

A SERIES RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE OF NOT EXCEEDING EIGHTY-FIVE MILLION DOLLARS (\$85,000,000) SOUTH CAROLINA STATE EDUCATION ASSISTANCE AUTHORITY STUDENT LOAN REVENUE BONDS, 2009-1 SERIES; AND OTHER MATTERS RELATING THERETO.

Effective October 29, 2009

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BE IT RESOLVED BY THE SOUTH CAROLINA STATE EDUCATION ASSISTANCE AUTHORITY, IN MEETING DULY ASSEMBLED

RECITALS

FINDINGS OF FACT AND INTENT OF RESOLUTION

1. On August 13, 2009, the South Carolina State Education Assistance Authority (the "Authority") approved the form of a resolution entitled "A GENERAL RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF SOUTH CAROLINA STATE EDUCATION ASSISTANCE AUTHORITY STUDENT LOAN REVENUE BONDS AND OTHER MATTERS RELATING THERETO" (the "2009 PAL General Resolution") as another, alternative vehicle pursuant to which bonds of the Authority could thereafter be issued. The effective date of the 2009 PAL General Resolution was declared to be October 29, 2009.

2. Certain terms used as defined terms herein shall have the meanings ascribed to said terms in the 2009 PAL General Resolution. In addition, the term "2009-1 Series Bonds" as used in this 2009-1 PAL Series Resolution shall mean the South Carolina State Education Assistance Authority Student Loan Revenue Bonds, 2009-1 Series, authorized by Section 201. In addition, certain other defined terms shall have the meanings set forth in Article I.

3. On August 13, 2009, the Authority adopted a resolution (the "Authorizing Resolution") authorizing the State Treasurer of South Carolina or any Deputy State Treasurer to make arrangements necessary for the sale, award and delivery of the 2009-1 Series Bonds of the Authority. The Authorizing Resolution approved among other things, the subsequent approval of a 2009-1 PAL Series Resolution, as defined therein, prescribing terms of the proposed 2009-1 Series Bonds at such time as arrangements for the sale of such 2009-1 Series Bonds could be made.

4. The Authority hereby determines that the issuance of 2009-1 Series Bonds is necessary to provide funds together with FFELP Loans contributed by the Authority to be used and expended to (i) provide financing for certain Student Loans; (ii) make deposits to certain accounts established under the 2009 PAL General Resolution; and (iii) pay certain Costs of Issuance for the 2009-1 Series Bonds, and hereby approves the issuance of the 2009-1 Series Bonds. The 2009-1 Series Bonds shall be in substantially the form attached hereto as Exhibit A.

5. There are no Bonds Outstanding under the 2009 PAL General Resolution.

## ARTICLE I

### DEFINITIONS

*Section 101. Definitions.* Unless the context clearly indicates some other meaning, the following words and terms shall, for all purposes of this 2009-1 PAL Series Resolution, have the following meanings and terms not defined herein shall have the meanings ascribed to them in the 2009 PAL General Resolution:

“Authorized Denominations” shall mean \$5,000 and any integral multiple thereof.

“Beneficial Owner” shall mean, so long as the 2009-1 Series Bonds are negotiated in the Book-Entry System, any Person who acquires a beneficial ownership interest in a 2009-1 Series Bond held by the Securities Depository. If at any time the 2009-1 Series Bonds are not held in the Book-Entry System, Beneficial Owner shall mean Bondholder.

“Book-Entry System” shall mean the system maintained by the Securities Depository described in Section 207.

“Electronic Means” shall mean telecopy, facsimile transmission, email transmission or other similar electronic means of communication capable of producing a written record, including a telephonic communication confirmed by any other method set forth in this definition.

“Interest Accrual Period” shall mean the period during which a 2009-1 Series Bond accrues interest payable on the next Interest Payment Date applicable thereto. Each Interest Accrual Period shall commence on (and include) the last Interest Payment Date to which interest shall have been paid (or, if no interest has been paid, from the Issue Date) to, but not including, the Interest Payment Date on which interest is to be paid. If, at the time of authentication of any 2009-1 Series Bond, interest is in default or overdue on such 2009-1 Series Bonds, such 2009-1 Series Bond shall bear interest from the date to which interest shall have previously been paid in full or made available for payment in full on Outstanding 2009-1 Series Bonds. In the event that the Interest Payment Date is defined as the first day of a given month, but interest must be paid on a later day because the first day is not a Business Day, the Interest Accrual Period shall remain unchanged.

“Interest Payment Date” shall mean April 1, 2010 and each October 1 and April 1 thereafter to and including the Stated Maturity Date.

“Interest Rates” shall mean the interest rates on the Serial Bonds and Term Bonds as set forth in Exhibit B.

“Issue Date” shall mean November 5, 2009.

“MSRB” shall mean the Municipal Securities Rulemaking Board and its lawful successors.

“Monthly Report” shall mean the information to be provided in substantially the form as the template presented in Exhibit C and being dated the date of the transfers pursuant to Section 504(b) of the 2009 PAL General Resolution.

“Monthly Report Date” shall mean the 15<sup>th</sup> day of each calendar month, or if such day is not a Business Day, on the next succeeding Business Day.

“National Repository” shall mean the MSRB (through its Electronic Municipal Market Access (EMMA System) or any other repository designated by the United States Securities and Exchange Commission as a central repository.

“1993 General Resolution Escrow Deposit Agreement” shall mean the agreement between the Authority, as Issuer, and The Bank of New York Mellon, as Escrow Agent, dated as of July 1, 2009, funded by the Straight-A Funding, LLC Student Loan Short-Term Note Facility of the South Carolina Student Loan Corporation.

“Notice Parties” shall mean the Authority, the Trustee and the Paying Agent.

“Participant,” “Direct Participant” or “Indirect Participant” shall mean a participant in the electronic, computerized book-entry system of transferring beneficial ownership interest in any of the 2009-1 Series Bonds administered by the Securities Depository.

“Paying Agent” shall mean the Trustee.

“Quarterly Report” shall mean the information to be provided in substantially the form as the template presented in Exhibit D.

“Quarterly Report Date” shall mean the last date of each January, April, July and October.

“Record Date” shall mean the fifteenth (15<sup>th</sup>) day (whether or not a Business Day) of the month next preceding each Interest Payment Date.

“Recycling Period” shall mean the period commencing on the Issue Date and ending on October 1, 2010, except that such period may be extended upon receipt by the Trustee of a Rating Agency Condition.

“Securities Depository” shall mean The Depository Trust Company and such other securities depository as the Authority may designate in an Authority Certificate delivered to the Trustee.

“Serial Bonds” shall mean the 2009-1 Series Bonds designated as Serial Bonds maturing on the applicable Serial Maturity Dates as set forth in Exhibit B.

“Serial Maturity Dates” shall mean the dates on which the Serial Bonds mature, as determined herein as set forth in Exhibit B.

“Serial Payments” shall mean the principal payments to be made on the Serial Bonds on the Serial Maturity Dates.

“Stated Maturity Date” shall mean any Serial Maturity Date and any Term Maturity Date.

“Term Bonds” shall mean the 2009-1 Series Bonds designated as Term Bonds maturing on the applicable Term Maturity Date as set forth in Exhibit B.

“Term Maturity Dates” shall mean the dates on which the Term Bonds mature, as determined herein as set forth in Exhibit B.

“Term Payments” shall mean the principal payments to be made on the Term Bonds on the Term Maturity Dates.

“2009 PAL General Resolution” shall mean the resolution of the Authority entitled “A GENERAL RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF SOUTH CAROLINA STATE EDUCATION ASSISTANCE AUTHORITY STUDENT LOAN REVENUE BONDS AND OTHER MATTERS RELATING THERETO” effective October 29, 2009.

“2009-1 Series Bonds” shall mean Bonds of the Authority authorized and issued pursuant to this 2009-1 PAL Series Resolution and the 2009 PAL General Resolution.

“2009-1 PAL Series Resolution” shall mean this 2009-1 PAL Series Resolution.

Unless otherwise provided herein, all references to a particular time are to New York City Time.

