is not a Business Day, the preceding Business Day, and in any event within the number of days of covered interest remaining on the related Credit Facility or Liquidity Facility) is hereinafter referred to as an "Interest Non-Reinstatement Tender Date";

(d) the Substitution Date for a Credit Facility (including a Direct-Pay Credit Facility) or a Liquidity Facility; and

(e) the fifth calendar day (or if such day is not a Business Day, the preceding Business Day) following the receipt by the Trustee of a written notice from the issuer of a Credit Facility (including a Direct-Pay Credit Facility) or Liquidity Facility that pursuant to such Credit Facility or Liquidity Facility the issuer of such Credit Facility or Liquidity Facility is directing at its option following an event of default under the Credit Facility or Liquidity Facility, as applicable, that all such Notes be subject to mandatory tender as described in this subsection, which fifth calendar day (or if such day is not a Business Day, the preceding Business Day) is hereinafter referred to as a "Bank Election Tender Date."

Section A-404. Mandatory Purchase at End of each Term Rate Mode Interest Period and each FRN Mandatory Purchase Date. Except for Bank Notes, the Notes of a subseries in the Term Rate Mode are subject to mandatory tender for purchase on each Purchase Date at the Purchase Price. Except for Bank Notes, the Notes of a subseries in the FRN Mode are subject to mandatory tender for purchase on each FRN Mandatory Purchase Date at the Purchase Price.

Section A-405. Notice of Mandatory Tender for Purchase.

(a) The Trustee will, at least fifteen (15) days prior to the Expiration Tender Date with respect to Notes of a subseries, give notice to the Owners of the mandatory tender of the Notes of such subseries on such Expiration Tender Date if it has not theretofore received confirmation that the Expiration Date has been extended. Notwithstanding anything to the contrary in subsection (g) below, in the event the applicable Notes are held by DTC, such notice will be given by Electronic Means capable of creating a written notice. Any such notice given substantially as provided in this subsection (a) will be conclusively presumed to have been duly given, whether or not actually received by each Owner.

(b) Upon receipt of a written notice from the Credit Facility Issuer, the Liquidity Facility Issuer or the Issuer that the Credit Facility or the Liquidity Facility, as the case may be, will terminate or the obligation of the Credit Facility Issuer or Liquidity Facility Issuer, as the case may be, to provide a loan thereunder will terminate prior to its Expiration Date, the Trustee will within one (1) Business Day give notice to the Owners of the mandatory tender of the Notes of such subseries that is to occur on such Termination Tender Date if it has not theretofore received from the Credit Facility Issuer, the Liquidity Facility Issuer or the Issuer, as the case may be, a written notice stating that the event which resulted in the Credit Facility Issuer, the Liquidity Facility Issuer or the Issuer giving a notice of the Termination Date has been cured and that the Credit Facility Issuer, the Liquidity Facility Issuer or the Issuer has rescinded its election to terminate the Credit Facility or Liquidity Facility, as the case may be. Notwithstanding anything to the contrary in subsection (g) below, in the event the applicable Notes are held by DTC, such notice will be given by Electronic Means capable of creating a written notice. Any such notice given substantially as provided in this subsection (b) will be conclusively presumed to have been duly given, whether or not actually received by each Owner.

(c) Upon receipt of a written notice from the issuer of a Direct-Pay Credit Facility that such Direct-Pay Credit Facility will not be reinstated (in respect of interest) to an amount equal to the interest component of the Liquidity and Credit Amount required with respect to the Notes of such subseries, the Trustee will within one (1) Business Day give notice to the Owners of the mandatory tender of the Notes of such subseries on such Interest Non-Reinstatement Tender Date if it has not theretofore received from the issuer of the Direct-Pay Credit Facility a written notice stating that the Direct-Pay Credit Facility has been reinstated to an amount equal to the interest component of the Liquidity and Credit Amount. Notwithstanding anything to the contrary in subsection (g) below, in the event the applicable Notes are held by DTC, such notice will be given by Electronic Means capable of creating a written notice. Any such notice given substantially as provided in this subsection (c) will be conclusively presumed to have been duly given, whether or not actually received by each Owner.

(d) The Trustee will, at least fifteen (15) days prior to any Substitution Date with respect to a Liquidity Facility or Credit Facility relating to any Notes, give notice to the Owners of the mandatory tender of such Notes that is to occur on such Substitution Date. Notwithstanding anything to the contrary in subsection (g) below, in the event the applicable Notes are held by DTC, such notice will be given by Electronic Means capable of creating a written notice. Any such notice given substantially as provided in this subsection (d) will be conclusively presumed to have been duly given, whether or not actually received by each Owner.

(e) The Trustee will, at least fifteen (15) days prior to (i) any Mode Change Date, (ii) the end of an Interest Period with respect to Notes of a subseries in the Term Rate Mode, or (iii) any FRN Mandatory Purchase Date, give notice to the Owners of the mandatory tender for purchase of such Notes that is to occur on such date. Notwithstanding anything to the contrary in subsection (g) below, in the event the applicable Notes are held by DTC, such notice will be given by Electronic Means capable of creating a written notice. Any such notice given substantially as provided in this subsection (e) will be conclusively presumed to have been duly given, whether or not actually received by each Owner.

(f) Upon receipt of a written notice from the issuer of a Credit Facility or Liquidity Facility that pursuant to such Credit Facility or Liquidity Facility the issuer of such Credit Facility or Liquidity Facility is directing that all such Notes be subject to mandatory tender as described in Section A-403(e), the Trustee will within one (1) Business Day give notice to the Owners of the mandatory tender of the Notes of such subseries on such Bank Election Tender Date.

Notwithstanding anything to the contrary in subsection (g) below, in the event the applicable Notes are held by DTC, such notice will be given by Electronic Means capable of creating a written notice. Any such notice given substantially as provided in this subsection (f) will be conclusively presumed to have been duly given, whether or not actually received by each Owner.

