NEW ISSUE—BOOK-ENTRY ONLY

Expected Ratings: Senior /Subordinate
S&P Global Ratings: "AA (sf)"/ "BBB (sf)"
See "RATINGS" herein

In the opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel, under existing law, and assuming continued compliance with various requirements of the Internal Revenue Code of 1986, as amended: (i) interest on the Subordinate 2025B Bonds is excludable from the gross income of holders of such Subordinate 2025B Bonds for federal income tax purposes under Section 103 of the Code. Interest on the Subordinate 2025B Bonds will constitute a preference item for purposes of computation of the federal individual alternative minimum tax and interest on the Subordinate 2025B Bonds included in the adjusted financial statement income of certain corporations is included in the computation of the federal corporate alternative minimum tax. Interest on the Senior 2025A Bonds will be included in the gross income of holders of such Senior 2025A Bonds for federal income tax purposes. In the opinion of Bond Counsel, under existing law, interest on the Series 2025 Bonds and any profit made on the sale thereof are exempt from Massachusetts personal income taxes, and the Series 2025 Bonds are exempt from Massachusetts personal property taxes. See the caption "TAX MATTERS" herein.

MEFA™ | Massachusetts Educational Financing Authority

$282,055,000
MASSACHUSETTS EDUCATIONAL FINANCING AUTHORITY
EDUCATION LOAN REVENUE BONDS, ISSUE M, SERIES 2025
SENIOR SERIES 2025A (FEDERALLY TAXABLE) AND SUBORDINATE SERIES 2025B (AMT)

Dated: Date of Delivery **Due: July 1, as shown on the inside cover page**

The Massachusetts Educational Financing Authority (the "Authority") is offering $282,055,000 of its Education Loan Revenue Bonds, Issue M, Series 2025, consisting of $240,940,000 Senior Series 2025A (Federally Taxable) (the "Senior 2025A Bonds") and $41,115,000 Subordinate Series 2025B (AMT) (the "Subordinate 2025B Bonds" and together with the Senior 2025A Bonds, the "Series 2025 Bonds"). The Series 2025 Bonds will be the third issuance of bonds under the Authority's Education Loan Revenue Bond General Resolution, Issue M, dated as of April 8, 2021 (as supplemented, the "Issue M Resolution" and all bonds issued thereunder, the "Issue M Bonds").

The Series 2025 Bonds, together with other funds of the Authority, are being issued for the principal purposes of: (i) financing education loans to, or on behalf of, undergraduate and graduate students who attend participating institutions under the MEFA Loan Program (as defined herein); (ii) funding the Reserve Fund and the Taxable Capitalized Interest Account; and (iii) paying certain of the costs of issuing the Series 2025 Bonds.

The Authority expects to originate approximately $275 million of MEFA Loans (as defined herein) that will secure the Issue M Bonds from proceeds of the Series 2025 Bonds. In addition, upon the issuance of the Series 2025 Bonds, a projected amount of approximately $24† million of existing MEFA Refinancing Loans (as defined herein) is expected to be transferred to the Issue M Resolution from the Authority's commercial paper program in connection with the repayment of certain notes issued thereunder. MEFA Loans are originated on the basis of borrower and, if applicable, co-borrower credit evaluation, and are not guaranteed by the Authority or any other entity.

The Authority's obligation to provide funds to pay the principal of and interest on the Issue M Bonds is limited to the MEFA Education Loans (as defined herein) that are pledged to the repayment of the Issue M Bonds, the revenues received from those MEFA Education Loans and the other assets pledged for this purpose under the Issue M Resolution. The Issue M Resolution permits the Authority to issue additional Issue M Bonds that will be payable from these assets, and the proceeds of such additional Issue M Bonds may be used to acquire other types of MEFA Education Loans originated under the MEFA Financing Program (as defined herein) in the future.

The Series 2025 Bonds will bear interest from their date of delivery at the applicable rates per annum set forth on the inside cover page, payable semiannually on each January 1 and July 1, commencing January 1, 2026. The Series 2025 Bonds will mature on July 1 in the years and in the principal amounts set forth on the inside cover page. The Series 2025 Bonds are available in denominations of $5,000 or any integral multiple thereof. The Series 2025 Bonds are subject to optional, mandatory, and special redemptions prior to maturity, including redemption at par, under a variety of circumstances as described herein.

The Series 2025 Bonds will be issued only as fully registered bonds under a book-entry method, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Interest on and principal of the Series 2025 Bonds will be paid to DTC by U.S. Bank Trust Company, National Association, Boston, Massachusetts, as successor trustee and paying agent. So long as DTC or its nominee is the bondholder, disbursement of such payments to DTC Participants is the responsibility of DTC, and disbursement of such payments to the ultimate purchasers ("Beneficial Owners") is the responsibility of DTC Participants or other nominees of the Beneficial Owners. There will be no distribution of Series 2025 Bond certificates to the Beneficial Owners thereof.

The Series 2025 Bonds are special obligations of the Authority, which has no taxing power. Neither The Commonwealth of Massachusetts nor any political subdivision thereof is or shall be obligated to pay the principal of or interest on the Series 2025 Bonds, and neither the full faith and credit nor the taxing power of The Commonwealth of Massachusetts or any political subdivision thereof is pledged to such payment.

The Series 2025 Bonds are offered when, as and if issued and received by the Underwriters, subject to approval of legality by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, Bond Counsel, and certain other conditions. Certain legal matters are subject to the approval of Kutak Rock LLP, Denver, Colorado, Counsel to the Underwriters. It is expected that the Series 2025 Bonds will be available for delivery through DTC in New York, New York on or about June 26, 2025.

RBC Capital Markets

BofA Securities

June 11, 2025

† Projected as of the date of this Official Statement.

MATURITY SCHEDULE

Senior 2025A Term Bonds (Federally Taxable)

Maturity: July 1, 2035 Principal Amount: $50,700,000 Interest Rate: 5.520% Price: 100.000%
Yield: 5.520% CUSIP‡ 57563R UE7

Senior 2025A Bonds (Federally Taxable)

Maturity: July 1, 2050 Principal Amount: $190,240,000 Interest Rate: 6.166% Price: 100.000%
Yield: 6.166% CUSIP‡ 57563R UF4

Subordinate 2025B Bonds (AMT)

Maturity: July 1, 2055 Principal Amount: $41,115,000 Interest Rate: 5.500% Price: 97.279%
Yield: 5.690% CUSIP‡ 57563R UG2

‡ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP numbers are included solely for the convenience of Bondholders, and the Authority 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.

The information set forth herein has been furnished by the Authority and by other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or other matters described herein since the date hereof.

No dealer, broker, salesperson or other person has been authorized by the Authority or by any of the Underwriters listed on the front cover of this Official Statement (collectively, the "Underwriters") to give any information or to make any representations other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is not to be construed as a contract with purchasers or holders of the Series 2025 Bonds.

The Underwriters have provided the following statement for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applicable to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information in this Official Statement 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 Authority, any of its advisors or the Underwriters have independently verified, make any representation regarding or accept any responsibility for, the accuracy, completeness or adequacy of such information.

The Series 2025 Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange, nor has the Issue M Resolution 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 2025 Bonds and the security therefor, including an analysis of the risks involved. The Series 2025 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity has passed upon the accuracy, completeness or adequacy of this Official Statement or approved the Series 2025 Bonds for sale.

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

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the Authority's business and financial results could cause actual results to differ materially from those stated in the forward-looking statements. See the captions "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT" and "INVESTMENT CONSIDERATIONS" herein. The forecasts, projections and estimates have not been examined or compiled by Massachusetts Educational Financing Authority's auditors; nor have its auditors expressed an opinion or any other form of assurance on the information or its achievability. The audited financial statements referred to in this Official Statement relate to Massachusetts Educational Financing Authority's historical financial information and do not extend to any forecasts, projections and estimates.

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SUMMARY STATEMENT

This Summary Statement, being part of this Official Statement, is subject in all respects to more detailed information appearing herein. The Series 2025 Bonds are offered to potential investors only by means of this entire Official Statement, including the cover page, inside cover page and the Appendices attached hereto. Reference must be made to this entire Official Statement to evaluate the Series 2025 Bonds. No person is authorized to detach this Summary Statement from this Official Statement or to otherwise use it without this entire Official Statement. All capitalized terms used in this Official Statement (including the front cover and inside cover page) and not otherwise defined herein shall have the meanings specified in Appendix B hereto.

Issuer ..... The Massachusetts Educational Financing Authority, a body politic and corporate constituting a public instrumentality of The Commonwealth of Massachusetts (the "Commonwealth") established in 1982 pursuant to the Act (as defined below) to assist in the financing and refinancing of the costs of post-secondary education (the "Authority"). See the caption "THE AUTHORITY" herein.

Series 2025 Bonds ..... $282,055,000 aggregate principal amount of Education Loan Revenue Bonds, Issue M, Series 2025, consisting of $240,940,000 Senior Series 2025A (Federally Taxable) (the "Senior 2025A Bonds") and $41,115,000 Subordinate Series 2025B (AMT) (the "Subordinate 2025B Bonds" and together with the Senior 2025A Bonds, the "Series 2025 Bonds"), offered as fixed rate bonds, dated, maturing, bearing interest and priced as set forth on the inside cover page hereof. The Authority expects to issue the Series 2025 Bonds under its Education Loan Revenue Bond General Resolution, Issue M, dated as of April 8, 2021 (as previously supplemented and amended, the "Issue M General Resolution"), as further supplemented by a Fifth Issue M Series Resolution, dated as of April 10, 2025 providing for the issue of the Senior 2025A Bonds (the "Fifth Series Resolution"), and a Sixth Issue M Series Resolution, dated as of April 10, 2025 providing for the issue of the Subordinate 2025B Bonds (the "Sixth Series Resolution," and together with the Issue M General Resolution and the Fifth Series Resolution, the "Issue M Resolution").

The Series 2025 Bonds are being issued for the primary purpose of financing education loans to, or on behalf of, undergraduate and graduate students who attend participating institutions under the MEFA Loan Program (as defined herein). The Issue M Loans, as described below, financed or to be financed from proceeds of bonds issued under the Issue M Resolution ("Issue M Bonds"), including the Series 2025 Bonds, and from other monies made available thereunder, along with revenues and other assets that are expressly pledged under the Issue M Resolution are the only security for payment of the Issue M Bonds.

The Series 2025 Bonds will be the third issuance of Issue M Bonds under the Issue M Resolution. The Senior 2025A Bonds constitute senior bonds under the Issue M Resolution and will be secured on a parity with the Authority's Education Loan Revenue Bonds, Senior Series 2021A (the "Senior 2021A Bonds"), Senior Series 2021B (the "Senior 2021B Bonds"), Senior Series 2022A (the "Senior 2022A Bonds") and Senior Series 2022B (the "Senior 2022B Bonds") and any additional Issue M Bonds issued in the future as senior bonds (collectively, the "Senior Issue M Bonds"), and on a senior basis to (a) the Subordinate 2025B Bonds, the Authority's Education Loan Revenue Bonds, Subordinate Series 2021C (the "Subordinate 2021C Bonds") and Subordinate Series 2022C (the "Subordinate 2022C Bonds"), and any additional Issue M Bonds issued in the future as subordinate bonds (collectively, the "Subordinate Issue M Bonds") and (b) any Issue M Bonds issued in the future as junior subordinate bonds (the "Junior Subordinate Issue M Bonds," and together with the Senior Issue M Bonds and the Subordinate Issue M Bonds, the "Issue M Bonds"). The Subordinate 2025B Bonds constitute Subordinate Issue M Bonds, will be secured on a parity with the Subordinate 2021C Bonds and the Subordinate 2022C Bonds and any additional Issue M Bonds issued in the future as Subordinate Issue M Bonds, on a senior basis to any Junior Subordinate Issue M Bonds issued in the future, and will be subordinated to the Senior 2025A Bonds, the Senior 2021A Bonds, the Senior 2021B Bonds, the Senior 2022A Bonds, the Senior 2022B Bonds and any additional Senior Issue M Bonds issued in the future. No Junior Subordinate Issue M Bonds have been issued or are included in the Series 2025 Bonds.

The Senior 2025A Bonds, the Senior 2022A Bonds, the Senior 2021A Bonds and any additional Issue M Bonds issued in the future the interest on which is included in gross income for federal income tax purposes constitute taxable bonds under the Issue M Resolution (collectively, the "Taxable Bonds"), and the Subordinate 2025B Bonds, the Senior 2022B Bonds, the Subordinate 2022C Bonds, the Senior 2021B Bonds, the Subordinate 2021C Bonds and any additional Issue M Bonds issued in the future the interest on which is excludable from gross income for federal income tax purposes constitute tax-exempt bonds under the Issue M Resolution (collectively, the "Tax-Exempt Bonds").

The Authority has previously issued numerous series of bonds and notes that were, or that are, separately secured under resolutions other than the Issue M Resolution. In the future, the Authority expects to issue additional series of bonds or notes secured under other existing or new resolutions. The Issue M Bonds are not payable from any of the assets pledged under such other resolutions to secure such separately secured series of

bonds and the assets pledged to secure the payment of the Issue M Bonds are not available to pay any such separately secured bonds. See the caption "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT—Additional Bonds" herein.

The Senior Parity Ratio for the Issue M Resolution is expected to be at least 119.25% following the issuance of the Series 2025 Bonds. The Overall Parity Ratio for the Issue M Resolution is expected to be at least 105.79% following the issuance of the Series 2025 Bonds. The Issue M Resolution does not require the Authority to maintain either the Senior Parity Ratio or the Overall Parity Ratio at such levels, and the Authority expects that such ratios will change over time as a result of a number of factors, including Issue M Loan origination and repayment experience, the issuance of additional Issue M Bonds, the payment of Issue M Bonds and the release of Trust Assets. Unless changed pursuant to the provisions of the Issue M Resolution, the Overall Parity Ratio and Net Assets which will be required under the Issue M Resolution for the release of Trust Assets on or after the January 1, 2026 Interest Payment Date, are 105.0% and $6,000,000, respectively. See the captions "PLAN OF FINANCING" and "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT—Release of Excess Trust Assets" herein. See the captions "PLAN OF FINANCING" and "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT—Release of Excess Trust Assets" herein.

Interest Payments on Series 2025 Bonds

Interest on the Series 2025 Bonds will accrue from their delivery date and be payable on each January 1 and July 1, commencing January 1, 2026, or, if any such day is not a Business Day, the next Business Day. Interest on the Series 2025 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Redemption or Acceleration

The Authority may redeem all or a portion of the Series 2025 Bonds prior to their scheduled maturity, without payment of a premium, under several circumstances as described herein. The timing of any such redemption and amount of Series 2025 Bonds that may be affected cannot be determined with any certainty at this time. Such redemption may result from failure to apply proceeds of the Series 2025 Bonds and of other moneys available to the Authority to originate Issue M Loans as currently expected, the repayment performance and prepayment of Issue M Loans and the degree to which the Authority's actual experience with respect to such factors conforms to certain cash flow assumptions that were relied on by the Authority in connection with the structuring of the Series 2025 Bonds. In certain cases, the Issue M Resolution permits application of

Revenues allocable to a particular Series of Issue M Bonds to the redemption of eligible maturities within any or all Issue M Bonds and permits the Authority to direct available Revenues to the redemption of such Series of Issue M Bonds as it may choose, and within a Series to such eligible maturities as it may choose. In addition, principal of the Issue M Bonds may also be accelerated under the circumstances described herein. See the captions "REDEMPTION PROVISIONS" and "INVESTMENT CONSIDERATIONS—Redemption of Series 2025 Bonds" herein and "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION—Remedies" hereto.

Special Obligations

The Issue M Bonds, including the Series 2025 Bonds, are special obligations of the Authority and are payable solely from the Revenues and amounts on deposit in certain Funds and accounts established and pledged under the Issue M Resolution. No other revenues or assets are available to fund payment of the Issue M Bonds, including the Series 2025 Bonds. The Authority has no taxing power. Neither the Commonwealth nor any political subdivision thereof is or shall be obligated to pay the principal of or interest on the Issue M Bonds, including the Series 2025 Bonds, and neither the full faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to such payment.

Sources of Payments for the Series 2025 Bonds

The Issue M Bonds, including the Series 2025 Bonds, are secured by and payable from the following sources (the "Trust Assets"):

(1) All Revenues.

(2) All Education Loan Notes and any other Revenue-producing contracts or loan guaranties and all rights and interests of the Authority incident thereto, except for amounts loaned to the Authority or the Authority's rights to indemnification under any security agreement required for an Education Loan Note pursuant to the Loan Program Certificate.

(3) All moneys and securities on deposit in all Funds and accounts created by or pursuant to the Issue M Resolution as described herein (except for the Rebate Fund), including without limitation any Reserve Fund Facilities, any funds drawn on Reserve Fund Facilities and any Investment Obligations in which such moneys are invested.

(4) All general intangibles (including payment intangibles) comprising or relating to any of the foregoing.

(5) The proceeds of any of the foregoing whether any of the foregoing is now existing or is hereafter acquired.

See the caption "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT" herein.

The Issue M Resolution establishes separate accounts within each Fund for Taxable Bonds and Tax-Exempt Bonds. See the caption "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT—Revenue Accounts" herein. Although the Revenues received from Issue M Loans allocable to Taxable Bonds are accounted for separately from Revenues allocable to the Tax-Exempt Bonds, all the Issue M Bonds are secured by all of the Revenues received from the Issue M Bonds and all other Trust Assets under the Issue M Resolution. See "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION—Priority of Unscheduled Draws to Meet Required Debt Service for Tax-Exempt Bonds, Tax-Exempt Program Expenses and Subordinated Tax-Exempt Program Expenses" and "—Priority of Unscheduled Draws to Meet Required Debt Service for Taxable Bonds, Taxable Program Expenses and Subordinated Taxable Program Expenses" hereto.

Reserve Fund

A Reserve Fund for the Issue M Bonds has been established under the Issue M Resolution, including a Taxable Reserve Account and a Tax-Exempt Reserve Account therein. The Issue M Resolution requires that the Taxable Reserve Account be maintained in an amount at least equal to the most recently established Taxable Reserve Account Requirement, and that the Tax-Exempt Reserve Account be maintained in an amount at least equal to the most recently established Tax-Exempt Reserve Account Requirement.

Upon issuance of the Series 2025 Bonds, (a) the Taxable Reserve Account Requirement will be $7,229,650, which is an amount equal to the greater of 1.0% of the principal amount of the Taxable Bonds then Outstanding and the amount equal to 0.35% of the aggregate principal amount of the Taxable Bonds outstanding on the date of issuance of the Series 2025 Bonds, and (b) the Tax-Exempt Reserve Account Requirement will be $2,436,900, which is an amount equal to the greater of 1.0% of the principal amount of the Tax-Exempt Bonds then Outstanding and the amount equal to 0.35% of the aggregate principal amount of the Tax-Exempt Bonds outstanding on the date of issuance of the Series 2025 Bonds. Each of the Taxable Reserve Account Requirement and the Tax-Exempt Reserve Account Requirement is subject to change upon compliance with certain requirements of the Issue M Resolution.

Proceeds of the Senior 2025A Bonds will be deposited to the Taxable Reserve Account in an amount sufficient to satisfy the Taxable Reserve Account Requirement and proceeds of the Subordinate 2025B Bonds will be deposited to the Tax-Exempt Reserve Account in an amount sufficient to satisfy the Tax-Exempt Reserve Account Requirement. See the captions "ESTIMATED SOURCES AND USES OF FUNDS" and "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT—Reserve Fund" herein.

Use of Bond Proceeds

The proceeds of the Senior 2025A Bonds, together with other available funds, are expected to be used to: (i) finance MEFA Loans bearing interest at fixed rates ("Fixed Rate MEFA Loans"); (ii) fund the Taxable Reserve Account Requirement and the Taxable Capitalized Interest Account; and (iii) pay certain costs of issuing the Senior 2025A Bonds.

The proceeds of the Subordinate 2025B Bonds are expected to be used to: (i) finance Fixed Rate MEFA Loans; (ii) fund the Tax-Exempt Reserve Account Requirement; and (iii) pay certain costs of issuing the Subordinate 2025B Bonds. See the captions "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Issue M Loans

"Issue M Loans" are MEFA Education Loans that are funded through application of the proceeds of, or other funds allocated to, Issue M Bonds. All Issue M Loans are pledged as security for the payment of Issue M Bonds. As of February 28, 2025, the outstanding principal balance of existing Issue M Loans pledged to the Issue M Resolution was approximately $647.7 million. On or about the date of issuance of the Series 2025 Bonds, a projected amount of approximately $24[†] million of existing MEFA Refinancing Loans is expected to be transferred to the Issue M Resolution from the Authority's commercial paper program in connection with the repayment of certain notes issued thereunder with available Authority funds. See the caption "ISSUE M LOAN PORTFOLIO" herein.

The Authority expects that the additional Issue M Loans to be originated using remaining proceeds of the Series 2025 Bonds will be Fixed Rate MEFA Loans. All such additional Fixed Rate MEFA Loans will be credit-based loans with terms and conditions that are similar to the terms and conditions described herein. The Authority reserves the right, however, to apply proceeds of any now or hereafter issued Issue M Bonds and any Revenues available for recycling to finance MEFA Education Loans, including MEFA Refinancing Loans, with terms and conditions that vary from those described herein, upon compliance with certain requirements of the Issue M Resolution.

[†] Projected as of the date of this Official Statement.

See the captions "INVESTMENT CONSIDERATIONS" and "THE MEFA FINANCING PROGRAM" herein.

All of the current Issue M Loans were, and substantially all future Issue M Loans are expected to be, originated solely on the basis of borrower and, if applicable, co-borrower credit evaluation, will be payable solely by the borrower and any applicable co-borrower and will not be guaranteed by the Authority or by any other person, other than any such co-borrower. See the captions "INVESTMENT CONSIDERATIONS," and "ISSUE M LOAN PORTFOLIO" herein.

MEFA Financing Program

The Authority has established a number of proprietary, unsecured consumer loan programs for financing and refinancing loans for undergraduate and graduate students, to finance higher education expenses, including credit-based and need-based loans that bear interest on a fixed rate or variable rate basis and have previously issued numerous series of bonds and notes that were, or that are, secured under resolutions other than the Issue M Resolution to fund education loans under the MEFA Financing Program.

Since inception, the MEFA Financing Program has included loans to finance higher education expenses of current students ("MEFA Loans" and the "MEFA Loan Program"). As of 2015, the MEFA Financing Program was expanded to include loans to refinance higher education expenses ("MEFA Refinancing Loans" and the "MEFA Refinancing Loan Program"). MEFA Loans and MEFA Refinancing Loans are referred to collectively as "MEFA Education Loans." The Authority may issue additional Issue M Bonds or separately secured series of bonds or notes for either of these purposes in the future.

MEFA Education Loans that were originated, or that in the future may be originated, from funds obtained from the issuance of such separately secured series of bonds or notes may have terms and conditions similar to, or different from, the terms and conditions of Issue M Loans. Certain available Revenues within the Issue M Resolution (and other active MEFA bond resolutions) may be used to finance MEFA Education Loans during any Recycling Period, as described herein.

The Authority established a commercial paper program in 2017 for warehouse funding of MEFA Refinancing Loans. The commercial paper program was later expanded to accommodate funding MEFA Loans. See the captions "ESTIMATED SOURCES AND USES OF FUNDS," "THE MEFA EDUCATION LOAN PROGRAM" and "INVESTMENT CONSIDERATIONS—Redemption of Series 2025 Bonds" and

"—Composition and Characteristics of the Issue M Loan Portfolio May Change" herein.

The descriptions of the MEFA Financing Program included in this Official Statement do not address every type of MEFA Education Loan, but do describe the types of MEFA Education Loans that are expected to become material components of the Issue M Loans. Certain additional information included in this Official Statement concerning MEFA Education Loans is included for general reference purposes only, and is not intended to suggest that the characteristics or performance of Issue M Loans that bear interest at a fixed rate or, if applicable, at a variable rate will at any time be similar to that which would be expected from a representative sample of all MEFA Education Loans or of all MEFA Education Loans that bear interest on a similar basis. See the caption "INVESTMENT CONSIDERATIONS—Future Performance of the Issue M Loan Portfolio May Differ From Historical MEFA Education Loan Performance" herein.

The Authority regularly reviews the terms and conditions of the MEFA Financing Program and reserves the right to alter such terms and conditions with respect to Issue M Loans, or with respect to other MEFA Education Loans, at any time. See the captions "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT," "INVESTMENT CONSIDERATIONS—Future Performance of the Issue M Loan Portfolio May Differ From Historical MEFA Education Loan Performance," "—Composition and Characteristics of the Issue M Loan Portfolio May Change" and "—Changes in Relevant Laws" and "THE MEFA FINANCING PROGRAM" herein.

MEFA Loan Program Partners

Entech Consulting, LLC (doing business as Anovaa) ("Anovaa") currently acts as a loan originating agent for all MEFA Education Loans (a "Loan Originating Agent") pursuant to an Agreement, entered into as of January 29, 2018 (the "Anovaa Loan Origination Agreement"), between the Authority and Anovaa. U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association ("U.S. Bank") currently acts as disbursing agent for all MEFA Education Loans (the "Disbursing Agent") pursuant to a Master Services Agreement, dated as of December 18, 2017 (the "Disbursement Agreement"), between the Authority and U.S. Bank. Pennsylvania Higher Education Assistance Agency ("PHEAA") acts as the loan servicer for all MEFA Education Loans (the "Loan Servicer") pursuant to a Servicing Agreement, dated April 1, 2018, with respect to MEFA Loans and a separate Amended and Restated Servicing Agreement, dated as of April 1, 2018, with respect to MEFA Refinancing Loans (respectively or collectively, as applicable, the "PHEAA Servicing Agreement"), between the Authority and PHEAA. In addition to, and apart from, its role as the Loan

Servicer, PHEAA provides services to the Authority related to the processing of applications under the Master Services Agreement between PHEAA and the Authority dated July 18, 2023, as amended (the "PHEAA Loan Origination Services Agreement"). The Issue M Resolution permits additional or successor loan servicers, disbursing agents and originators to be appointed. See the caption "MEFA EDUCATION LOAN ORIGINATION AND SERVICING," herein and "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION—Covenants as to Education Loans" hereto.

Investment Considerations

Certain factors that should be considered prior to making any investment decision concerning the Series 2025 Bonds are identified under the caption "INVESTMENT CONSIDERATIONS" herein. These factors do not constitute the only factors that should be considered and do not address the only risks of ownership of the Series 2025 Bonds. The descriptions of these factors are intended only to indicate the nature of the factors identified and not as exhaustive discussions of the potential effects of such factors.

Ratings

The Senior 2025A Bonds are expected to be rated "AA (sf)" by S&P Global Ratings ("S&P"). The Subordinate 2025B Bonds are expected to be rated "BBB (sf)" by S&P. Assignment of such ratings is a precondition to the purchase of the Series 2025 Bonds by the Underwriters.

Neither the Authority nor the Underwriters have undertaken any responsibility either to directly notify holders of Series 2025 Bonds of any proposed change in or withdrawal of such ratings or to oppose any such proposed revision, although certain rating changes are reportable under the proposed Continuing Disclosure Agreement for the Series 2025 Bonds. See the caption "INVESTMENT CONSIDERATIONS—Certain Actions May Be Permitted Without Bondholder Approval" and "—Effect of Ratings," "RATINGS" and "CONTINUING DISCLOSURE" herein.

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MASSACHUSETTS EDUCATIONAL FINANCING AUTHORITY

Members of the Authority

Keith C. Shaughnessy, *Chair*
Gary Bailey, *Vice Chair*
John D. Burke
Kelly Lynch
Amanda Magee
Costas Panagopoulos
Mark J. Quinn
Secretary of the Executive Office
for Administration and Finance, *ex officio*
Secretary of the Executive Office
of Housing and Economic Development, *ex officio*

Address of the Authority

60 State Street
Boston, Massachusetts 02109
Thomas M. Graf, *Executive Director*

OFFICIAL STATEMENT
Relating to

$282,055,000
MASSACHUSETTS EDUCATIONAL FINANCING AUTHORITY
EDUCATION LOAN REVENUE BONDS, ISSUE M, SERIES 2025
SENIOR SERIES 2025A (FEDERALLY TAXABLE) AND SUBORDINATE SERIES 2025B (AMT)

The purpose of this Official Statement is to set forth information in connection with the sale by the Massachusetts Educational Financing Authority (the "Authority") of $282,055,000 aggregate principal amount of Education Loan Revenue Bonds, Issue M, Series 2025, consisting of $240,940,000 Senior Series 2025A (Federally Taxable) (the "Senior 2025A Bonds") and $41,115,000 Subordinate Series 2025B (AMT) (the "Subordinate 2025B Bonds" and together with the Senior 2025A Bonds, the "Series 2025 Bonds"), pursuant to Chapter 15C of the General Laws of The Commonwealth of Massachusetts (the "Commonwealth"), as amended (the "Act"), the Education Loan Revenue Bond General Resolution, Issue M, dated as of April 8, 2021 (as previously amended and supplemented, the "Issue M General Resolution"), as further supplemented by the Fifth Issue M Series Resolution, dated as of April 10, 2025 (the "Fifth Series Resolution"), and the Sixth Issue M Series Resolution, dated as of April 10, 2025 (the "Sixth Series Resolution," and together with the Issue M General Resolution and the Fifth Series Resolution, the "Issue M Resolution"). The Series 2025 Bonds will be the third issuance of bonds under the Issue M Resolution.