## ARTICLE II

### CONDITIONS AND TERMS OF 2009-1 SERIES BONDS

#### Section 201. Authorization and Purposes of 2009-1 Series Bonds.

(a) The issuance of the 2009-1 Series Bonds is hereby authorized in the aggregate principal amount of Eighty-Five Million Dollars (\$85,000,000) to be designated South Carolina State Education Assistance Authority Student Loan Revenue Bonds, 2009-1 Series (the “2009-1 Series Bonds”) and shall constitute Bonds under and shall be entitled to and secured by the benefits, protection and security of the 2009 PAL General Resolution. Interest on such 2009-1 Series Bonds is intended to be excluded from gross income of the owners thereof under the authorization of Section 144(b) of the Code.

(b) The 2009-1 Series Bonds are authorized to obtain funds together with FFELP Loans contributed by the Authority to be used and expended to (i) provide financing for certain Student Loans; (ii) make deposits to certain accounts established under the 2009 PAL General Resolution; and (iii) pay certain Costs of Issuance for the 2009-1 Series Bonds.

Section 202. Stated Maturity Dates and Interest Rates. The 2009-1 Series Bonds shall mature on the Stated Maturity Dates in the amount of the Serial Payments or Term Payments, as applicable, and shall bear interest at the Interest Rates from the date thereof payable on each Interest Payment Date of each year until payment of the principal thereof.

Section 203. Method and Place of Payment and Dating of 2009-1 Series Bonds. The 2009-1 Series Bonds shall be issued in the form of fully registered 2009-1 Series Bonds in Authorized Denominations. The principal of and premium, if any, and interest on the 2009-1 Series Bonds shall be payable in lawful money of the United States of America.

The principal of and premium, if any, on the 2009-1 Series Bonds shall be payable to the extent set forth herein on the Serial Maturity Dates, the Term Maturity Dates, or the Redemption Dates, as applicable, at the designated office of the Paying Agent.

The 2009-1 Series Bonds shall be issued in the form of fully registered bonds without coupons in Authorized Denominations. The 2009-1 Series Bonds shall initially be registered in the name of Cede &

Co., as nominee of the Securities Depository. The Securities Depository shall act as securities depository for the 2009-1 Series Bonds. Ownership interests in the 2009-1 Series Bonds shall initially be recorded in book-entry form by Participants of the Securities Depository and the interest of such Participants shall be recorded in book-entry form by the Securities Depository. Payments of principal of and interest on the 2009-1 Series Bonds shall be made to the Securities Depository.

In the event the Book-Entry System directed by Section 207 is discontinued, the Paying Agent shall maintain a supply of unissued blank bonds to be issued in lieu of bonds mutilated, lost, stolen, or destroyed. Such replacement bonds shall be numbered in such fashion as to maintain a proper record thereof.

Except as may be specifically set forth herein, the Paying Agent, the Trustee and the Authority may treat the registered owner of any 2009-1 Series Bond as the absolute owner thereof for all purposes, whether or not such 2009-1 Series Bond shall be overdue, and the Paying Agent, the Trustee and the Authority shall not be affected by any knowledge or notice to the contrary; and payment of the principal of and premium, if any, and interest on such 2009-1 Series Bond shall be made only to such Bondholder, which payments shall be valid and effectual to satisfy and discharge the liability of such 2009-1 Series Bond to the extent of the sum or sums so paid. All 2009-1 Series Bonds paid, at maturity or on earlier redemption, pursuant to the provisions of this Section shall be cancelled by the Paying Agent.

The 2009-1 Series Bonds shall bear interest at the applicable rate or rates during each applicable Interest Accrual Period until the entire principal amount of the 2009-1 Series Bonds shall have been paid.

Section 204. Payment of Principal and Interest of 2009-1 Series Bonds; Acceptance of Terms and Conditions. (a) The interest on the 2009-1 Series Bonds shall become due and payable on the applicable Interest Payment Dates in each year to and including the applicable Stated Maturity Date, on each applicable Redemption Date and on the date of any acceleration thereof prior thereto. The principal of the 2009-1 Series Bonds shall become due and payable to the extent set forth herein on the Serial Maturity Dates, the Term Maturity Dates, or the Redemption Dates, as applicable.

(b) By the acceptance of its 2009-1 Series Bond, each Bondholder and each Beneficial Owner shall be deemed to have agreed to all the terms and provisions of such 2009-1 Series Bond as specified therein and in this 2009-1 PAL Series Resolution including, without limitation, the applicable interest rates, mandatory and optional redemption provisions applicable to such 2009-1 Series Bond, method and timing of redemption. Each Bondholder and each Beneficial Owner further agrees that if, on any date upon which one of its 2009-1 Series Bonds is to be purchased, redeemed or paid at maturity or earlier due date, funds are on deposit with the Paying Agent or the Trustee to pay the full amount due on such 2009-1 Series Bond, then such Bondholder or such Beneficial Owner shall have no rights under this 2009-1 PAL Series Resolution other than to receive such full amount due with respect to such 2009-1 Series Bond and that interest on such 2009-1 Series Bond shall cease to accrue as of such date.

Section 205. Calculation and Payment of Interest. Interest shall be calculated on the basis of a 360 day year comprised of twelve 30-day months. Payment of interest on each 2009-1 Series Bonds shall be made on each applicable Interest Payment Date for unpaid interest accrued during the applicable Interest Accrual Period to each applicable Bondholder of record on the applicable Record Date. The Trustee shall provide notice to the Authority of the amount of interest accrued as of the end of each calendar quarter within 15 days of the end of each calendar quarter.

Section 206. Registrar; Paying Agent; Tender Agent; Place of Payment. The Bank of New York Mellon Trust Company, National Association is hereby appointed Registrar and Paying Agent for



the 2009-1 Series Bonds. The principal or Redemption Price of and interest on the 2009-1 Series Bonds shall be made payable to the Securities Depository as provided in Sections 203 and 207. Subject to the provisions of Section 207, principal of the 2009-1 Series Bonds shall be paid at the designated office of the Paying Agent, initially Jacksonville, Florida, or at the duly designated office of any duly appointed alternate or successor paying agent, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts. Interest on the 2009-1 Series Bonds shall be paid by check or draft (or other method as described in the 2009 PAL General Resolution) on each Interest Payment Date (as described herein) drawn upon the Paying Agent and mailed to the Bondholders at their addresses as they appear on the registration books maintained at the designated corporate trust office of the Registrar, initially Jacksonville, Florida, as of the Record Date. Interest payable on any Interest Payment Date may be paid by wire transfer, or such other method as is acceptable to the Paying Agent and the Authority, in immediately available funds to a designated account in any bank in the United States to any Bondholder owning \$1,000,000 or more in aggregate principal amount upon written request by such Bondholder received by the Trustee prior to the preceding applicable Record Date.

Section 207. Book-Entry System; Recording and Transfer of Ownership of 2009-1 Series Bonds.

The 2009-1 Series Bonds shall be eligible securities for the purposes of the Book-Entry System of transfer maintained by the Securities Depository, and transfers of beneficial ownership of the 2009-1 Series Bonds shall be made only through the Securities Depository and its Participants in accordance with rules specified by the Securities Depository. Such beneficial ownership must be of an Authorized Denomination of the 2009-1 Series Bonds of the same maturity or any integral multiple of an Authorized Denomination.

The 2009-1 Series Bonds shall be issued in fully registered form, one certificate for each of the maturities of the 2009-1 Series Bonds, in the name of Cede & Co., as the nominee of the Securities Depository. When any principal of, or premium, if any, or interest on the 2009-1 Series Bonds becomes due, the Authority shall transmit or cause the Trustee to transmit to the Securities Depository an amount equal to such installment of principal, premium, if any, and interest. Such payments shall be made to Cede & Co. or other nominee of the Securities Depository as long as it is the owner of record on the applicable Record Date. Cede & Co. or other nominee of the Securities Depository shall be considered to be the owner of the 2009-1 Series Bonds so registered for all purposes of this 2009-1 PAL Series Resolution, including, without limitation, payments as aforesaid and receipt of notices and exercise of rights of the Bondholders.

The Trustee shall notify the Securities Depository of any notice of redemption required to be given pursuant to the 2009 PAL General Resolution or this 2009-1 PAL Series Resolution, and the Securities Depository shall select applicable 2009-1 Series Bonds for such redemption.

The Securities Depository is expected to maintain records of the positions of Participants in the 2009-1 Series Bonds, and the Participants and persons acting through Participants are expected to maintain records of the Beneficial Owners in the 2009-1 Series Bonds. The Authority and the Trustee make no assurances that the Securities Depository and its Participants will act in accordance with such rules or expectations on a timely basis, and the Authority and the Trustee shall have no responsibility for any such maintenance of records or transfer of payments by the Securities Depository to its Participants, or by the Participants or persons acting through Participants to the Beneficial Owners.