(g) Notice of any mandatory tender of Notes of a subseries must state that such Notes are to be purchased as described in Sections A-402, A-403 or A-404, as applicable, and will be provided by the Trustee or caused to be provided by the Trustee by providing notice of mandatory tender to each Owner of Notes of the Series (i) electronically, if such Notes are in book-entry form, or (ii) by mailing a copy of the notice by first class mail at the addresses shown on the registry books if such Notes are not in book-entry form (and electronically, for notices described in subsections (b), (c) and (f) of this Section). Each notice of mandatory tender for purchase will identify the reason for the mandatory tender for purchase, and specify the CUSIP number, Mandatory Purchase Date, the Purchase Price, the place and manner of payment, that the Owner has no right to retain such Notes and that no further interest will accrue from and after the Mandatory Purchase Date to such Owner. Each notice of mandatory tender for purchase caused by a change in the Mode applicable to the Notes of a subseries will in addition specify the conditions that have to be satisfied as described in Section A-206 hereof in order for the New Mode to become effective and the consequences that the failure to satisfy any of such conditions would have. In the event a mandatory tender of Notes of a subseries will occur at or prior to the same date on which an optional tender for purchase is scheduled to occur, the terms and conditions of the applicable mandatory tender for purchase will control. The Trustee will give a copy of any notice of mandatory tender given by it to Owners to the other Notice Parties. Any notice mailed as provided in this Section will be conclusively presumed to have been duly given, whether or not the Owner of any Note receives the notice, and the failure of such Owner to receive any such notice will not affect the validity of the action described in such notice. Failure by the Trustee to give a notice as provided in this Section will not affect the obligation of the Tender Agent to effect the purchase of the Notes of a subseries subject to mandatory tender for purchase on the Mandatory Purchase Date or Purchase Date.

Section A-406. Purchase Fund.

(a) *Funds and Accounts*. There is established in the First Supplemental Indenture, and there will be maintained with the Tender Agent for the Notes of each Series, a separate fund for the benefit of the Owners to be known as the "Purchase Fund." The moneys within the Purchase Fund may not be commingled with any other moneys held by the Trustee. The Tender Agent will further establish separate accounts within such Purchase Fund to be known as the "Liquidity Facility Purchase Account" and the "Remarketing Proceeds Account." To the extent that the Notes of a subseries are re-designated into two or more subseries, the Tender Agent will establish and maintain a separate Purchase Fund with separate accounts therein for the Notes of each such subseries.

(b) *Remarketing Proceeds Account*. Upon receipt of the proceeds of a remarketing of Notes of a subseries on a Purchase Date or Mandatory Purchase Date, the Tender Agent will deposit such proceeds in the related Remarketing Proceeds Account for application to the payment of the Purchase Price of such Notes. Notwithstanding the foregoing and in accordance with the terms of the Reimbursement Agreement, upon receipt of the proceeds of a remarketing of Bank Notes, the Tender Agent will immediately pay such proceeds to or for the account of the related Liquidity Facility Issuer to the extent of any amount owing to the Liquidity Facility Issuer. The moneys within the Remarketing Proceeds Account will not be commingled with any other moneys held by the Trustee.

(c) *Liquidity Facility Purchase Account*. Upon receipt by the Tender Agent of the proceeds of any draw on a Liquidity Facility supporting Notes of a subseries that are transferred to such Tender Agent as described in subsection (a) of Section A-411 hereof, the Tender Agent will deposit such moneys in the related Liquidity Facility Purchase Account for application to the payment of the Purchase Price of Notes of such subseries. Any amounts deposited in the Liquidity Facility Purchase Account for a Series of Notes and not needed with respect to any Purchase Date or Mandatory Purchase Date for the payment of the Purchase Price for any Notes of such subseries will be returned immediately to the Liquidity Facility Issuer. The moneys within the Liquidity Facility Purchase Account will not be commingled with any other moneys held by the Trustee.

(d) *No Investment; Amounts Applied Solely to Related Series*. Amounts held by the Tender Agent in the Liquidity Facility Purchase Account or the Remarketing Proceeds Account relating to the Notes of a subseries will not be deemed as Revenues pledged under the Indenture and will be held uninvested and separate and apart from all other funds and accounts. Amounts so held or available to be drawn under the Liquidity Facility for deposit in a Liquidity Facility Purchase Account will not be available to pay the Purchase Price of Notes of any subseries other than Notes of a subseries that are supported by such Liquidity Facility.

(e) *Payment of Purchase Price by Tender Agent*. The Tender Agent will pay the Purchase Price of Notes of a subseries to their Owners from the moneys in the Liquidity Facility Purchase Account or the Remarketing Proceeds Account in accordance with this Exhibit A by the close of business on any Purchase Date or Mandatory Purchase Date.

Section A-407. Remarketing of Notes of a Subseries; Notices.

(a) *Remarketing of Notes of a Subseries*. The Remarketing Agent for Notes of a subseries will offer for sale, at par (provided, however, that such Notes may be remarketed at a premium if converted to a Term Rate Mode or a Fixed Rate Mode and accompanied by a Favorable Opinion (with respect to a Series of Tax-Exempt Notes)) plus accrued interest, if any, and use its best efforts to find purchasers for (i) all Notes of such subseries or portions thereof as to which notice of tender as described in Section A-401 hereof has been given and (ii) all Notes required to be tendered for purchase. To the extent a Direct-Pay Credit Facility is in effect, any Notes of a subseries purchased as described in clause (c) of Section A-403 hereof will not be remarketed unless such Direct-Pay Credit Facility has been reinstated to the Liquidity and Credit Amount. To the extent a Liquidity Facility is in effect, no Notes of a subseries supported by such Liquidity Facility may be remarketed to the Issuer, the Guarantor or any affiliate of the Issuer, nor may any Bank Notes be remarketed unless the Liquidity Facility has been or will be, immediately upon such remarketing, reinstated by the amount of the reduction that occurred when such Notes became Bank Notes. Provided, however, that nothing in this Section will prohibit the Issuer from purchasing Bank Notes and any such notes purchased by the Issuer, prior to remarketing of the same, will be accompanied by a Favorable Opinion (with respect to a Series of Tax-Exempt Notes).