The Issue M Resolution constitutes a contract among the Authority, U.S. Bank Trust Company, National Association, Boston, Massachusetts, as successor trustee and paying agent (the "Trustee"), and the holders from time to time of the Issue M Bonds issued thereunder. Funds and investment securities held in the funds and accounts created under the Issue M Resolution will be held by U.S. Bank National Association ("U.S. Bank") pursuant to an agreement between the Trustee and U.S. Bank. Certain capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in Appendix B hereto. The Series 2025 Bonds and any other bonds which have been or may be issued in the future under the Issue M Resolution are referred to herein as the "Issue M Bonds."

This Official Statement contains certain information about the Authority and certain other MEFA Financing Program participants, descriptions of the terms of the Series 2025 Bonds, descriptions of the terms and conditions that are currently expected to be applicable to the Issue M Loans to be pledged pursuant to the Issue M Resolution upon the issuance of the Series 2025 Bonds and to the Issue M Loans the Authority expects to finance during the 2025-2026 academic year, and descriptions of the Act, the Issue

M Resolution, and certain other documents related to the security for the Series 2025 Bonds, and of certain applicable laws. All references herein to laws and documents are qualified in their entirety by reference to such laws and to such documents, as in effect on the date of issuance of the Series 2025 Bonds, and all references to the Series 2025 Bonds are qualified in their entirety by reference to the respective definitive form thereof and to the Issue M Resolution. This Official Statement is intended for use in connection with the sale of the Series 2025 Bonds and may not be reproduced or used, in whole or in part, for any other purpose.

INTRODUCTORY STATEMENT

The Authority is a body politic and corporate, constituting a public instrumentality of the Commonwealth. The Authority was established in 1982 pursuant to the Act to assist students, their parents and others responsible for paying the costs of education as well as institutions of higher education in the Commonwealth in the financing and refinancing of the costs of education. The Series 2025 Bonds, together with other funds of the Authority, are being issued for the principal purposes of: (i) financing loans made to fund higher education expenses ("MEFA Loans") under the component of the Authority's program of education loans to or on behalf of borrowers who are undergraduate or graduate students and attend participating post-secondary educational institutions in the United States; (ii) funding the Reserve Fund and the Taxable Capitalized Interest Account; and (iii) paying certain costs of issuing the Series 2025 Bonds.

A projected amount of approximately $24[†] million of refinancing loans made to borrowers for the purpose of refinancing loans previously incurred for higher education expenses ("MEFA Refinancing Loans") bearing interest at fixed rates currently pledged under the Authority's commercial paper program are expected to be transferred to the Issue M Resolution on or about the date of issuance of the Series 2025 Bonds upon repayment of the allocable commercial paper with other Authority funds. MEFA Loans and MEFA Refinancing Loans (collectively, "MEFA Education Loans") financed and refinanced with the proceeds of Issue M Bonds and certain other funds of the Authority and the Revenues received by the Authority from such MEFA Education Loans are the primary expected source of payment for the Issue M Bonds, including the Series 2025 Bonds. The Authority expects that all additional MEFA Education Loans funded with the proceeds of Series 2025 Bonds, and other available moneys within the Issue M Resolution, will be primarily MEFA Loans bearing interest at fixed rates ("Fixed Rate MEFA Loans"). The Authority reserves the right, however, to apply proceeds of any now or hereafter issued Issue M Bonds and any Revenues available for recycling to finance other MEFA Education Loans, including MEFA Refinancing Loans, with terms and conditions that vary from those described herein, upon compliance with certain requirements of the Issue M Resolution. See the captions "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Authority has previously established a number of proprietary, unsecured consumer loan programs to fund MEFA Loans, including fixed rate and variable rate, undergraduate and graduate, and credit-based and need-based loans to students and to others borrowing for the benefit of such students. Such MEFA Loans provide supplemental assistance for students receiving other forms of financial aid and primary assistance for students not eligible for other forms of financial aid. In 2015, the Authority began to offer MEFA Refinancing Loans to refinance higher education expenses under a new component of the MEFA Financing Program to borrowers who, as undergraduate or graduate students, attended not-for-profit post-secondary degree granting education institutions in the United States which participate in the MEFA Loan Program.

All Authority loan programs are referred to as a whole herein as the "MEFA Financing Program." To date the majority of MEFA Education Loans have been originated as MEFA Loans to finance the higher

[†] Projected as of the date of this Official Statement.

education expenses of current students, rather than for refinancing purposes. The Authority administers the MEFA Financing Program, along with its U. Fund College Investing Plan, U. Plan Prepaid Tuition Program, the MEFA Attainable Savings Plan and certain public service initiatives, as a full-service higher education financing organization providing solutions to families and colleges.

The principal components of the MEFA Financing Program include: (i) the Fixed Rate Undergraduate MEFA Loan Program; (ii) the Variable Rate Undergraduate MEFA Loan Program (currently inactive); (iii) the MEFA Loans for Graduate Education Program, which currently offers loans on a fixed rate basis, but which previously also offered loans on a variable rate basis; and (iv) the MEFA Refinancing Loan Program, which currently offers loans only on a fixed rate basis but previously offered certain loans on a variable rate basis. From time to time the Authority has offered loans with interest rates which are adjusted periodically in accordance with an index or variable cost of capital as either "variable rate" or "floating rate" loans. The two terms are used herein interchangeably. The Authority reserves the right to finance additional Issue M Loans as MEFA Loans or MEFA Refinancing Loans on a fixed or variable rate basis in the future. See the captions "THE MEFA FINANCING PROGRAM" and "MEFA EDUCATION LOAN ORIGINATION AND SERVICING" herein.

For the purposes of this Official Statement, the "Issue M Loans" are MEFA Education Loans that are funded through application of proceeds of, or other funds allocable to, Issue M Bonds, or are pledged as security under the Issue M Resolution. All Issue M Loans originated with amounts allocable to the Series 2025 Bonds are expected to be MEFA Loans, as described herein. The Issue M Resolution permits the Authority to apply Issue M Bond proceeds to finance Issue M Loans with terms and conditions that vary from those described herein subject to compliance with certain Issue M Resolution requirements. The Authority also reserves the right to fund any and all MEFA Education Loans from other sources. See the captions "THE MEFA FINANCING PROGRAM," "MEFA EDUCATION LOAN PORTFOLIO," "INVESTMENT CONSIDERATIONS—Composition and Characteristics of the Issue M Loan Portfolio May Change" and "ISSUE M LOAN PORTFOLIO" herein.

Entech Consulting, LLC (doing business as Anovaa) ("Anovaa") acts as a loan originating agent for all MEFA Education Loans (a "Loan Originating Agent") pursuant to an Agreement entered into as of January 29, 2018 (the "Anovaa Loan Origination Agreement"), between the Authority and Anovaa. Pennsylvania Higher Education Assistance Agency ("PHEAA") also provides services to the Authority related to the processing of applications pursuant to a Master Services Agreement dated July 18, 2023, as amended (the "PHEAA Loan Origination Services Agreement") between the Authority and PHEAA. U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association ("U.S. Bank") acts as disbursing agent for all MEFA Education Loans (the "Disbursing Agent") pursuant to a Master Services Agreement dated as of December 18, 2017 (the "Disbursement Agreement"), between the Authority and U.S. Bank. PHEAA also acts as the loan servicer for all MEFA Education Loans (the "Loan Servicer") pursuant to a Servicing Agreement, dated April 1, 2018, with respect to MEFA Loans and a separate Amended and Restated Servicing Agreement, dated as of April 1, 2018, with respect to MEFA Refinancing Loans (respectively or collectively, as applicable, the "PHEAA Servicing Agreement"), between the Authority and PHEAA. The MEFA Education Loan origination and servicing process is a joint effort among the Authority, a Loan Originating Agent, the Disbursing Agent, the Loan Servicer and, with respect to MEFA Loans, non-profit, post-secondary, degree granting educational institutions in the United States which are participating in the MEFA Loan Program (the "Participating Institutions"). See the captions "MEFA EDUCATION LOAN ORIGINATION AND SERVICING", "THE MEFA FINANCING PROGRAM—Participating Institutions" and "INVESTMENT CONSIDERATIONS—Dependence Upon Third-Party Loan Servicer and Loan Originating Agent" herein.

MEFA Education Loan applications are submitted directly through the electronic loan origination platform by the applicants for credit analysis. After approval of a borrower's application, certification by

the Participating Institution (except for MEFA Refinancing Loans) and execution by the borrower(s) of a credit agreement, the credit agreement is delivered to the Loan Servicer to be held in custody. The Authority finances MEFA Loans by disbursing funds through the Disbursing Agent and, in some cases, a financial intermediary to the Participating Institution. The Disbursing Agent or intermediary transfers such funds upon receipt to the Participating Institution for credit to the student's account. MEFA Refinancing Loans are disbursed by the Disbursing Agent to the lender or servicer of the loans to be refinanced.

The Senior 2025A Bonds constitute senior bonds under the Issue M Resolution and will be secured on a parity with the Senior 2022A Bonds, the Senior 2022B Bonds, the Senior 2021A Bonds, the Senior 2021B Bonds and any additional Issue M Bonds issued in the future as senior bonds (collectively, the "Senior Issue M Bonds"), and on a senior basis to (a) the Subordinate 2025B Bonds, the Subordinate 2022C Bonds, the Subordinate 2021C Bonds and any additional Issue M Bonds issued in the future as subordinate bonds (the "Subordinate Issue M Bonds"); and (b) any Issue M Bonds issued in the future on a basis subordinate to the Senior Issue M Bonds and the Subordinate Issue M Bonds (the "Junior Subordinate Issue M Bonds"). The Subordinate 2025B Bonds, the Subordinate 2022C Bonds and the Subordinate 2021C Bonds constitute Subordinate Issue M Bonds and will be subordinated to all Senior Issue M Bonds now or hereafter Outstanding and will be secured on a senior basis to any Junior Subordinate Issue M Bonds issued in the future. No such Junior Subordinate Issue M Bonds have been issued and none are included in the Series 2025 Bonds, but the Issue M Resolution permits the issuance of Junior Subordinate Issue M Bonds secured on a basis subordinate to the Senior Issue M Bonds and the Subordinate Issue M Bonds. The Senior 2025A Bonds, the Senior 2022A Bonds, the Senior 2021A Bonds and any additional Issue M Bonds issued in the future the interest on which is included in gross income for federal income tax purposes constitute taxable bonds under the Issue M Resolution (collectively, the "Taxable Bonds"), and the Subordinate 2025B Bonds, the Senior 2022B Bonds, the Subordinate 2022C Bonds, the Senior 2021B Bonds, the Subordinate 2021C Bonds and any additional Issue M Bonds issued in the future the interest on which is excludable from gross income for federal income tax purposes constitute tax-exempt bonds under the Issue M Resolution (collectively, the "Tax-Exempt Bonds").

The Authority regularly reviews the terms and conditions of its MEFA Financing Program and its administrative arrangements for the origination, servicing and collection of MEFA Education Loans, and reserves the right to alter such terms and conditions, including all terms and conditions described herein as being applicable to Issue M Loans, and such administrative arrangements, at any time; subject, with respect to Issue M Loans, to compliance with certain requirements of the Issue M Resolution. See the captions "INVESTMENT CONSIDERATIONS—Certain Actions May Be Permitted Without Bondholder Approval," "—Dependence Upon Third-Party Loan Servicer and Loan Originating Agent" and "—Composition and Characteristics of the Issue M Loan Portfolio May Change" herein.

This Official Statement contains certain historical information relative to the origination and payment experience of the Authority in connection with previously originated MEFA Education Loans and to the general terms of the MEFA Financing Program. Such information is included for general reference purposes only, and is not intended as a representation that the origination and payment experience or composition of the Issue M Loan portfolio necessarily will be similar to that of previously originated MEFA Education Loans during any period or over the respective lives of such MEFA Education Loans. There can be no assurance that the performance of Issue M Loans will be consistent with that of previously originated MEFA Education Loans. See the captions "ESTIMATED SOURCES AND USES OF FUNDS," "INVESTMENT CONSIDERATIONS—Redemption of Series 2025 Bonds," "—Future Performance of the Issue M Loan Portfolio May Differ From Historical MEFA Education Loan Performance," "—Composition and Characteristics of the Issue M Loan Portfolio May Change," "—An Outbreak Similar to the COVID-19 Pandemic Could Adversely Affect the Value of the Series 2025 Bonds or Borrowers' Ability

to Repay their MEFA Education Loans" and "—General Economic Conditions," "THE MEFA FINANCING PROGRAM" and "ISSUE M LOAN PORTFOLIO" herein.

The Authority currently expects, based upon its projected demand for MEFA Loans, that it will be able to fully apply, or commit for application the available proceeds of the Series 2025 Bonds on or prior to June 30, 2026 and in time and in amounts to meet certain interim Loan Origination Targets specified in the Issue M Resolution, as such date and such targets may be adjusted in accordance with the Issue M Resolution. However, due to a variety of factors that may influence demand for MEFA Loans, including, without limitation, general economic conditions, demand for higher education loans and the current or potential availability of competing sources of financing for education loans offered by other parties, there can be no assurance that the actual demand for Fixed Rate MEFA Loans that can be funded under the Issue M Resolution during this period will be sufficient to meet such targets or fully expend the Series 2025 Bond proceeds and such other moneys as may be available to the Authority to fund such Fixed Rate MEFA Loans.

The Authority reserves the right to apply some or all of the proceeds of the Series 2025 Bonds and any other available amounts to finance MEFA Education Loans other than Fixed Rate MEFA Loans (particularly MEFA Refinancing Loans), and to implement actions, including but not limited to the issuance of bonds in addition to the Series 2025 Bonds and the issuance of notes under its commercial paper program, to obtain additional funds to finance MEFA Education Loans, including Fixed Rate MEFA Loans and fixed rate MEFA Refinancing Loans, during this period. See the caption "THE MEFA FINANCING PROGRAM—General." Although the Authority currently expects to fund MEFA Loans for students who are residents of or attending a Participating Institution in the Commonwealth from proceeds of Issue M Bonds on a priority basis, the Authority also expects to allocate a portion of the proceeds of the Senior 2025A Bonds (which are Taxable Bonds) as well as other funds from different sources that are available to it to finance MEFA Education Loans without a nexus to the Commonwealth, including MEFA Loans and MEFA Refinancing Loans. The Issue M Resolution does not require or prevent the application of Series 2025 Bond proceeds or any other moneys available under the Issue M Resolution prior to the application of other funds that may become available to the Authority to make MEFA Loans and MEFA Refinancing Loans, and permits the Authority to apply all funds available to the Authority to make MEFA Loans and MEFA Refinancing Loans in any order. See the captions "THE SERIES 2025 BONDS—Redemption Provisions—*Mandatory Redemption Resulting From Non-Origination*" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Issue M Bonds, including the Series 2025 Bonds, are special obligations of the Authority, which has no taxing power, payable solely from the Revenues and certain Funds and accounts established and pledged under the Issue M Resolution. No revenues or other assets of the Authority are available to fund payment of the Issue M Bonds, including the Series 2025 Bonds, except as expressly provided by the Issue M Resolution. Neither the Commonwealth nor any political subdivision thereof is or shall be obligated to pay the principal of or interest on the Issue M Bonds, including the Series 2025 Bonds, and neither the full faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to such payment. See the caption "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT" herein.

In connection with the issuance of the Series 2025 Bonds, the Authority has proposed and approved certain amendments to the Issue M General Resolution and to the Fifth Series Resolution and the Sixth Series Resolution (the "Springing Amendments") to be effective at such time as the Holders of more than 60% in principal amount of the Bonds then Outstanding agree to such Springing Amendments (the "Effective Date"), or are deemed to have agreed to such Springing Amendments by agreeing to become Bondholders. The Trustee will notify each Nationally Recognized Rating Agency of the occurrence of the Effective Date. The Springing Amendments are described in "APPENDIX D—Springing Amendments" hereto. See the caption "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT--

Effectiveness of Springing Amendments" herein. **By the purchase of the Series 2025 Bonds on the date of issuance, each holder of the Series 2025 Bonds will be deemed to have consented to the Springing Amendments to take effect on the Effective Date.** After giving effect to the issuance of the Series 2025 Bonds, the consent of approximately 29.2% of the holders of the Outstanding Bonds will have been obtained to the Springing Amendments.

THE AUTHORITY

General

The Authority is a body politic and corporate, constituting a public instrumentality of the Commonwealth. The Legislature of the Commonwealth created the Authority in 1982 for the purpose of assisting parents, students and institutions of higher education in financing and refinancing the costs of education. The Authority provides financial assistance to students attending post-secondary schools through the financing and refinancing of education loans.

The Authority was established in 1982 under Chapter 15C of Massachusetts General Laws, as amended (the "Act"). In 1990, the Act was amended to add to the Authority's functions that of developing and administering one or more savings programs designed to facilitate and encourage savings by or on behalf of students, future students and parents for the purposes of paying the costs of attendance at institutions of higher education. In connection with that amendment, the Authority's name was changed from the Massachusetts Education Loan Authority to its current name, and the number of members of the Authority was increased from seven to nine. In 1994, the Authority established the "U. Plan Prepaid Tuition Plan," which is a prepaid tuition program that currently includes seventy-one public and private Massachusetts colleges and universities. In 1999, the Authority established the Commonwealth's Qualified 529 College Savings Program, the "U. Fund College Investing Plan," which gives families an opportunity to save for qualified education expenses through tax-advantaged investments in mutual funds. Investments can be used at any accredited college in the country.

In 2002, the Authority initiated a program to fund loans originated pursuant to the Federal Family Education Loan Program ("FFELP Loans"). The Authority funded FFELP Loans from the proceeds of bonds issued pursuant to resolutions prior to and separate and apart from the Issue M Resolution. In April 2008, the Authority announced a suspension, effective July 1, 2008, of its funding of new FFELP Loans in response to certain proposed federal statutory changes and to capital market conditions.

In 2003, MEFA introduced *MEFA Counselor* to coordinate its efforts to educate families and students about planning, saving and paying for college. Working through schools, libraries and community organizations, MEFA provides step-by-step guidance to assist students in accessing higher education opportunities through in-person and virtual seminars, one-on-one telephone counseling, and online, interactive resources for families at every stage of the college financing process. The technology available through *MEFA Pathway*, previously known as *YourPlanForCollege*, introduced in 2010, offers a complete college and career planning resource for students, parents and school counselors across the Commonwealth. The Commonwealth's college and career web portal is free for school counselors, students and their families.

In 2014, the Act was amended authorizing the Authority to create, establish and maintain a Qualified ABLE (Achieving a Better Life Experience) Program that conforms to the requirements set forth in the federal ABLE legislation enacted in December 2014 as part of the Tax Increase Prevention Act of 2014, as subsequently amended. The ABLE legislation provides for tax-advantaged investment accounts under a Qualified ABLE Program for future "qualified disability expenses" of individuals with disabilities, without adverse impact on federal means-tested benefits. MEFA's Attainable Savings Plan was launched in the spring of 2017.

In 2015, the Authority introduced the MEFA Refinancing Loan Program which offered credit-based fixed rate and variable rate MEFA Refinancing Loans. As of November 12, 2021, MEFA Refinancing Loans are only offered as fixed rate loans. However, the Authority reserves the right to again offer variable rate MEFA Refinancing Loans in the future.

In 2021, the MEFA Institute was launched to offer free professional development opportunities to school counselors, college access professionals, college administrators, and community-based organizations focused on planning, saving and paying for college. Expert guidance is provided through trainings, tools and resources.

Since inception, the Authority has originated approximately $7.195 billion of education loans, of which approximately $2.084 billion were outstanding as of February 28, 2025. Of this amount, approximately $422 million represented FFELP Loans originated between 2002 and 2008, of which approximately $9 million were outstanding as of February 28, 2025, approximately $5.864 billion represented MEFA Loans, of which approximately $1.668 billion were outstanding as of February 28, 2025 and approximately $909 million represented MEFA Refinancing Loans, of which approximately $407 million were outstanding as of February 28, 2025.

The Authority creates awareness for its loan programs from qualifying independent and public educational institutions and eligible borrowers. For-profit higher education schools are not eligible to participate in the MEFA Financing Program. The Authority monitors MEFA Education Loan origination and servicing, delinquencies and defaults, investment results and revenue projections. In addition to developing and operating its loan, savings and investment programs, the Authority conducts an extensive outreach program providing guidance on student financial aid and financing higher education for educators and for families across the Commonwealth.

Members and Staff

The Authority consists of nine members, seven of whom are appointed by the Governor of the Commonwealth. The two other members, *ex-officio*, are the Secretary of the Executive Office for Administration and Finance and the Secretary of the Executive Office of Housing and Economic Development of the Commonwealth, or their designees. At least four of the members are required to be trustees, directors, officers or employees of institutions for higher education and three are required to be persons having a favorable reputation in the fields of state and municipal finance, banking, law or investment advice or management. The Executive Director and Assistant Executive Director are appointed by the Authority. The Authority had 42 employees as of April 30, 2025.

The Members, the Executive Director and other staff of the Authority are listed below:

KEITH C. SHAUGHNESSY, Chair; term expired July 1, 2023, and serves in a hold-over capacity.

Mr. Shaughnessy is the Chairman and Chief Executive Officer of Metapoint Partners, which he co-founded in 1988. He was previously Division Executive/Managing Director of the Acquisition Finance Division of Bank of Boston.

GARY BAILEY, MSW, ACSW, Vice-Chair, term expires July 1, 2025.

Dr. Bailey is the MSW Program Director at the Simmons School of Social Work and a Professor of Practice at the School of Social Work and the School of Nursing. Dr. Bailey is a Fellow at the Simmons Center for Inclusive Leadership and a Faculty Fellow at the Simmons

University Stephen D. London Center for Social Justice & Community Engagement. Dr. Bailey is a Faculty Affiliate, Center for Primary Care-Harvard Medical School.

JOHN D. BURKE, term expires June 30, 2027.

Mr. Burke is the Financial Vice President and Treasurer at Boston College. A distinguished financial services leader with 40 years of experience in higher education and healthcare, serving as the university's chief financial leader, Mr. Burke oversees all operational and organizational functions across the finance division. Prior to joining Boston College, Mr. Burke served in leadership roles in the healthcare industry including Mass General Brigham (formerly Partners HealthCare), St. Elizabeth's Medical Center and Caritas Christi Health Care System.

KELLY LYNCH, term expired July 1, 2023, and serves in a hold-over capacity.

Ms. Lynch is an Executive Vice President at Babson College. A distinguished leader with 30 years of experience, Ms. Lynch joined Babson in 2011 and currently serves as a member of the College's executive leadership team overseeing strategy, lifelong learning, governance, and community affairs. Prior to joining Babson, she was Principal/Senior Vice President at Rasky Baerlein Strategic Communications.

AMANDA MAGEE, term expires July 1, 2026.

Ms. Magee is the Chief Financial Officer and Senior Vice President of Operations at Curtis Industries LLC. She has over twenty years of broad experience in entrepreneurial manufacturing companies, previously serving as Chief Financial Officer of Comark LLC, Director of Global Pricing and Analytics at Technetics, Inc., a division of EnPro Industries and Chief Financial Officer at Fabrico, Inc.

COSTAS PANAGOPOULOS, term expires April 1, 2026.

Dr. Panagopoulos is a Distinguished Professor, Department of Political Science, at Northeastern University and also serves as the Editor of American Politics Research. He previously taught at a number of universities including Yale, Columbia, NYU, and Fordham, and is a distinguished researcher with numerous publications in the areas of American Politics, Methodology, and Applied Politics.

MARK J. QUINN, term expired July 1, 2024, and serves in a hold-over capacity.

Mr. Quinn is the Founder and CEO of Priority Financial Associates, LLC. A distinguished financial professional with over 25 years of experience, Mr. Quinn retired from his role as the Chief Financial Officer at OSRAM Sylvania Inc., OSRAM Americas where he was responsible for overseeing the financial operations of OSRAM Sylvania Inc. and all the OSRAM Americas companies operating in six countries with over $1B in revenue.

SECRETARY OF THE EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE OF THE COMMONWEALTH, *ex-officio*.

SECRETARY OF THE EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH, *ex-officio*.

Staff

THOMAS M. GRAF, Executive Director.

Mr. Graf joined the Authority in December 1999. Prior to joining the Authority, he served as Budget Director for the Commonwealth; Deputy Budget Director, Fiscal Affairs Division; and Director of Legislative Affairs/Fiscal Affairs for the Office of the Governor. Mr. Graf received his B.S. in Business Administration from Merrimack College.

ELIZABETH K. FONTAINE, Assistant Executive Director.

Ms. Fontaine joined the Authority in February 1993. Prior to joining the Authority, she served as Director of the Massachusetts State Scholarship Office and held several related college financing positions. Ms. Fontaine received a B.A. from Assumption College and completed graduate study at Clark University.

JAMES S. LEIGHTON, Chief Financial Officer and Chief Operating Officer.

Mr. Leighton joined the Authority in November 1997. Formerly, he was Portfolio Administrator for Mercantile Bank & Trust Company and a Financial Analyst for U.S. Trust and Fleet Management & Recovery Corporation. Mr. Leighton received his B.S. and his M.B.A. from Northeastern University.

SARAH R. CALLANDER, Director of Financial Operations.

Ms. Callander joined the Authority in August 2000. Prior to joining the Authority, she was an Analyst at Citizens Power, LLC. Ms. Callander received her B.S. in Business Administration from the University of New Hampshire and her M.B.A. from Boston University.

LAURA GROVES, Director–Capital Markets.

Ms. Groves joined the Authority in July 2009. Prior to joining the Authority, she was a Financial Analyst at the San Diego County Regional Airport Authority. Ms. Groves also served as a Financial Analyst and Finance Intern with the Authority from 2002-2007. Ms. Groves received her B.S. in Finance from Bentley University and her M.B.A. from the Isenberg School of Management at University of Massachusetts Amherst.

SABRINA T. TRAN, Director of Portfolio Servicing

Ms. Tran joined the Authority in February 2008. Prior to this role, she has served as a Finance Associate and Financial Analyst within the loan operations department at the Authority. Before joining the Authority, she was an Executive Assistant at Radius Financial Group, Inc. Ms. Tran received her B.S. in Finance and Insurance from Northeastern University.

ZARAH MASALES–TRINGALI, Director of Portfolio Originations

Ms. Masales-Tringali re-joined the Authority in July 2017. She currently serves as the Director of Portfolio Originations. Before rejoining the Authority, Ms. Masales-Tringali was a First Vice President of Consumer and Residential Lending for Cambridge Savings Bank. She previously held the positions of Director of Compliance and Project Management, Director of

Portfolio Servicing and served in various operations and accounting roles with the Authority from 1999-2024. Ms. Masales-Tringali received her B.S. and M.B.A. from Northeastern University.

THE SERIES 2025 BONDS

The Series 2025 Bonds will mature on the dates and bear interest at the rates set forth on the inside cover page of this Official Statement. The Series 2025 Bonds will be issued in denominations of $5,000 and in integral multiples thereof, will be dated the date of delivery, and will bear interest from their date, payable on each January 1 and July 1, beginning January 1, 2026, or if any such day is not a Business Day, the next Business Day.

So long as the Series 2025 Bonds are registered in the name of Cede & Co., as nominee of DTC, interest on and principal of the Series 2025 Bonds will be payable to Cede & Co. and will be redistributed by DTC and the DTC Participants as described herein under the caption "BOOK-ENTRY ONLY SYSTEM."