If (a) the Securities Depository determines not to continue to act as Securities Depository for the 2009-1 Series Bonds, or (b) the Authority advises the Securities Depository and the Trustee of the Authority's determination that the Securities Depository is incapable of discharging its duties, the

Authority shall attempt to retain another qualified securities depository to replace the Securities Depository. Upon receipt by the Authority or the Trustee of the 2009-1 Series Bonds together with an assignment duly executed by the discharged Securities Depository, the Authority shall execute and deliver to the successor Securities Depository 2009-1 Series Bonds of the same principal amount, interest rate and maturity.

If the Authority is unable to retain a qualified successor to the Securities Depository or the Authority determines that it is in the best interest of the Authority not to continue the Book-Entry System of transfer or that the interest of the Beneficial Owners of the 2009-1 Series Bonds might be adversely affected if the Book-Entry System of transfer is continued, and makes provision to so notify Beneficial Owners of the 2009-1 Series Bonds by transmitting by Electronic Means an appropriate notice to the Securities Depository, upon receipt by the Authority of the 2009-1 Series Bonds together with an assignment duly executed by the Securities Depository, the Authority, at its expense, shall, subject to the limitations hereof, execute, and cause to be authenticated and delivered pursuant to the instructions of the Securities Depository, 2009-1 Series Bonds in fully registered form, in substantially the form set forth in this 2009-1 PAL Series Resolution, in Authorized Denominations.

Section 208. Rating Agency Condition. The Authority shall obtain a Rating Agency Condition before (i) using amounts in the Loan Account for the financing of Student Loans having different characteristics (including, without limitation, interest rate, repayment and forbearance options, borrower benefits, or amendments to the provisions of the Higher Education Act pursuant to reauthorization, amendments or otherwise) than those assumed in the most recent cash flows provided to the Rating Agencies with the assumptions in the initial cash flows to be set forth in Exhibit G, (ii) increasing borrower benefits on Financed Student Loans above those listed in Exhibit E, or (iii) beginning or increasing the funding with Trust Estate assets of borrower benefits, origination fees or other fees. The current Operating Costs, as limited by Section 505(c) of the 2009 PAL General Resolution, are set forth on Exhibit F.

Section 209. CUSIP. The Trustee is required to at all times cause each of the 2009-1 Series Bonds to be assigned a CUSIP number.

Section 210. Security Interest Representations. (a) The 2009 PAL General Resolution creates a valid and continuing security interest (as defined in the applicable UCC) in the 2009 PAL Loan Agreement, the Deposit Account Control Agreement and the Custodian Agreement in favor of the Trustee, which security interest is prior to all other liens, and is enforceable as such against creditors of and purchasers from the Authority.

(b) The 2009 PAL Loan Agreement, the Deposit Account Control Agreement and the Custodian Agreement constitute "general intangibles" within the meaning of the applicable UCC.

(c) The Authority owns and has good and marketable title to the 2009 PAL Loan Agreement, the Deposit Account Control Agreement and the Custodian Agreement free and clear of any lien, claim, or encumbrance of any Person.

(d) The Authority has caused or will have caused, within ten days, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the 2009 PAL Loan Agreement, the Deposit Account Control Agreement and the Custodian Agreement granted to the Trustee under the 2009 PAL General Resolution.

(e) Other than the security interest granted to the Trustee pursuant to the 2009 PAL General Resolution, the Authority has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the 2009 PAL Loan Agreement, the Deposit Account Control Agreement and the Custodian Agreement. The Authority has not authorized the filing of and is not aware of any financing statements against the Authority that include a description of collateral covering the 2009 PAL Loan Agreement, the Deposit Account Control Agreement and the Custodian Agreement other than any financing statement relating to the security interest granted to the Trustee under the 2009 PAL General Resolution or that has been terminated. The Authority is not aware of any judgment or tax lien filings against the Authority.

(f) The factual certifications, representations and warranties set forth herein shall survive payment in full on all obligations under the 2009 PAL General Resolution and cannot be waived, altered or amended without the consent of the Trustee.

Section 211. Covenant Relating to Representative Modeling Lines. Upon written request of a Rating Agency, the Authority or the Corporation shall provide, or cause to be provided within 60 days, Representative Modeling Lines with respect to the Financed Student Loans as of the end of any month during which the 2009-1 Series Bonds are Outstanding. Representative Modeling Lines means summary information about the loan portfolio including the total Principal Balance, weighted average coupon, weighted average terms, number of loans and number of borrowers for groups of loans having similar characteristics. The Financed Student Loans shall be grouped based on loan type, payment obligation during interim (Private Loans only), pre- vs. post-4/1/06 (FFELP Loans only), special allowance support level (FFELP Loans only) and guarantee percentage (FFELP Loans only).

### ARTICLE III

#### REDEMPTION OF BONDS

Section 301. Optional Redemption, Prices and Terms. The 2009-1 Series Bonds maturing on or after October 1, 2020 shall be subject to redemption prior to their respective Stated Maturity Dates at the option of the Authority on and after October 1, 2019, upon notice as provided in Section 303, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount of such 2009-1 Series Bonds or portions thereof to be so redeemed) and accrued but unpaid interest thereon to the Redemption Date.

If less than all of the 2009-1 Series Bonds are redeemed pursuant to this section, the Authority may direct the Trustee using a Certificate to redeem: (i) pro rata across all Stated Maturity Dates, (ii) in chronological order by Stated Maturity Dates or (iii) using any other method to the extent a Rating Agency Condition is provided to the Trustee regarding such method. To the extent that less than all the principal due on a Stated Maturity Date is redeemed, such portion shall be redeemed as provided in Section 303.

Section 302. Mandatory Redemption. The 2009-1 Series Bonds shall be subject to mandatory redemption prior to maturity in whole at any time or in part on any Business Day, at a Redemption Price equal to the principal amount thereof in Authorized Denominations plus interest accrued thereon, if any, to the Redemption Date, without premium, if there are sufficient moneys available to make such redemption on such date. To the extent that more than \$36,000,000 of original proceeds of the 2009-1 Series Bonds remains in the Loan Account on March 1, 2010, such excess shall be used for a mandatory redemption of the 2009-1 Series Bonds within 15 days, unless a Rating Agency Condition is provided to

the Trustee. To the extent that more than \$18,000,000 of original proceeds of the 2009-1 Series Bonds remains in the Loan Account on October 1, 2010, such excess shall be used for a mandatory redemption of the 2009-1 Series Bonds within 15 days, unless a Rating Agency Condition is provided to the Trustee. To the extent that any original proceeds of the 2009-1 Series Bonds remain in the Loan Account on March 1, 2011, such amount shall be used for a mandatory redemption of the 2009-1 Series Bonds within 15 days, unless a Rating Agency Condition is provided to the Trustee.

The 2009-1 Series Bonds shall also be subject to mandatory redemption: (i) to the extent that moneys in the Loan Account shall not have been applied as permitted by the 2009 PAL General Resolution prior to the end of the Recycling Period; (ii) if the Authority shall determine such action is necessary because of a change in law detrimental to the owners or the Beneficial Owners of the 2009-1 Series Bonds or in order to prevent a default in the payment of principal of or interest on the 2009-1 Series Bonds; (iii) if the Authority shall determine that such action is necessary because it suffers unreasonable burdens or excessive liabilities in administering and maintaining its Student Loan Finance Program under the 2009 PAL General Resolution; or (iv) to the extent that amounts are available for such purpose pursuant to Section 504(b)(xv) of the 2009 PAL General Resolution except that redemptions pursuant to this item (iv) shall be limited to Interest Payment Dates. Upon the occurrence of an event set forth in this Section 302, amounts shall be deposited into the Principal Account to effectuate mandatory redemptions.

If less than all of the 2009-1 Series Bonds are redeemed pursuant to this Section, the Trustee shall redeem pro rata across all Stated Maturity Dates. To the extent that less than all of the principal due on a Stated Maturity Date is redeemed, such portion shall be redeemed as provided in Section 303.