(b) *Notice of Remarketing; Registration Instructions; New Notes*.

(1) As soon as practicable, but in no event later than (A) 11:25 a.m. (New York time) on the Purchase Date, in the case of Notes of a subseries in the Daily Rate Mode, or (B) 5:00 p.m. (New York time) on the Business Day prior to the Purchase Date , in the case of Notes of a subseries in the Weekly Rate Mode, or (C) 5:00 p.m. (New York time) on the Business Day prior to the Mandatory Purchase Date, the Remarketing Agent will inform the Trustee by Electronic Means, of the principal amount of Notes for which the Remarketing Agent has identified prospective purchasers and of the name, and if known to the Remarketing Agent, address and taxpayer identification number of each such

purchaser, the principal amount of Notes to be purchased and the Authorized Denominations in which such Notes are to be delivered. Upon receipt from the Remarketing Agent of such information, the Trustee will prepare Notes in accordance with such information received from the Remarketing Agent for the registration of transfer and redelivery to the Remarketing Agent; and

(2) Unless otherwise permitted by the Securities Depository and the book-entry-only system applicable to a Series of Notes, the Tender Agent will authenticate and have available for delivery to the Remarketing Agent prior to 12:15 p.m. on the Purchase Date or Mandatory Tender Date new Notes of the Series for the respective purchasers thereof.

(c) *Transfer of Funds; Draw on Liquidity Facility*.

(1) The Remarketing Agent will at or before 11:30 a.m. (11:25 a.m. in the case of Notes of a subseries in the Daily Rate Mode) on the Purchase Date or Mandatory Purchase Date, as the case may be, transfer the remarketing proceeds of the remarketed Notes of the Series to the Tender Agent in immediately available funds and will confirm in writing to the Issuer, the Trustee and the Tender Agent such transfer, including the amount thereof, at or before 11:30 a.m., such confirmation to include the pertinent Fed Wire reference number.

(2) To the extent a Liquidity Facility is in effect, the Trustee will take all actions necessary to draw on the Liquidity Facility without any further authorization or direction, in accordance with the terms thereof, prior to 11:45 a.m. on the Purchase Date or Mandatory Purchase Date, as the case may be, in an amount equal to the Purchase Price of all Notes of the Series tendered or deemed tendered less the aggregate amount of remarketing proceeds confirmed to the Issuer, the Trustee and the Tender Agent by the Remarketing Agent as described in clause (1) of this Section A-407(c) and will cause the proceeds of such draw to be transferred to the Tender Agent by no later than 2:50 p.m. on the Purchase Date or Mandatory Purchase Date. Notwithstanding the foregoing, the Trustee will draw on the Liquidity Facility, if any, in an amount equal to the Purchase Price of all Notes of the Series tendered or deemed tendered for purchase on each Purchase Date or Mandatory Purchase Date, as the case may be, if it does not receive a confirmation from the Remarketing Agent described in clause (1) above of this Section A-407(c).

(3) To the extent a Liquidity Facility is in effect, the Trustee will confirm to the Issuer by 3:00 p.m. on the Purchase Date or Mandatory Purchase Date, receipt of the proceeds of any draw on the Liquidity Facility.

(d) *Notice to the Issuer and Trustee of Bank Note Remarketing*. The Remarketing Agent must notify the Issuer and Trustee by Electronic Means prior to any proposed remarketing of Bank Notes.

Section A-408. Source of Funds for Purchase of Notes of a Subseries. On or before the close of business on the Purchase Date or Mandatory Purchase Date with respect to Notes of a subseries, the Tender Agent will purchase such Notes from the Owners at the Purchase Price. Unless otherwise provided in a certificate of an Authorized Officer delivered to the Trustee, the Tender Agent and the Remarketing Agent on a Purchase Date or Mandatory Purchase Date, funds for the payment of such Purchase Price will be derived solely from the following sources in the order of priority indicated:

(a) immediately available funds on deposit in the Remarketing Proceeds Account with respect to Notes of such subseries; and

(b) to the extent a Liquidity Facility is in effect, immediately available funds on deposit in the Liquidity Facility Purchase Account derived from the Liquidity Facility relating to Notes of such subseries.

Notwithstanding the foregoing, unless otherwise provided in a certificate of an Authorized Representative delivered to the Tender Agent and the Remarketing Agent on a Purchase Date or Mandatory Purchase Date, the Issuer has the option, but will not be obligated, to transfer immediately available funds to the Tender Agent for the payment of the Purchase Price of any Note that is tendered or deemed tendered for purchase as described in this Exhibit A and the Purchase Price of which is not paid on the Purchase Date or Mandatory Purchase Date from the source identified above; provided however that in the case of any Notes that are at the time enhanced with a Credit Enhancement that is a direct pay letter of credit, such Purchase Price must be paid with Eligible Moneys. None of the Issuer, the Tender Agent nor the Remarketing Agent will have any liability or obligation to pay or, except from the sources identified in (a) and (b) above, make available such Purchase Price. Any Notes held by or for the account of the Issuer, until after being remarketed, will not be entitled to the benefit of a Liquidity Facility or Credit Facility. In the case of failure to pay any such Purchase Price for Notes of a subseries that have been tendered or deemed tendered for purchase from the sources identified in (a) and (b) above (and this paragraph, if the Issuer so elects), such Notes will not be purchased and will remain in the Mode in effect immediately preceding such Purchase Date or Mandatory Purchase Date, as the case may be.

Section A-409. Delivery of Notes. Except as otherwise required or permitted by the book-entry-only system of the Securities Depository, the Notes of a subseries will be delivered as follows:

(a) Notes of a subseries sold by the Remarketing Agent as described in Section A-407 will be delivered by the Remarketing Agent to the purchasers of those Notes by 3:00 p.m., on the Purchase Date or the Mandatory Purchase Date, as the case may be.