REDEMPTION PROVISIONS

General

The Series 2025 Bonds are subject to optional redemption, cumulative sinking fund redemption, mandatory redemption resulting from non-origination, mandatory redemption from Excess Revenues, mandatory redemption upon funding of the Suspension Account, and optional redemption from Excess Revenues, as described below. No redemption shall cause any Issue M Bonds that remain Outstanding to be outstanding in an amount other than an Authorized Denomination and the amount to be so redeemed shall be increased or decreased as directed by the Authority to avoid such a result. Notices of redemption may, in certain circumstances, be conditioned on receipt by the Trustee of sufficient funds.

Optional Redemption

The Senior 2025A Bonds maturing on July 1, 2050 and the Subordinate 2025B Bonds are subject to redemption prior to maturity, in whole or in part, on any date on or after July 1, 2035, at the option of the Authority, from any available source, at a Redemption Price equal to the principal amount being redeemed, without premium, plus accrued interest to the redemption date. Any such redemption will be applied to each such maturity on a pro rata basis (or in such other manner as the Authority, consistent with a Favorable Projection of Revenues (as defined under the Issue M Resolution), may direct. So long as any Senior Issue M Bonds will remain Outstanding after any such optional redemption, prior to the optional redemption of any Subordinate Issue M Bonds or Junior Subordinate Issue M Bonds, the Authority must provide: (i) a Parity Ratio Subordinate Principal Reduction Certificate or Parity Ratio Junior Subordinate Principal Reduction Certificate (each as defined under the Issue M Resolution), as applicable, showing that, as of the date of calculation, after giving effect to any proposed transfer or transaction, the Senior Parity Ratio is at least 119.25% and the Overall Parity Ratio is at least 105.79%; and (ii) a Favorable Projection of Revenues. The Senior Parity Ratio in the preceding sentence may be adjusted at the discretion of the Authority with Prior Rating Agency Notice and a Favorable Projection of Revenues.

Cumulative Sinking Fund Redemption

The Senior 2025A Bonds maturing on July 1, 2035 (the "Senior 2025A Term Bonds") are subject to cumulative sinking fund redemption, to the extent that moneys are available therefor pursuant to the Resolution, in the amounts and on each July 1 in each of the years set forth below (each a "Senior 2025A Sinking Fund Installment"), at a Redemption Price equal to the principal amount, without premium, plus accrued interest, if any, to the redemption date.

$50,700,000 Senior 2025A Term Bonds Due July 1, 2035

Date (July 1)	Sinking Fund Installment
2026	$5,000,000
2027	5,000,000
2028	4,000,000
2029	5,200,000
2030	5,200,000
2031	5,200,000
2032	5,200,000
2033	5,200,000
2034	5,000,000
2035†	5,700,000

† Final maturity.

If amounts available to make a Senior 2025A Sinking Fund Installment are less than the scheduled Senior 2025A Sinking Fund Installment, the amount of the insufficiency will be due on the next succeeding Senior 2025A Sinking Fund Installment due date, to the extent funds are available therefor, until paid in full, but in any case no later than the final maturity date. *A failure to make a Senior 2025A Sinking Fund Installment prior to the final maturity date is not an Event of Default under the Resolution.* The amounts which would otherwise be available for a Senior 2025A Sinking Fund Installment may be applied, prior to notice of cumulative sinking fund redemption, to the purchase, for cancellation, of the Senior 2025A Term Bonds at prices not exceeding par plus accrued interest to the date of purchase, in which event the principal amount of Senior 2025A Term Bonds scheduled to be redeemed on the immediately succeeding Senior 2025A Sinking Fund Installment due date will be reduced by the principal amount of Senior 2025A Term Bonds so purchased.

Any redemption of Senior 2025A Term Bonds, other than by operation of cumulative sinking fund redemption, and any delivery by the Authority to the Trustee for cancellation of Senior 2025A Term Bonds purchased by the Authority, shall be applied to reduce the remaining Senior 2025A Sinking Fund Installments of the Senior 2025A Term Bonds: (i) on a pro-rata basis or (ii) in such other manner as the Authority, consistent with a Favorable Projection of Revenues, may direct. No such reduction, however, shall cause any Senior 2025A Sinking Fund Installment to be in an amount other than an Authorized Denomination and reductions shall be increased or decreased as directed by the Authority to avoid such a result.

Mandatory Redemption Resulting From Non-Origination

The Senior 2025A Bonds (referred to sometimes herein as the "Series 2025 Taxable Bonds") are subject to redemption prior to maturity, in whole or in part, on any date, from unexpended proceeds of the Series 2025 Taxable Bonds in the Taxable Purchase Account in the event that the applicable Loan

Origination Target for each Loan Origination Target Date with respect to the Series 2025 Taxable Bonds is not met. The Subordinate 2025B Bonds (referred to sometimes herein as the "Series 2025 Tax-Exempt Bonds") are subject to redemption prior to maturity, in whole or in part, on any date, from unexpended proceeds of the Series 2025 Tax-Exempt Bonds in the Tax-Exempt Purchase Account in the event that the applicable Loan Origination Target for each Loan Origination Target Date with respect to the Series 2025 Tax-Exempt Bonds is not met.

The Loan Origination Target Dates for all the Series 2025 Bonds as of the date of issuance of the Series 2025 Bonds are September 30, 2025 and March 31, 2026. The Loan Origination Targets for the Series 2025 Taxable Bonds for such dates are $94.4 million and $94.4 million, respectively, and the Loan Origination Targets for the Series 2025 Tax-Exempt Bonds for such dates are $15.7 million and $15.7 million, respectively. Satisfaction of each Loan Origination Target will be determined on a periodic basis, rather than a cumulative basis, subject to credit for exceeding a Loan Origination Target. If a Loan Origination Target for either Category (Taxable or Tax-Exempt) of the Series 2025 Bonds is not met, the unexpended amounts (i.e., the amount by which the Loan Origination Target for such Loan Origination Target Date exceeds the amount expended) in the Applicable Purchase Account as of such date shall be transferred by the Trustee to the Applicable Redemption Account for mandatory redemption of the Series 2025 Bonds resulting from non-origination. Any amounts that the Authority has committed to disburse on loans as of each Loan Origination Target Date are deemed expended for purposes of each Loan Origination Target. Satisfaction of each Loan Origination Target will be determined as of each Loan Origination Target Date. In the event that the Authority does not meet a respective Loan Origination Target, the immediately following Loan Origination Target will not be increased automatically by an amount equal to said deficiency. In the event that the Authority exceeds a respective Loan Origination Target, the excess will be credited against the immediately following Loan Origination Target. Each such Loan Origination Target Date and related Loan Origination Target may be extended or reduced, respectively, if certain requirements of the Issue M Resolution are satisfied.

The Series 2025 Bonds of each Category are also subject to redemption prior to maturity, in whole or in part, on any date, from unexpended proceeds of the Series 2025 Bonds in the Applicable Purchase Account at the end of the Loan Origination Period. The Loan Origination Period is expected to end on June 30, 2026 but may be extended if certain requirements of the Issue M Resolution are satisfied. Amounts that the Authority has committed to make disbursements on loans by the end of the Loan Origination Period are deemed expended for this purpose. The Authority presently expects the amounts deposited to the Taxable Purchase Account and the Tax-Exempt Purchase Account will be spent at roughly the same pace but there can be no assurance that will be the case.

Any mandatory redemption resulting from non-origination will be applied to each maturity of Series 2025 Bonds subject to redemption bearing the same interest rate: (i) on a pro rata basis; or (ii) in such other manner as the Authority, consistent with a Favorable Projection of Revenues, may direct. Any such redemption will take place by or on the next succeeding January 1 or July 1, as applicable, for which proper notice can be given, adjusted to the extent the Loan Origination Target Dates or the Loan Origination Period, respectively, are extended.

With respect to the Series 2025 Bonds with offering prices in excess of 100%, the Redemption Price will be equal to the sum of: (i) the principal amount being redeemed plus accrued interest to the date of redemption; and (ii) the unamortized portion of the amount by which the applicable offering price exceeded 100%. The methodology used to calculate the unamortized portion of such amount for a particular maturity will use the yield of the Series 2025 Bonds as stated on the inside cover page of this Official Statement, semi-annual compounding and a 360-day year consisting of twelve 30-day months. With respect to all other Series 2025 Bonds, the Redemption Price will be equal to the principal amount being redeemed, without premium, plus accrued interest to the date of redemption.

Mandatory Redemption Upon Funding of the Suspension Account

In the event that the Suspension Account is funded, Senior 2025A Bonds maturing July 1, 2050 in a principal amount equal to the amount in the Suspension Account are subject to mandatory redemption prior to maturity on the next Interest Payment Date, at a Redemption Price equal to the principal amount being redeemed, without premium, plus accrued interest to the date of redemption.

Mandatory Redemption From Excess Revenues

The Series 2025 Bonds which are Bonds Subject to Redemption from Excess Revenues are subject to mandatory redemption prior to maturity, in whole or in part, on each Interest Payment Date that is not an Optional Excess Revenues Redemption Date (defined below) from any Excess Revenues allocable to the Series 2025 Bonds and available in the Redemption Fund at a Redemption Price equal to the principal amount being redeemed, without premium, plus accrued interest to the redemption date. *The Senior 2025A Bonds maturing July 1, 2035 are not (and all other Series 2025 Bonds are) Bonds Subject to Redemption from Excess Revenues.* Excess Revenues are determined separately for the Taxable Bonds and the Tax-Exempt Bonds. See the caption "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT—Revenue Accounts" herein and the caption "Availability and Application of Excess Revenues" below. Except as may be directed by the Authority subject to satisfaction of certain terms and conditions described below (see the caption "Availability and Application of Excess Revenues" below), Excess Revenues of each Category are allocated, respectively, to the redemption of eligible Senior Issue M Bonds first, then to eligible Subordinate Issue M Bonds, if any, and then to eligible Junior Subordinate Issue M Bonds.

An Optional Excess Revenues Redemption Date is, in pertinent part, each Interest Payment Date on which: either (i) such Interest Payment Date occurs during the Recycling Period, or (ii) after taking into consideration any transfers of Excess Revenues to be made as of such Interest Payment Date, the Overall Parity Ratio exceeds 105.0% and Net Assets are at least equal to $6,000,000, or such other percentage or amount as may be required in a Parity Ratio Equity Release Certificate as of the date of determination. See "APPENDIX B—DEFINITIONS OF CERTAIN TERMS" hereto. The effect of these provisions is that Excess Revenues which cannot be recycled to originate MEFA Loans, MEFA Refinancing Loans or released to the Authority as of an Interest Payment Date will be allocated to the redemption of the Issue M Bonds, including the Series 2025 Bonds, and any such redemption will be applied in the manner described under the caption "Availability and Application of Excess Revenues" below. See also the caption "INVESTMENT CONSIDERATIONS—Issuance of Additional Bonds and Amortization of Issue M Bonds May Affect Redemption" herein.

Optional Redemption From Excess Revenues

The Series 2025 Bonds which are Bonds Subject to Redemption from Excess Revenues are subject to optional redemption from Excess Revenues prior to maturity, in whole or in part, on each Interest Payment Date which is an Optional Excess Revenues Redemption Date (defined above), from any Excess Revenues allocable to the Series 2025 Bonds and available in the Redemption Fund at a Redemption Price equal to the principal amount being redeemed, without premium, plus accrued interest to the redemption date, in such amounts as the Authority may direct. *The Senior 2025A Bonds maturing July 1, 2035 are not (and all other Series 2025 Bonds are) Bonds Subject to Redemption from Excess Revenues.* Excess Revenues are determined separately for the Taxable Bonds and the Tax-Exempt Bonds. Except as may be directed by the Authority subject to satisfaction of certain terms and conditions described below (see the caption "Availability and Application of Excess Revenues" below), Excess Revenues of each Category are allocated, respectively, to the redemption of eligible Senior Issue M Bonds first, then to eligible Subordinate

Issue M Bonds, if any, and then to eligible Junior Subordinate Issue M Bonds. See the caption "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT—Revenue Accounts" herein.

The Issue M Resolution requires the Authority to demonstrate satisfaction of the Overall Parity Ratio and the minimum Net Assets required for release of Excess Revenues to the Authority as a condition to requesting any such release free and clear of the Issue M Resolution as of any Optional Excess Revenues Redemption Date, after allowing for the effect of such release.

The effect of these provisions is that to the extent the Authority cannot, or chooses not to, recycle or release Excess Revenues which are available for such purposes as of any such Interest Payment Date, such Excess Revenues will be allocated to the redemption of Issue M Bonds, including the Series 2025 Bonds, and any such redemption will be applied in the manner described under the caption "Availability and Application of Excess Revenues" below. See also the caption "INVESTMENT CONSIDERATIONS—Issuance of Additional Bonds and Amortization of Issue M Bonds May Affect Redemption" below.

Availability and Application of Excess Revenues

The Issue M Resolution defines Excess Revenues generally to include all Revenues available in the Revenue Fund upon a monthly or semi-annual transfer date not required by the Issue M Resolution, or permitted by determination by the Authority, to be applied to a purpose other than funding an Excess Revenue redemption of Issue M Bonds. Excess Revenues are determined separately for the Taxable Bonds and the Tax-Exempt Bonds. Other than tracking Revenues allocable to Taxable Bonds and Tax-Exempt Bonds separately, the Issue M Resolution does not restrict use of Excess Revenues derived from MEFA Education Loans allocable to any particular Series of Issue M Bonds from use to redeem another Series of Issue M Bonds. As a result, Excess Revenues attributable to a particular Series of Issue M Bonds may be applied to redemption of another Series of Issue M Bonds.

The Issue M Resolution provides that the Excess Revenues applicable at any time to Mandatory Redemption From Excess Revenues or to Optional Redemption From Excess Revenues of the Series 2025 Bonds, and to such redemption of any other Issue M Bonds that may have been or may hereafter be issued as Bonds Subject to Redemption From Excess Revenues, are to be applied, generally on a pro-rata basis, to all Senior Issue M Bonds that are Bonds Subject to Redemption from Excess Revenues, utilizing the relative Outstanding principal amounts of each maturity within each Series or Subseries of such Senior Issue M Bonds then subject to such redemption at the time of calculation as the basis of pro-ration; provided, however, that the Authority may direct the application of Excess Revenues to any Senior Issue M Bonds subject to such redemption in any other manner consistent with a Favorable Projection of Revenues and provided, further, Subordinate Issue M Bonds or Junior Subordinate Issue M Bonds may be included in any such redemption from Excess Revenues only as described under the captions "*Tax-Exempt Excess Revenues*" and "*Taxable Excess Revenues*" below. See also the captions "INVESTMENT CONSIDERATIONS—Issuance of Additional Bonds and Amortization of Issue M Bonds May Affect Redemption" and "—Redemption of Series 2025 Bonds" herein and "APPENDIX B—DEFINITION OF CERTAIN TERMS" and "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION—Funds and Accounts," "—Revenues and Revenue Fund," and "—Application of Excess Revenues to Redemption of Bonds" and "APPENDIX G—WEIGHTED AVERAGE LIFE ANALYSIS OF THE SENIOR 2025A BONDS MATURING JULY 1, 2050" hereto.

Tax-Exempt Excess Revenues. Subject to provisions of a Series Resolution to the contrary with respect to Series authorized by such Series Resolution, Tax-Exempt Excess Revenues are required to be applied to redeem Bonds Subject to Redemption from Tax-Exempt Excess Revenues in the following manner and priority (whether such redemption occurs on a mandatory or optional basis); provided that prior

to the Effective Date of the Springing Amendments except as approved by a Favorable Opinion, clause (4) of this paragraph shall only apply if no Tax-Exempt Bonds remain Outstanding:

(1) Any Senior Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues on a priority basis pursuant to the most recent Series Resolution, sequentially by date of issuance of such Tax-Exempt Bonds and, in the case of multiple such Tax-Exempt Bonds of the same date of issuance, sequentially by final stated maturity date of such Tax-Exempt Bonds;

(2) Unless otherwise directed by the Authority pursuant to clause (3) of this paragraph, *first* to all Senior Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues, on other than a priority basis as referred to in clause (1) above, so long as any such Senior Tax-Exempt Bonds are Outstanding, *then* to Subordinate Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues so long as any such Subordinate Tax-Exempt Bonds are Outstanding, *then* to Junior Subordinate Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues, in each case pro-rata by principal amount of each maturity of like tenor Outstanding, without regard to date of issuance (or in such manner as directed by the Authority consistent with a Favorable Projection of Revenues); provided that no such Excess Revenues shall be applied to redeem Tax-Exempt Subordinate Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues or Tax-Exempt Junior Subordinate Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues if, as determined by a certificate of any Authorized Officer, any Senior Bonds are Outstanding and the Overall Parity Ratio (taking into consideration the effect of such redemption) is less than 100.0%; and provided further that no such Excess Revenues shall be applied to redeem Tax-Exempt Junior Subordinate Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues if, as so determined, any Subordinate Bonds are Outstanding and the Overall Parity Ratio (taking into consideration the effect of such redemption) is less than 100.0%; and provided further that the amount which would otherwise then be applied to redeem Bonds shall instead be transferred to the Applicable Suspension Account;

(3) Subject to submission of a Parity Ratio Subordinate Principal Reduction Certificate or a Parity Ratio Junior Subordinate Principal Reduction Certificate (each as defined below), as applicable, and a Favorable Projection of Revenues taking such redemption into consideration, to any Subordinate Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues or any Junior Subordinate Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues in such manner as directed by the Authority consistent with such Favorable Projection of Revenues; and

(4) All Taxable Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues as set forth in clauses (1) through (3) under the caption "*Taxable Excess Revenues*" below with respect to Taxable Revenues. See APPENDIX D – "Springing Amendments" hereto.

No Senior Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues on a priority basis as described in clause (1) above are expected to be included in the Series 2025 Bonds.

A Parity Ratio Subordinate Principal Reduction Certificate requires the Authority to provide a Favorable Projection of Revenues and demonstrate a Senior Parity Ratio of at least 115.0% and the Overall Parity Ratio is at least 100.0% after giving effect to any proposed redemption. A Parity Ratio Junior Subordinate Principal Reduction Certificate requires the Authority to provide a Favorable Projection of Revenues and demonstrate a Senior Parity Ratio of at least 115.0% and the Overall Parity Ratio is at least

100.0% and such Subordinate Parity Ratio, if any, as then may be required under the Issue M Resolution after giving effect to any proposed redemption. The Senior Parity Ratio requirements referred to in this paragraph may be adjusted at the direction of the Authority with Prior Rating Agency Notice and a Favorable Projection of Revenues.

Taxable Excess Revenues. Subject to provisions of a Series Resolution to the contrary with respect to Series authorized by such Series Resolution, Taxable Excess Revenues shall be applied to redeem Bonds Subject to Redemption from Taxable Excess Revenues in the following manner and priority (whether such redemption occurs on a mandatory or optional basis); provided that except as approved by a Favorable Opinion, clause (4) of this paragraph shall only apply if no Taxable Bonds remain Outstanding:

(1) All Senior Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues on a priority basis pursuant to the most recent Series Resolution, sequentially by date of issuance of such Taxable Bonds and, in the case of multiple such Taxable Bonds of the same date of issuance, sequentially by final stated maturity date of such Taxable Bonds;

(2) Unless otherwise directed by the Authority pursuant to clause (3) of this paragraph, *first* to all Senior Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues, on other than a priority basis as set forth in clause (1) above, so long as any such Senior Taxable Bonds are Outstanding, *then* to Subordinate Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues, so long as any such Subordinate Taxable Bonds are Outstanding, and *then* to Junior Subordinate Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues in each case pro-rata by principal amount of each maturity of like tenor Outstanding, without regard to date of issuance (or in such other manner as directed by the Authority consistent with a Favorable Projection of Revenues); provided that no such Excess Revenues shall be applied to redeem Taxable Subordinate Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues or Taxable Junior Subordinate Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues if, as determined by a certificate of any Authorized Officer, any Senior Bonds are Outstanding and the Overall Parity Ratio (taking into consideration the effect of such redemption) is less than 100.0%; and provided further that no such Excess Revenues shall be applied to redeem Taxable Junior Subordinate Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues if, as so determined, any Subordinate Bonds are Outstanding and the Overall Parity Ratio (taking into consideration the effect of such redemption) is less than 100.0%; and provided further that the amount which would otherwise then be applied to redeem Bonds shall instead be transferred to the Applicable Suspension Account;

(3) Subject to submission of a Parity Ratio Subordinate Principal Reduction Certificate or a Parity Ratio Junior Subordinate Principal Reduction Certificate, as applicable, and a Favorable Projection of Revenues taking such redemption into consideration, to any Subordinate Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues or any Junior Subordinate Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues in such manner as directed by the Authority consistent with such Favorable Projection of Revenues; and

(4) All Tax-Exempt Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues as set forth in clauses (1) through (3) under the caption "*Tax-Exempt Excess Revenues*" above with respect to Tax-Exempt Revenues. See APPENDIX D – "Springing Amendments" hereto.

No Senior Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues on a priority basis as described in clause (1) above are expected to be included in the Series 2025 Bonds.

Selection of Series 2025 Bonds to be Redeemed

If less than all of the Series 2025 Bonds of a particular maturity of the same Series shall be redeemed, the particular Series 2025 Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, that, so long as DTC or its nominee is the Bondholder, if less than all of the Series 2025 Bonds of such maturity and tenor are redeemed, the particular Series 2025 Bonds or portions of such Series 2025 Bonds to be redeemed shall be selected by DTC in such other customary manner as DTC may determine. For the purpose of such selection, any Series 2025 Bond of a denomination greater than the minimum denomination permitted shall be deemed to consist of several Series 2025 Bonds each in the minimum denomination and shall be redeemable in part in multiples of such minimum denomination or in whole in accordance with the results of such selection process.

Notice of Redemption of Series 2025 Bonds

At least 20 days, but not more than 60 days, prior to the date fixed for the redemption of any Series 2025 Bonds, notice of redemption shall be given to the Bondholders (which initially will be DTC or its nominee) of such Series 2025 Bonds, or portions thereof, to be redeemed at its last address as it appears on the books of registry, stating the Series 2025 Bonds to be redeemed, the redemption date, the place or places where the amounts due upon such redemption will be paid and the redemption price of such Series 2025 Bonds to be redeemed and, if less than all of the Series 2025 Bonds are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2025 Bonds to be redeemed, and in the case of Series 2025 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed; provided however, that such notice may, in certain circumstances, be conditioned on receipt by the Trustee of sufficient funds. Such notice shall further state that on the redemption date each affected Series 2025 Bond, or portion thereof, to be redeemed shall be due and payable at the applicable redemption price, plus accrued interest to the redemption date, and that interest on such Series 2025 Bonds to be redeemed shall cease to accrue from and after the redemption date.

Notice having been given as provided above, the Series 2025 Bonds or portions thereof designated in the notice shall become due and payable at the applicable redemption price, plus interest accrued thereon to the redemption date, and, upon surrender in accordance with the notice, shall be paid, together with interest accrued thereon to the date fixed for redemption; provided, however, that failure to provide such notice to any one or more owners of any Series 2025 Bonds designated for redemption will not affect the sufficiency of the proceedings for redemption of Series 2025 Bonds with respect to owners to whom such notice was made.

THE TRUSTEE

Neither U.S. Bank National Association ("U.S. Bank") nor U.S. Bank Trust Company, National Association ("U.S. Bank Trust Co.") have furnished or verified any information or statements contained in this Official Statement and neither are responsible for the sufficiency, completeness or accuracy of any information or statement contained in this Official Statement other than the information provided directly by U.S. Bank or U.S. Bank Trust Co.

U.S. Bank Trust Co. (as successor-in-interest to U.S. Bank), a national banking association, will act as Trustee. U.S. Bank will hold the Funds and Accounts pledged under the Issue M Resolution on behalf of the Bondholders.

Under the Issue M Resolution, U.S. Bank Trust Co. will act as Trustee for the Bonds, including the Series 2025 Bonds. U.S. Bank will hold the Funds and Accounts pledged under the Issue M Resolution on

behalf of the Bondholders. The Trustee will act on behalf of the Registered Owners and represent their interests in the exercise of their rights under the Indenture. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—THE TRUSTEE" attached hereto for additional information regarding the responsibilities of the Trustee.

PLAN OF FINANCING

The Authority expects to use the proceeds of the Series 2025 Bonds and other monies to be made available to: (i) fund deposits to the Taxable and Tax-Exempt Purchase Accounts to finance Fixed Rate MEFA Loans; (ii) fund deposits to the Reserve Fund and the Taxable Capitalized Interest Account; and (iii) pay certain costs of issuing the Series 2025 Bonds. In addition, at or about the date of issuance of the Series 2025 Bonds, a projected amount of approximately $24[†] million of existing MEFA Refinancing Loans is expected to be transferred to the Issue M Resolution from the Authority's commercial paper program in connection with the repayment of certain notes issued thereunder with available Authority funds.

The Authority currently expects that, immediately following the issuance of the Series 2025 Bonds: (i) approximately $275 million of Series 2025 Bond proceeds will be deposited to the Taxable and Tax-Exempt Purchase accounts, all of which will be available to finance Fixed Rate MEFA Loans; (ii) the Senior Parity Ratio under the Issue M Resolution will be at least 119.25% and the Overall Parity Ratio under the Issue M Resolution will be at least 105.79%; and (iii) the Issue M Loans will be substantially as described herein. The Issue M Resolution does not require that the initial Senior Parity Ratio or the initial Overall Parity Ratio be maintained and they are expected to change over time as a result of a number of factors, including Issue M Loan origination and payment experience, the issuance of additional Issue M Bonds, and the release of Trust Assets.

The Authority also projects that all proceeds of the Series 2025 Bonds available to finance newly originated Fixed Rate MEFA Loans will be applied, or committed for application, by the end of the Loan Origination Period, currently expiring on June 30, 2026, as such period may be extended under the Issue M Resolution.

[Remainder of page intentionally left blank]

[†] Projected as of the date of this Official Statement.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the sale of the Series 2025 Bonds, including original issue discount, along with other funds available to the Authority will be applied as follows:

Sources of Funds:	
Principal Amount of Series 2025 Bonds	$282,055,000
Original Issue Discount	1,118,739
Other Available Funds[1]	29,085,067
Total	$310,021,328
Uses of Funds:	
Deposits to the Taxable and Tax-Exempt Purchase Accounts	275,000,000
Repayment of Commercial Paper Notes	24,085,067
Deposits to the Taxable and Tax-Exempt Reserve Accounts	2,820,550
Deposit to the Taxable Capitalized Interest Account	5,000,000
Payment of Costs of Issuance[2]	3,115,711
Total	$310,021,328

[1] As projected as of the date of this Official Statement. The total amount will be adjusted to cause the Other Available Funds to be the amount necessary to result in an Overall Parity Ratio of at least 105.79% and a Senior Parity Ratio of at least 119.25% upon issuance and delivery of the Series 2025 Bonds.

[2] To pay the costs of issuing the Series 2025 Bonds, including an Underwriters' discount.

SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT

The Issue M Bonds, including the Series 2025 Bonds, are special obligations of the Authority payable from and secured solely by a pledge and grant of a security interest in: (i) all Revenues; (ii) all Education Loan Notes and any other Revenue-producing contracts or loan guaranties and all rights and interests of the Authority incident thereto, except for amounts loaned to the Authority or the Authority's rights to indemnification under any security agreement required for an Education Loan Note pursuant to the Loan Program Certificate; (iii) all moneys and securities on deposit in the Funds and accounts established pursuant to the Issue M Resolution, except the Rebate Fund; (iv) all general intangibles (including payment intangibles) comprising or relating to any of the foregoing; and (v) proceeds of any of the foregoing (collectively, the "Trust Assets"), subject to the application of such amounts for the purposes permitted under the Issue M Resolution.

By their purchase of the Series 2025 Bonds, the original purchasers and all subsequent holders thereof consent, and shall be deemed to have consented, to the Springing Amendments. Any such consent will be effective on the date of issuance of the Series 2025 Bonds, will be binding on any subsequent purchaser of the Series 2025 Bonds, and may not be revoked after the issuance of the Series 2025 Bonds. See "APPENDIX D—Springing Amendments" hereto.

Revenues

Revenues include, but are not limited to: (i) all amounts paid or required to be paid with respect to principal of or interest on Issue M Loans including, without limitation, Issue M Loan payments, late charges, if any, amounts received upon the sale or other disposition of Issue M Loans, and including any amounts held by persons collecting such amounts on behalf of the Authority; (ii) all amounts received from third parties by the Authority under any security agreement for an Issue M Loan, excluding any amounts loaned to the Authority thereunder or paid to the Authority as indemnification; (iii) all interest, investment gains and other income received on moneys or securities held in Funds or accounts established under the

Issue M Resolution, except the Rebate Fund; and (iv) payments received by the Authority under and pursuant to a Hedge Agreement, including without limitation a Qualified Hedge Agreement.