Section 303. Manner of Redemption of 2009-1 Series Bonds. The 2009-1 Series Bonds redeemed in accordance with Section 301 or 302 shall be redeemed in the manner and upon notice as prescribed by Article X of the 2009 PAL General Resolution, including without limitation Sections 1002, 1003 and 1005 thereof. Notices from the Authority to the Trustee pursuant to Section 1002 of the 2009 PAL General Resolution shall be given at least 15 days prior to the Redemption Date or such shorter period as shall be acceptable to the Trustee. Such notice shall be sent by the Trustee to the applicable Bondholders and the Notice Parties not less than 7 days prior to the Redemption Date. To the extent that less than all the principal due on a Stated Maturity Date is redeemed, the portions of the principal due on such Stated Maturity Date to be redeemed shall be selected by the Securities Depository in accordance with its rules and procedures while the 2009-1 Series Bonds are in book-entry form, or if the 2009-1 Series Bonds are no longer in book-entry form, the portions of each Stated Maturity Date to be redeemed shall be selected by lot by the Trustee.

#### ARTICLE IV

#### APPLICATION OF PROCEEDS OF THE 2009-1 SERIES BONDS AND OTHER DEPOSITS AND DIRECTION

Section 401. Application of Proceeds; Transfer of Certain Funds. \$83,350,203 of the 2009-1 Series Bond proceeds shall be deposited as follows:

(a) \$230,000 to the Cost of Issuance Account to pay the Costs of Issuance for the 2009-1 Series Bonds;

(b) \$74,620,203 to the Loan Account to be disbursed to finance Student Loans. If excess moneys shall remain in the Loan Account in the amounts and on the dates listed in Section 302, such excess shall be expended to effect a mandatory redemption of the 2009-1 Series Bonds pursuant to such section;

(c) \$50,000 to the Operating Fund;

(d) \$75,000 to the Department Reserve Fund;

(e) \$6,675,000 to the Capitalized Interest Fund; and

(f) \$1,700,000 to the Debt Service Reserve Fund to meet the Debt Service Reserve Requirement for the 2009-1 Series Bonds.

Section 402. Termination of Capitalized Interest Fund. To the extent amounts in the Capitalized Interest Fund exceed the maximum amount set forth below on the respective dates (or such other dates as may be confirmed in a Rating Agency Condition provided to the Trustee) the Trustee shall transfer such excess to the General Revenue Fund:

September 1, 2010	\$5,475,000
September 1, 2011	\$3,075,000
September 1, 2012	\$1,375,000
September 1, 2013	\$0

Section 403. Other Issuer Contributions. Concurrently with the deposits described in Section 401, the Authority shall cause FFELP Loans having a Value of \$8,226,859.38 at the close of business on November 2, 2009 on deposit in the 1993 General Resolution Escrow Deposit Agreement to be pledged and credited for the benefit of the Trust Estate in the Loan Account to be held as security for Bondholders as provided for in the 2009 PAL General Resolution.

Section 404. The Debt Service Reserve Requirement. The Debt Service Reserve Requirement shall mean with respect to the 2009-1 Series Bonds an amount equal to the greater of (a) 2% of the outstanding principal amount thereof or (b) \$850,000. Initially such amount shall be \$1,700,000. Such percentage may be changed upon receipt of a Rating Agency Condition.

Section 405. Recycling. The Authority shall not direct that amounts be transferred to the Loan Account pursuant to the authorization of Section 504(b)(xiv) of the 2009 PAL General Resolution after the end of the Recycling Period, and thereafter such amounts available pursuant to Section 504(b)(xv) of the 2009 PAL General Resolution, together with any amounts on deposit in the Loan Account, shall be used to effect a mandatory redemption of 2009-1 Series Bonds pursuant to Section 302 unless such date is extended pursuant to a Rating Agency Condition; provided, however, that to the extent that moneys in the Loan Account have been committed as of the end of the Recycling Period for future disbursement on Student Loans within 180 days after the end of the Recycling Period, as certified by the Authority to the Trustee, such moneys shall not be used to effect a mandatory redemption of Bonds.

Section 406. Adjusted Equity Amount. The Adjusted Equity Amount as referenced in the 2009 PAL Loan Agreement is \$8,226,859.38 based on the contribution detailed in Section 403.

## ARTICLE V

### CONTINUING DISCLOSURE UNDERTAKING

Section 501. Secondary Market Disclosure. The Authority hereby undertakes, for the benefit of the Beneficial Owners of the 2009-1 Series Bonds, to provide:

- (a) all items required by Act No 442 of the 1994 Acts and Joint Resolutions of the General Assembly of South Carolina;
- (b) by not later than each Quarterly Report Date, the Quarterly Report, posted with the National Repository and sent to each Rating Agency; and
- (c) and any other items set forth in the Continuing Disclosure Certificate.

The Authority shall cause the Trustee to provide by Electronic Means by not later than each Monthly Report Date, a Monthly Report to the Corporation, each Rating Agency and the Notice Parties that have requested such Monthly Reports from the Authority.

The Authority's financial statements are to be prepared in accordance with generally accepted accounting principles and are to be audited in accordance with generally accepted auditing standards.

Section 502. Failure to Comply. In the event that the Authority fails to comply with the undertaking described in Section 501, any Beneficial Owner of the 2009-1 Series Bonds or the Trustee may take action to protect and enforce the rights of all Beneficial Owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an Event of Default and shall not result in any acceleration of payment of the 2009-1 Series Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Beneficial Owners of the 2009-1 Series Bonds.

Section 503. Modification of Undertaking. The Authority hereby reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Authority, provided that any such modification does not materially impair the interests of the Beneficial Owners, as determined either by parties unaffiliated with the Authority, or by the approving vote of the registered owners of a majority in principal amount of the 2009-1 Series Bonds pursuant to the terms of this 2009-1 PAL Series Resolution, as it may be amended from time to time, at the time of the amendment.

Section 504. Termination of the Undertaking. The undertaking set forth in this Article V shall terminate upon payment in full of the principal of, premium, if any, and interest on all of the 2009-1 Series Bonds.

Section 505. Alternate Filings. The Authority may meet the secondary market disclosure filing requirements described above by filing with any information repository permitted by the United States Securities and Exchange Commission.

## ARTICLE VI

### OTHER MISCELLANEOUS ACTIONS

Section 601. Preliminary and Final Official Statement. The Preliminary Official Statement (the "Preliminary Official Statement") dated October 16, 2009, and the final Official Statement (the "Official Statement") dated October 29, 2009, are hereby approved and the action of the State Treasurer or any Deputy State Treasurer in signing the same on behalf of the Authority is hereby ratified, authorized, approved and confirmed.

Section 602. Approval of Distribution of Material Relating to the 2009-1 Series Bonds. The action of the State Treasurer or any Deputy State Treasurer in authorizing the distribution to potential purchasers of the 2009-1 Series Bonds of forms of this 2009-1 PAL Series Resolution, the 2009 PAL General Resolution, the Preliminary Official Statement and the Official Statement is hereby ratified, authorized, approved and confirmed.

Section 603. Award of 2009-1 Series Bonds. The 2009-1 Series Bonds may be sold pursuant to a bond purchase agreement (the "Bond Purchase Agreement"), to the underwriters named in the Bond Purchase Agreement and upon the terms and conditions set forth therein. The purchase price will be as stated in the Bond Purchase Agreement. The action to be taken by the State Treasurer or any Deputy State Treasurer in executing the Bond Purchase Agreement and awarding the 2009-1 Series Bonds in accordance therewith is hereby approved.

Section 604. Manner of Execution of 2009-1 Series Bonds. In accordance with Section 304 of the 2009 PAL General Resolution, the 2009-1 Series Bonds shall be executed in the name and on behalf of the Authority by the manual or facsimile signature of an Authorized Officer, and the seal of the Authority shall be reproduced thereon, and attested by the manual or facsimile signature of the Secretary of the Authority.

Section 605. Execution of Closing Papers and Authentication of 2009-1 Series Bonds. The State Treasurer or any Deputy State Treasurer is each hereby authorized to execute, on behalf of the Authority, any additional certificate or instrument as shall, in his judgment, be necessary to effect delivery of the 2009-1 Series Bonds. The Trustee is hereby directed to cause the 2009-1 Series Bonds to be authenticated in accordance with the provisions of the 2009 PAL General Resolution.

Section 606. Repeal Provisions. All resolutions, proceedings or action heretofore taken by the Authority inconsistent with the terms and provisions of this 2009-1 PAL Series Resolution are hereby repealed to the extent of any such inconsistency.