(b) The Tender Agent will, as appropriate to the circumstances, either (i) register Notes of a subseries purchased by the Tender Agent with moneys described in Section A-408(b), or if any such Note is not delivered by the Owner thereof, a new Note of such subseries in replacement of the undelivered Note, in the name of the Liquidity Facility Issuer or, if directed in writing by the Liquidity Facility Issuer, its nominee or designee on the registry books on or before the close of business on the Purchase Date or Mandatory Purchase Date, as the case may be, or as the Liquidity Facility Issuer may otherwise direct in writing, and prior to such delivery will hold such Notes of such subseries in trust for the benefit of the Liquidity Facility Issuer or (ii) cause the beneficial ownership of such Notes of such subseries to be credited to its, or its agent's account for the benefit of the Liquidity Facility Issuer, or if directed in writing by the Liquidity Facility Issuer, to the account of the Liquidity Facility Issuer or its nominee or designee with DTC.

(c) When any Bank Notes of a subseries are remarketed, the Tender Agent will not release the Notes so remarketed to the Remarketing Agent until the Tender Agent has received and forwarded to or for the account of the Liquidity Facility Issuer the proceeds of such remarketing and (i) the Liquidity Facility has been reinstated by an amount equal to the principal amount of Bank Notes so remarketed plus the interest component of the Liquidity and Credit Amount calculated with respect to such principal amount of Notes, which reinstatement the Liquidity Facility Issuer has confirmed in writing to the Tender Agent, or (ii) if the Notes of a subseries became Bank Notes on a Mandatory Purchase Date and a Liquidity Facility is no longer in effect with respect to Notes of such subseries after the Mandatory Purchase Date, any draws on such Liquidity Facility and interest thereon have been reimbursed to the Liquidity Facility Issuer.

Section A-410. Delivery and Payment for Purchased Notes of a Subseries; Undelivered Notes. Except as otherwise required or permitted by the book-entry-only system of the Securities Depository, the Notes of a subseries purchased as described in this Article must be delivered by the Owners thereof (with all necessary endorsements) at or before 12:00 noon on the Purchase Date or Mandatory Purchase Date, at the designated office of the Tender Agent; provided, however, that payment of the Purchase Price of any Note of a subseries purchased as described in Section A-401 hereof will be made only if such Note so delivered to the Tender Agent conforms in all respects to the description thereof in the notice of tender. Payment of the Purchase Price will be made by wire transfer in immediately available funds by the Tender Agent by the close of business on the Purchase Date or Mandatory Purchase Date, or, if the Owner has not provided or caused to be provided wire transfer instructions, by check mailed to the Owner at the address appearing in the books required to be kept by the Trustee pursuant to the Indenture. If Notes of a subseries to be purchased are not delivered by the Owners to the Tender Agent by 12:00 noon on the Purchase Date or Mandatory Purchase Date, the Tender Agent will hold any funds received for the purchase of those Notes in trust in a separate account and will pay such funds to the former Owners upon presentation of the Notes subject to tender. Any such amounts will be held uninvested. Such undelivered Notes will be deemed tendered and cease to accrue interest as to the former Owners on the Purchase Date or Mandatory Purchase Date, and moneys representing the Purchase Price will be available against delivery of those Notes at the Principal Office of the Tender Agent; provided, however, that any funds which are so held by the Tender Agent and which remain unclaimed by the former Owner of any such Note not presented for purchase for a period of four (4) years after delivery of such funds to the Tender Agent, will, to the extent permitted by law, upon request in writing by the Issuer and the furnishing of security or indemnity to the Tender Agent's satisfaction, be paid to the Issuer free of any trust or lien and thereafter the former Owner of such Note may look only to the Issuer and then only to the extent of the amounts so received by the Issuer without any interest thereon and the Tender Agent will have no further responsibility with respect to such moneys or payment of the Purchase Price of such Notes. The Tender Agent will authenticate a replacement Note of a subseries for any undelivered Note of such subseries which may then be remarketed by the Remarketing Agent.

Section A-411. Draws on Liquidity Facility.

(a) To the extent a Liquidity Facility is in effect with respect to the Notes of a subseries, by 11:45 a.m. on each Purchase Date or Mandatory Purchase Date with respect to Notes of such subseries, as the case may be, the Trustee must take all actions necessary to draw on the Liquidity Facility supporting the Notes of such subseries in accordance with the terms thereof and without any further authorization or direction and cause to have transferred the proceeds of such draw to the Tender Agent so as to have funds deposited with the Tender Agent by 2:50 p.m. on such date in an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of such Notes on such date, to enable the Tender Agent to pay the Purchase Price in connection therewith. The Tender Agent will deposit said proceeds in the related Liquidity Facility Purchase Account.

(b) Notwithstanding the foregoing provisions of this Section, the Trustee may not draw on a Liquidity Facility with respect to the Purchase Price of Bank Notes or Notes of a subseries owned by the Issuer, any affiliate of the Issuer, or the Liquidity Facility Issuer.

ARTICLE A-V

LIQUIDITY FACILITIES AND CREDIT FACILITIES

Section A-501. Liquidity Facility and Credit Facility.

(a) At any time, the Issuer may provide for the delivery of (i) an initial and an Alternate Liquidity Facility with respect to the Notes of any subseries, and/or (ii) an initial and an Alternate Credit Facility with respect to the Notes of any subseries. The Issuer may not obtain a Liquidity Facility for the Notes of a subseries or provide for the delivery of a Liquidity Facility for the Notes of a subseries without the prior consent of the Credit Facility Issuer, if any, for the Notes of such subseries. Any such Liquidity Facility or Credit Facility must provide that a Termination Date which permits the Trustee to make on the Termination Tender Date a draw under the Liquidity Facility or the Credit Facility, as the case may be, will not occur unless written notice thereof is given to the Issuer and the Tender Agent at least ten (10) days prior to the Termination Tender Date. To the extent that any Liquidity Facility or Credit Facility permits the issuer thereof to assign its obligation thereunder, such Liquidity Facility or Credit Facility, as the case may be, must provide that such assignment will not be effective unless a written notice of such assignment is given to the Issuer, the Remarketing Agent, the Trustee and the Tender Agent at least thirty (30) days prior to the effective date of such assignment. On or prior to the date on which a Liquidity Facility or Credit Facility is obtained or delivered to the Trustee (other than on the date of issuance of the Notes), the Issuer must obtain a Favorable Opinion (with respect to a Series of Tax-Exempt Notes). As provided in Section A-403 hereof, all Outstanding Notes of the Series to which such Liquidity Facility or Credit Facility relates will become subject to mandatory tender for purchase on the Substitution Date.