The Issue M Resolution provides that the Revenues received from or in connection with an Education Loan financed from proceeds of, or other amounts allocable to, Taxable Bonds ("Taxable Revenues") will be deposited in the Taxable Revenue Account, and the Revenues received from or in connection with an Education Loan financed from proceeds of, or other amounts allocable to, Tax-Exempt Bonds ("Tax-Exempt Revenues") will be deposited in the Tax-Exempt Revenue Account, to facilitate tracing for tax purposes, but such Revenues may, if necessary, be used for the purposes set forth in the Issue M Resolution without regard to the particular Series of Issue M Bonds to which they are allocable. See the caption "Revenue Accounts" below and "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION—Priority of Unscheduled Draws to Meet Required Debt Service for Tax-Exempt Bonds, Tax-Exempt Program Expenses and Subordinated Tax-Exempt Program Expenses" and "—Priority of Unscheduled Draws to Meet Required Debt Service for Taxable Bonds, Taxable Program Expenses and Subordinated Taxable Program Expenses" hereto. Revenues allocable to a Series of Issue M Bonds are used to pay Program Expenses and Subordinated Program Expenses (if any), to pay interest on and Principal Installments of the Issue M Bonds, and to make up any deficiency in any fund or account established under the Issue M Resolution, including the Reserve Fund and the Rebate Fund. Any Revenues allocable to a Series of Issue M Bonds that are available after such payments and transfers may be applied to finance additional Issue M Loans (but only until the end of the Recycling Period for all Outstanding Issue M Bonds established by the Authority upon compliance with certain requirements of the Issue M Resolution) or, otherwise, transferred to the Redemption Fund account for the applicable Series (or for other Series of Issue M Bonds) to be used either to purchase or to redeem Issue M Bonds. The Recycling Period for the Issue M Bonds under the Issue M Resolution ends on June 30, 2027, as such period may be extended under the Issue M Resolution. In lieu of a transfer to the Redemption Fund, the Authority may direct the Trustee, subject to certain Issue M Resolution requirements, to transfer all or part of such balance to the Authority free and clear of the lien of the Issue M Resolution. See the caption "Release of Excess Trust Assets" below.

If Revenues are not sufficient to pay scheduled principal maturities of and interest on a Series of Issue M Bonds or to pay Program Expenses or Subordinated Program Expenses as required for any semi-annual period, moneys in the Redemption Fund (other than amounts then committed to the redemption of specific Issue M Bonds as to which notice has been given), the Program Fund, the Debt Service Fund and the Reserve Fund, will be applied to make up the deficiency in the manner, and with the priority, described under "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION—Priority of Unscheduled Draws to Meet Required Debt Service for Tax-Exempt Bonds, Tax-Exempt Program Expenses and Subordinated Tax-Exempt Program Expenses" and "—Priority of Unscheduled Draws to Meet Required Debt Service for Taxable Bonds, Taxable Program Expenses and Subordinated Taxable Program Expenses" hereto.

The Authority expects that Revenues and other available moneys held in the Funds and accounts under the Issue M Resolution will be sufficient to pay when due the Principal Installments of and interest on all Issue M Bonds, including the Series 2025 Bonds, Program Expenses and Subordinated Program Expenses. This expectation is based, except as noted below, among other things, on the assumption that: (i) the Issue M Loans will be credit-based MEFA Loans and MEFA Refinancing Loans, and will bear interest primarily at tiered fixed rates which the Authority currently believes to be reasonable; (ii) such Issue M Loans will be amortized over a maximum of 20 years, commencing on the 28th day of the month following the month in which the final disbursement occurs; (iii) new borrowers will select primarily between 10-year immediate repayment, 15-year immediate repayment, 15-year interest only repayment and 15-year deferred repayment options for MEFA Loans in a manner that will conform to current Authority volume and academic class distribution expectations; (iv) the Loan Origination Targets will be met and all

original proceeds of the Series 2025 Bonds deposited to the Purchase Accounts will be applied, or committed for application, to finance Issue M Loans by June 30, 2026; and (v) all available Revenues are recycled and used to finance additional Issue M Loans until June 30, 2027.

The Authority has also assumed that moneys in the various Funds and accounts established under the Issue M Resolution will be invested prior to application, in accordance with Issue M Resolution requirements, at rates that the Authority currently believes to be reasonable based upon current market conditions. With respect to proceeds of the Series 2025 Bonds deposited in the Taxable Purchase Account and the Tax-Exempt Purchase Account, "Investment Obligations" includes an investment agreement with a domestic or foreign bank or corporation the short-term debt of which is rated as least "A-1+" by S&P or, if the short-term debt of which is not rated at least "A-1+" by S&P, the long-term debt of which is rated at least "A-," and which is acceptable to the Authority (each, an "Eligible Provider"), and any other investment approved by the Authority, the investment in which will not adversely affect the then current ratings, if any, assigned to the Bonds by each Nationally Recognized Rating Agency then maintaining a credit rating on the Bonds. With respect to proceeds of the Series 2025 Bonds deposited in the Purchase Accounts that are invested in an investment agreement, if during its term the provider's rating by S&P falls below the minimum level required in the previous sentence, or is withdrawn or suspended, the provider shall, within sixty (60) days of such occurrence, do one of the following: (i) provide a written guarantee acceptable to the Authority from a guarantor with a short-term debt rating of at least "A-1+" or better, or, if the short-term rating is not at least "A-1+," a long-term debt rating of "A-" or better, by S&P, (ii) assign the agreement to an Eligible Provider, or (iii) repay the principal of and accrued interest on the investment.

The Authority has made additional assumptions with respect to the amounts and timing of prepayments, the level of borrower delinquency and default and the amount of Program Expenses to be due in each year. The Issue M Resolution limits the Program Expenses that may be paid from amounts on deposit thereunder annually. The assumptions relating to Issue M Loans described under this heading "Revenues" relate primarily to Issue M Loans financed or refinanced or expected to be financed with moneys allocable to the Issue M Bonds, including the Series 2025 Bonds. There can be no assurance that the actual experience of the Issue M Loans and of other Trust Assets will in fact conform to these assumptions. However, the Authority believes that these assumptions are reasonable. The Authority has relied on projections of revenues testing a range of assumptions in order to determine the effect of variation of these assumptions on the sufficiency of Revenues to be generated under the MEFA Financing Program which involves funding Issue M Loans to pay Principal Installments of and interest on the Issue M Bonds and Program Expenses as part of the process of obtaining the assignment or confirmation of credit ratings for Issue M Bonds, including the Series 2025 Bonds.

Issue M Loans

The Issue M Bonds, including the Series 2025 Bonds, are secured by a pledge of and lien upon all Issue M Loans, as evidenced by corresponding Education Loan Notes or by other appropriate documentation, which are financed with proceeds of the Issue M Bonds or other moneys available therefor under the Issue M Resolution. The Authority has covenanted in the Issue M Resolution that it will use and apply funds made available in connection with the issuance of the Issue M Bonds, to the extent not reasonably required for other MEFA Financing Program purposes of the Authority, to finance Issue M Loans, in a manner consistent with the Act and with the provisions of the Issue M Resolution. In addition, in order to receive and collect Revenues, the Authority has covenanted to do all such acts and things necessary and to take all steps, actions and proceedings necessary in the judgment of the Authority to enforce all terms, covenants and conditions of Issue M Loans in a manner consistent with the Act and with the provisions of the Issue M Resolution. The Issue M Resolution requires that all Issue M Loans financed by the Authority have terms of repayment which, together with other moneys available therefor, shall be at

least sufficient to pay Principal Installments of and interest on the Issue M Bonds when due and all reasonably anticipated Program Expenses.

The Authority anticipates, in part based on its experience with the MEFA Loan Program, that a portion of the Issue M Loans will be partially or completely prepaid prior to their respective final maturity dates due to borrower prepayment. However, the Authority cannot predict the actual average life of the portfolio of Issue M Loans or the volume and timing of any prepayments allocable to the Series 2025 Bonds. A portion of the Series 2025 Bonds are likely to be redeemed prior to maturity pursuant to the optional redemption or mandatory redemption provisions of the Issue M Resolution. See the captions "REDEMPTION PROVISIONS" and "THE MEFA FINANCING PROGRAM—Historical Program Financing Special Redemption Experience" herein and "APPENDIX G—WEIGHTED AVERAGE LIFE ANALYSIS OF THE SENIOR 2025A BONDS MATURING JULY 1, 2050" hereto.

Springing Amendments

In connection with the issuance of the Series 2025 Bonds, the Authority has proposed and approved certain amendments to the Issue M General Resolution and to the Fifth Series Resolution and the Sixth Series Resolution (the "Springing Amendments") to be effective at such time as the Holders of more than 60% in principal amount of the Bonds then Outstanding agree to such Springing Amendments (the "Effective Date"), or are deemed to have agreed to such Springing Amendments by agreeing to become Bondholders. The Trustee will notify each Nationally Recognized Rating Agency of the occurrence of the Effective Date. The Springing Amendments generally relate to changes to certain provisions related to excess revenues, redemptions from excess revenues and definitional changes to certain Investment Obligations. The Springing Amendments are noted in "APPENDIX B—DEFINITIONS OF CERTAIN TERMS," and "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION" and are more fully described in "APPENDIX D—SPRINGING AMENDMENTS" hereto. **By their purchase of the Series 2025 Bonds, the original purchasers and all subsequent holders thereof consent, and shall be deemed to have consented, to the Springing Amendments. Such consent will be effective on the date of issuance of the Series 2025 Bonds, will be binding on any subsequent purchaser of the Series 2025 Bonds, and may not be revoked after the issuance of the Series 2025 Bonds.** After giving effect to the issuance of the Series 2025 Bonds, the consent of approximately 29.2% of the holders of the Outstanding Bonds will have been obtained to the Springing Amendments.

Certain Resolution Requirements

The Issue M Resolution requires that the Authority satisfy certain conditions prior to undertaking certain actions. These requirements include: (i) satisfaction of the Rating Agency Condition as to one or more specified Nationally Recognized Statistical Rating Organizations (each, a "Nationally Recognized Rating Agency") prior to: (a) the issuance of Additional Bonds, or (b) the creation of certain subordinate liens on the Trust Assets; and (ii) satisfying the requirement of Prior Rating Agency Notice prior to: (a) any reduction in the parity level at which assets may be released from the Issue M Resolution (or in any other restrictions on such releases) or any reduction in the parity level at which Excess Revenues or other moneys may be applied to redeem Subordinate Issue M Bonds or Junior Subordinate Issue M Bonds while Senior Issue M Bonds or Subordinate Issue M Bonds are Outstanding, (b) certain derivative transactions, (c) certain changes to the Capitalized Interest Account Requirements or Reserve Fund Requirements, (d) any sale or transfer of Issue M Loans from the Issue M Resolution for a price less than par plus accrued interest, or if the aggregate outstanding principal amount to be sold or transferred, along with all previous sales or transfers, exceeds ten percent of the aggregate original principal amount or, if applicable, accreted value of all Issue M Loans originated prior to that date, (e) making certain investments not presently authorized by the Issue M Resolution, (f) certain changes to the terms and conditions of Issue M Loans, (g) changes in the Loan Servicer, (h) extension of a period during which sale proceeds of Issue M Bonds

or during which otherwise available Revenues may be applied to finance Issue M Loans, provided that provision of Prior Rating Agency Notice shall be deemed satisfied with respect to extension of the Recycling Period for the Series 2025 Bonds when extended by operation of a future Series Resolution, (i) any reduction of the amount of sale proceeds to be applied to finance Issue M Loans during a particular period, and (j) certain amendments to the Issue M Resolution. The Issue M Resolution further requires that the Authority make any such Prior Rating Agency Notice publicly available in the manner applicable to post-issuance disclosures under Rule 15c2-12 as promulgated by the Securities and Exchange Commission (the "SEC").

The Issue M Resolution requirements applicable to certain permitted actions may also include delivery to the Trustee of a Favorable Projection of Revenues. Such actions include, without limitation: (i) issuance of Additional Bonds; (ii) sales or transfers of Issue M Loans other than Defaulted Education Loans; (iii) the acquisition of MEFA Education Loans with interest rates lower than those projected in a prior Favorable Projection of Revenues; and (iv) several elections relative to redemption of Issue M Bonds.

Revenue Accounts

Monthly transfers of Taxable Revenues and Tax-Exempt Revenues are made to corresponding Funds and accounts described below from the Taxable Revenue Account and the Tax-Exempt Revenue Account, respectively, of the Revenue Fund in the priority set forth below. Such transfers of Taxable Revenues from the Taxable Revenue Account are initially used to pay amounts on, or allocable to, the Taxable Bonds, and such transfers of Tax-Exempt Revenues within the Tax-Exempt Revenue Account are initially used to pay amounts on, or allocable to, the Tax-Exempt Bonds, but may also be used as needed to cover a transfer from the other Revenue Account due to insufficient Revenues therein. For a more complete description of the transfers to be made from the Tax-Exempt Revenue Account and Taxable Revenue Account, see "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION—Revenues and Revenue Fund" hereto.

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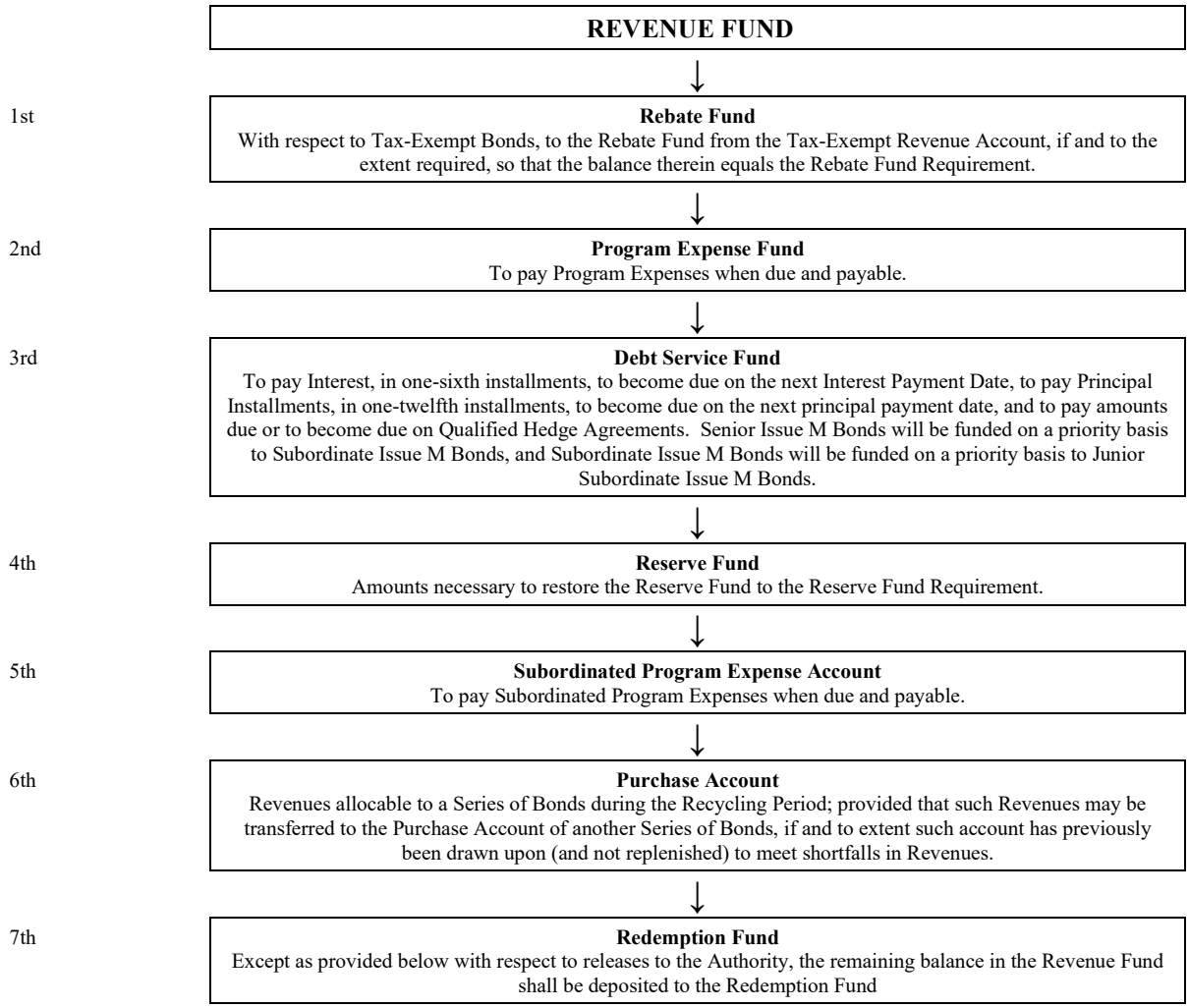

To the extent that there are not sufficient Revenues available in the Taxable Revenue Account of the Revenue Fund to pay the Program Expenses or Subordinated Program Expenses allocable to the Taxable Bonds and the interest and Principal Installments due on the Taxable Bonds, certain other Funds and accounts may be used to make such payments with the priority and in the manner described under "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION—Priority of Unscheduled Draws to Meet Required Debt Service for Taxable Bonds, Taxable Program Expenses and Subordinated Taxable Program Expenses" hereto, and, to the extent that there are not sufficient Revenues available in the Tax-Exempt Revenue Account of the Revenue Fund to pay the Program Expenses or Subordinated Program Expenses allocable to the Tax-Exempt Bonds and the interest and Principal Installments due on the Tax-Exempt Bonds, certain other Funds and accounts may be used to make such payments with the priority and in the manner described under "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION—Priority of Unscheduled Draws to Meet Required Debt Service for Tax-Exempt Bonds, Tax-Exempt Program Expenses and Subordinated Tax-Exempt Program Expenses" hereto.

Unless otherwise provided in a Series Resolution, as of the second to last Business Day prior to each Interest Payment Date, the Authority may, by certificate of an Authorized Officer, direct the Trustee to transfer to the Authority free and clear of the lien of the Issue M Resolution from time to time Revenues from MEFA Education Loans acquired with the proceeds of any Series of Issue M Bonds which otherwise would be deposited to the Tax-Exempt Redemption Account or Taxable Redemption Account, as

applicable, pursuant to clause 7th immediately above, provided that such certificate shall be accompanied by (i) a Parity Ratio Equity Release Certificate; (ii) in the case of application of Tax-Exempt Revenues or redemption of Tax-Exempt Bonds, an Arbitrage Projection Certificate or a Favorable Opinion; and (iii) a certificate of an Authorized Officer certifying in writing that no payments are due and unpaid to any provider of a Qualified Hedge Agreement or any Fiduciary or account of fees, expenses, reimbursements or any other obligations.

Capitalized Interest Accounts

The Issue M General Resolution establishes a Tax-Exempt Capitalized Interest Account and a Taxable Capitalized Interest Account. Moneys on deposit in the Capitalized Interest Accounts, if any, are available to pay: (i) interest on the Issue M Bonds if amounts in the Applicable Debt Service Account and the Applicable Revenue Account are insufficient therefor and (ii) upon direction of the Authority, certain Program Expenses, if amounts in the Applicable Program Expense Account and the Applicable Revenue Account are insufficient therefor, as described under "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION—Priority of Unscheduled Draws to Meet Required Debt Service for Tax-Exempt Bonds, Tax-Exempt Program Expenses and Subordinated Tax-Exempt Program Expenses" and "—Priority of Unscheduled Draws to Meet Required Debt Service for Taxable Bonds, Taxable Program Expenses and Subordinated Taxable Program Expenses" hereto. The amount required to be deposited in the Tax-Exempt Capitalized Interest Account in connection with the issuance of the Series 2025 Bonds is $0, and the amount required to be deposited in the Taxable Capitalized Interest Account in connection with the issuance of the Series 2025 Bonds is $5,000,000. To the extent not needed for permitted purposes, such deposit to the Taxable Capitalized Interest Account will be maintained from the date of issuance of the Series 2025 Bonds until July 1, 2026, after which all amounts remaining on deposit therein shall be transferred to the Taxable Revenue Account. The foregoing required initial deposit levels are referred to, respectively, as the Tax-Exempt Capitalized Interest Account Requirement and the Taxable Capitalized Interest Account Requirement and each is subject to change upon compliance with certain requirements of the Issue M Resolution. Amounts in the Capitalized Interest Accounts in excess of the then applicable Capitalized Interest Account Requirements on each Interest Payment Date shall be transferred to the Applicable Revenue Account. See the caption "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Reserve Fund

The Issue M Resolution requires that a Tax-Exempt Reserve Account and a Taxable Reserve Account be established within the Reserve Fund and provides for their funding and maintenance in an amount at least equal to the Tax-Exempt Reserve Account Requirement and the Taxable Reserve Account Requirement, respectively. Moneys on deposit in the Reserve Fund, including the proceeds of drawings upon Reserve Fund Facilities, shall be used to pay, as described under "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION—Priority of Unscheduled Draws to Meet Required Debt Service for Tax-Exempt Bonds, Tax-Exempt Program Expenses and Subordinated Tax-Exempt Program Expenses" and "—Priority of Unscheduled Draws to Meet Required Debt Service for Taxable Bonds, Taxable Program Expenses and Subordinated Taxable Program Expenses" hereto: (i) principal of and interest on the Issue M Bonds; and (ii) Program Expenses. Notwithstanding anything herein to the contrary, amounts on deposit in the Reserve Fund shall be available to pay (A) Required Debt Service on Senior Issue M Bonds on a priority basis prior to Required Debt Service on the Subordinate Issue M Bonds and Junior Subordinate Issue M Bonds if all are due at the same time and (B) Required Debt Service on Subordinate Issue M Bonds on a priority basis prior to Required Debt Service on the Junior Subordinate Issue M Bonds if both are due at the same. Under the Issue M General Resolution, the Taxable Reserve Account Requirement and the Tax-Exempt Reserve Account Requirement mean, as of any date of calculation on and after the date of initial delivery of the Series 2025 Bonds, the amounts specified in the

most recently adopted Series Resolution authorizing Outstanding Issue M Bonds or Supplemental Resolution.

(a) The Fifth Issue M Series Resolution provides that the Taxable Reserve Account Requirement will be an amount equal to the greater of 1.0% of the principal amount of the Taxable Bonds then Outstanding and the amount equal to 0.35% of the aggregate principal amount of the Taxable Bonds outstanding on the date of issuance of the Series 2025 Bonds, and (b) the Sixth Series Resolution provides that the Tax-Exempt Reserve Account Requirement will be an amount equal to the greater of 1.0% of the principal amount of the Tax-Exempt Bonds then Outstanding and the amount equal to 0.35% of the aggregate principal amount of the Tax-Exempt Bonds outstanding on the date of issuance of the Series 2025 Bonds. The Tax-Exempt Reserve Account will be initially funded with $411,150 from the proceeds of the Subordinate 2025B Bonds, and the Taxable Reserve Account will be funded with $2,409,400 from the proceeds of the Senior 2025A Bonds. Each of the Taxable Reserve Account Requirement and the Tax-Exempt Reserve Account Requirement is subject to change upon compliance with certain requirements of the Issue M Resolution. Proceeds of the Senior 2025A Bonds will be deposited to the Taxable Reserve Account in an amount sufficient to meet the Taxable Reserve Account Requirement and proceeds of the Subordinate 2025B Bonds will be deposited to the Tax-Exempt Reserve Account in an amount sufficient to meet the Tax-Exempt Reserve Account Requirement. See the caption "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Authority reserves the right to substitute one or more Reserve Fund Facilities for cash or Investment Obligations on deposit in the Reserve Fund or to substitute cash or Investment Obligations for some or all of the Reserve Fund Facilities at any time. Investments allocable to the Reserve Fund are valued at amortized cost. Whenever the balance in the Taxable Reserve Account is less than the Taxable Reserve Account Requirement, available moneys in the Taxable Revenue Account are required to be deposited in the Taxable Reserve Account to the extent necessary to eliminate the deficiency, and whenever the balance in the Tax-Exempt Reserve Account is less than the Tax-Exempt Reserve Account Requirement, available moneys in the Tax-Exempt Revenue Account are required to be deposited in the Tax-Exempt Reserve Account to the extent necessary to eliminate the deficiency. The Issue M Resolution provides that all interest earned or other income derived from the investment of moneys in the Taxable Reserve Account or Tax-Exempt Reserve Account will be transferred to the Applicable Revenue Account. The Issue M Resolution also provides that amounts in a Reserve Account in excess of the applicable Tax-Exempt Reserve Account Requirement or Taxable Reserve Account Requirement shall be transferred in accordance with whether those amounts are attributed to sale proceeds of Issue M Bonds and that excess monies shall be attributed for this purpose first to moneys other than the sale proceeds of Issue M Bonds. Excess monies in a Reserve Account will be transferred to the Applicable Revenue Account, subject to the reserved right of the Authority, during a Recycling Period and upon compliance with certain provisions of the Issue M Resolution, to direct the transfer of such excess monies to the Applicable Purchase Accounts.

Additional Bonds

The Issue M Resolution permits the issuance of Additional Bonds thereunder (including Additional Bonds secured on a parity basis with or subordinate to the Senior 2025A Bonds, the Senior 2022A Bonds, the Senior 2022B Bonds, the Senior 2021A Bonds, the Senior 2021B Bonds and Additional Bonds secured on a parity basis with, senior to or subordinate to the Subordinate 2025B Bonds, the Subordinate 2022C Bonds and the Subordinate 2021C Bonds) for the purpose of providing funds for the MEFA Financing Program and, in addition, to refinance or refund Issue M Bonds or other bonds or notes of the Authority issued to finance MEFA Education Loans. Any Additional Bonds issued under the Issue M Resolution will be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Issue M Resolution, except to the extent provided in the Issue M Resolution with respect to subordination of the Subordinate Issue M Bonds and Junior Subordinate Issue M Bonds to the Senior Issue M Bonds and

to subordination of the Junior Subordinate Issue M Bonds to the Subordinate Issue M Bonds and the Senior Issue M Bonds. The Issue M Resolution provides that upon the issuance of any such Additional Bonds there is to be deposited in the Applicable Reserve Account, if necessary, an amount sufficient to increase the amount therein to be equal to the applicable Reserve Fund Requirement, calculated after such issuance. In addition, the Authority is required to satisfy certain other conditions contained in the Issue M Resolution prior to the delivery of any Additional Bonds to the initial purchasers thereof, including without limitation satisfaction of the Rating Agency Condition as to all applicable Nationally Recognized Rating Agencies. The Issue M Resolution provides that the Authority shall not create or permit the creation of any obligations or additional indebtedness secured by a lien on the revenues and assets pledged as security for the Series 2025 Bonds under the Issue M Resolution unless it satisfies the Rating Agency Condition as to all Nationally Recognized Rating Agencies.

Release of Excess Trust Assets

The Issue M Resolution provides that the Trustee shall transfer to the Authority, at the direction of the Authority, free and clear of the lien of the Issue M Resolution, amounts held in the Revenue Fund (from either or both of the Taxable Revenue Account or the Tax-Exempt Revenue Account) as of each Interest Payment Date on or after the January 1, 2026 Interest Payment Date, after all payments and transfers required or permitted by the Issue M Resolution to be made prior thereto on such date have been made; provided, that the Overall Parity Ratio is at least 105.0% and Net Assets are at least equal to $6,000,000. See "APPENDIX B—CERTAIN DEFINED TERMS" hereto. The Issue M Resolution permits the Authority to change the minimum Overall Parity Ratio and the minimum Net Assets for Issue M Bonds Outstanding for releases upon satisfaction of certain conditions contained in the Issue M Resolution, including delivery to the Trustee of a Projection of Revenues and the provision of Prior Rating Agency Notice.