**FORM OF 2009-1 SERIES BOND**

UNITED STATES OF AMERICA  
 SOUTH CAROLINA STATE EDUCATION ASSISTANCE AUTHORITY  
 STUDENT LOAN REVENUE BONDS  
 2009-1 SERIES

**THIS BOND IS A SPECIAL OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE TRUST ESTATE PURSUANT TO THE RESOLUTION. THE AUTHORITY HAS NO TAXING POWER. THIS BOND DOES NOT CONSTITUTE A DEBT, LIABILITY OR GENERAL OBLIGATION OF THE STATE OF SOUTH CAROLINA OR ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF SOUTH CAROLINA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF SOUTH CAROLINA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.**

No. R [See Schedule I]

\$ [See Schedule I]

**Interest Rate**  
 See Schedule I

**Maturity Date**  
 See Schedule I

**Dated Date**  
 November 5, 2009

**CUSIP**  
 See Schedule I

Registered Holder: CEDE & CO.

Principal Sum: See Schedule I

The South Carolina State Education Assistance Authority (the "Authority"), a body politic and corporate and a public instrumentality of the State of South Carolina (the "State"), created and existing by virtue of the laws of the State, acknowledges itself indebted and for value received hereby promises to pay, solely from the Trust Estate as hereinafter provided, to the Registered Holder (named above), or registered assigns, upon presentation and surrender of this Bond, the Principal Sum (stated above) on the Maturity Date (stated above) and to pay interest on said Principal Sum from the Dated Date (stated above) at the Interest Rate (stated above) per annum, payable on the Interest Payment Dates, calculated on the basis of a 360 day year with twelve 30-day months, until said Principal Sum is duly paid or provided for, subject to the provisions referred to herein with respect to the redemption hereof before maturity. Principal and interest and any redemption premium with respect to this Bond are payable in lawful money of the United States of America to the person in whose name this Bond is registered at the close of business on the Record Date, except as otherwise provided in the Resolution, as defined below. Payment of principal and interest at maturity will be made upon presentation and surrender of this Bond at the designated corporate trust office, currently in Jacksonville, Florida, of The Bank of New York Mellon Trust Company, National Association, or its successor, as Paying Agent and Trustee (the "Trustee").

EXCEPT AS OTHERWISE PROVIDED IN THE RESOLUTION, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (AS DEFINED IN THE RESOLUTION) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.



This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been executed by the Trustee.

This Bond is one of a duly authorized Series of Bonds designated "South Carolina State Education Assistance Authority Student Loan Revenue Bonds, 2009-1 Series" (herein called the "2009-1 Series Bonds"), issued by the Authority in the aggregate principal amount of \$85,000,000. Pursuant to the Resolution described herein, certain additional and refunding bonds may be issued from time to time. All such bonds, including the 2009-1 Series Bonds, are herein called the "Bonds." All of the Bonds are equally secured by the pledge and covenants made in the Resolution.

The 2009-1 Series Bonds are being issued to provide funds to the Authority for the purpose, in part, to provide financing for certain Student Loans; make deposits to certain accounts established under the Resolution, as defined below and pay certain Costs of Issuance for the 2009-1 Series Bonds. The 2009-1 Series Bonds are issued under and pursuant to the Act, a resolution adopted by the Authority and the Authority's 2009 PAL General Resolution, effective October 29, 2009 (as may be amended and supplemented, the "2009 PAL General Resolution"), as supplemented by a 2009-1 PAL Series Resolution, effective October 29, 2009 (the "2009-1 PAL Series Resolution," and, together with the 2009 PAL General Resolution, the "Resolution"), copies of which are on file at the designated corporate trust office of the Trustee, currently in Jacksonville, Florida. Terms used herein and not otherwise defined shall have the meanings set forth in the Resolution. Reference is hereby made to the Resolution and all resolutions supplemental thereto or amendatory thereof, and to the Act for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the rights and remedies of the registered owners of the Bonds, the terms and conditions upon which the Bonds are issued thereunder and a statement of the rights, duties, immunities and obligations of the Authority and of the Trustee. Such pledge and other obligations of the Authority under the Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Resolution.

As provided in the Resolution, Bonds of the Authority may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited, except as provided in the Resolution, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

This Bond is transferable by the registered holder hereof in person or by the holder's attorney duly authorized in writing at the designated corporate trust office of the Trustee, currently in Jacksonville, Florida, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of the same series, maturity or maturities and interest rate and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Authority and the Trustee may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

Reference is made to the Resolution and any and all modifications and amendments thereof and to the designated statutes for the provisions, among others, with respect to the custody and application of the proceeds of the 2009-1 Series Bonds, for a description of the nature and extent of the security for the 2009-1 Series Bonds, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the owners of the 2009-1 Series Bonds with respect thereto, the terms and conditions upon which the 2009-1 Series Bonds are issued, and a statement of rights, duties, immunities and obligations of the Authority, and the rights of the owners of the 2009-1 Series Bonds.

The 2009-1 Series Bonds are issuable only as fully registered bonds in Authorized Denominations. Upon payment of any required tax, fee or other governmental charge and subject to such conditions, the 2009-1 Series Bonds, upon the surrender thereof at the designated corporate trust office of the Trustee, currently in Jacksonville, Florida, with a written instrument of transfer, in form and with guarantee of signature satisfactory to the Trustee, duly executed by the registered owner or its duly authorized attorney, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of 2009-1 Series Bonds of the same series, maturity and interest rate of any Authorized Denomination.

The 2009-1 Series Bonds are subject to redemption as set forth in the Resolution. 2009-1 Series Bonds to be redeemed in part shall be selected in the manner set forth in the Resolution.

If any of the 2009-1 Series Bonds or portions thereof (which shall be in Authorized Denominations or a whole multiple thereof) are called for redemption as aforesaid, notice thereof identifying the 2009-1 Series Bonds or portions thereof to be redeemed and the redemption date thereof shall be given by the Trustee by mailing (and/or providing by other arrangement acceptable to DTC) a copy of the redemption notice to DTC as provided in the Resolution. Failure to give such notice by mail shall not be a condition precedent to or affect the validity of any proceeding for the redemption of other Bonds. All Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

The holder of this Bond shall have no right to enforce the provisions of the Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution.

The Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Authority and the rights of the Bondholders of the Bonds at any time by the Authority and the Bondholders of all Bonds then Outstanding, as defined in the Resolution. Any such consent or waiver by the holder of this Bond shall be conclusive and binding upon such holder and upon all future Bondholders of this Bond and of any Bond issued upon the transfer or exchange of this Bond, whether or not notation of such consent or waiver is made upon this Bond. The Resolution also permits the Trustee, upon the consent of a certain amount of the Bonds Outstanding, with certain exceptions provided therein, to execute with the Authority supplemental resolutions for the purpose of modifying, altering, amending, adding to or rescinding any terms of the Resolution or any supplemental resolutions. The Resolution also permits the Trustee, without the consent of the Bondholders of any of the Bonds, to consent to supplements to the Resolution to authorize additional Bonds, to cure ambiguities, supply omissions, cure defects or inconsistencies, clarify matters or questions in the Resolution or to make any change which, in the judgment of the Trustee, is not to the material prejudice of the Bondholders. The Resolution also contains provisions permitting the Trustee to waive certain past defaults under the Resolution and their consequences.

The Authority hereby certifies, recites and declares that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Authority, do not exceed or violate any constitutional or statutory limitation applicable to the Authority.

Neither the members of the Authority nor any authorized person executing 2009-1 Series Bonds issued pursuant to the Act shall be personally liable for such bonds by reason of the execution or issuance thereof.

It is hereby certified and recited by the Authority that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Resolution and in the issuance of the 2009-1 Series Bonds in order to make the 2009-1 Series Bonds the legal, valid and binding special obligations of the Authority in accordance with their terms, do exist, have been done, have happened and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Authorized Officer and its official seal to be impressed or printed hereon and attested by the manual or facsimile signature of its Secretary.

SOUTH CAROLINA STATE EDUCATION  
ASSISTANCE AUTHORITY

By: \_\_\_\_\_  
Authorized Officer

Attest:

By: \_\_\_\_\_  
Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2009-1 Series Bonds of the issue described in the within mentioned Resolution.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, National Association, as Trustee

By: \_\_\_\_\_  
Authorized Trust Officer

Dated: \_\_\_\_\_, 2009

## ASSIGNMENT

FOR VALUE RECEIVED, [ ] (“Transferor”), the undersigned, hereby sells, assigns and transfers unto [ ] (Social Security or Federal Employer Identification No. [ ]) (“Transferee”) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints [ ] as attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date:

Signature Guaranteed:

---

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company.