(b) The Issuer may execute and deliver any instrument that, upon such execution and delivery by the Issuer, would constitute a "Credit Facility" or "Liquidity Facility." Each Credit Facility and Liquidity Facility will be deemed to be a Credit Enhancement for purposes of the Trust Indenture.

(c) The Issuer must deliver to the Trustee, the Tender Agent, the Credit Facility Issuer, and the Remarketing Agent a copy of each Liquidity Facility or Credit Facility obtained as described in this article on the effective date of such Liquidity Facility or Credit Facility. If at any time there has been delivered (i) an Alternate Credit Facility or Alternate Liquidity Facility in substitution for the Credit Facility or Liquidity Facility with respect to Notes of a subseries then in effect and (ii) a Favorable Opinion (with respect to a Series of Tax-Exempt Notes), then, provided that any condition to substitution contained in the existing Credit Facility or Liquidity Facility has been satisfied, the Trustee will accept such Alternate Credit Facility or Alternate Liquidity Facility and, subject to the provisions described in subsection (d) of this Section A-501, will surrender the Credit Facility or Liquidity Facility then in effect to the Credit Facility Issuer or Liquidity Facility Issuer on the effective date of the Alternate Credit Facility or Alternate Liquidity Facility. In the event of an extension of the Expiration Date, the Issuer will give the Trustee, the Tender Agent, the Credit Facility Issuer, the Liquidity Facility Issuer and the Remarketing Agent a written notice of the new Expiration Date at least thirty (30) days prior to the Expiration Tender Date. In the event of a substitution of a Liquidity Facility with an Alternate Liquidity Facility or of a Credit Facility with an Alternate Credit Facility, the Issuer must give the Trustee, the Tender Agent, and the Remarketing Agent a written notice of the Substitution Date at least thirty (30) days prior to such Substitution Date. The Issuer must give the Trustee, Tender Agent, and the Remarketing Agent a written notice of its election to terminate the Credit Facility or the Liquidity Facility at least thirty

(30) days prior to the Termination Tender Date resulting from its election to terminate such Credit Facility or Liquidity Facility.

(d) In no event may the Trustee surrender or cancel a Liquidity Facility relating to the Notes of any subseries unless it has received funds, either from proceeds of remarketing or a draw under the Liquidity Facility to be surrendered or cancelled, sufficient to pay the Purchase Price of such Notes to the applicable Mandatory Purchase Date. In no event may the Trustee surrender or cancel a Credit Facility relating to the Notes of any subseries unless it has received funds sufficient to pay the Purchase Price of such Notes on the applicable Mandatory Purchase Date.

(e) The Trustee may not sell, assign or otherwise transfer the Credit Facility or Liquidity Facility, except in accordance with the terms of the Credit Facility or Liquidity Facility and the Indenture.

(f) On or prior to the Substitution Date, no drawing under an Alternate Liquidity Facility will be made by the Trustee if the predecessor Liquidity Facility is effective and available to make drawings thereunder on the date of such drawing. After the Substitution Date, no drawing under a predecessor Liquidity Facility will be made by the Trustee if the Alternate Liquidity Facility is effective and available to make drawings thereunder on the date of such drawing.

Section A-502. Direct-Pay Credit Facility Drawing Account.

(a) If a Direct-Pay Credit Facility is in effect with respect to the Notes of any subseries, there will be created and established a separate Account for the Notes of such subseries in the Payment Account, to be held by the Trustee for the benefit of the Owners, to be known as the "Adjustable Rate Student Loan Asset-Backed Notes, Series 2023-1 Direct-Pay Credit Facility Drawing Account" (the "Direct-Pay Credit Facility Drawing Account").

(b) The Issuer will make payments of principal and Redemption Price of and interest on the Notes of a subseries in accordance with the Indenture into the Payment Account as and when the same become due and payable and the Trustee will make demand upon the Issuer for the same regardless of whether a Direct-Pay Credit Facility is in effect or has made any payment thereof as may be required with respect to the Notes of such subseries.

(c) If a Direct-Pay Credit Facility is in effect with respect to the Notes of a subseries, the Trustee must take all action necessary to draw or make a claim on the related Direct-Pay Credit Facility in such amounts, at such times, and in such manner as necessary to pay the principal and Redemption Price (including, to the extent amounts are available therefor under the Direct-Pay Credit Facility, Sinking Fund Installments) of and interest on all Notes payable therefrom as and when the same become due and payable. The Trustee will promptly deposit into the related Direct-Pay Credit Facility Drawing Account all moneys so drawn by the Trustee under the related Direct-Pay Credit Facility, which may not be commingled with any other moneys held by the Trustee and which will be applied to the payment of such principal, Redemption Price and interest. If at any time there are Bank Notes then Outstanding, the Trustee will and is directed in the First Supplemental Indenture to make all payments on such Bank Notes directly to the Credit Provider, as the holder of the Bank Notes, as if the Credit Provider were a Noteholder hereunder when no Direct-Pay Credit Facility is in effect. For the avoidance of doubt, the Direct-Pay Credit Facility may under no circumstances be drawn upon for the payment of any Bank Notes.

(d) Subject to the immediately succeeding paragraph, on each principal installment due date or Redemption Date, as the case may be, and Interest Payment Date, the Trustee will make

payments of principal or Redemption Price of and interest on the Notes of each Series to their Owners in accordance with the Indenture.