INVESTMENT CONSIDERATIONS

The investment considerations identified below, among others, could adversely affect the sufficiency of Revenues and other Trust Assets held under the Issue M Resolution to fund the timely payment of Principal Installments of and interest on Issue M Bonds, including the Series 2025 Bonds, Program Expenses and Subordinated Program Expenses (if any) or could adversely affect the market value of, or the existence of a secondary market for, the Series 2025 Bonds, including in particular Subordinate 2025B Bonds. **This caption is an attempt to describe in summary fashion certain such investment considerations, but does not include all investment considerations and does not constitute a comprehensive description of the investment considerations addressed. Additional investment considerations relating to an investment in the Issue M Bonds are described throughout this Official Statement, whether or not specifically designated as investment considerations. There can be no assurance that other investment considerations will not become material in the future. Investors should read this Official Statement in its entirety, including the Appendices hereto.**

Suitability for Investors

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

Redemption of Series 2025 Bonds

The Series 2025 Bonds are subject to redemption prior to maturity as a result of certain Excess Revenues. Excess Revenues may result from Issue M Loan portfolio payment performance that meets or exceeds or otherwise varies from assumptions utilized by the Authority for purposes of structuring the Series 2025 Bonds. A potential factor which may result in Excess Revenues is that Issue M Loans are subject to prepayment without penalty. Numerous sources of such prepayment, including refinancing loans, are available to Issue M Loan borrowers. See the captions "REDEMPTION PROVISIONS—Mandatory Redemption From Excess Revenues" and "—Optional Redemption From Excess Revenues" herein.

In addition, the Series 2025 Bonds are subject to redemption if, and to the extent that, the Authority does not apply the full amount of the Series 2025 Bond proceeds and other amounts that are available to finance MEFA Education Loans by certain Loan Origination Target Dates and during the Loan Origination Period, as described herein. The Authority currently expects that the Fixed Rate MEFA Loans to be financed by the Authority with the proceeds of the Series 2025 Bonds and other monies available under the Issue M Resolution during the Loan Origination Period will bear effective interest rates, and will offer other terms and conditions, that are competitive with loans that are currently made available by other lenders to eligible borrowers under the MEFA Loan Program. However, interest rates and other terms applicable to MEFA Education Loans, or to other loans that are available to potential Fixed Rate MEFA Loan borrowers, may change significantly during the Loan Origination Period. In addition, numerous other factors may affect the demand for Fixed Rate MEFA Loans during the Loan Origination Period. Accordingly, there can be no assurance that the Authority will, in fact, apply the full amount of funds that will be available to it by certain Loan Origination Target Dates and during the Loan Origination Period to finance Fixed Rate MEFA Loans, and such non-origination would likely result in redemption of Series 2025 Bonds. The Authority reserves the right to allocate funds from different sources that are available to it to finance MEFA Education Loans in any manner that it deems appropriate. See captions "REDEMPTION PROVISIONS—Mandatory Redemption Resulting From Non-Origination" herein and "APPENDIX G—WEIGHTED AVERAGE LIFE ANALYSIS OF THE SENIOR 2025A BONDS MATURING JULY 1, 2050" hereto.

The Series 2025 Bonds are also subject to redemption in the event that the Suspension Account is funded. See caption "REDEMPTION PROVISIONS—Mandatory Redemption Upon Funding of the Suspension Account" herein.

Issuance of Additional Bonds and Amortization of Issue M Bonds May Affect Redemption

The Authority reserves the right to issue additional Series of Issue M Bonds that are subject to redemption from Excess Revenues (either or both of Taxable Excess Revenues and Tax-Exempt Excess Revenues) that are allocable to the Issue M Loans funded from proceeds of such Issue M Bonds, or from Excess Revenues generally, on a basis different from that described herein with respect to the Series 2025 Bonds, as well as Additional Bonds not subject to such redemption. Issuance of such Issue M Bonds may affect the amount and timing of Excess Revenues (either or both of Taxable Excess Revenues and Tax-Exempt Excess Revenues) available to redeem other Issue M Bonds, including the Series 2025 Bonds, if not applied to other purposes permitted under the Issue M Resolution. In addition, the amortization of any such additional Issue M Bonds may also affect the amount and timing of Excess Revenues (either or both of Taxable Excess Revenues and Tax-Exempt Excess Revenues) that would be so available. See the caption "INVESTMENT CONSIDERATIONS—Redemption of Series 2025 Bonds" herein.

Subordination of the Subordinate 2025B Bonds may Result in a Greater Risk of Loss for Holders of Subordinate 2025B Bonds.

In the ordinary course, payments of principal and interest on the Subordinate 2025B Bonds are subordinated to payments of interest and principal on the Senior Issue M Bonds and senior to payments of interest and principal on the Junior Subordinate Issue M Bonds, if any. As of the date of issuance of the Series 2025 Bonds, all Principal Installments on the Subordinate 2025B Bonds come due after the Principal Installments on the Senior Issue M Bonds. Unless certain asset parity conditions have been satisfied, principal on the Subordinate 2025B Bonds will not be paid before it is due by redemption, except for non-origination redemptions, until all Senior Issue M Bonds have been paid in full. Thus, investors in the Subordinate 2025B Bonds will bear a greater risk of loss than the holders of Senior Issue M Bonds. See the caption "REDEMPTION PROVISIONS" herein.

In addition, the Subordinate 2025B Bonds are subordinated to the Senior Issue M Bonds, including the Senior 2025A Bonds, the Senior 2022A Bonds, the Senior 2022B Bonds, the Senior 2021A Bonds and the Senior 2021B Bonds, as to both payment from Revenues received and the direction of remedies on and after an Event of Default. Further, as long as any of the Senior Issue M Bonds, including the Senior 2025A Bonds, the Senior 2022A Bonds, the Senior 2022B Bonds, the Senior 2021A Bonds and the Senior 2021B Bonds, are Outstanding, the failure to pay interest or principal on the Subordinate Issue M Bonds, including the Subordinate 2025B Bonds, will not constitute an Event of Default under the Issue M Resolution.

As a result of the foregoing, holders of the Subordinate 2025B Bonds may bear a greater risk of losses or delays in payment than holders of Senior Issue M Bonds, including the Senior 2025A Bonds.

Certain Actions May Be Permitted Without Bondholder Approval

The Issue M Resolution provides that the Authority and the Trustee may take, or refrain from taking, various actions that may materially affect the interests of Bondholders without Bondholder approval upon compliance with one or more of the following requirements: (i) satisfying the Rating Agency Condition with respect to one or more applicable Nationally Recognized Rating Agencies; (ii) providing Prior Rating Agency Notice with respect to one or more applicable Nationally Recognized Rating Agencies; and (iii) delivering to the Trustee a Favorable Projection of Revenues in accordance with applicable Issue M Resolution requirements. Actions that don't require Bondholder approval include, but are not limited to, the issuance of Additional Bonds, release of assets from the Issue M Resolution, changes to required levels of reserves, changes to required parity levels for redemptions of Issue M Bonds, including Subordinate Issue M Bonds and Junior Subordinate Issue M Bonds, changes to periods for applying Issue M Bond sale proceeds, Revenues or other amounts to originate Issue M Loans, sale or other disposition of Issue M Loans, changes to the terms and conditions of Issue M Loans, approval of Projections of Revenues that are required under the Issue M Resolution in connection with the selection of Issue M Bond Series and maturities for redemption in certain circumstances or of Sinking Fund Installments to be credited with respect to certain redemptions and in numerous other circumstances. See the caption "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT—Certain Resolution Requirements" herein and "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION" hereto. To the extent such actions are taken, Bondholders will be relying on the evaluation by the Authority and, in some cases, by one or more Nationally Recognized Rating Agencies, of the potential impact of such actions upon the ability of the Trust Assets to provide for the full and timely payment of Debt Service on the Issue M Bonds, of Program Expenses and of Subordinated Program Expenses (if any). To the extent that such Authority actions are taken solely on the basis of Authority delivery of a Favorable Projection of Revenues or in part on the basis of satisfying the requirement for Prior Rating Agency Notice with respect to one or more Nationally Recognized Rating Agency, rather than of satisfying the Rating Agency Condition with respect to such Nationally Recognized Rating Agency, a subsequent adverse rating action

by such Rating Agency in response to such Authority action could materially decrease the market value of or existence of a secondary market for the Issue M Bonds. Moreover, the market price or marketability of the Series 2025 Bonds could be adversely affected by such actions even in the absence of such an adverse rating action.

Less than All of the Bondholders can Approve Amendments to the Issue M Resolution

Under the Resolution, Bondholders of specified percentages of the aggregate principal amount of the Issue M Bonds may amend or supplement provisions of the Issue M Resolution and the Issue M Bonds without the consent of the other Bondholders. Bondholders of the Series 2025 Bonds have no recourse if such other Bondholders vote in a manner with which they do not agree. The other Bondholders may vote in a manner which impairs the ability to pay principal and interest on the Issue M Bonds.

Series 2025 Bonds Are Limited Authority Obligations Without Third-Party Credit

The Issue M Bonds, including the Series 2025 Bonds, are special obligations of the Authority and are payable solely from the Revenues and certain Funds and accounts established and pledged under the Issue M Resolution. No revenues or other assets are available to fund payment of the Issue M Bonds except as expressly provided by the Issue M Resolution. The Authority has no taxing power. Neither the Commonwealth nor any political subdivision thereof is or shall be obligated to pay the principal of or interest on the Issue M Bonds, and neither the full faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to such payment.

The Authority does not expect to contract with any financial institution to provide third-party credit support for the Series 2025 Bonds or to provide third-party credit support for the Issue M Loans. It is expected that all Issue M Loans will be originated solely on the basis of borrower and, if applicable, co-borrower credit evaluation, will be payable solely by the borrower and any applicable co-borrower and will not be guaranteed by the Authority or by any other person, other than by any such co-borrower. Accordingly, Bondholders' receipt of full and timely payment of principal of and interest upon the Series 2025 Bonds will be primarily dependent upon the material conformance of the Authority's actual experience in originating Issue M Loans, and of the actual portfolio performance of the Issue M Loans, to the Authority's expectations. There can be no assurance of the marketability or market value of the Issue M Loans if it should, at any time, prove necessary to sell all or a portion of the Issue M Loans to fund the payment of interest upon and principal of the Issue M Bonds, particularly the Subordinate 2025B Bonds. In addition, factors affecting actual Issue M Loan origination and portfolio performance, factors affecting the marketability and market value of Issue M Loans, and the perceptions of market participants of such factors, may affect the marketability and market value of the Series 2025 Bonds.

Effect of Ratings

It is a condition to the issuance of the Series 2025 Bonds that the Series 2025 Bonds be rated as indicated on the cover hereof and under the caption "RATINGS" herein. Ratings are based on the assigning Nationally Recognized Rating Agency's assessment of the creditworthiness of the Trust Assets, which will be primarily dependent upon its assessment of the creditworthiness of the MEFA Education Loans that are expected to be included therein, the inclusion of certain other cash and investments therein and the legal structure of the transaction. References to ratings in this Official Statement are not included herein, and should not be relied upon, as recommendations by the Nationally Recognized Rating Agency to investors to purchase, hold or sell the Series 2025 Bonds as such ratings do not take into account either the suitability of such actions for any specific investor or the market price of the Series 2025 Bonds at any time. One or more additional nationally recognized statistical rating organizations may assign ratings to the Series 2025 Bonds, either in response to a request by the Authority or otherwise, and any such rating may or may not

be equivalent to the initial ratings described in this Official Statement. Any rating may be increased, lowered, suspended or withdrawn at any time by the rating organization assigning such rating if, in the assigning rating organization's judgment, circumstances so warrant. A lowering, suspension or withdrawal with respect to any rating assigned to the Series 2025 Bonds might adversely affect the Authority's ability to fund its MEFA Financing Program or the market value or marketability of the Series 2025 Bonds. In addition, a rating action that is, by its terms, limited to obligations other than Issue M Bonds that have been issued, or that may be issued, by the Authority, or potentially by other issuers, might also adversely affect the Authority's ability to fund its MEFA Financing Program or the market value or marketability of the Series 2025 Bonds. Rating actions may take place at any time. The Authority cannot predict the timing or nature of rating actions.

Investment and Interest Rate Exchange Agreements

The Issue M Resolution permits the Authority to enter into interest rate exchange agreements with respect to Issue M Bonds upon compliance with certain requirements of the Issue M Resolution including the giving of Prior Rating Agency Notice. No interest rate exchange agreements have been entered into or are expected to be entered into by the Authority with respect to the Series 2025 Bonds, but the Authority reserves the right to do so in the future in connection with additional Issue M Bonds or other bonds or notes to provide funding for MEFA Education Loans or MEFA Refinancing Loans.

The Authority has entered into, and may enter in the future, investment agreements with various financial institution counterparties with respect to certain series of its bonds that are not Issue M Bonds and may enter into one or more such agreements with respect to the Series 2025 Bonds or with respect to other Series of Issue M Bonds. A default under one or more such investment agreements could result in a loss that could adversely affect the security for the Issue M Bonds, including the Series 2025 Bonds, or one or more ratings currently assigned to the Issue M Bonds, including the Series 2025 Bonds.

Uncertainty as to Available Remedies

In the event that Revenues to be received under the Issue M Resolution are insufficient to pay when due the Principal Installments of and interest on the Issue M Bonds, the Issue M Resolution authorizes and, under certain circumstances, requires, the Trustee to declare an Event of Default and accelerate the payment of the Issue M Bonds, including the Series 2025 Bonds.

If an Event of Default occurs under the Issue M Resolution, subject to the rights of Bondholders, the Trustee is authorized to sell the Issue M Loans pledged thereunder. There can be no assurance, however, that the Trustee would be able to find a purchaser for such Issue M Loans in a timely manner or that the proceeds of any such sale, together with amounts then available in the Funds and accounts established under the Issue M Resolution, would be sufficient to pay Principal Installments of and interest on the Issue M Bonds, including the Series 2025 Bonds, then Outstanding and accrued interest thereon and to pay Program Expenses and Subordinated Program Expenses (if any). There is currently no established public market for alternative education loans and there can be no assurance that one will develop in the future. Claims on the Subordinate Issue M Bonds, including the Subordinate 2025B Bonds, are paid only after claims on the Senior Issue M Bonds, including the Senior 2025A Bonds, on and after an Event of Default.

The remedies available to owners of the Issue M Bonds upon an Event of Default under the Issue M Resolution are dependent upon regulatory and judicial actions which often are subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Issue M Resolution and such other documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the issuance of the Series 2025 Bonds will be qualified, as to the enforceability of the various legal instruments and by limitations imposed by bankruptcy,

reorganization, insolvency or other similar laws affecting the rights of creditors generally. Holders of the Senior Issue M Bonds, including the Senior 2025A Bonds, can direct exercise of remedies after an Event of Default without participation of Bondholders of the Subordinate Issue M Bonds, including the Subordinate 2025B Bonds.

The Issue M Loans are Unsecured and Do Not have the Benefit of any Guaranties

The Issue M Loans are private, or alternative, student loans not originated pursuant to the Higher Education Act of 1965, as amended (the "Higher Education Act"), and are not, and will not, be guaranteed by any governmental entity or third-party guarantor, and there are no reserves available to pay Defaulted Issue M Loans. In addition, the Issue M Loans to be pledged to the Trust Assets will be unsecured. Certain Issue M Loans have co-borrowers. Therefore, the receipt by the Trustee of principal and interest on the Issue M Loans will be dependent on the ability and willingness of the borrowers and, if applicable, the co-borrowers to make these payments. See the caption "General Economic Conditions" below and the caption "ISSUE M LOAN PORTFOLIO" herein.

Future Performance of the Issue M Loan Portfolio May Differ From Historical MEFA Education Loan Performance

Substantially all MEFA Education Loans that have been financed by the Authority to date, other than certain Authority FFELP Loans, have been MEFA Loans and MEFA Refinancing Loans. There can be no assurance, however, that the performance of Issue M Loans currently pledged to the Issue M Resolution, Issue M Loans transferred to the Issue M Resolution or Issue M Loans that are to be originated in the future will in fact be consistent with that of previously originated MEFA Education Loans. Previously originated MEFA Education Loans bore or bear a variety of interest rates and were repaid by borrowers in a variety of interest rate and economic environments. In addition, the Authority has from time to time modified the credit criteria and certain other origination and repayment terms applicable to MEFA Education Loans. As a result, certain previously originated MEFA Education Loans were originated on the basis of credit criteria or terms that differ in certain respects from those expected to be applicable to newly originated Issue M Loans. Although the Authority believes that such differences have proven not to have a material effect on the overall performance to date of MEFA Education Loans that have been originated during different periods, there can be no assurance that no such effect will result in the future. There can be no assurance that the ability of borrowers of Issue M Loans to repay such loans, or their propensity to prepay such loans, will not differ materially from that of borrowers of previously originated MEFA Education Loans. In addition, the Issue M Resolution permits MEFA to apply proceeds of the Series 2025 Bonds and other monies made available under the Issue M Resolution to originate Fixed Rate MEFA Loans and MEFA Refinancing Loans with terms and conditions that vary from those described herein, upon compliance with certain requirements of the Issue M Resolution.

An Outbreak Similar to the COVID-19 Pandemic Could Adversely Affect the Value of the Series 2025 Bonds or Borrowers' Ability to Repay their MEFA Education Loans

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

The Authority cannot predict any pandemic's long-term economic effects, including its effects on borrowers. Actions or extensions of actions taken to limit any 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 Authority to pay the principal of and interest on the Series 2025 Bonds, and related fees and the repayment of the Series 2025 Bonds, prior to their maturity.

The Authority experienced an increase in Forbearance as a result of reduced economic activity and increased unemployment due to the COVID-19 outbreak and containment efforts. Forbearance utilization peaked in May of 2020 at 16.02% but has since returned to pre-COVID-19 levels with utilization of 0.07% as of March 31, 2025.

There can be no assurance that future local, state or federal legislation intended to mitigate the economic effects of a pandemic, or otherwise, will not directly or indirectly affect the MEFA Education Loans, other loans made under the MEFA Loan Program, or the Authority. Federal, state and local governments adopted with respect to COVID-19, and may further adopt with respect to a future outbreak, laws, regulations, and executive orders and policy statements that require or encourage financial services companies to make accommodations to borrowers affected by a pandemic. The accommodations may include allowing borrowers to forego making scheduled payments for some period of time, requiring loan modifications such as payment deferrals or extensions of repayment terms, waivers of amounts due or past due, and restrictions on collection activities and enforcement of remedies. Such actions could adversely affect the Authority's ability to pay principal of and interest on the Series 2025 Bonds.

As detailed herein, PHEAA is the Loan Servicer for the MEFA Financing Program. The Authority cannot predict with certainty the extent to which any future illness outbreak will have a material adverse effect on the financial condition and operations of PHEAA. If the Authority or PHEAA is unable to adequately perform their obligations with respect to servicing the MEFA Education Loans, this could adversely affect the performance of the MEFA Education Loans and the Authority's ability to pay principal of and interest on the Series 2025 Bonds.

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

Certain Factors Could Potentially Affect Timing and Receipt of Revenues

The Authority expects that the Revenues and other moneys held in certain Funds and accounts under the Issue M Resolution will be sufficient to pay when due the Principal Installments of and interest on the Issue M Bonds, including the Series 2025 Bonds, the Program Expenses and Subordinated Program Expenses (if any). This expectation is based upon projections and cash flow assumptions, which the Authority believes are reasonable, regarding the financing and repayment performance of Issue M Loans, and the occurrence of certain future events and conditions. There can be no assurance, however, that interest and principal payments from the Issue M Loans will be received as anticipated, that the projected yield on the Issue M Loans will be realized, that the reinvestment rates assumed with respect to the investment of various Funds and accounts will be realized, that Program Expenses or Subordinated Program Expenses (if any) will be incurred at the levels and on the schedule anticipated or that the origination and performance experience of Issue M Loans will conform to that of previously originated Fixed Rate MEFA Loans and MEFA Refinancing Loans. Furthermore, future events over which the Authority has no control may adversely affect the Authority's actual receipt of Revenues and principal pursuant to the Issue M Resolution.

Receipt of principal and interest on Issue M Loans may be accelerated, causing an unanticipated redemption of Issue M Bonds, including the Series 2025 Bonds, due to various factors, including, without limitation: (a) faster than anticipated Issue M Loan origination; (b) Issue M Loans being in forbearance, modified payment or delinquency status less frequently or for shorter periods than anticipated; (c) economic considerations that induce borrowers to refinance or repay their Issue M Loans, in whole or in part, prior to scheduled payment dates; and (d) a lesser incidence of Issue M Loan defaults than anticipated. With respect to MEFA Education Loans, such factors may also include, without limitation: (i) greater than anticipated borrower selection of 10-year repayment options for Fixed Rate MEFA Loans; (ii) fewer Fixed Rate MEFA Loan borrowers electing initial Interest-Only Payment Options than anticipated for shorter than anticipated option duration; (iii) less than anticipated Issue M Loan repayment deferral; and (iv) the commencement of principal repayment by Issue M Loan borrowers on earlier dates than are anticipated.

Receipt of principal of and interest on Issue M Loans may be delayed, which would adversely affect the availability of Revenues to fund payment when due of the Principal Installments of and interest on the Issue M Bonds, including the Series 2025 Bonds, Program Expenses and Subordinated Program Expenses (if any). Such delays might be caused by numerous factors, including, without limitation: (i) more Fixed Rate MEFA Loan borrowers electing initial Interest-Only Payment Options than are assumed, or longer than assumed option duration; (ii) less than anticipated Fixed Rate MEFA Loan borrower selection of 10-year repayment options; (iii) slower than assumed Issue M Loan origination; (iv) greater than anticipated Issue M Loan deferral; (v) less than projected total Issue M Loan origination; and (vi) loans in forbearance, modified payment or delinquency more frequently or for periods longer than assumed.

Receipt of principal and interest might also be affected if the Authority experiences unanticipated difficulty originating MEFA Education Loans. The demand for MEFA Education Loans is affected by a number of factors, including, but not limited to, (i) competition from other education loan financing and refinancing programs; (ii) the availability of alternative financing mechanisms such as grants and other forms of financial assistance; (iii) general economic conditions; (iv) student perceptions of the value of post-secondary education and their ability to participate in post-secondary education programs on at least a half-time basis; (v) the cost of post-secondary education; (vi) the ability of borrowers and co-borrowers to satisfy credit criteria; (vii) the schedule upon which students and their families must pay post-secondary education costs; and (viii) changes in federal law.

Delays in the release of the Free Application for Federal Student Aid ("FAFSA") to families or delays by the Department of Education in the distribution of FAFSA applicant information to colleges and universities, could possibly cause delays in notifying new or continuing students and parents of financial aid packages or extend the new student enrollment decision deadline in order to accommodate. Any delay in families receiving their federal financial aid packages may then delay the application process for potential borrowers of MEFA Loans. It is unclear if any delay in FAFSA would impact the Authority's traditional timing of receiving and processing MEFA Loan applications and further impact the funding of new MEFA Loans typically in August and September. A delay in FAFSA may cause students to defer their educations due to the uncertainty of the amount of financial aid they may receive or cause families to over or under-estimate their financial needs, potentially negatively impacting the amount of MEFA Loans ultimately needed. Further, some students may decide to delay their current year pursuit of a college education, thus causing less demand or delayed demand for MEFA Loans for a given year. Any of these issues may adversely impact the Authority's MEFA Loan volume or time of origination, and projections thereof, and may adversely impact investors if amounts expected to be used to originate MEFA Loans are not fully expended causing a mandatory redemption resulting from non-origination of MEFA Loans. See the caption "THE SERIES 2025 BONDS—Redemption Provisions" herein and APPENDIX G—"WEIGHTED AVERAGE LIFE ANALYSIS OF THE SENIOR 2025A BONDS MATURING JULY 1, 2050" hereto.

Additional factors which may have a material effect on the sufficiency of Revenues include, but are not limited to, Program Expenses and Subordinated Program Expenses (if any) or Fund investment results which vary materially from those projected by the Authority. Furthermore, the Authority reserves the right to apply moneys in the Purchase Accounts and other moneys available to it to originate MEFA Education Loans in the manner it deems most advantageous to MEFA Education Loan borrowers and the Authority. The ability of the Trust Assets to produce Revenues sufficient to fund the timely payment of principal and interest of the Issue M Bonds and other Issue M Resolution requirements might be adversely affected by certain actions that the Authority might take in response to lower than anticipated origination of Fixed Rate MEFA Loans and MEFA Refinancing Loans from the Purchase Accounts consistent with the Issue M Resolution.

Composition and Characteristics of the Issue M Loan Portfolio May Change

Certain characteristics of the Issue M Loans currently pledged to the Issue M Resolution and the MEFA Refinancing Loans to be transferred from the Authority's commercial paper program, and representative characteristics of the Fixed Rate MEFA Loans the Authority currently intends to finance with the proceeds of the Series 2025 Bonds and other monies made available under the Issue M Resolution, are described in this Official Statement. Certain amounts received with respect to the Issue M Loans may be recycled and proceeds of Additional Bonds may be used to finance additional Issue M Loans in the future. The characteristics of the Issue M Loan portfolio will change as new Issue M Loans are financed and as Issue M Loans are repaid and may also change as a result of changes in the MEFA Financing Program. The Authority regularly reviews the terms and conditions of its MEFA Financing Program and reserves the right to alter such terms and conditions at any time subject, with respect to Issue M Loans, to compliance with certain requirements of the Issue M Resolution.

General Economic Conditions

Collections on the Issue M Loans may vary greatly in both timing and amount from the payments actually due on such Issue M Loans for a variety of economic, social, and other factors. The Authority's current projections of the performance of Issue M Loans are based upon historical MEFA Education Loan performance. The MEFA Loan Program was established in 1983. From time to time regional and national recessionary conditions have resulted in a reduction in household wealth and in the availability of civilian employment. Such developments have also resulted in a reduction in the availability of consumer credit and of general financial market liquidity. Economic conditions may also be impacted by terrorist acts against the United States or other nations or the commencement of hostilities between the United States and a foreign nation or nations, political turmoil, 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 invasion by Russia of Ukraine, the Israeli-Hamas conflict 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 when such conditions may arise or for how long they may continue. Future performance of Issue M Loans may be adversely affected by subsequent economic and other events affecting the employment prospects of borrowers or otherwise affecting their ability and willingness to incur and to repay Issue M Loans. High levels of unemployment, either regionally or nationally, may result in increased borrower delinquency and default. Failures by borrowers to pay the principal of and interest on the Issue M Loans in a timely fashion or an increase in deferments or forbearances or in utilization of modified repayment provisions could affect the timing and amount of Revenues. In addition, borrowers of private credit student loans such as the Issue M Loans may have already borrowed up to the maximum annual or aggregate limits pursuant to the Federal Family Education Loan Program under the Higher

Education Act or the Department of Education's Direct Loan Program. In addition, certain Issue M Loans have been made to certain graduate, professional and refinancing borrowers, who may have higher debt burdens than Issue M Loan borrowers as a whole.

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

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

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

To the extent there is a failure of a party to the financing agreements relating to the Series 2025 Bonds, such failure could have a material adverse impact on the payment of principal and interest on the Series 2025 Bonds and/or the value and liquidity of the Series 2025 Bonds.

The effect of these factors on the timing and amount of Revenues, the ability of the Authority to pay the Principal Installments of and interest on the Series 2025 Bonds, Program Expenses and Subordinated Program Expenses (if any) and the incidence of redemption of the Series 2025 Bonds prior to their maturity, is impossible to predict with certainty. See the captions "Redemption of Series 2025 Bonds" and "Certain Factors Could Potentially Affect Timing and Receipt of Revenues" above and the captions "Certain Military and National Emergency Events Could Delay Borrower Payments" and "Changes in Relevant Law" below.

Electronic Based Loan Servicing and Cybersecurity

The Authority 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.

The Authority is subject to a dynamically changing landscape of privacy, data protection, and cybersecurity laws, regulations and requirements. Various federal and state regulators, including governmental agencies, have adopted, or are considering adopting, laws and regulations regarding personal information and data privacy and security. For example, the Securities and Exchange Commission ("SEC") has adopted rules regarding the public reporting of certain cybersecurity events. This patchwork of legislation and regulation may lead to conflicts or differing views of personal privacy rights. State laws regarding personal information may be broader in scope or more stringent that federal laws or the laws of other states regarding personal information. The enactment of new federal data protection and privacy laws also is possible and could impact the Authority and its activities. If any of these factors were to (i) cause certain provisions of the MEFA Education Loans to be unenforceable against the borrowers, (ii) otherwise create liability of the Authority to the borrowers with respect to data breaches or (iii) otherwise have a material adverse effect on the Authority's operation of the MEFA Loan Program, the ability of the Authority to make Principal Installments of and interest on the Issue M Bonds, including the Series 2025 Bonds, may be adversely affected.