---

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

SCHEDULE I

<u>Numbers</u>	<u>Principal Sum</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>CUSIP</u>
R-1	\$ 500,000	3.400%	10/01/2014	837114GV3
R-2	600,000	3.800	10/01/2015	837114GW1
R-3	700,000	4.050	10/01/2016	837114GX9
R-4	2,500,000	4.250	10/01/2017	837114GY7
R-5	3,000,000	4.400	10/01/2018	837114GZ4
R-6	4,000,000	4.550	10/01/2019	837114HA8
R-7	4,250,000	4.600	10/01/2020	837114HB6
R-8	6,000,000	4.625	10/01/2021	837114HC4
R-9	8,000,000	4.700	10/01/2022	837114HD2
R-10	20,000,000	5.000	10/01/2024	837114HF7
R-11	35,450,000	5.100	10/01/2029	837114HG5

**EXHIBIT B****SERIAL BONDS, SERIAL MATURITY DATES, TERM BONDS  
AND TERM MATURITY DATES****I. \$29,550,000 Serial Bonds**

<u>October 1 in each of the Years</u>	<u>Principal Amount</u>	<u>Yield</u>	<u>Interest Rate</u>
2014	\$ 500,000	3.400%	3.400%
2015	600,000	3.800	3.800
2016	700,000	4.050	4.050
2017	2,500,000	4.250	4.250
2018	3,000,000	4.400	4.400
2019	4,000,000	4.550	4.550
2020	4,250,000	4.700	4.600
2021	6,000,000	4.850	4.625
2022	8,000,000	4.920	4.700

**II. \$55,450,000 Term Bonds**

<u>October 1 in each of the Years</u>	<u>Principal Amount</u>	<u>Yield</u>	<u>Interest Rate</u>
2024	\$20,000,000	5.100%	5.000%
2029	35,450,000	5.200	5.100

**MONTHLY REPORT**

South Carolina State Education Assistance Authority  
 Student Loan Revenue Bonds, 2009-1 General Resolution  
**MONTHLY DISTRIBUTION REPORT**  
 Report as of x/xx/xx

**I. REVENUES**

Revenues received during the period: xx/xx/xxxx through and including xx/xx/xxxx

Receipts on Student Loans	\$	-
Principal	\$	-
Borrower Interest	\$	-
Gov't. Interest Subsidy & Special Allowance Payments (if positive)	\$	-
Investment earnings	\$	-

**TOTAL REVENUES \$** \_\_\_\_\_

**III. PAYMENTS FROM CERTAIN FUNDS**

Operating Costs paid from Operating Fund during the period:  
 xx/xx/xxxx through and including xx/xx/xxxx

Servicing Fees	
Fiduciary Fees	
Other Operating Costs	

**TOTAL OPERATING COSTS \$** \_\_\_\_\_

**II. DISTRIBUTIONS**

Allocations to funds & accounts for payments when due

(i) Department Reserve Fund replenishment		
(ii) Rebate Fund for Rebate Amounts & Yield Reduction Payments		
(iii) Operating Fund for servicing & other operating costs		
(iv) Senior interest & derivative payments on next interest payment date		
Amount already funded		
(v) Subordinate interest & derivative payments on next interest payment date		
Amount already funded		
(vi) Principal Account for Principal Installments on Senior Bonds		
Amount already funded		
(vii) Principal Account for Principal Installments on Subordinate Bonds	\$	-
Amount already funded		
(viii) Principal Account for Senior Cumulative Sinking Fund Payments	\$	-
Amount already funded		
(ix) Principal Account for Subordinate Cumulative Sinking Fund Payments	\$	-
Amount already funded		
(x) Debt Service Reserve Fund replenishment	\$	-
(xi) Derivative termination payments on parity with Senior Bonds		
(xii) Derivative termination payments on parity with Subordinate Bonds	\$	-
(xiii) Cash release to the Corporation, subject to certain limitations	\$	-
(xiv) Loan Account for additional Student Loans during Recycling Period	\$	-
(xv) Principal Account for redemptions	\$	-

**TOTAL DISTRIBUTIONS \$** \_\_\_\_\_

Amounts paid from Department Reserve Fund during the period:

Special Allowance required to be paid	
Consolidation Loan rebate	
Other amounts	

**TOTAL DEPARTMENT RESERVE FUND AMOUNTS \$** \_\_\_\_\_



**QUARTERLY REPORT**

**South Carolina State Education Assistance Authority**

**Student Loan Revenue Bonds, 2009-1 Series**

**Quarterly Report**

**Quarter Ending December 31, 2009**

South Carolina State Education Assistance Authority  
 Student Loan Revenue Bonds, 2009-1 Series  
 Quarterly Servicing Report  
 Quarter Ending 12/31/2009

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**I. Principal Parties to the Transaction**

Issuer	South Carolina State Education Assistance Authority
Lender/Holder	South Carolina Student Loan Corporation Disburses loan funds, holds legal title and serves as eligible lender under the Higher Education Act.
Servicer	South Carolina Student Loan Corporation Services, administers and makes collections with respect to the Financed Student Loans. The Servicer is compensated monthly for these services.
Trustee, Paying Agent and Registrar	Bank of New York Mellon, National Association Acts for the benefit of and to protect the interests of the note holders and acts as paying agent for the bonds. Also acts on behalf of the bond holders and represents their interests in the exercise of their rights under the 2009 PAL General Resolution. The Trustee is compensated annually for these services.

**II. Explanations, Definitions, Abbreviations**

Interest Plan	Borrowers pay the full amount of accrued interest during the enrolled period.
Fixed Payment Plan	Borrowers make \$25 minimum monthly payments during the enrolled period.

III. Deal Parameters		X/XX/XXXX (Closing Date)	12/31/09
<b>A. Student Loan Portfolio Characteristics</b>			
i. Portfolio Principal Balance		\$	
ii. Borrower Accrued Interest		\$	
iii. Interest to be Capitalized			
iv. Weighted Average Coupon (WAC) - Gross		0.000%	0.000%
v. Weighted Average Coupon (WAC) - Net of Interest Rate Reductions		0.000%	0.000%
vi. Weighted Average Remaining Months to Maturity (WARM)			
vii. Number of Loans			
viii. Number of Borrowers			
ix. Average Borrower Indebtedness			
<b>B. Bond Principal Balance</b>			
Stated Maturity Date	CUSIP	Original Principal Balance	Interest Rate
10/1/14	837114GV3	500,000	3.400%
10/1/15	837114GW1	600,000	3.800%
10/1/16	837114GX9	700,000	4.050%
10/1/17	837114GY7	2,500,000	4.250%
10/1/18	837114GZA	3,000,000	4.400%
10/1/19	837114HA8	4,000,000	4.550%
10/1/20	837114HB6	4,250,000	4.600%
10/1/21	837114HC4	6,000,000	4.625%
10/1/22	837114HD2	8,000,000	4.700%
10/1/24	837114HF7	20,000,000	5.000%
10/1/29	837114HG5	35,450,000	5.100%
		500,000	
		600,000	
		700,000	
		2,500,000	
		3,000,000	
		4,000,000	
		4,250,000	
		6,000,000	
		8,000,000	
		20,000,000	
		35,450,000	

**III. Deal Parameters (continued from previous page)**

**C. Parity Percentage** 12/31/09

<b>Value of the Trust Estate</b>		-
i.	Unpaid Principal Balance of Financed FFELP Loans	-
ii.	Borrower Accrued Interest on Financed FFELP Loans	-
iii.	Accrued Interest Subsidy Payments	-
iv.	Accrued Special Allowance Payments (if positive)	-
v.	Less: Unguaranteed Portion of FFELP loans in Claim Status	-
vi.	Unpaid Principal Balance of Financed Private Loans	-
vii.	Borrower Accrued Interest on Financed Private Loans	-
viii.	Less: Portion of Financed Private Loans ≥ 180 Days Past Due or Extinguished by Bankruptcy	-
ix.	Loan Account	-
x.	General Revenue Fund	-
xi.	Principal Account	-
xii.	Interest Account	-
xiii.	Capitalized Interest Fund	-
xiv.	Debt Service Reserve Fund	-
xv.	Accrued Interest on Investments	-
xvi.	<b>Total Value of Trust Estate</b>	-
		\$
<b>Liabilities</b>		-
xvii.	Principal of Senior Bonds Outstanding	-
xviii.	Accrued Interest on Senior Bonds Outstanding	-
xix.	Principal of Subordinate Bonds Outstanding	-
xx.	Accrued Interest on Subordinate Bonds Outstanding	-
xxi.	Accrued Operating Costs Not Already Funded	-
xxii.	Accrued Department Reserve Fund Amounts Not Already Funded	-
xxiii.	Rebate Amount and Excess Yield Liability Not Already Funded	-
xxiv.	<b>Total Liabilities</b>	-
		\$
<b>Parity Percentage [ III.C.xvi / III.C.xxiv. ]</b>		0.00%
<b>Senior Parity Percentage [ III.C.xvi / (III.C.xxiv - III.C.xix - III.C.xx) ]</b>		0.00%