If a Direct-Pay Credit Facility is in effect with respect to the Notes of any subseries, notwithstanding the immediately preceding paragraph, the Trustee will make payments of principal or Redemption Price of and interest on the Notes of such subseries to their Owners in the manner provided for in the Indenture from the moneys deposited in the related Direct-Pay Credit Facility Drawing Account described in subsection (c) of this Section A-502. If sufficient funds are not available in the related Direct-Pay Credit Facility Drawing Account, the Trustee will apply other moneys, if any, including Issuer payments described in Section A-502(b) above, available in the Payment Account (excluding moneys available in any other Direct-Pay Credit Facility Drawing Account established with respect to any other Series of Notes), to the extent necessary to make such payment. If the principal or Redemption Price of and interest on the Notes of a subseries has been paid in full when due and all payments required to be made under the Direct-Pay Credit Facility have been made, the Trustee will apply remaining moneys, if any, available in the Payment Account (excluding moneys available in any other Direct-Pay Credit Facility Drawing Account established with respect to any other Series of Notes) in an amount not to exceed the amount of the draw or borrowing under the Direct-Pay Credit Facility to reimburse the issuer of the Direct-Pay Credit Facility for such draw or borrowing after such draw or borrowing has been honored by the issuer of the Direct-Pay Credit Facility and the Trustee will pay any remaining moneys, if any, available in the Payment Account to the Issuer.

(e) Amounts held in each Direct-Pay Credit Facility Drawing Account must be held uninvested and separate and apart from all other funds and accounts.

Section A-503. Amendments Relating to Credit Facilities and Liquidity Facilities. In addition to any amendments permitted pursuant to the Trust Indenture, the Issuer, may amend any provisions of the First Supplemental Indenture, including without limitation any provisions described in this Exhibit A, as the Issuer deems necessary or appropriate in connection with the conversion to a Daily Rate Mode or a Weekly Rate Mode or with the delivery of any Credit Facility or Liquidity Facility and the Trustee is hereby authorized to execute such amendment; provided, however, that any amendment to the First Supplemental Indenture will require the prior written consent of the Credit Provider.

Section A-504. Trustee and Tender Agent to Hold Eligible Accounts. So long as the Notes are secured by a Credit Facility and are rated by S&P, the Trustee and the Tender Agent must each be either (a) a federal or state-chartered depository institution or trust company that has an S&P short-term debt rating of at least 'A-2' (or, if no short-term debt rating, a long-term debt rating of at least 'BBB+'); or (b) a corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit, which, in either case, has corporate trust powers and is acting in its fiduciary capacity. In the event that either the Tender Agent or the Trustee no longer complies with this requirement, the Issuer must promptly (and, in any case, within not more than 30 calendar days) replace the Trustee or Tender Agent, as the case may be, with another financial institution meeting such requirement.

ARTICLE A-VI

AGENTS

Section A-601. Remarketing Agent. The Issuer must appoint and employ the services of a Remarketing Agent while the Notes of any subseries are in the Daily Rate Mode or the Weekly Rate Mode. The Issuer must appoint and employ the services of a Remarketing Agent prior to any Purchase Date or

Mode Change Date while the Notes of any subseries are in the Term Rate Mode or Mandatory Purchase Date while the Notes of any subseries are in the FRN Mode.

Any Remarketing Agent may at any time resign and be discharged of the duties and obligations created by the First Supplemental Indenture and the Remarketing Agreement by giving notice to the Issuer, the related Credit Facility Issuer, the related Liquidity Facility Issuer, the Trustee and the Tender Agent in accordance with the Remarketing Agreement. Any Remarketing Agent may be removed at any time, at the direction of the Issuer, by an instrument filed with the related Remarketing Agent, the Trustee and the related Tender Agent in accordance with the Remarketing Agreement; provided that a successor Remarketing Agent must be appointed and acting under the First Supplemental Indenture on or prior to the effective date of such removal.

Any Remarketing Agent will be selected by the Issuer, with the prior written consent of the Credit Facility Issuer and the Liquidity Facility Issuer, and must be a member of the Financial Industry Regulatory Authority, with a capitalization of at least twenty-five million dollars ($25,000,000), and must be authorized by law to perform all the duties set forth in the First Supplemental Indenture. The Issuer's execution of a certificate setting forth the effective date of the appointment of a Remarketing Agent and the name, address and telephone number of such Remarketing Agent will be conclusive evidence that (i) such Remarketing Agent has been appointed and is qualified to act as Remarketing Agent under the terms of the First Supplemental Indenture and (ii) if applicable, the predecessor Remarketing Agent has been removed in accordance with the provisions of the First Supplemental Indenture and the Remarketing Agreement.

Each Remarketing Agent must keep such books and records as are consistent with prudent industry practice and make such books and records available for inspection by the Issuer at all reasonable times.

For the avoidance of doubt, the Remarketing Agent may not remarket any of the Notes to the Issuer.

Section A-602. Tender Agent. Manufacturers and Traders Trust Company is hereby appointed as the initial Tender Agent. The Issuer must appoint and employ the services of the Tender Agent while the Notes of any subseries are in the Daily Rate Mode or the Weekly Rate Mode. The Issuer must appoint and employ the services of the Tender Agent prior to any Purchase Date or Mode Change Date while the Notes of any subseries are in the Term Rate Mode or Mandatory Purchase Date while the Notes of any subseries are in the FRN Mode.

The Tender Agent may at any time resign and be discharged of the duties and obligations created by the First Supplemental Indenture and any Tender Agency Agreement by giving notice to the related Credit Facility Issuer, the related Liquidity Facility Issuer, the Trustee and the Issuer in accordance with any Tender Agency Agreement, provided that a successor Tender Agent must be appointed and acting hereunder on or prior to the effective date of such resignation or discharge. The Tender Agent may be removed at any time, at the direction of the Issuer, by an instrument filed with the related Remarketing Agent, the Trustee and the Tender Agent in accordance with any Tender Agency Agreement, provided that a successor Tender Agent must be appointed and acting hereunder on or prior to the effective date of such removal.