Certain Military and National Emergency Events Could Delay Borrower Payments

The Servicemembers Civil Relief Act of 2003 (the "Civil Relief Act"), which replaced and clarified certain benefits extended to military persons under the Soldiers' and Sailors' Civil Relief Act of 1940, provides relief to borrowers who enter active military service and to borrowers in reserve status who are called to active duty after the origination of their education loans. The Civil Relief Act provides that persons on active duty in military service who have incurred education loans prior to their period of active duty may request to have the interest on their loans in excess of 6% per year forgiven under certain circumstances. In addition, the Civil Relief Act limits the ability of a lender 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. Congress has periodically adopted similar legislation, and may consider additional legislation, that provides for, among other things, interest rate caps and additional periods of deferment with respect to education loans made to members of the military, including reservists, and others affected by national emergencies, as well as to other categories of borrowers. There can be no assurance that additional legislation of this type will not be adopted in the future and will not affect payments received by the Authority on Issue M Loans. There is no basis for predicting the number and aggregate principal balances of Issue M Loans that may be affected by the application of such legislation, the period of time over which such Issue M Loans may be so affected and the resulting affect upon the sufficiency of Revenues and other amounts available under the Issue M Resolution to pay when due the Principal Installments of and interest on the Outstanding Bonds and to pay Program Expenses and Subordinated Program Expenses (if any).

Prepayment of Issue M Loans is Subject to Uncertainty

Issue M Loans may be prepaid by borrowers at any time prior to their respective final maturity dates without penalty. For this purpose, the term "prepayments" includes repayments in full or in part. The rate of prepayments on the Issue M Loans may be influenced by a variety of economic, social and other factors affecting borrowers, including interest rates, the availability of alternative financing and the general

job market for graduates of institutions of higher education. The Issue M Loan portfolio is expected to include Fixed Rate MEFA Loans and MEFA Refinancing Loans with a range of interest rates, principal balances and other characteristics. The Authority cannot predict with certainty the actual average life of the Issue M Loans. In addition, the availability of education loan consolidation financing from other sources may materially increase the rate of prepayment actually experienced by the Authority with respect to Issue M Loans. An increase in the rate of Issue M Loan repayment actually experienced by the Authority could result in increased redemption of Issue M Bonds, including Series 2025 Bonds, prior to maturity and could have a material and adverse effect upon the sufficiency of Revenues and other moneys held under the Issue M Resolution to pay when due the Principal Installments of and interest on the Issue M Bonds, including Series 2025 Bonds, Program Expenses, and Subordinated Program Expenses (if any).

To the extent that Issue M Loans are prepaid, the proceeds of such prepayments may be used to redeem Series 2025 Bonds prior to maturity pursuant to the optional and mandatory redemption provisions of the Issue M Resolution. If the Series 2025 Bonds are redeemed prior to their respective stated maturities, holders of the Series 2025 Bonds may not be able reinvest their funds at the same yield as the yield on the Series 2025 Bonds and may receive a yield less than the expected yield on investment if such Series 2025 Bonds were purchased at a premium or discount. The Authority cannot predict the prepayment rate of any Issue M Loans originated or acquired with proceeds of the Series 2025 Bonds, and reinvestment risks or reductions in yield resulting from prepayment will be borne entirely by the affected holders of the Series 2025 Bonds. See the caption "Redemption of Series 2025 Bonds" above.

Dependence Upon Third-Party Loan Servicer and Loan Originating Agent

The Authority is currently dependent upon third parties to assist it with originating and servicing MEFA Education Loans. As of the date of this Official Statement, Anovaa is acting as a Loan Originating Agent and PHEAA is acting as the Loan Servicer and custodian with respect to MEFA Education Loans. The Authority reserves the right, however, to establish different Issue M Loan origination and servicing arrangements in accordance with the Issue M Resolution. The cash flow projections relied upon by the Authority in structuring the bond issue are based upon assumptions with respect to servicing costs which the Authority based upon the PHEAA Servicing Agreement. No assurance can be given that the Authority will be able to extend the term of the PHEAA Servicing Agreement, which is subject to renewal annually or that the Authority will be able to enter into servicing agreements with other acceptable Loan Servicers at the assumed-level of servicing cost upon scheduled expiration of the current PHEAA Servicing Agreement. Although PHEAA is obligated to cause the Issue M Loans to be serviced in accordance with the terms of the PHEAA Servicing Agreement, the timing of payments to be actually received with respect to Issue M Loans will be dependent upon the ability of PHEAA to adequately service the Issue M Loans. In addition, investors and the Authority will be relying on PHEAA's compliance with applicable federal and state laws and regulations. PHEAA is not responsible for errors in servicing or origination of the MEFA Education Loans (including any Issue M Loans) prior to its commencement of servicing the MEFA Education Loans pursuant to the PHEAA Servicing Agreement.

In the event of a default by PHEAA under the PHEAA Servicing Agreement resulting solely from certain events of insolvency or bankruptcy (if permitted), a court, conservator, receiver or liquidator may have the power to prevent the appointment of a successor loan servicer and delays in collections in respect of the Issue M Loans may occur. Delays in the receipts of payments with respect to Issue M Loans in excess of the delinquency and default assumptions adopted by the Authority for purposes of preparing cash flow projections as a basis for structuring the issue may delay the timely payment when due of the Principal Installments of and interest on the Issue M Bonds, including the Series 2025 Bonds, of Program Expenses and of Subordinated Program Expenses (if any).

In the event of a default by a Loan Originating Agent under a loan origination agreement resulting solely from certain events of insolvency or bankruptcy, a court, conservator, receiver or liquidator may have the power to prevent the appointment of a successor originator and delays in originations in respect of the Issue M Loans may occur. Delays in the origination of Issue M Loans may result in early redemption of the Series 2025 Bonds due to non-origination.

Bankruptcy or Insolvency of the Loan Servicer Could Result in Payment Delays to Bondholders

PHEAA acts as the Loan Servicer with respect to the Issue M Loans. In the event of a default by the Loan Servicer resulting from events of insolvency or bankruptcy (if permitted), a court, conservator, receiver or liquidator may have the power to prevent the Trustee or the Bondholders from appointing a successor loan servicer, and delays in collections of the Issue M Loans may occur. Any delay in the collections of Issue M Loans may delay payments to Bondholders, particularly Bondholders of the 2025B Bonds.

A Default by a Loan Servicer could Adversely Affect the Issue M Bonds

If a Loan Servicer defaults on its obligations under its Servicing Agreement, the Authority is entitled to all rights and remedies available to it as a result of the breach of such Servicing Agreement. In the event of the removal of the Loan Servicer and the appointment of a successor Loan Servicer, there may be additional costs associated with the transfer of such duties to the successor Loan Servicer, including, but not limited to, an increase in the servicing fees the successor Loan Servicer charges. In addition, the ability of the successor Loan Servicer to perform the obligations and duties under its Servicing Agreement cannot be predicted.

Commingling of Payments on Issue M Loans Could Prevent the Authority from Receiving Certain Revenues

Payments received on the Issue M Loans generally are deposited into an account in the name of the Loan Servicer each Business Day. However, payments received on the Issue M Loans will not be segregated immediately from payments the Loan Servicer receives on other student loans it services. Such amounts are identified and transferred to the Trustee for deposit into the Applicable Revenue Account within an average of two Business Days of receipt of such payments. Prior to the transfer of such funds, the Loan Servicer may invest those funds for its own account and at its own risk. If the Loan Servicer is unable to transfer all or any part of such funds to the Trustee, Revenues may be reduced.

Internet Based Loan Origination Processes may give rise to Greater Risks than Paper Based Processes

The Authority and its Loan Originating Agents often use the internet to obtain application information and distribute certain legally required notices to applicants and borrowers, and to obtain electronically signed loan documents in lieu of paper documents with actual borrower signatures. These processes may entail greater risks than would paper based student loan origination processes, including risks regarding the sufficiency of notice for compliance with consumer protection laws and risks that borrowers may challenge the authenticity of loan documents. If any of those factors were to cause Issue M Loans, or any of the terms of the Issue M Loans, to be unenforceable against the borrowers, the Authority's ability to pay principal of and interest on the Issue M Bonds, including the Series 2025 Bonds, could be adversely affected.

Competition May Reduce Demand for or Increase Prepayments on Issue M Loans

In addition to the MEFA Financing Program, there are a number of other sources available to students and/or their parents to finance or refinance the costs of higher education. Such other sources include loans offered pursuant to the Federal Direct Student Loan Program and by other education lenders. The availability of certain federal, state and institutional financial aid reduces the number of qualified borrowers, who might otherwise be eligible for MEFA Education Loans. The terms and availability of education loan financing and refinancing from sources other than the Authority varies and is subject to change. Although the Authority believes that Issue M Loans will be competitive in the currently prevailing market for education loans, the availability of such other lending sources and of the federal programs described herein may impact adversely the number of loans which may be financed under the MEFA Loan Program. In addition, the availability of education loan consolidation financing from other sources may materially increase the rate of prepayment actually experienced by the Authority with respect to Issue M Loans. Finally, there can be no assurance as to the availability to students of other forms of financial assistance from the Commonwealth, the federal government, and public and private Participating Institutions, that may reduce demand for MEFA Education Loans.

Dodd-Frank Act

On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") to reform and strengthen supervision of the U.S. financial services industry. The Dodd-Frank Act required the creation of new federal regulatory agencies, and granted additional authority and responsibilities to existing regulatory agencies to identify and address emerging systemic risks posed by financial services activities. The Dodd-Frank Act has resulted in comprehensive changes to the regulation of most financial institutions operating in the United States. It also fostered new regulation in the business and the markets in which the Authority operates. Specifically, significant new regulation has occurred in many areas of consumer financial products and services, including private education loans. Under the Dodd-Frank Act, entities such as the Authority are subject to regulations developed by a new agency designed to regulate federal consumer financial protection laws, the Consumer Financial Protection Bureau (the "CFPB"). The CFPB is an independent agency that is housed within the Federal Reserve Board, but is not subject to Federal Reserve Board jurisdiction or to the Congressional appropriations process. It has substantial power to regulate financial products and services received by consumers from both banks and non-bank lenders including rulemaking authority in enumerated areas of federal law traditionally applicable to consumer lending such as truth in lending, fair credit reporting and fair debt collection. In addition, the Dodd-Frank Act provides for significant new enforcement authority, including authorization of state attorneys general to bring lawsuits under federal consumer protection laws with the consent of the CFPB.

In December 2013, the CFPB adopted a rule that enables it to 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, and gives the CFPB broad authority to examine, investigate, supervise, and otherwise regulate student loan servicers, including the authority to impose fines and require changes with respect to any practices that the CFPB finds to be unfair, deceptive, or abusive. PHEAA, the current Loan Servicer of the Issue M Loans, services more than one million student loan borrower accounts. The CFPB began conducting its initial supervisory examinations of the large non-bank student loan servicers after the rule became effective in March 2014. If the CFPB were to determine that a Loan Servicer is not in compliance, it is possible that this could result in material adverse consequences to such Loan Servicer, including, without limitation, settlements, fines, penalties, adverse regulatory actions, changes in a Loan Servicer's business practices, or other actions.

Student loans and student loan servicing have historically been 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 Authority is unable to estimate at this time any potential financial or other impact to the servicers that could result from these developments.

In early 2022, the CFPB announced plans to step up its enforcement of non-bank financial entities when the CFPB believes such entities pose risks to consumers. The CFPB also announced new procedural rules to investigate non-bank financial institutions and enforce determinations in both civil and administrative adjudications.

The Trump administration has ordered many of the activities of the CFPB, including supervision and examination activities, to be suspended. There is no guaranty the activities of the CFPB, in whole or in part, will remain suspended. There remains considerable uncertainty as to the future of the CFPB and the areas of focus or priorities of the CFPB. There is also considerable uncertainty as to how other federal and state regulators will respond to any changes at the CFPB, including with respect to its focus or priorities. Such developments could affect MEFA Education Loans, including the Issue M Loans. In the event that the CFPB changes regulations adopted in the past by other regulators, or modifies past regulatory guidance, the Authority's compliance costs and litigation exposure could increase. In February 2025, the Trump Administration attempted to terminate the majority of employees of the CFPB. This termination is the subject to ongoing litigation. It is possible that President Trump may take further executive actions that impact the regulatory authority of the CFPB or the Dodd Frank Act generally.

The full effect of the Dodd-Frank Act will depend significantly upon the content and implementation of the rules and regulations issued or modified, and still to be issued or modified, pursuant to its provisions and to the administration and enforcement of such requirements. It is unclear what the operational impact of these developments will be on the Authority, but it is possible that the Authority's operational expenses may be materially increased. No assurance can be given that these developments will not have an adverse effect on the security, market value or liquidity of the Issue M Bonds, including the Series 2025 Bonds.

Modified Payment Plans on MEFA Education Loans

MEFA Education Loan Borrowers experiencing financial hardship are permitted to apply for a modified payment plan which permits such borrowers to make interest only payments or reduced payment amounts, depending upon the plan. The total maximum period for a borrower using a modified payment plan is 48 months. Participation in a modified payment plan does not extend the original payment term of the MEFA Education Loan and the MEFA Education Loan is re-amortized at the end of the modified payment term. See the caption "THE MEFA EDUCATION LOAN PROGRAM" herein.

Consumer Protection Lending Laws May Change

MEFA Education Loans are subject to applicable laws regulating loans to consumers. Numerous federal and state consumer protection laws and related regulations impose substantial requirements upon lenders and servicers involved in consumer finance. Some state and federal laws impose finance charge restrictions and other restrictions on certain consumer transactions and require certain disclosures of legal

rights and obligations. Furthermore, to the extent applicable, these laws can impose specific statutory liabilities upon creditors who fail to comply with their provisions and may affect the enforceability of the loans. In addition, the remedies available to the Trustee or the Bondholders upon an Event of Default under the Issue M Resolution may not be readily available or may be limited by applicable state and federal laws. If the application of consumer protection laws were to cause the Issue M Loans, or any of the terms of the Issue M Loans, to be unenforceable against the borrowers or co-borrowers, the Authority's ability to pay when due the Principal Installments of and interest on the Issue M Bonds, including the Series 2025 Bonds, Program Expenses and Subordinated Program Expenses (if any) could be adversely affected. See the caption "MEFA EDUCATION LOAN ORIGINATION AND SERVICING—The Loan Servicer—Commonwealth of Massachusetts" herein.

For example, federal laws such as the Truth-in-Lending Act can impose statutory damages on lenders and defenses to enforcement of the Issue M Loans, if errors were made in disclosure that must be made to borrowers. Certain state disclosure laws, such as those protecting co-signers, may also affect the enforceability of the Issue M Loans if appropriate disclosures were not given or records of those disclosures were not retained. If the interest rate on the Issue M Loans in question exceeds applicable usury laws, that violation could materially adversely affect the enforceability of the Issue M Loans.

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

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

The CFPB or other federal, state and local regulators may adopt new laws and regulations that may reduce the Authority's revenues, cause its expenses to increase and/or require it to substantially modify its business practices. Additionally, further regulation by Congress, state legislatures or regulatory agencies, or changes in the regulatory application or judicial interpretation of existing laws and regulations applicable to consumer lending could make it more difficult for the Authority to collect payments on the Issue M Loans or otherwise affect the manner in which the Authority conducts its business. The regulatory environment in which financial institutions, creditors and servicers operate has become increasingly complex.

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

Issue M Loans or result in the requirement that the aforementioned parties pay damages and/or cancel the balance or other amounts owing under an Issue M Loan associated with such violations.

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

Certain MEFA Education Loans May be Forgiven upon the Death or Permanent Disability of the Borrower

Under certain circumstances, certain MEFA Education Loans are eligible for loan forgiveness if the student borrower dies or becomes permanently disabled. Under these circumstances, such MEFA Education Loan will be forgiven, which will reduce the Revenues available to the Authority to pay the Series 2025 Bonds. The death or permanent disability of a co-borrower will remove the co-borrower from the MEFA Education Loan but does not relieve the student borrower's obligation to repay the MEFA Education Loan. See the caption "THE MEFA FINANCING PROGRAM—Fixed Rate MEFA Loan Terms and —MEFA Refinancing Loan Terms" herein.

Risk of Bankruptcy Discharge of MEFA Education Loans

Under the current U.S. Bankruptcy Code, as amended (the "Bankruptcy Code"), educational loans for qualified education expenses are generally non-dischargeable, subject to specified exceptions. However, student loans can become dischargeable if the borrower proves that keeping the student loans non-dischargeable would impose an undue hardship on the debtor and the debtor's dependents. The discharge of a significant amount of MEFA Education Loans in bankruptcy would affect the ability of the Authority to pay the Series 2025 Bonds.

Changes in Relevant Laws

The Authority believes that it has taken into account the foreseeable effects of the Dodd-Frank Act and the federal higher education authorization in projecting demand for MEFA Education Loans during the Loan Origination Period and in determining the terms of Fixed Rate MEFA Loans and MEFA Refinancing Loans that it currently expects to offer during such period. However, it is not possible to fully predict how every change to relevant federal and state law will affect: (i) the terms and conditions under which Issue M Loans are made; (ii) borrower demand for MEFA Education Loans; (iii) Issue M Loan performance; (iv) the cost of servicing and administering MEFA Education Loans; or (v) the performance and market value of MEFA Education Loans.

Federal and state laws providing financial assistance to individuals with respect to the costs of higher education, or otherwise affecting loans made to individuals for such purpose, have been subject to frequent change. There can be no assurance that changes to relevant federal or state laws will not prospectively or retroactively affect the terms and conditions under which MEFA Education Loans are made, affect Issue M Loan performance, affect Issue M Loan prepayment, affect the costs of servicing and administering Issue M Loans or affect demand for MEFA Education Loans.

Bankruptcy Court judges have substantial discretion in applying Bankruptcy Code provisions in specific cases. The provisions addressing educational loans have been the subject of extensive litigation in the context of numerous filings under the Bankruptcy Code by borrowers and co-signers and Bankruptcy Court judges have applied a variety of approaches to resolving the status of education loans in specific factual circumstances for purposes of such proceedings. For example, in March, 2016, the United States Bankruptcy Court, Eastern District of New York, ruled that a loan made by a commercial lender to a borrower for bar exam study (or preparation) costs could be discharged after the defendant could not prove that such loan met the 'education benefit' test of the Bankruptcy Code. There can be no assurance that any Bankruptcy Court proceedings involving Issue M Loan borrowers may not differentiate between the types of MEFA Education Loans included in the Trust Assets in applying these provisions.

A number of bankruptcy reform proposals that would make it easier to discharge private student loans under the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 have been discussed and/or introduced in the Congress of the United States in recent years. In addition, the Dodd Frank Act established a student loan ombudsman within the CFPB, which ombudsman is required to prepare an annual report and make appropriate recommendations to the Secretary of the Treasury, the Director of the CFPB, the Secretary of Education, and Congress. In the Annual Report of the CFPB Student Loan Ombudsman, dated October 16, 2014, the ombudsman recommended that Congress review the provisions of the Bankruptcy Code exempting student loans for qualified education expense from discharge in bankruptcy absent a showing of "undue hardship" to the debtor. As such, it is possible that bankruptcy reform legislative proposals may be enacted at the federal level in a manner that might adversely affect the Authority's ability to enforce collection of the Issue M Loans. The discharge of a significant amount of the Issue M Loans could adversely affect the ability of the Authority to pay principal of and interest on the Issue M Bonds, including the Series 2025 Bonds.

Potential Closure of the Department of Education and Changes to the Federal Loan Program

The current administration under President Trump is continuing its efforts to dismantle the Department of Education. On March 20, 2025, President Trump signed an executive order which would allow the current Secretary of Education to take, to the maximum extent appropriate and permitted by law, "all necessary steps to facilitate the closure of the Department of Education and return authority over education to the States and local communities while ensuring the effective and uninterrupted delivery of services, programs, and benefits." Subsequently, on March 24, 2025, two lawsuits were filed in federal court to challenge actions taken by the current administration. This follows a reduction in the Department of Education's workforce by nearly 50% that occurred earlier in March. Additionally, efforts have been undertaken in the current Congress to (a) potentially eliminate or modify Federal Direct PLUS Loans to eligible graduate or professional students and Direct Subsidized Loans to undergraduate students, and (b) establish new limits on the aggregate loan amounts for Direct Unsubsidized Loans to undergraduate students and Parent PLUS Loans, all made under the Federal Direct Student Loan Program.

Dissolution of the Department of Education, elimination of or reduction of loan limits on certain Federal Direct Student Loan Program loans requires Congressional action. There can be no assurance whether (a) the actions by the current administration will be upheld by the federal court system, (b) such legislation will be introduced by Congress to dissolve the Department of Education, and (c) any such

legislation impacting the Department of Education or any Federal Direct Loan Program loans will be passed by Congress and enacted into law. Accordingly, no assurance can be given as to how this may affect the Authority, their respective operations and financial condition, the Authority's student loan program, the Issue M Loans, the Bonds, including, but not limited to, the Series 2025 Bonds, applications of borrowers of education loans and the processing thereof.

Resumption of Collections on Defaulted Federal Loans

On April 21, 2025, the Department of Education announced that its Office of Federal Student Aid ("FSA") will resume collections of its defaulted Federal Direct Loan Program student loan portfolio on May 5, 2025. The Department of Education has not collected on defaulted loans since March 2020. The Department of Education has stated that more than 5 million borrowers have not made a monthly payment in over 360 days and are in default and an additional 4 million borrowers are in late-stage delinquency (91-180 days) and, as a result, there could be almost 10 million borrowers in default in the next few months. Borrowers in default are expected to receive email communications from FSA over the next two weeks making them aware of these developments and urging them to make a monthly payment, enroll in an income-driven repayment plan, or sign up for loan rehabilitation. Later in the summer, FSA will send required notices beginning administrative wage garnishment. The Department of Education also announced that it will authorize guaranty agencies to begin involuntary collections activities on FFELP loans. The Authority cannot predict what impact, if any, the resumption of collections on defaulted federal student loans will have on the Authority, the MEFA Financing Program, the Issue M Loans or the Series 2025 Bonds. There may be a delay in, or reduction of, collections on the Issue M Loans if borrowers are unable to pay all or a portion of their Issue M Loans due to resumed collections activity on federal student loans held by such borrowers or actions such as wage garnishment, which in turn could affect the repayment of the Series 2025 Bonds prior to their maturity.

Risk of Geographic Concentration of the Issue M Loans

The concentration of the Issue M Loans in specific geographic areas may increase the risk of losses on the Issue M Loans. Economic conditions in the states where borrowers reside may affect the delinquency, loan loss and recovery experience with respect to the Issue M Loans. As of February 28, 2025, approximately 42% by principal balance of the MEFA Education Loans currently pledged and expected to be pledged under the Issue M Resolution on the date of issuance of the Series 2025 Bonds were to borrowers with current billing addresses in the Commonwealth. See the table titled "Distribution of the Issue M Loan Portfolio by Geographic Location" under the caption "ISSUE M LOAN PORTFOLIO" herein. No other state accounts for more than approximately 6% of such Issue M Loans by principal balance. Because of the concentrations of the borrowers in the Commonwealth, any adverse economic conditions adversely and disproportionately affecting the Commonwealth may have a greater effect on the repayment of the Issue M Bonds, including the Series 2025 Bonds, than if these concentrations did not exist.

Investigations and Inquiries of the Student Loan Industry

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

There is no assurance that the Authority or the Loan Servicer will not be subject to inquiries or investigations. While the ultimate outcome of any inquiry or investigation cannot be predicted, it is possible that any such inquiries or investigations and regulatory developments may materially affect the Authority's ability to perform its obligations under the Issue M Resolution or the Authority's ability to pay principal of and interest on the Issue M Bonds, including the Series 2025 Bonds, from assets in the Trust Assets.

The Series 2025 Bonds are Expected to be Issued Only in Book-Entry Form

The Authority expects that the Series 2025 Bonds will be initially represented by certificates registered in the name of Cede & Co., the nominee for DTC, and will not be registered in the name of any holder or the name of its nominee. Unless and until definitive securities are issued, holders of the Series 2025 Bonds will not be recognized by the Trustee as Bondholders as that term is used in the Issue M Resolution and holders of the Series 2025 Bonds will only be able to exercise the rights of Bondholders indirectly through DTC and its participating organizations. See the caption "BOOK-ENTRY ONLY SYSTEM" herein.

THE MEFA FINANCING PROGRAM

General

Under the MEFA Financing Program, the Authority finances MEFA Loans in cooperation with the Participating Institutions. The MEFA Financing Program has been implemented in accordance with the provisions of the applicable Servicing Agreement and the provisions of certain other related documents (collectively, the "MEFA Program Documents"). The MEFA Financing Program includes the MEFA Loan Program and the MEFA Refinancing Loan Program. The MEFA Loan Program currently offers borrowers only Fixed Rate MEFA Loans. From the 1994-1995 through the 2007-2008 academic years, the MEFA Loan Program also offered borrowers variable rate MEFA Loans. However, the Authority reserves the right to again offer variable rate MEFA Loans in the future.

The Authority implemented the MEFA Refinancing Loan Program in 2015, which included both variable rate MEFA Refinancing Loans and fixed rate MEFA Refinancing Loans. Eligible borrowers could choose between variable rate and fixed rate MEFA Refinancing Loans for which they qualify based upon the credit standards established by the Authority. As of November 12, 2021, MEFA Refinancing Loans are only offered to borrowers on a fixed rate basis. However, the Authority reserves the right to again offer variable rate MEFA Refinancing Loans in the future.

There are currently no borrower or pandemic-related benefits offered to borrowers of MEFA Education Loans. Borrowers experiencing financial hardship are permitted to apply for a modified payment plan which permits such borrowers to make interest only payments or reduced monthly payment amounts, depending upon the plan. The total maximum period for a borrower using a modified payment plan is 48 months. Participation in a modified payment plan does not extend the original payment term of the MEFA Education Loan and the MEFA Education Loan is re-amortized at the end of the modified payment term. Forbearance periods may be granted while a borrower is on active-duty military service, for administrative purposes, during a pandemic or a bankruptcy proceeding and upon a death notification. See the caption "INVESTMENT CONSIDERATIONS— Certain MEFA Education Loans May be Forgiven Upon the Death or Permanent Disability of the Borrower" and "—An Outbreak Similar to the COVID-19 Pandemic Could Adversely Affect the Value of the Series 2025 Bonds or Borrowers' Ability to Repay their MEFA Education Loans" herein.

It is the Authority's standard practice to treat a MEFA Education Loan as Defaulted for the purposes of the Issue M Resolution and its other bond programs when such loan becomes over 180 days past due.

However, in certain limited circumstances, the Authority will not treat a MEFA Education Loan as Defaulted if the Authority has reason to believe through communications with the borrower that the delinquency is due to temporary circumstances and that the delinquency is likely to be cured. It is also the Authority's practice, in certain circumstances, not to treat a MEFA Education Loan as Defaulted while a bankruptcy proceeding involving the borrower is pending. However, because MEFA Loans generally are non-dischargeable in bankruptcy, payments on MEFA Education Loans of some borrowers in bankruptcy proceedings are kept current, and in such cases, it is the Authority's practice not to treat such MEFA Education Loans as Defaulted or delinquent. When a MEFA Education Loan becomes Defaulted it is the Authority's standard practice to refer the default to a collection agent or an attorney. The Authority retains continuous oversight and responsibility for enforcement and settlement decisions related to defaulted and bankrupt accounts.

A MEFA Education Loan may be forgiven upon the death or permanent disability of the student borrower. The death or permanent disability of a co-borrower will remove the co-borrower from the MEFA Loan but does not relieve the student borrower's obligation to repay the MEFA Education Loan. See the captions "THE AUTHORITY," "ESTIMATED SOURCES AND USES OF FUNDS," "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT," "INVESTMENT CONSIDERATIONS—Composition and Characteristics of Issue M Loan Portfolio May Change" and "—Competition May Reduce Demand for or Increase Prepayments on Issue M Loans," "THE MEFA FINANCING PROGRAM—Fixed Rate MEFA Loan Terms" and "—Participating Institutions" herein and "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION—Covenants as to the Education Loans" hereto.

This Official Statement contains certain historical information relative to the origination and payment experience of the Authority in connection with its previously originated MEFA Education Loans. Such information is included for general reference purposes only and is not intended as a representation that the origination and payment experience of the Issue M Loan portfolio will be similar to the historical experience of previously originated MEFA Education Loans during any period or over the respective lives of such MEFA Education Loans. There can be no assurance that Issue M Loan borrowers will not be subject to different economic conditions than have affected MEFA Education Loan borrowers during prior periods or that may in the future affect other MEFA Education Loan borrowers. The actual future performance of the existing portfolio of Issue M Loans may not, in fact, conform to projections based on their past performance and the actual performance of MEFA Education Loans originated as Issue M Loans may, in fact, be different from that of prior MEFA Education Loans. The Authority reserves the right to vary the terms and conditions of MEFA Education Loans upon satisfaction of certain requirements of the Issue M Resolution. See the captions "INVESTMENT CONSIDERATIONS—Future Performance of the Issue M Loan Portfolio May Differ From Historical MEFA Education Loan Performance," "—Composition and Characteristics of the Issue M Loan Portfolio May Change" and "—General Economic Conditions," "MEFA EDUCATION LOAN PORTFOLIO" and "ISSUE M LOAN PORTFOLIO" herein.