IV. Transactions for the Time Period

<b>A. Student Loan Principal Collection Activity</b>		
i.	Regular Principal Collections	\$ -
ii.	Principal Collections from Guaranty Agency	-
iii.	Principal Recoveries on Private Loans Previously Considered Loss	-
iv.	Paydown due to Loan Consolidation	-
v.	Other System Adjustments	-
vi.	<b>Total Principal Collections</b>	\$ -
<b>B. Student Loan Non-Cash Principal Activity</b>		
i.	Principal Realized Losses - Claim Write-Offs	\$ -
ii.	Principal Realized Losses - Other	-
iii.	Principal Losses - Private Loans 180 days past due or Extinguished by Bankruptcy	-
iv.	Adjustments for Principal Recoveries on Private Loans Previously Considered Loss	-
v.	Other Adjustments (Borrower Incentives)	-
vi.	Interest Capitalized into Principal During Collection Period	-
vii.	<b>Total Non-Cash Principal Activity</b>	\$ -
<b>C. Student Loan Principal Additions</b>		
i.	New Loan Disbursements	\$ -
ii.	New Loan Acquisitions	\$ -
iii.	Origination Fees	\$ -
iv.	<b>Total Principal Additions</b>	\$ -
<b>D. Total Student Loan Principal Activity ( A.vi + B.vii. + C.iv )</b>		\$ -
<b>E. Student Loan Interest Activity</b>		
i.	Regular Interest Collections	\$ -
ii.	Interest Claims Received from Guaranty Agency	-
iii.	Interest Recoveries on Private Loans Previously Considered Loss	-
iv.	Late Fees & Other	-
v.	Interest due to Loan Consolidation	-
vi.	Other System Adjustments	-
vii.	Special Allowance Payments	-
viii.	Interest Subsidy Payments	-
ix.	<b>Total Interest Collections</b>	\$ -
<b>F. Student Loan Non-Cash Interest Activity</b>		
i.	Interest Losses - Claim Write-offs	0.00
ii.	Interest Losses - Other	-
iii.	Interest Losses - Private Loans 180 days past due or Extinguished by Bankruptcy	-
iv.	Adjustments for Interest Recoveries on Private Loans Previously Considered Loss	-
v.	Other Adjustments	-
vi.	Interest Capitalized into Principal During Collection Period	0.00
vii.	<b>Total Non-Cash Interest Adjustments</b>	0.00
<b>G. Student Loan Interest Additions</b>		
i.	New Loan Additions	-
ii.	<b>Total Interest Additions</b>	-
<b>H. Total Student Loan Interest Activity ( E.ix + F.vii. + G.ii )</b>		\$ -

V. Student Loan Default and Recovery Summary	
<b>A. Private Loan Default and Recovery Summary</b>	
i.	Principal Disbursed to Date on Private Loans
ii.	Interest Capitalized to Date on Private Loans
iii.	Total Principal Required to be Paid on Private Loans (V.A.i. + V.A.ii.)
iv.	Principal Balance of Private Loans Defaulting (Reaching 180 Days Past Due or Being Extinguished in Bankruptcy) During Period
v.	Cumulative Principal Balance of Defaulted Private Loans
vi.	Cumulative Default Rate (V.A.v. / V.A.iii.)
vii.	Cumulative Principal Received on Private Loans Since Default
viii.	Cumulative Interest Received on Private Loans Since Default
ix.	Cumulative Fees Received on Private Loans Since Default
	0.00%
<b>B. FFELP Loan Defaults</b>	
i.	Principal Balance of FFELP Loans Upon Transfer into Trust Estate
ii.	Interest Capitalized to Date on FFELP Loans Since Transfer into Trust Estate
iii.	Total Principal Required to be Paid on FFELP Loans (V.B.i. + V.B.ii.)
iv.	Principal Balance of FFELP Loans Defaulting (claim filed with Guaranty Agency) During Period
v.	Cumulative Principal Balance of Defaulted FFELP Loans
vi.	Cumulative Default Rate (V.B.v. / V.B.iii.)
	0.00%



Status	WAC		Number of Loans		WARM		Principal Balance		%
	[Closing Date]	12/31/09	[Closing Date]	12/31/09	[Closing Date]	12/31/09	[Closing Date]	12/31/09	
In School									
FFELP Loans	0.00%	0.00%					\$ -	0.00%	0.00%
Private Loans on Interest Plan									
Days Delinquent	0.00%	0.00%						0.00%	0.00%
0-30									
31-60									
61-90									
91-120									
120-179									
Total	0.00%	0.00%					\$ -	0.00%	0.00%
Private Loans on Fixed Payment Plan									
Days Delinquent	0.00%	0.00%						0.00%	0.00%
0-30									
31-60									
61-90									
91-120									
120-179									
Total	0.00%	0.00%					\$ -	0.00%	0.00%
Total In School	0.00%	0.00%					\$ -	0.00%	0.00%
Repayment:									
Active									
FFELP Loans									
Days Delinquent	0.00%	0.00%						0.00%	0.00%
0-30									
31-60									
61-90									
91-120									
120-179									
Total	0.00%	0.00%					\$ -	0.00%	0.00%
Private Loans									
Days Delinquent	0.00%	0.00%						0.00%	0.00%
0-30									
31-60									
61-90									
91-120									
120-179									
Total	0.00%	0.00%					\$ -	0.00%	0.00%
Deferment									
FFELP Loans	0.00%	0.00%						0.00%	0.00%
Forbearance									
FFELP Loans	0.00%	0.00%						0.00%	0.00%
Private Loans	0.00%	0.00%						0.00%	0.00%
Total Repayment	0.00%	0.00%					\$ -	0.00%	0.00%
Claims In Process	0.00%	0.00%						0.00%	0.00%
Aged Claims Rejected	0.00%	0.00%						0.00%	0.00%
Grand Total	0.00%	0.00%					\$ -	0.00%	0.00%

**IX. Servicer Totals as of 12/31/2009**

Loan Type	WAC	WARM	Number of Loans	Principal Balance	Percent of Total
FFELP Consolidation Loans - Subsidized	0.00%				0.00%
FFELP Consolidation Loan - Unsubsidized					
Private Loans on Interest Plan					
Private Loans on Fixed Payment Plan					
<b>Total</b>	<b>0.00%</b>				<b>0.00%</b>
<b>School Type</b>					
Four-Year Public & Private Nonprofit	0.00%				0.00%
Two-Year Public & Private Nonprofit					
For Profit / Vocational					
Unknown/Consolidation Loans					
<b>Total</b>	<b>0.00%</b>				<b>0.00%</b>

**VII. Portfolio Characteristics by Program and School Type as of 12/31/2009**

WAC	WARM	Number of Loans	Principal Balance	Percent of Total
0.00%				0.00%
0.00%				0.00%
0.00%				0.00%
0.00%				0.00%

**VIII. Portfolio Characteristics by Student Grade Level Distribution as of 12/31/2009**

Grade Level	WAC	WARM	Number of Loans	Principal Balance	Percent of Total
Freshman	0.00%				0.00%
Sophomore					
Junior					
Senior					
1st Year Graduate					
2nd Year Graduate					
3rd Year Graduate +					
Unknown/Consolidation					
<b>Total</b>	<b>0.00%</b>				<b>0.00%</b>