The Tender Agent will be selected by the Issuer, with the prior written consent of the Credit Facility Issuer and Liquidity Facility Issuer and must be a bank that has trust powers or a trust company with trust powers and satisfies the qualifications determined by the Issuer and set forth in any applicable provisions of law. The Issuer's execution of a certificate setting forth the effective date of the appointment of a replacement Tender Agent and the name, address and telephone number of such Tender Agent, and written acceptance by such Tender Agent, will be conclusive evidence that (i) such Tender Agent has been appointed and is qualified to act as Tender Agent under the terms hereof and (ii) if applicable, the predecessor Tender Agent has been removed in accordance with the provisions hereof.

The Tender Agent must make its books and records hereunder available for inspection by the Issuer, the Trustee, the related Credit Facility Issuer and the related Liquidity Facility Issuer, at all reasonable times upon reasonable notice.

ARTICLE A-VII

MISCELLANEOUS

Section A-701. Modifications or Amendments to the First Supplemental Indenture. The provisions of the First Supplemental Indenture, including, without limitation, the provisions of this Exhibit A, may be modified or amended by obtaining the prior written consent of the Credit Facility Issuer and the consent or deemed consent of the Owners of all Outstanding Notes of such subseries as follows:

(a) during a Weekly Rate Mode or Daily Rate Mode, if on the 30th day (or if such day is not a Business Day, on the next succeeding Business Day) after the date on which the Trustee mailed notice of such proposed modification or amendment to Owners of the Outstanding Notes of a subseries there is delivered to the Issuer (a) a certificate of the Tender Agent to the effect that all Notes that have been tendered for purchase by their Owners as described in Section A-401 hereof after the date on which the Trustee mailed such notice of the proposed modification or amendment have been purchased at a price equal to the Purchase Price thereof, (b) a written consent of the Remarketing Agent to the proposed modification or amendment and (c) a Favorable Opinion, the proposed amendment will be deemed to have been consented by the Owners of the Notes of such subseries; or

(b) during any Mode other than the Fixed Rate Mode, if on or prior to any Mandatory Purchase Date there is delivered to the Issuer (i) a certificate of the Tender Agent to the effect that all Notes of such subseries have been purchased at a price equal to the Purchase Price thereof, (ii) a written consent of the Remarketing Agent to the proposed modification or amendment, and (iii) a Favorable Opinion, and the proposed modification or amendment has been disclosed in the official statement or other disclosure document pursuant to which the Notes of such subseries have been remarketed, the proposed amendment will be deemed to have been consented by the Owners of the Notes of such subseries.

The provisions of the First Supplemental Indenture, including, without limitation, the provisions of this Exhibit A, may be modified or amended without the consent or deemed consent of the Owners of any Notes in connection with the Issuer making Benchmark Replacement Conforming Changes from time to time in connection with the implementation of a Benchmark Replacement.

Section A-702. Notices.

(a) *Notices to Owners*. All notices required to be given to Owners of Notes of a subseries, unless otherwise expressly provided, will be given by first class mail, postage prepaid.

(b) *Notices to Rating Agencies*. The Trustee must give written notice to the Rating Agencies of any of the following events:

(1) any changes to the First Supplemental Indenture that affect the Notes;

(2) a conversion to the Term Rate Mode, Daily Rate Mode or Fixed Rate Mode or FRN Mode;

(3) any redemption, defeasance, acceleration or mandatory tender of all the Outstanding Notes;

(4) any changes to the Liquidity Facility, the Credit Facility, or any changes to any agreement with the Liquidity Facility Issuer, Credit Facility Issuer, Remarketing Agent, Trustee or Tender Agent pertaining to the Notes; and

(5) any expiration, termination or extension of any Liquidity Facility or Credit Facility or the obtaining of an Alternate Liquidity Facility or Alternate Credit Facility pertaining to the Notes.

(6) any other information reasonably requested by the Rating Agencies reasonably required to maintain a rating pertaining to the Notes.

(c) *Demands; Requests*. All notices, demands and requests to be given to or made hereunder by the Issuer, the Trustee, the Tender Agent, the Remarketing Agents, the Credit Facility Issuers, the Liquidity Facility Issuers or the Rating Agencies must, unless otherwise expressly described herein, be given or made in writing and will be deemed to be properly given or made if by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth below. Notices, demands and requests that may be given by Electronic Means may be sent to the telephone, email or fax numbers, as applicable, set forth below:

(i) As to the Issuer: The address, phone number, email and fax number specified in the Trust Indenture.

(ii) As to the Tender Agent: The address, phone number, email and fax number specified in the Trust Indenture for the Trustee.

(iii) As to the Remarketing Agent(s): The address, phone number, email and fax number specified in the related Remarketing Agreement.

(iv) As to the Trustee: The address, phone number, email and fax number specified in the Trust Indenture.

(v) As to the Credit Facility Issuer(s) and Liquidity Facility Issuer(s): The address, phone number and email address specified in the related Credit Facility or Liquidity Facility, as the case may be or to such other address as is provided by the entity.

(vi) As to the Rating Agencies:

Moody's:

Moody's Investor Service
7 World Trade Center at 250 Greenwich Street
New York, New York 10007
Attn: Municipal Supported Products 16th Floor
Email: MSGSurveillance@moody's.com

S&P:

S&P Global Ratings
55 Water Street, 41st Floor
New York, New York 10041-0003
Attn: Structured Finance LOC Surveillance Group
email: nyloc@spglobal.com

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Continuing Disclosure Agreement") is executed and delivered by the North Texas Higher Education Authority, Inc. (the "Obligated Person") in connection with the issuance of $336,497,000 aggregate principal amount of its Adjustable Rate Taxable Student Loan Asset-Backed Notes, Series 2023-1 (the "Series 2023-1 Notes"). The Series 2023-1 Notes are being issued pursuant to the Trust Indenture, dated as of November 1, 2023 (the "General Indenture"), by and among the Obligated Person and Manufacturers and Traders Trust Company, a New York banking corporation, not in its individual capacity but solely as trustee (the "Trustee") and as eligible lender trustee (the "Eligible Lender Trustee"), and a First Supplemental Indenture of Trust, dated as of November 1, 2023 (the "First Supplemental Indenture" and, together with the General Indenture, the "Indenture"), by and among the Obligated Person, the Trustee and the Eligible Lender Trustee. The Obligated Person undertakes and agrees as follows:

Section 1. Purpose of the Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Obligated Person for the benefit of the Noteholders and beneficial owners of the Series 2023-1 Notes.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Financial Information*" shall mean any Annual Financial Information provided by the Obligated Person pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

"*Disclosure Representative*" shall mean the Chief Financial Officer of the Obligated Person or his or her designee, or such other person as the Obligated Person shall designate.