Additional Issue M Loans are expected to be financed by the Authority under the MEFA Loan Program and the MEFA Refinancing Loan Program from proceeds of the Series 2025 Bonds in the Purchase Accounts and any other amounts deposited therein in connection with the issuance of Additional Bonds during the respective loan origination periods applicable thereto and from other funds available therefor under the Issue M Resolution. MEFA Education Loans may also be financed by the Authority from other moneys available to the Authority therefor. The Authority has implemented the MEFA Loan Program as described herein with the assistance of Participating Institutions and a Loan Originating Agent, which will perform credit evaluations for MEFA Education Loans during the origination process and after such origination transfer all information necessary to service such MEFA Education Loans.

The Authority believes that Fixed Rate MEFA Loans will continue to be an attractive source of financial assistance to parents, students and others responsible for paying the costs of higher education and that the Authority will be able to originate and finance additional Fixed Rate MEFA Loans under the MEFA Loan Program notwithstanding the availability of higher education financing from other sources. The Authority believes that there are several sources of competition to the Fixed Rate MEFA Loans, including, but not limited to, the federal Higher Education Act student assistance programs. In addition, there are, or may in the future be, other Authority loan programs offering assistance to finance education costs of students. See the captions "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT" and "INVESTMENT CONSIDERATIONS—Competition May Reduce Demand for or Increase Prepayments on Issue M Loans" herein.

The Authority established a commercial paper program in 2017 for warehouse funding of MEFA Refinancing Loans, which are made for the purpose of refinancing existing education debt. The commercial paper program was later extended and expanded to be available as an additional funding source for all MEFA Education Loans.

Certain information concerning the distribution of MEFA Refinancing Loans and Fixed Rate MEFA Loans, at the time of loan origination, between undergraduate and graduate students, between loans that were made to borrowers with and without co-borrowers and among students in Participating Institutions is contained under the caption "MEFA EDUCATION LOAN PORTFOLIO" herein. Such information is included herein for general informational purposes and is not intended as a representation that the distribution of Fixed Rate MEFA Loans or MEFA Refinancing Loans to be originated as Issue M Loans will resemble that of previously originated Fixed Rate MEFA Loans and MEFA Refinancing Loans. See the captions "MEFA EDUCATION LOAN ORIGINATION AND SERVICING—MEFA Education Loan Origination—*Credit Evaluation*," "SECURITY FOR THE ISSUE M BONDS AND SOURCES OF PAYMENT," "INVESTMENT CONSIDERATIONS—Composition and Characteristics of Issue M Loan Portfolio May Change," "THE MEFA FINANCING PROGRAM—Fixed Rate MEFA Loan Terms" and "ISSUE M LOAN PORTFOLIO" herein.

Eligible Borrowers

MEFA Loans. Borrowers in the MEFA Loan Program have generally been individuals meeting the credit standards established by the Authority for this program. The Authority does not require a co-borrower on MEFA Loans if the student borrower meets the Authority's credit standards, but most undergraduate students have a co-borrower who meets certain credit standards established by the Authority. Typically, a parent or other credit-worthy individual will be the co-borrower and the student will be the student borrower on the MEFA Loan. In all cases, the student must be enrolled or admitted to a degree-granting program on at least a half-time basis at a non-profit educational institution in the United States and making satisfactory academic progress, as defined by such institution. Students in the MEFA Loans for Graduate Education Program must be in a program of study leading to a graduate degree at a non-profit educational institution in the United States. All borrowers must be U.S. citizens or permanent residents, with no prior history of default on an education loan, and no history of bankruptcy or foreclosure within the past five (5) years. The Authority has established credit guidelines for applicants for specific types of MEFA Loans under the MEFA Loan Program, which include:

- Minimum FICO Score of 670 for MEFA Loans with an Immediate Repayment Option, a minimum FICO score of 690 for MEFA Loans with an Interest-Only Payment Option and a minimum FICO score of 710 for fully deferred MEFA Loans for the qualified borrower or co-borrower; and

- The combined income of the co-borrower(s), not including the student borrower, must also meet a minimum income requirement equal to the most recently published federal poverty guideline for a family of four.

Borrowers are free to choose between MEFA Loans for which they qualify based upon applicable credit criteria. See the caption "MEFA EDUCATION LOAN ORIGINATION AND SERVICING—MEFA Loan Origination" herein.

MEFA Refinancing Loans. In order to be eligible for a MEFA Refinancing Loan, prospective borrowers must have at least $10,000 of outstanding education debt related to attendance at one or more not-for-profit degree-granting educational institutions in the United States. Education debt related to attendance at for-profit institutions is not eligible to be refinanced with a MEFA Refinancing Loan.

All existing education debt to be refinanced must be in repayment, with the most recently reported 6 consecutive payments made on-time. Prospective primary borrowers must also be an obligor on all prior education debt to be refinanced. Applicants and, if applicable, co-applicants must also be U.S. citizens or permanent residents, with no prior history of default on an education loan, no history of bankruptcy or foreclosure within the past five (5) years, no delinquencies on education debt in the past 12 months, and meet the Authority's other credit guidelines, which include:

- Minimum FICO score of 670 for the primary borrower and co-borrower (if applicable);
- Minimum annual income of $24,000 for the primary borrower and co-borrower (if applicable); and
- Minimum monthly free cash flow, using available data for expenses and verified income, and taking into consideration the repayment term and monthly payments applicable for the requested MEFA Refinancing Loan.

The Authority may also reject an application for reasons other than failure to meet the specific credit requirements outlined above, provided that the Authority's rejection is in accordance with applicable law. For additional information related to the origination of MEFA Refinancing Loans and the review and processing of MEFA Refinancing Loan applications by a Loan Originating Agent, see the caption "MEFA EDUCATION LOAN ORIGINATION AND SERVICING—MEFA Refinancing Loan Origination" herein.

Fixed Rate MEFA Loan Terms

The Authority has covenanted in the Issue M Resolution that Issue M Loans will have scheduled payments of principal and interest or other legally enforceable payment requirements which, together with other money available therefor under the Issue M Resolution, will be at least sufficient to pay when due the Principal Installments or redemption price of and interest on the Issue M Bonds, Program Expenses and Subordinated Program Expenses. The Authority's policy is to set the interest rate and other terms on an annual basis for Fixed Rate MEFA Loans to be originated during the next academic year, although the Authority reserves the right to vary the interest rate or other terms offered on newly originated MEFA Loans during an academic year, and reserves the right to apply amounts available therefor under the Issue M Resolution, including without limitation proceeds of Additional Bonds, to finance Fixed Rate MEFA Loans with interest rate or other terms which vary from those described herein, upon compliance with certain requirements of the Issue M Resolution. Borrower interest rates for the 2025-2026 academic year are expected to be tiered and dependent upon the borrower's or, if applicable, the co-borrower's credit score or other factors as determined by the Authority. The Authority disburses approximately 70% of MEFA Loans in multiple segments.

Fixed Rate MEFA Loan Programs — Academic Year 2025-2026[1]			
Loan Program	**Currently expected to be added to Issue M Trust Assets**	**Interest Rate**	**Repayment Terms**
Fixed Rate Undergraduate MEFA Loan Program (15 yr.-Immediate Repayment Option)	Yes	4.09% to 8.74%	Interest payment and principal repayment begin on the 28th day of the month following the month of the final disbursement. The loan must be fully repaid within 15 years of final disbursement.
Fixed Rate Undergraduate MEFA Loan Program (10 yr.-Immediate Repayment Option)	Yes	3.29% to 8.64%	Interest payment and principal repayment begin on the 28th day of the month following the month of the final disbursement. The loan must be fully repaid within 10 years of final disbursement.
Fixed Rate Undergraduate MEFA Loan Program (Deferment Option)	Yes	7.44% to 8.84%	Full in-school payment deferment option[2], with interest payment and principal repayment beginning 6 months after the student graduates, leaves the program or reduces his/her hours to less than half-time status while in school. The loan must be fully repaid within 15 years of final disbursement.[3]
Fixed Rate Undergraduate MEFA Loan Program (Interest-Only Payment Option)	Yes	7.24% to 8.89%	Interest payment begins on the 28th day of the month following the month of the final disbursement and principal and interest repayment begins after the end of the undergraduate Anticipated In-School Period.[4] The loan must be fully repaid within 15 years of final disbursement.[3]
Fixed Rate Student Deferred with Co-Borrower Release (Deferment Option)	Yes	7.49% to 8.89%	Full in-school payment deferment option[2], with interest payment and principal repayment beginning 6 months after the student graduates, leaves the program or reduces his/her hours to less than half-time status while in school. The loan must be fully repaid within 15 years of final disbursement.[3] The co-borrower may request release after the first 48 consecutive on-time monthly installments have been made and if the student is meeting then-current underwriting standards.
MEFA Loan for Graduate Education - Fixed Rate (Deferment Option)	Yes	7.44% to 8.84%	Full in-school payment deferment option[5], with interest payment and principal repayment beginning 6 months after the student graduates, leaves the program or reduces his/her hours to less than half-time status while in school. The loan must be fully repaid within 15 years of final disbursement.[3]
MEFA Loan for Graduate Education - Fixed Rate (Interest-Only Payment Option)	Yes	7.24% to 8.89%	Interest payment begins on the 28th day of the month following the month of the final disbursement and principal and interest begins after the end of the graduate Anticipated In-School Period.[6] The loan must be fully repaid within 15 years of final disbursement.[3]

[1] Includes only Fixed Rate MEFA Loans pursuant to programs currently expected to be offered during the 2025-2026 academic year.
[2] Subject to a maximum 5-year deferment period.
[3] The interest-only payment option and deferment option do not extend the overall repayment period.
[4] The undergraduate Anticipated In-School Period begins on the initial disbursement date of the loan and ends on the date which is expected, at the time of origination, to be the first day of the month that follows the anniversary of the final disbursement date of the loan first occurring after the student will have completed his or her current course of study (e.g. for a loan for a freshman, the first day of the month that follows the fourth anniversary of the final disbursement date of the loan), but no later than the first day of the month that follows the fourth anniversary of the loan's final disbursement date.
[5] Subject to a maximum 3-year deferment period.
[6] The graduate Anticipated In-School Period begins on the initial disbursement date of the loan and ends on the date which is expected, at the time of origination, to be the first day of the month that follows the anniversary of the final disbursement date of the loan first occurring after the student will have completed his or her current course of study (e.g. for a loan for a first year graduate student, the first day of the month that follows the third anniversary of the final disbursement date of the loan), but no later than the first day of the month that follows the third anniversary of the loan's final disbursement date.

Fixed Rate Undergraduate MEFA Loans and MEFA Loans for Graduate Education may be originated in amounts ranging from a minimum of $1,500 (or such lesser amounts as the Authority may determine from time to time) to a maximum of the cost of attendance for the academic year at the institution in which the student is enrolled, less other financial aid for the year. Such loans may be prepaid in full or in part at any time without penalty. Borrowers are generally required to repay the principal of Undergraduate MEFA Loans and MEFA Loans for Graduate Education in level monthly installments sufficient to amortize the loan over a maximum of 15 years, commencing on the 28th day of the month following the month of the final disbursement date.

If the Interest-Only Payment Option is selected, a borrower is required to pay interest only during an initial period commencing on the 28th day of the month following the month of the final disbursement date and ending on the first day of the month that follows the first anniversary of such disbursement date occurring after the expected completion date, when the loan is made, of the borrower's course of study (the "Anticipated In-School Period"). This Anticipated In-School Period is limited to four years for undergraduate, and three years for graduate students. After the Anticipated In-School Period, such borrowers will pay interest, along with principal, on their Fixed Rate MEFA Loans. The Authority reserves the right, however, to originate MEFA Loans with longer total repayment terms in the future, including MEFA Loans funded through application of proceeds of the Issue M Bonds and of Revenues available under the Issue M Resolution, and to extend, in its discretion, the maximum total repayment term of individual outstanding MEFA Loans subject, in certain cases, to satisfaction of certain requirements of the Issue M Resolution.

The Loan Program Certificate requires that, as of the end of the Loan Origination Period, no more than 51.7% of MEFA Loans to which the Deferment Option applies and no more than 12.3% of MEFA Loans to which the Interest-Only Payment Option applies will either be purchased or committed to purchase with the initial deposit to the Applicable Purchase Accounts from the proceeds of the Series 2025 Bonds. This requirement is subject to change upon compliance with certain requirements of the Issue M Resolution.

Participating Institutions

Any non-profit, post-secondary, degree-granting educational institution may participate in the MEFA Loan Program. As of February 28, 2025, approximately 1,200 educational institutions participated nationally in the MEFA Loan Program, including eighty-six (86) Massachusetts institutions. Certain information concerning the distribution of currently outstanding Fixed Rate MEFA Loans at the time of loan origination among students attending different Participation Institutions is contained under the caption "MEFA EDUCATION LOAN PORTFOLIO" herein. Such information is included herein for general informational purposes and is not intended as a representation that the distribution of Issue M Loans will resemble that of previously originated Fixed Rate MEFA Loans.

Fixed Rate MEFA Refinancing Loan Terms

MEFA Refinancing Loans are subject to a $10,000 minimum initial principal amount requirement and are disbursed in one installment to the prior loan servicer or lender. There is no origination fee on MEFA Refinancing Loans, which are repayable over a 7-year, 10-year or 15-year term commencing on the 28th day of the month following the month in which the disbursement occurs. Generally, the minimum payment amount is $50.

Borrower interest rates are tiered and dependent upon the repayment term of the MEFA Refinancing Loan, the applicant's or, if applicable, the co-applicant's credit score and other factors determined by the Authority and are periodically adjusted to reflect prevailing market conditions. Currently, MEFA Refinancing Loans have fixed interest rates ranging from 6.20% to 8.99%.

Historical Program Financing Special Redemption Experience

The following chart contains summary historical information concerning the special redemption experience of all publicly marketed fixed rate bonds issued by the Authority to date to fund Fixed Rate MEFA Loans since 2008. Such information is included in this Official Statement for general reference purposes only and not as a representation that the special redemption experience, if any, of the Series 2025 Bonds or any other Issue M Bonds will be consistent with that of bonds that were previously issued by the Authority. The portfolios of MEFA Loans securing such previously issued fixed rate bonds contain or contained MEFA Loans that were originated on the basis of criteria, and that had terms and conditions, that differ from those of current Issue M Loans. The 2011-2012 academic year was the first for which the Authority offered Fixed Rate MEFA Loans with a 10-year repayment option. In addition, the availability to potential borrowers of other loans, including MEFA Loans, or of other types of student assistance has changed a number of times during the period shown. There can be no assurance that these factors may not affect special redemption experience. See also "APPENDIX G—WEIGHTED AVERAGE LIFE ANALYSIS OF THE SENIOR 2025A BONDS MATURING JULY 1, 2050" hereto.

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Massachusetts Educational Financing Authority
Special Redemption Experience – Fixed Rate Bonds[1]
(As of January 1, 2025) ($000's)

Calendar Year	Issue H (2008)[2]	Issue I (2009)[3]	Issue I (2010)[4]	Issue J (2011)[5]	Issue J (2012)[7]	Issue K (2013)[6]	Issue I (2014)	Issue I (2015A)	Issue I (2015B-2)	Issue J (2016)[8]	Issue K (2017)	Issue L (2018)	Issue L (2019)	Issue L (2020)	Issue M (2021)	Issue M (2022)	Issue L (2023)	Issue N (2024)
Original Issuance Amount	400,000	289,005	405,000	102,870	168,335	222,035	185,700	184,760	55,000	340,000	160,515	306,345	208,170	290,080	382,000	393,600	330,015	475,530
Callable	400,000	226,835	344,325	78,390	118,370	145,720	60,100	42,260	55,000	202,330	85,480	135,290	114,895	122,545	195,700	201,650	208,065	356,900
2008	-																	
2009	206,000 52%	-																
2010	- 0%	-	-															
2011	31,090 8%	19,685 9%	29,880 9%	-														
2012	15,380 4%	19,115 8%	28,885 8%	-	-													
2013	17,445 4%	21,705 10%	32,085 9%	-	-	-												
2014	17,980 4%	19,140 8%	28,415 8%	7,395 9%	11,165 9%	-	-											
2015	18,320 5%	20,885 9%	31,740 9%	8,510 11%	12,850 11%	14,700 10%	2,000 3%	- 0%	- 0%									
2016	19,150 5%	15,100 7%	21,675 6%	12,740 16%	19,235 16%	19,540 13%	2,425 4%	- 0%	- 0%	- 0%								
2017	16,640 4%	17,690 8%	14,310 4%	11,380 15%	17,185 15%	12,060 8%	7,130 12%	17,870 42%	- 0%	- 0%	- 0%							
2018	57,995 14%	18,150 8%	27,850 8%	5,175 7%	8,045 7%	- 0%	- 0%	- 0%	800 1%	28,280 14%	- 0%	- 0%						
2019	- 0%	16,310 7%	23,320 7%	5,120 7%	8,120 7%	26,935 18%	2,960 5%	7,410 18%	1,400 3%	28,760 14%	11,565 14%	- 0%	- 0%					
2020	- 0%	6,580 3%	9,225 3%	2,195 3%	3,475 3%	6,995 5%	1,195 2%	3,000 7%	1,675 3%	12,330 6%	3,005 4%	- 0%	- 0%	- 0%				
2021	- 0%	13,120 6%	53,325 15%	5,975 8%	13,895 12%	22,075 15%	900 1%	2,250 5%	7,500 14%	34,020 17%	9,475 11%	50,005 37%	14,000 12%	- 0%	- 0%			
2022	- 0%	- 0%	- 0%	24,385 31%	5,020 4%	43,415 30%	1,490 2%	3,730 9%	2,665 5%	24,610 12%	11,195 13%	30,610 23%	46,170 40%	62,910 51%	- 0%	- 0%		
2023	- 0%	- 0%	- 0%	- 0%	1,585 1%	- 0%	- 0%	- 0%	- 0%	6,415 3%	7,440 9%	4,385 3%	6,770 6%	9,120 7%	- 0%	- 0%	- 0%	
2024	- 0%	- 0%	- 0%	- 0%	13,870 12%	- 0%	- 0%	- 0%	- 0%	67,915 34%	- 0%	- 0%	- 0%	- 0%	27,550 14%	30,450 15%	- 0%	- 0%
2025	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	1,500 2%	- 0%	- 0%	- 0%	10,425 5%	11,575 6%	- 0%	- 0%
Total	400,000	187,480	300,710	82,875	114,445	145,720	18,100	34,260	14,040	202,330	44,180	85,000	66,940	72,030	37,975	42,025	-	-
Debt Outstanding	$0	$0	$0	$0	$0	$0	$42,000	$8,000	$5,740	$0	$63,150	$143,300	$120,695	$192,985	$337,025	$347,575	$330,015	$475,530

[1] Percentages are calculated based upon callable amounts.
[2] Issue H of 2008 was optionally refunded in 2018.
[3] Issue I of 2009 was optionally refunded in 2021.
[4] Issue I of 2010 was optionally refunded in 2021.
[5] Issue J of 2011 was optionally refunded in 2022.
[6] Issue K of 2013 was optionally refunded in 2022.
[7] Issue J of 2012 was optionally refunded in 2024.
[8] Issue J of 2016 was optionally refunded in 2024.

MEFA EDUCATION LOAN ORIGINATION AND SERVICING

MEFA Education Loan Origination

Under the Anovaa Loan Origination Agreement, Anovaa, as a Loan Originating Agent, is currently responsible for processing applications for MEFA Education Loans, reviewing required documentation prior to the Authority's origination of a MEFA Education Loan, and, after such origination, transferring all information necessary to service the MEFA Education Loan. In addition to, and apart from, its role as Loan Servicer, PHEAA provides services to the Authority related to the processing of applications under the PHEAA Loan Origination Services Agreement. PHEAA's responsibilities under the PHEAA Loan Origination Services Agreement are limited to providing staffing support with respect to specific aspects of the processing of applications for MEFA Education Loans on the electronic loan origination platform. The Authority reserves the right to directly originate loans and/or to enter into additional loan origination agreements with other loan origination agents.

Anovaa (www.anovaa.com) operates a turnkey solution for education loan providers (such website is not incorporated into this Official Statement). Anovaa offers lenders a full range of loan lifecycle options for all types of consumer lending from loan application through funds disbursement. Anovaa's services include, but are not limited to, loan application customization and branding, credit check and fraud detection, through integration with third party providers, customer care, electronic document management, flexible underwriting configurations, voice response system, mail services, disclosure management, loan disbursement, reporting, and loan analytics.

Applications for MEFA Education Loans are submitted directly through the electronic loan origination platform and are processed according to guidelines established by the Authority. A credit evaluation is completed for each initial MEFA Education Loan application by a borrower. For any subsequent MEFA Education Loan, a previously eligible borrower is again subject to credit evaluation.

The Authority encourages Participating Institutions and prospective MEFA Loan borrowers to consider other forms of student assistance that it believes may be economically advantageous to prospective borrowers as alternative means of funding the costs of post-secondary education, both in the context of MEFA Loan marketing and as part of the application processes. The Authority has also established tuition savings and tuition prepayment programs to permit families to reduce their need for loans and other student assistance to fund such costs.

Credit Evaluation. A Loan Originating Agent must review all MEFA Education Loan applications received. A Loan Originating Agent's primary responsibility during the loan origination process is to perform a credit analysis of the applicant. A Loan Originating Agent's review must be conducted as described below.

With respect to all MEFA Education Loan applications, a Loan Originating Agent will request one or more credit bureau reports on the applicant and any co-applicant. A credit analysis cannot be based on any credit report dated more than forty-five (45) days before the date of approval of the application.

In conducting its credit analysis for MEFA Loans, a Loan Originating Agent will use a combination of credit scoring and a review of application data. For newly originated Issue M MEFA Loans, unless changed by the Authority upon compliance with certain Issue M Resolution requirements, the credit requirements include that a qualified borrower or a co-borrower must have a minimum FICO Score of 670 for MEFA Loans with an Immediate Repayment Option, a minimum FICO score of 690 for MEFA Loans with an Interest-Only Payment Option and a minimum FICO score of 710 for fully deferred MEFA Loans.

The combined income of the co-borrower(s), not including the student borrower, must also meet a minimum income requirement equal to the most recently published federal poverty guideline for a family of four.

In conducting its credit analysis for MEFA Refinancing Loans, a Loan Originating Agent will use a combination of credit scoring and repayment trends, monthly free cash flow and minimum income tests and a review of application and credit data. For newly originated Issue M MEFA Refinancing Loans, unless changed by the Authority upon compliance with certain Issue M Resolution requirements, the credit requirements include that a qualified borrower and co-borrower, if applicable, must have a minimum FICO Score of 670.

A FICO Score is any of several generally similar numeric measures of projected consumer credit risk, each of which was created by Fair Isaac Corporation for use by one of several consumer credit reporting agencies on the basis of information concerning an individual borrowing and repayment history that has been received by the respective consumer credit reporting agency from lenders. FICO Scores are based upon a number of time-weighted factors and range from 300-850, with higher scores reflecting more favorable projected credit risk. Neither the use of FICO Scores, or of a particular FICO Score threshold in connection with credit analysis for loan origination purposes, nor the use of a minimum income requirement, however, guarantees any particular level of repayment performance for the resulting loan portfolio.

MEFA reserves the right to increase or, upon compliance with certain requirements of the Issue M Resolution, to decrease the FICO Score thresholds used in connection with Issue M Loan credit analysis, or to otherwise change the credit analysis procedures applicable to MEFA Loans and MEFA Refinancing Loans, including Issue M Loans. Such information is included herein for general informational purposes and is not intended as a representation that the credit characteristics of Issue M Loans will resemble those of previously originated Fixed Rate MEFA Loans and MEFA Refinancing Loans. See the caption "ISSUE M LOAN PORTFOLIO" herein.

If any of the following circumstances exist without an explanation satisfactory to the Authority, the Authority may in its reasonable judgment reject the application: excessive payment delinquencies; garnishment; attachment; repossession; or legal proceedings against the applicant or co-applicant which may affect the borrower's ability to repay or the Authority's ability to collect a MEFA Education Loan. In addition, the absence of a credit history may be grounds for denial of a MEFA Education Loan.

The Authority may reject an application for reasons other than failure to meet the specific credit requirements outlined above, provided that the Authority's rejection is in accordance with applicable law. See the caption "MEFA Education Loan Servicing" below.

Evaluation and Certification by the Participating Institution for MEFA Loans. The authorized representatives of the Participating Institutions certify certain information regarding the MEFA Loans in a manner satisfactory to the Authority, including: (i) that the student is enrolled on at least a half-time basis in an accredited degree-granting program and is making satisfactory academic progress as defined by Participating Institution; and (ii) that the loan applied for does not exceed the difference between the student's cost of attendance and other financial aid. After such certification, the loan is processed through the electronic origination platform. Subsequent to such loan processing by the Authority, the Authority will direct the Trustee to transfer funds to the Disbursing Agent.

Disbursement Process by the Disbursing Agent. The Disbursing Agent or intermediary will transfer funds received from the Authority to the Participating Institution for credit to the student's account. For MEFA Refinancing Loans, the Disbursing Agent disburses funds received from the Authority to the lender or servicer of the loans to be refinanced. All credit agreements of borrowers are delivered by such

borrowers directly to the applicable Loan Originating Agent which transfers such credit agreements to the Loan Servicer in its capacity as custodian on behalf of the Trustee.

MEFA Education Loan Servicing

Role of the Loan Servicer. After origination by the Authority, MEFA Education Loans will be converted to the servicing system and serviced in accordance with the PHEAA Servicing Agreement. The Loan Servicer is required to prepare and deliver to each borrower a periodic billing invoice, for the repayment of MEFA Education Loans and to use its best efforts to collect all payments of principal of and interest on the MEFA Education Loans. See the caption "PHEAA Servicing Agreement" below.

Servicing activities of PHEAA under the PHEAA Servicing Agreement include maintaining all records of the origination and payment of MEFA Education Loans, mailing invoices to borrowers, preparing activity and status reports for the Authority, following procedures required under the Servicing Guidelines including procedures for delinquent MEFA Education Loans and responding to inquiries and complaints pertaining to the MEFA Loan Programs from Participating Institutions, borrowers, the Trustee and the Authority.

The Loan Servicer plays a key role in the MEFA Loan Program and the performance of the Loan Servicer is closely monitored at all times by the Authority. The PHEAA Servicing Agreement and the Servicing Guidelines specify the duties, obligations and functions of the Loan Servicer.

The Loan Servicer is required to service delinquent MEFA Education Loans so as to enable, to the maximum extent possible, payment in full of such MEFA Education Loans on their respective original repayment schedules. The Loan Servicer must notify the borrower of the delinquency by multiple communication channels at specified intervals, all as set forth in the Servicing Guidelines.

The Loan Servicer's duties include recording all payments and all adjustments including overpayments and prepayments of MEFA Education Loans and any forgiveness of MEFA Education Loans. The Loan Servicer is also required to maintain files concerning each MEFA Education Loan, preparing and maintaining appropriate accounting records with respect to all transactions related to each MEFA Education Loan, maintaining backups and a disaster recovery plan pertaining to all MEFA Education Loans.

Collections and Defaults. When a MEFA Education Loan is one hundred eighty (180) days past due (or such other date as the Authority may determine in compliance with applicable Issue M Resolution requirements), it is generally deemed to be "Defaulted" and the Loan Servicer is required to cease contact with the borrower unless and until instructed otherwise by the Authority or the Trustee. The Authority and the Loan Servicer continuously work with individual borrowers in order to bring MEFA Education Loans current prior to their being deemed Defaulted. See the caption "INVESTMENT CONSIDERATIONS—Changes in Relevant Laws," "MEFA EDUCATION LOAN PORTFOLIO" and "ISSUE M LOAN PORTFOLIO" herein.

The Loan Servicer

PHEAA is the Loan Servicer for the MEFA Financing Program pursuant to the PHEAA Servicing Agreement. The PHEAA Servicing Agreement covers both private loans owned by the Authority, including the Issue M Loans, and FFELP Loans owned by the Authority. The Issue M Resolution permits the appointment of other or additional Loan Servicers, subject to compliance with certain requirements of the Issue M Resolution, and the Authority reserves the right to establish other MEFA Education Loan origination, custody and servicing arrangements in compliance with such requirements.