X. Collateral Table as of 12/31/2009						
A. Distribution of the Student Loans by Borrower Interest Rate Type						
Rate Type	FFELP Loans	Private Loans	Principal Balance	Percent of Principal	Principal Balance	Percent of Principal
	Number of Loans	Number of Loans	\$		\$	
Fixed Rate						
Variable Rate						
Total			\$	0.00%	\$	0.00%
B. Distribution of the Student Loans by Interest Rate						
Interest Rate	FFELP Loans	Private Loans	Principal Balance	Percent of Principal	Principal Balance	Percent of Principal
	Number of Loans	Number of Loans	\$		\$	
2.00% - 2.99%				0.00%		0.00%
3.00% - 3.99%						
4.00% - 4.99%						
5.00% - 5.99%						
6.00% - 6.99%						
7.00% - 7.99%						
8.00% - 8.99%						
9.00% and greater						
Total			\$	0.00%	\$	0.00%
C. Distribution of the Student Loans by Date of First Disbursement						
Disbursement Date	FFELP Loans	Private Loans	Principal Balance	Percent of Principal	Principal Balance	Percent of Principal
	Number of Loans	Number of Loans	\$		\$	
October 1, 2007 and After				0.00%		0.00%
April 1, 2006 - Sept. 30, 2007						
October 1, 1993 - March 31, 2006						
Total			\$	0.00%	\$	0.00%
D. Distribution of the Student Loans by # of Months Remaining Until Scheduled Maturity						
Number of Months	FFELP Loans	Private Loans	Principal Balance	Percent of Principal	Principal Balance	Percent of Principal
	Number of Loans	Number of Loans	\$		\$	
0 - 12				0.00%		0.00%
13 - 24						
25 - 36						
37 - 48						
49 - 60						
61 - 72						
73 - 84						
85 - 96						
97 - 108						
109 - 120						
121 - 132						
133 - 144						
145 - 156						
157 - 168						
169 - 180						
181 - 192						
193 - 204						
205 - 216						
217 - 228						
229 - 240						
241 or greater						
Total			\$	0.00%	\$	0.00%

**X. Collateral Table as of 12/31/2009 (continued from previous page)**

<b>E. Distribution of Loans in Repayment by Repayment Year</b>					
	<u>FFELP Loans</u>	<u>Private Loans</u>			
	Number of Loans	Number of Loans	Principal Balance	Principal Balance	Percent of Principal
1st year of repayment			\$ -	\$ -	0.00%
2nd year of repayment					
3rd year of repayment					
More than 3 years of repayment					
Claim					
Total			\$ -	\$ -	0.00%

**F. Weighted Average Months in Repayment**

FFELP Loans	
Private Loans	
Total	

**G. Distribution of the Student Loans by Range of Principal Balance**

	<u>FFELP Loans</u>	<u>Private Loans</u>			
	Number of Loans	Number of Loans	Principal Balance	Principal Balance	Percent of Principal
Principal Balance			\$ -	\$ -	0.00%
Less than \$999					
\$1,000 to \$1,999					
\$2,000 to \$2,999					
\$3,000 to \$3,999					
\$4,000 to \$4,999					
\$5,000 to \$5,999					
\$6,000 to \$6,999					
\$7,000 to \$7,999					
\$8,000 to \$8,999					
\$9,000 to \$9,999					
\$10,000 to \$14,999					
\$15,000 to \$19,999					
\$20,000 to \$24,999					
\$25,000 to \$29,999					
\$30,000 to \$34,999					
\$35,000 to \$39,999					
\$40,000 to \$44,999					
\$45,000 to \$49,999					
\$50,000 to \$54,999					
\$55,000 or Greater					
Total			\$ -	\$ -	0.00%

X. Collateral Table as of 12/31/2009 (continued from previous page)			
H. Distribution of FFELP Loans by Guaranty Agency			
Guaranty Agency	Number of Loans	Principal Balance	Percent of Total
SC SEAA		\$ -	100.0%
I. Distribution of Student Loans by Guaratee Percentage			
Rate	Number of Loans	Principal Balance	Percent of Total
100%		\$ -	0.00%
98%			
97%			
Not Guaranteed			
Total		\$ -	0.00%

**X. Collateral Table as of 12/31/2009 (continued from previous page)**

<b>J. Distribution of Private Loans by School Type and Approval Type</b>					
	<b>Co-signed</b>		<b>Not Co-signed</b>		
	Number of Loans	Principal Balance	Number of Loans	Principal Balance	Percent of Principal
Four-Year Public & Private Nonprofit		\$ -		\$ -	0.00%
Two-Year Public & Private Nonprofit		\$ -		\$ -	0.00%
For Profit / Vocational		\$ -		\$ -	0.00%
Unknown/Consolidation Loans		\$ -		\$ -	0.00%
<b>Total</b>		\$ -		\$ -	0.00%

<b>K. Distribution of Private Loans by FICO Score and Approval Type</b>					
	<b>Co-signed</b>		<b>Not Co-signed</b>		
	Number of Loans	Principal Balance	Number of Loans	Principal Balance	Percent of Principal
670-679		\$ -		\$ -	0.00%
680-689		\$ -		\$ -	0.00%
690-699		\$ -		\$ -	0.00%
700-709		\$ -		\$ -	0.00%
710-719		\$ -		\$ -	0.00%
720-729		\$ -		\$ -	0.00%
730-739		\$ -		\$ -	0.00%
740-749		\$ -		\$ -	0.00%
750-759		\$ -		\$ -	0.00%
760-769		\$ -		\$ -	0.00%
770-779		\$ -		\$ -	0.00%
780-789		\$ -		\$ -	0.00%
790-799		\$ -		\$ -	0.00%
800 and Above		\$ -		\$ -	0.00%
<b>Total</b>		\$ -		\$ -	0.00%

<b>L. Weighted Average FICO Score</b>	
Co-signed	
Not Co-signed	
<b>Total</b>	

**X. Collateral Table as of 12/31/2009 (continued from previous page)**

<b>M. Distribution of Private Loans by School</b>	Number of Loans	Principal Balance	Percent of Total
ANDERSON UNIVERSITY			
CHARLESTON SCHOOL OF LAW			
CHARLESTON SOUTHERN UNIVERSITY			
CLEMSON UNIVERSITY			
COASTAL CAROLINA UNIVERSITY			
COLLEGE OF CHARLESTON			
CONVERSE COLLEGE			
ERSKINE COLLEGE			
FRANCIS MARION UNIVERSITY			
FURMAN UNIVERSITY			
HORRY-GEORGETOWN TECHNICAL COL			
LANDER UNIVERSITY			
LIMESTONE COLLEGE			
MEDICAL UNIVERSITY OF SC			
NEWBERRY COLLEGE			
NORTH GREENVILLE UNIVERSITY			
PRESBYTERIAN COLLEGE			
SC STATE UNIVERSITY			
THE CITADEL			
TRI COUNTY TECH COLLEGE			
UNIVERSITY OF SC-AIKEN			
UNIVERSITY OF SC-COLUMBIA			
UNIVERSITY OF SC-UPSTATE			
WINTHROP UNIVERSITY			
WOFFORD COLLEGE			
Other SC Schools			
Other Out-of-State Schools			
<b>Total</b>		\$ -	0.00%

XI. Items to Note



**CURRENT BORROWER BENEFIT PROGRAMS**

Private Loans:

0.25% interest rate reduction for automatic debit

FFELP Loans:

1% interest rate reduction after 36 or 48 timely payments

Up to 0.50% interest rate reduction for automatic debit

Forgiveness of the final payments on FFELP Loans in the amount of \$250 to \$750 for each borrower having provided a copy of his or her diploma under the Corporation's graduation incentive program, but not to exceed \$26,500 total forgiveness.

**EXHIBIT F**

**CURRENT OPERATING COSTS PAID PER ANNUM**

Operating Costs (per annum)

Servicing Fees (as % of outstanding loan balance)	0.70%
Fiduciary Fees	\$6,000
Other Operating Costs	\$15,000

**CERTAIN CLOSING CASH FLOW ASSUMPTIONS**

Student Loans funded using moneys deposited to the Loan Account pursuant to Section 401(b) and during the Recycling Period are as follows:

- (i) FFELP Loans having a Value of approximately \$25 million, becoming Financed FFELP Loans within 15 days of the Issue Date and consisting entirely of Consolidation Loans having first disbursement dates prior to April 1, 2006, and
- (ii) All other moneys are used to finance Private Loans made pursuant to the PAL Program Manual.

FFELP Loans pledged pursuant to Section 403 consist of Consolidation Loans.