"*Dissemination Agent*" shall mean any Dissemination Agent designated by the Obligated Person.

"*EMMA*" means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

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

"*Listed Event*" shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board, and any successors or assigns, or any other entities or agencies approved under the Rule.

"*Offering Memorandum*" shall mean the Offering Memorandum, dated November 7, 2023, of the Obligated Person with respect to its offering of the Series 2023-1 Notes.

"*Repository*" shall mean, until otherwise designated by the SEC, the Electronic Municipal Market Access website of the MSRB located at http://emma.msrb.org.

"*Rule*" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as amended, as such rule may be amended from time to time.

"*SEC*" shall mean the United States Securities and Exchange Commission.

"*Underwriter*" means the "participating underwriter" as that term is defined in the Rule, and in relation to the Series 2023-1 Bonds, shall mean RBC Capital Markets, LLC or any successors known to the Obligated Person.

Section 3. Provision of Annual Financial Information.

(a) The Obligated Person shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the Obligated Person's fiscal year, commencing with the report of the fiscal year ending August 31, 2024, provide to the Repository, at www.emma.msrb.org, in such electronic format accompanied by such identifying information (the "Prescribed Form") as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information, the Annual Financial Information which is consistent with the requirements of Section 4 of this Continuing Disclosure Agreement.

(b) The Annual 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 and available to the public on the Repository's website or filed with the SEC. If the document so referenced is a final offering document within the meaning of the Rule, such final offering document must be available from the Repository. The Obligated Person shall clearly identify each such other document so incorporated by cross-reference.

(c) If the financial statements of the Obligated Person are audited, the audited financial statements of the Obligated Person must be submitted if and when available but may be submitted separately from the balance of the Annual Financial Information and later than the date required above for the filing of the Annual Financial Information if they are not available by that date.

Section 4. Content of Annual Financial Information. The Obligated Person's Annual 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;

(b) an update and a discussion of the financial information and operating data in the Offering Memorandum under the heading "THE ISSUER—General," "—Board of Directors," and "—Previous Financings of the Issuer" and under the heading "CHARACTERISTICS OF THE FINANCED LOANS";

(c) The following Indenture information:

(i) balances in the Reserve Account, the Loan Account and the Revenue Account;

(ii) the issuance of any additional bonds; and

(iii) the outstanding principal amount of the Series 2023-1 Notes and any other bonds issued under the Indenture; and

(d) changes to the Higher Education Act having a special financial impact on the program of the Obligated Person financed by the Series 2023-1 Notes which is not generally experienced in the student loan sector.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section, the Obligated Person shall give, or cause to be given, on behalf of itself and any other persons providing undertakings under the Rule with respect to the Series 2023-1 Notes, notice to the Repository of the occurrence of any of the following events with respect to the Series 2023-1 Notes:

(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 2023-1 Notes, or other material events affecting the Series 2023-1 Notes;

(vii) modifications to rights of Noteholders of the Series 2023-1 Notes, if material;

(viii) any call of any Series 2023-1 Notes, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Series 2023-1 Notes, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar event of the Obligated Person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, 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 Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, 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 Obligated Person, any of which reflect financial difficulties.

(b) If the Obligated Person obtains knowledge of the occurrence of a Listed Event, the Obligated Person 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 in Prescribed Form with EMMA.

(c) The Obligated Person shall provide, in a timely manner, to the MSRB in Prescribed Form in accordance with EMMA, notice of any failure of the Obligated Person to timely provide the Annual Financial Information as specified in Section 4 hereof.

(d) If the Obligated Person changes its fiscal year, it shall provide in Prescribed Form notice of the change of fiscal year to the Trustee and to the MSRB.

Section 6. Termination of Reporting Obligation. The Obligated Person's obligations under this Continuing Disclosure Agreement shall terminate upon the earliest to occur of (a) the legal defeasance, prior redemption or payment in full of all of the Series 2023-1 Notes; or (b) the date that the Obligated Person shall no longer constitute an "obligated person" with respect to the Series 2023-1 Notes within the meaning of the Rule (or, if later, the date on which the Obligated Person determines to no longer voluntarily comply with the Rule in the event that the Rule does not apply to the Series 2023-1 Notes at the time). The Obligated Person shall file a notice of any such termination with the Repository in the Prescribed Form in accordance with EMMA.

Section 7. Dissemination Agent. The Obligated Person may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment: Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Obligated Person may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is consistent with the Rule, as determined by an opinion of counsel experienced in federal securities laws selected by the Obligated Person. Written notice of any such amendment or waiver shall be provided by the Obligated Person to the MSRB in Prescribed Form in accordance with EMMA, and the next Annual Financial Information shall explain in narrative form the reasons for the amendment and the impact of any change in the type of information being provided. If any amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made will present a comparison between the financial statement or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Obligated

Person chooses to include any information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Obligated Person shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Financial Information or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Obligated Person to comply with any provision of this Continuing Disclosure Agreement, any Registered Owner or beneficial owner of the Series 2023-1 Notes may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Obligated Person to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Obligated Person to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 11. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Dissemination Agent, the Underwriter, the Noteholders and beneficial owners from time to time of the Series 2023-1 Notes and shall create no rights in any other person or entity.

Date: November 8, 2023

NORTH TEXAS HIGHER EDUCATION AUTHORITY, INC.

By _____
Name _____
Title _____

[THIS PAGE INTENTIONALLY LEFT BLANK]

North Texas
HIGHER EDUCATION AUTHORITY

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

Printed by: ImageMaster, LLC
www.imagemaster.com