The following information has been furnished by PHEAA for use in this Official Statement. The Authority does not guarantee or make any representation as to the accuracy or completeness thereof or the absence of material adverse change in such information or in the condition of PHEAA subsequent to the date hereof.

PHEAA is a body corporate and politic constituting a public corporation and government instrumentality created pursuant to an act of the Pennsylvania Legislature. Under its enabling legislation, PHEAA is authorized to issue bonds or notes, with the approval of the Governor of the Commonwealth of Pennsylvania for the purpose of purchasing, making, or guaranteeing loans. Its enabling legislation also authorizes PHEAA to undertake the origination and servicing of loans made by PHEAA and others. PHEAA's headquarters are located in Harrisburg, Pennsylvania.

As of December 31, 2024, PHEAA had approximately 1,000 employees and contractors. PHEAA services student loans through its Commercial Servicing and Remote Servicing lines of business. The Commercial Servicing line of business services private student loans and FFELP loans for customers which consist of national and regional banks and credit unions, secondary markets, and government entities. The Remote Servicing line of business provides a servicing system to guarantors and other commercial servicers.

As of December 31, 2024, PHEAA serviced approximately 699 thousand student borrowers representing an aggregate of approximately $14.9 billion outstanding principal amount under its Commercial Servicing line of business with an approximately $6.1 billion principal balance of private student loans outstanding.

PHEAA's most recent audited financial reports are available from PHEAA.

Litigation and Inquiries

PHEAA is subject to various claims, lawsuits and other actions that arise in the ordinary course of its activities. PHEAA believes that these claims, lawsuits and other actions will not, individually or in the aggregate, have a material adverse effect on its activities, financial condition or results of operations. Most of these matters are claims against its servicing and collection operations by borrowers and debtors alleging the violation of state or federal laws in connection with servicing or collection activities on their student loans.

Additionally, in the ordinary course of its business related to student loan servicing, it is common for PHEAA to receive information and document requests and investigative demands from legislative committees and administrative and enforcement agencies. These requests may be informational or investigatory in nature and may relate to PHEAA's activities, operations, and practices, the industries in which it operates, third party vendors, or other companies with which it conducts its activities. PHEAA's position is to cooperate to the fullest extent permitted with these various bodies and to be responsive to any such requests. However, occasionally, PHEAA may find it necessary to initiate litigation to enforce its rights, to protect its activities, operations, and practices or to determine the scope and validity of the rights of such inquiring bodies. Litigation is costly and time-consuming, and there can be no assurance that PHEAA's litigation expenses will not be significant in the future or that it will prevail in any particular litigation. These inquiries and related information demands are increasing the costs, time and resources PHEAA must dedicate to timely respond to such requests and may, depending on their outcome, result in payment of amounts of restitution, fines or penalties. States continue to introduce and enact legislation regarding student loan origination and servicing and authorize regulatory oversight, examinations, and enforcement actions.

Certain states require a student loan servicing license to service commercially held and private student loans owed by a borrower who resides in that state. PHEAA has obtained servicing licenses in all jurisdictions as required. PHEAA monitors enacted and proposed loan servicing licensing legislation in various states. These state laws and regulation may result in lending or servicing requirements that contradict the requirements of another state or that contradict the requirements imposed by the Federal government. Some states impose capital and liquidity requirements on servicers akin to the requirements imposed upon depository institutions. Other states require loan servicers to pay annual assessments based on loan or borrower volume, and other states require certain private loan lenders and their servicers to be licensed under their state small loan laws. Still other states impose initial and renewal license costs, examination, and investigation fees. Additionally, states are also proposing and, in some cases, enacting legislation that impose specific origination and servicing requirements as well as registration/licensure requirements on private student loan lenders and holders. Further, some jurisdictions have enacted laws that include various requirements related to cosigners, including not requiring proof of more than twelve consecutive, on-time payments as part of the criteria for cosigner release and a requirement to provide notice when the required number of payments have been made in order to be eligible to apply for cosigner release. These laws also contain limitations on when a private loan may be placed in default or accelerated and specify prerequisites for the collection of private student loans. Certain states, such as Illinois, have enacted laws that do not require registration, but impose reporting requirements for private lenders that make loans within the state. Finally, states are proposing and enacting laws addressing perceived deficiencies in the collection of delinquent and defaulted student loans. Several jurisdictions require debt collectors to maintain extensive documentation of debt collection activity and provide it to the debtor upon request or within twelve months of the first delinquency. While the requirements apply to loans in default, they may also affect servicing, as lenders define default at differing stages of delinquency. PHEAA monitors these state law developments and reviews for applicability to its servicing and lending portfolios.

Consumer Protection and Similar Laws

By virtue of PHEAA's student loan servicing activities, PHEAA's activities are subject to regulation and supervision by the CFPB, the Federal Financial Institutions Examination Council ("FFIEC"), the Commonwealth of Pennsylvania, and various authorities in the states in which PHEAA undertakes its activities. In addition, our activities are subject to audit by the Pennsylvania Department of the Auditor General, and PHEAA is required to make an annual report to the Governor and the Pennsylvania General Assembly presenting our financial condition at the end of the Commonwealth's fiscal year. Further, PHEAA, as a guarantor and lender in the Title IV/Federal Family Education Loan ("FFEL") Program, has program participation agreements which subject PHEAA to audit by the United States Department of Education ("ED").

Various states' attorneys general and other state regulatory oversight bodies have brought enforcement actions against student loan servicers under consumer protection and related state laws. PHEAA expects that such enforcement activities will continue and may intensify which may result in changes to PHEAA's policies and practices, increased costs related to regulatory oversight, compliance, supervision, and examination and may result in regulatory actions, including assessments, restitution, and civil monetary penalties. If one or more state regulator finds that PHEAA has violated laws or regulations, they could exercise their enforcement powers in ways that may have a material adverse effect on PHEAA.

PHEAA Servicing Agreement

With the approval of the PHEAA Servicing Agreement by the Pennsylvania Attorney General, who must review all agreements entered into by PHEAA for form and legality, the Authority entered into the PHEAA Servicing Agreement with PHEAA.

Conversion. A Loan Originating Agent is required to transmit the completed loan origination files to PHEAA. PHEAA agrees to accurately convert the Authority's education loan data necessary for servicing under the PHEAA Servicing Agreement onto the PHEAA servicing system and is responsible for servicing such loans from the date of receipt of the applicable original file. After the conversion of the applicable education loan files, PHEAA is required to prepare and forward to the Authority, within thirty (30) to sixty (60) days, a loan level exceptions list (an "Exceptions List") which identifies missing and/or incomplete information with respect to each file. PHEAA has no liability either to the Authority or any individual borrower resulting from any missing or incomplete data identified on the applicable Exceptions List. In addition, PHEAA has no liability to the Authority for incorrect billing and/or reporting when caused by the Authority's transfer of inaccurate data to PHEAA. Under the PHEAA Servicing Agreement, the Authority agrees to correct any missing, incomplete, or inaccurate information identified on any Exceptions List within thirty (30) days, and if it fails to do so, PHEAA may decline responsibility for servicing the applicable loan, subject to the Authority's right to subsequently resubmit the loan to PHEAA for servicing together with the missing, incomplete, or inaccurate information.

Term. The PHEAA Servicing Agreement had an initial term of five years, ending March 31, 2023, and is now subject to automatic annual renewals, unless terminated by either party pursuant to the terms thereof. The PHEAA Servicing Agreement may be terminated at the option of the Authority or PHEAA upon certain uncured defaults by the other party or upon the occurrence of certain events.

Collections. All funds received by PHEAA with respect to any loans serviced under the PHEAA Servicing Agreement, whether attributable to principal or interest or late fees, shall be received in trust for the benefit of the Authority and will be deposited in a PHEAA-owned and maintained clearing account. Within an average of two (2) Business Days of receipt of any funds from the applicable borrower, all cleared, available and identified funds for the Authority's loans will be electronically transmitted to Authority's designated bank account (including the Trustee with respect to the Issue M Loans).

Fees. PHEAA will provide all aspects of the services at its sole cost and expense, except as otherwise provided by the PHEAA Servicing Agreement, and will be compensated by the Authority at the rates set forth in a fee schedule attached to the PHEAA Servicing Agreement. Such fees may be increased annually, subject to certain limitations in the PHEAA Servicing Agreement.

PHEAA Liability. To the extent permitted by applicable law, PHEAA is required to indemnify the Authority and hold it harmless against any third party claim, loss, liability or expense, and costs (collectively, a "Loss"), incurred by the Authority which arises out of or relates to PHEAA's (i) failure to perform its duties and service the loans thereunder in compliance with the terms of the PHEAA Servicing Agreement, (ii) breach of the representations or warranties made by PHEAA under the PHEAA Servicing Agreement, (iii) release of sensitive customer information; provided, however, that this provision shall take effect as of the date on which each individual loan is serviced by PHEAA, or (iv) loss or destruction of records or data in its possession, control or custody that renders a loan uncollectible and unenforceable. Nothing in the PHEAA Servicing Agreement shall constitute a waiver of the sovereign immunity of the Commonwealth of Pennsylvania.

MEFA EDUCATION LOAN PORTFOLIO

MEFA Loan Program

Since the inception of the MEFA Loan Program in 1983, the volume, number of borrowers, number of Participating Institutions, and the types of MEFA Loans offered have expanded significantly. In 1983, thirteen (13) independent institutions participated in the program and 1,230 borrowers received MEFA Loans financed through the Authority. Public institutions began participating in 1984. In the same year,

the Authority introduced the MEFA Loans for Graduate Education Program for independent students. Participation by students at public institutions in the MEFA Loan Program has generally increased since 1984. As of February 28, 2025, approximately 1,200 educational institutions participated nationally in the MEFA Loan Program, including eighty-six (86) Massachusetts institutions. Annual MEFA Loan volume was $241 million for the academic year of 2020-2021, $253 million for the academic year 2021-2022, $293 million for the academic year 2022-2023, $348 million for the academic year 2023-2024 and $316 million for the academic year 2024-2025 through February 28, 2025. Beginning in the 2019-20 academic year, the Authority began to fund a portion of the MEFA Loans without a nexus to Massachusetts through funding sources other than tax-exempt bonds.

The average size of MEFA Loans has grown steadily since 1983, reflecting rising education costs. The average initial principal amount of MEFA Loans financed during the 1983-84 academic year was $6,120. The average initial principal amounts of Undergraduate MEFA Loans and of MEFA Loans for Graduate Education financed during the 2024-2025 academic year were approximately $19,800 and $21,900, respectively, through February 28, 2025.

The following chart shows the dollar amount of applications received, disbursement volume and principal balance outstanding since the 2020-2021 academic year under the MEFA Loan Program.

Massachusetts Educational Financing Authority
Historic Application and Disbursement Volume
All MEFA Loans
($000's)

Year	Application Volume[1]	Disbursement Volume[2]	Total Outstanding Principal Balance[3]
2020-2021	$447,000	$241,000	$1,309,000
2021-2022	439,000	253,000	1,265,000
2022-2023	516,000	293,000	1,367,000
2023-2024	625,000	348,000	1,498,000
2024-2025[4]	612,000	316,000	1,668,000

[1] Applications for years 2020-2021 through 2023-2024 were received between the period of April 1 through March 31. Applications for 2024-2025 were received between April 1, 2024 and February 28, 2025.
[2] Disbursement for years 2020-2021 through 2023-2024 occurred between the period of July 1 through June 30. Disbursement volume for 2024-2025 occurred between July 1, 2024 through February 28, 2025.
[3] Outstanding Principal Balances are as of June 30th for each Fiscal Year, except for 2024-25 which is through February 28, 2025.
[4] Projected disbursements for 2024-2025 are approximately $335,000,000.

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The following chart contains information regarding the historic distribution of all MEFA Loans disbursed by repayment option. The percentages represent the portion for each repayment option for all MEFA Loans disbursed for that disbursement year.

Massachusetts Educational Financing Authority
Historic MEFA Loan Disbursements by Repayment Option[1]
All MEFA Loans

Disbursement Years[2]	Immediate Repayment	Interest-Only Payment	Total In-School Payment[3]	Deferment	Total
2020-2021	35.7%	16.6%	52.3%	47.7%	100%
2021-2022	34.0	16.6	50.5	49.5	100
2022-2023	34.0	14.3	48.2	51.8	100
2023-2024	36.1	12.7	48.8	51.2	100
2024-2025	37.7	10.1	47.8	52.2	100
Weighted Average			50.5%	49.5%	**100%**

[1] Includes both graduate and undergraduate MEFA Loans.
[2] Disbursement years are from July 1 to June 30 for each year, except for 2024-2025, which is through February 28, 2025.
[3] Total In-School Payment includes Immediate Repayment and Interest-Only Payment Options.

Fixed Rate MEFA Loan Portfolio

This caption provides information relating to the historical results of the Fixed Rate MEFA Loan Portfolio. The distribution, default and delinquency information included relates to Fixed Rate MEFA Loans originated through application of proceeds of the Authority's Issue E Bonds, Issue G Bonds, Issue H Bonds, Issue I Bonds, Issue J Bonds, Issue K Bonds, Issue L Bonds, Issue M Bonds and Issue N Bonds and the Authority's commercial paper program. The Authority believes that Fixed Rate MEFA Loans originated throughout the history of the MEFA Loan Program have experienced to date substantially similar patterns and rates of delinquency and gross default.

The Authority began originating Fixed Rate MEFA Loans in 1983 and since that time has issued numerous series of bonds and notes under numerous bond and note resolutions to finance Fixed Rate MEFA Loans. Over time, the volume, number of borrowers, number of Participating Institutions, and the types of MEFA Loans offered has expanded significantly. The average FICO score that was applicable to approved Fixed Rate MEFA Loans, at the time of origination, was 760 for the 2020-2021 academic year, 758 for the 2021-2022 academic year, 760 for the 2022-2023 academic year, 760 for the 2023-2024 academic year and 761 for the 2024-2025 academic year through February 28, 2025.

For Fixed Rate Loans to be originated as Issue M Loans for the 2025-2026 academic year, the minimum FICO score will be 670 for MEFA Loans with an Immediate Repayment Option, a minimum FICO Score of 690 for MEFA Loans with an Interest-Only Payment Option, and a minimum FICO score of 710 for fully Deferred MEFA Loans unless changed by the Authority upon compliance with certain requirements of the Issue M Resolution.

The following chart contains information regarding the recent application receipt and approval experience of the Authority with respect to Fixed Rate MEFA Loans.

Month	Approved Application Timing[1] (Academic Year 2023-2024)	Approved Application Timing[1] (Academic Year 2024-2025)[2]	$ Amount of Approved Applications[2] (Academic Year 2024-2025)
April	2.8%	2.4%	$ 8,200,000
May	7.4	7.1	24,000,000
June	16.3	15.8	53,200,000
July	47.5	49.1	165,100,000
August	75.2	77.3	259,900,000
September	80.0	81.6	274,400,000
October	82.6	83.7	281,400,000
November	85.7	86.3	290,000,000
December	91.3	91.7	308,200,000
January	97.7	97.8	328,800,000
February	99.0	98.8	332,300,000
March	100.0	100.0	336,200,000

[1] Cumulative approved applications received by the Authority in the April through March application cycle; percentages reflect rounding.

[2] Cumulative approved applications represent the timing of approved applications for the Authority in the most recent application cycle.

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The following chart contains information concerning the distribution of currently outstanding Fixed Rate MEFA Loans among students attending those Participation Institutions that represent the top 20 institutions as measured by outstanding principal balance.

Distribution of the Fixed Rate MEFA Loan Portfolio by Participating Institution
(As of February 28, 2025)[1]

Participating Institution[2]	Number of Loans	Approximate Principal Balance	Approximate Percent by Principal
University of Massachusetts at Amherst	7,946	$ 78,655,000	4.74%
University of New Hampshire	2,648	38,287,000	2.31
Boston University	2,384	37,705,000	2.27
Northeastern University	2,351	36,236,000	2.18
Merrimack College	2,138	31,493,000	1.90
Massachusetts College of Pharmacy & Health Sciences	1,911	27,909,000	1.68
Wentworth Institute of Technology	1,884	24,714,000	1.49
University of Massachusetts Lowell	2,827	23,907,000	1.44
Worcester Polytech	1,367	23,203,000	1.40
Pennsylvania State University	1,046	21,568,000	1.30
Endicott College	1,341	21,281,000	1.28
Bentley University	1,256	21,209,000	1.28
Boston College	1,115	21,141,000	1.27
University of Rhode Island	1,371	20,672,000	1.25
Bridgewater State University	2,691	19,573,000	1.18
Bryant University	984	18,331,000	1.11
Suffolk University	1,647	18,041,000	1.09
Emerson College	980	17,605,000	1.06
Western New England University	1,408	17,271,000	1.04
Quinnipiac University	843	16,090,000	0.97
All Others	81,169	1,124,008,000	67.76
Total	121,307	$1,658,898,000	100.00%

[1] Reflects Fixed Rate MEFA Loans funded from Education Loan Revenue Bonds, Issue E, Issue G, Issue H, Issue I, Issue J, Issue K, Issue L, Issue M, Issue N and the Authority's commercial paper program.
[2] Listed Participating Institutions represent approximately 32% of Principal Balance Outstanding.

The following chart contains information concerning the distribution of currently outstanding Fixed Rate MEFA Loans, at the time of loan origination, between undergraduate and graduate students.

Distribution of the Fixed Rate MEFA Loan Portfolio by Undergraduate and Graduate Status
(As of February 28, 2025)[1]

Academic Program Type	Number of Loans	Approximate Principal Balance	Approximate Percent by Principal
Undergraduate	117,551	$1,600,623,000	96.49%
Graduate	3,756	58,276,000	3.51
Total	121,307	$1,658,898,000	100.00%

[1] Reflects Fixed Rate MEFA Loans funded from the Authority's Education Loan Revenue Bonds, Issue E, Issue G, Issue H, Issue I, Issue J, Issue K, Issue L, Issue M, Issue N and the Authority's commercial paper program.

The following chart contains information concerning the distribution of currently outstanding Fixed Rate MEFA Loans that were made to borrowers with and without co-borrowers, at the time of origination, between graduate and undergraduate students.

Distribution of the Fixed Rate MEFA Loan Portfolio by Co-Borrower Status
(As of February 28, 2025)[1]

Co-Borrower Status	Number of Loans	Approximate Principal Balance	Approximate Percent by Principal
Co-Borrower:			
Undergraduate	115,835	$1,584,476,000	95.51%
Graduate	2,575	40,892,000	2.47%
Subtotal	118,410	$1,625,367,000	97.98%
Non Co-Borrower:			
Undergraduate	1,716	$16,147,000	0.97%
Graduate	1,181	17,384,000	1.05%
Subtotal	2,897	$ 33,531,000	2.02%
Total	121,307	$1,658,898,000	100.00%

[1] Reflects Fixed Rate MEFA Loans funded from the Authority's Education Loan Revenue Bonds, Issue E, Issue G, Issue H, Issue I, Issue J, Issue K, Issue L, Issue M and Issue N and the Authority's commercial paper program.

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MASSACHUSETTS EDUCATIONAL FINANCING AUTHORITY
Delinquency Experience (Fixed Rate MEFA Loans with a FICO Score of 670 or Greater)[1,2,3]
(As of December 31, 2024)
($000's)

	December 31, 2024		December 31, 2023		December 31, 2022		December 31, 2021		December 31, 2020	
Delinquency Status (Days)	Principal Balance Outstanding	% to Total in Repayment	Principal Balance Outstanding	% to Total in Repayment	Principal Balance Outstanding	% to Total in Repayment	Principal Balance Outstanding	% to Total in Repayment	Principal Balance Outstanding	% to Total in Repayment
Current	$1,153,662	97.6%	$1,059,478	97.0%	$967,442	97.4%	$945,914	96.7%	$ 992,106	97.8%
31-60	14,279	1.2	18,579	1.7	13,854	1.4	16,595	1.7	14,217	1.4
61-90	4,800	0.4	4,613	0.4	4,489	0.5	5,141	0.5	3,660	0.4
91-120	2,833	0.2	2,457	0.2	2,243	0.2	9,795	1.0	1,256	0.1
121-150	1,831	0.2	2,086	0.2	1,936	0.2	1,034	0.1	2,689	0.3
Greater Than 150	4,714	0.4	4,682	0.4	3,364	0.3	0	0.0	0	0.0
Total	$1,182,119	**100.0**%	$1,091,894	100.0%	$993,327	100.0%	$978,479	100.0%	$1,013,929	100.0%

[1] Reflects Fixed Rate MEFA Loans funded from Education Loan Revenue Bonds, Issue E, Issue G, Issue H, Issue I, Issue J, Issue K, Issue L, Issue M, Issue N and the Authority's commercial paper program.
[2] Due to servicing conversion, the methodology for recording bankruptcies has changed to distribute accordingly throughout the December 31,-2020 and December, 31-2021 data.
[3] For the calendar year ending December 31, 2020 and 2021, due to the severity of COVID-19, the Authority offered a Natural Disaster Forbearance to any borrowers impacted by COVID 19. MEFA Loans in this forbearance status prevented such loans from becoming delinquent or defaulting during the time in forbearance. In August 2021, the Authority discontinued the Natural Disaster Forbearance Policy.

Massachusetts Educational Financing Authority
Default Experience (Fixed Rate MEFA Loans with FICO Scores of 670 or Greater)[1]
(As of December 31, 2024)
($000's)

	2024	2023	2022	2021[2]	2020[2]
Gross Loan Defaults	$13,935	$10,834	$16,381	$ 0	$1,785
Net Recoveries	3,982	3,783	4,075	3,297	3,610
Net Loan Defaults	$9,953	$7,051	$12,307	-$3,297	-$1,824
Net Loan Defaults as a percentage of average loans in repayment	0.86%	0.67%	1.26%	-0.33%	-0.18%
Average Loans in Repayment[1]	$1,153,121	$1,054,123	$979,873	$998,915	$1,028,764

[1] Defaults, Recoveries and Loans in Repayment for Issue E, Issue G, Issue H, Issue I, Issue J, Issue K , Issue L, Issue M, Issue N and the Authority's commercial paper program.
[2] For the calendar year ending December 31, 2020 and 2021, due to the severity of COVID-19, the Authority offered a Natural Disaster Forbearance to any borrowers impacted by COVID-19.
MEFA Loans in this forbearance status prevented such loans from becoming delinquent or defaulting during the time in forbearance. In August 2021, the Authority discontinued the Natural Disaster Forbearance Policy.

MASSACHUSETTS EDUCATIONAL FINANCING AUTHORITY
Static Pool Cohort Default Analysis
Fixed Rate MEFA Loans Immediate Repayment (670+), Interest Only (690+) and Deferred Repayment (710+)[1]
(As of December 31, 2024)

Repayment Year	Total Amount Entering Repay ($000,000)	Repayment Year of Default																
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15+	Totals
1997	$ 37	0.00%	0.00%	0.00%	0.11%	0.05%	0.06%	0.06%	0.11%	0.06%	0.09%	0.03%	0.10%	0.07%	0.01%	0.01%	0.02%	0.77%
1998	79	0.00	0.00	0.00	0.04	0.13	0.14	0.18	0.13	0.18	0.06	0.09	0.07	0.06	0.05	0.02	0.02	1.17
1999	95	0.00	0.00	0.01	0.03	0.11	0.22	0.21	0.19	0.11	0.08	0.06	0.10	0.05	0.03	0.05	0.00	1.25
2000	105	0.00	0.00	0.02	0.10	0.22	0.25	0.20	0.12	0.14	0.13	0.13	0.11	0.03	0.03	0.01	0.00	1.49
2001	109	0.00	0.00	0.06	0.17	0.15	0.17	0.19	0.15	0.16	0.16	0.18	0.03	0.07	0.00	0.05	0.02	1.58
2002	82	0.00	0.01	0.16	0.09	0.23	0.19	0.32	0.22	0.22	0.25	0.07	0.08	0.03	0.08	0.03	0.04	2.02
2003	59	0.00	0.01	0.20	0.31	0.24	0.24	0.32	0.36	0.24	0.07	0.05	0.06	0.12	0.06	0.02	0.02	2.34
2004	53	0.00	0.00	0.34	0.24	0.24	0.66	0.50	0.32	0.15	0.11	0.16	0.11	0.03	0.03	0.04	0.02	2.95
2005	22	0.00	0.14	0.16	0.23	0.70	0.50	0.30	0.19	0.22	0.05	0.33	0.07	0.04	0.01	0.10	0.02	3.07
2006	70	0.00	0.16	0.82	0.85	0.94	0.34	0.21	0.20	0.09	0.16	0.06	0.02	0.01	0.09	0.03	0.00	3.99
2007	125	0.00	0.19	0.83	0.87	0.78	0.41	0.31	0.27	0.15	0.07	0.08	0.02	0.06	0.11	0.00	0.03	4.18
2008	168	0.00	0.20	1.15	0.81	0.45	0.45	0.34	0.13	0.13	0.12	0.10	0.09	0.14	0.00	0.00	0.10	4.23
2009	94	0.00	0.30	1.85	1.32	0.55	0.24	0.24	0.42	0.38	0.11	0.14	0.08	0.00	0.00	0.12	0.05	5.79
2010	172	0.00	0.24	1.47	0.84	0.73	0.46	0.25	0.20	0.19	0.23	0.13	0.04	0.00	0.05	0.05	0.02	4.92
2011	189	0.00	0.59	2.68	0.87	0.91	0.44	0.40	0.23	0.43	0.37	0.03	0.00	0.10	0.08	0.02	.	7.15
2012	164	0.00	0.50	1.71	0.97	0.71	0.38	0.58	0.55	0.51	0.02	0.00	0.17	0.12	0.09	.	.	6.30
2013	181	0.00	0.31	1.83	0.54	0.71	0.32	0.55	0.31	0.05	0.00	0.24	0.06	0.02	.	.	.	4.95
2014	215	0.00	0.31	1.30	0.91	0.32	0.80	0.47	0.04	0.00	0.26	0.22	0.19	.	.	.	.	4.82
2015	213	0.00	0.36	1.11	0.65	0.77	0.67	0.19	0.00	0.23	0.23	0.21	.	.	.	.	.	4.42
2016	207	0.00	0.28	1.04	1.14	0.57	0.18	0.00	0.39	0.35	0.22	.	.	.	.	.	.	4.17
2017	237	0.00	0.27	2.02	0.70	0.01	0.00	0.66	0.30	0.42	.	.	.	.	.	.	.	4.38
2018	225	0.00	0.21	1.11	0.10	0.00	0.61	0.23	0.46	.	.	.	.	.	.	.	.	2.71
2019	240	0.00	0.14	0.09	0.00	1.16	0.36	0.29	.	.	.	.	.	.	.	.	.	2.04
2020 [2]	291	0.00	0.00	0.00	1.46	0.43	0.49	.	.	.	.	.	.	.	.	.	.	2.38
2021 [2]	262	0.00	0.00	0.85	0.38	0.41	.	.	.	.	.	.	.	.	.	.	.	1.64
2022	258	0.00	0.16	0.97	0.67	.	.	.	.	.	.	.	.	.	.	.	.	1.81
2023	284	0.00	0.38	1.32	.	.	.	.	.	.	.	.	.	.	.	.	.	1.71
2024	328	0.00	0.38	.	.	.	.	.	.	.	.	.	.	.	.	.	.	0.38

[1]
- FICO scores are based on the greater of the borrower or co-borrower score as of the original application date.
- Includes both undergraduate and graduate programs and both co-signed and non-co-signed loans.
- Terms and calculations of the default statistics are defined as follows:
  - Repayment Year – The calendar year that the loans entered repayment.
  - Original Note Value Entering Repayment – The amount of principal entering repayment in a given year based on the disbursed principal including any interest capitalization at repayment.
  - Years in Repayment – Measured in years between repayment start date and default date with zero representing any defaults prior to the start of repayment.
  - Periodic Defaults – Defaulted principal in each Year of Repayment as a percentage of the Original Note Value Entering Repayment in each Repayment Year, includes any interest capitalization that occurred prior to default and is not reduced by any amount of recoveries after the loan defaulted.
  - Total – The sum of the Periodic Defaults across Years in Repayment for each Repayment Year (Totals may not foot due to rounding).

[2]
- For the calendar years ending December 31, 2020 and December 31, 2021, due to the severity of COVID-19, the Authority offered a Natural Disaster Forbearance to any borrowers impacted by COVID-19. MEFA Loans in this forbearance status prevented such loans from becoming delinquent or defaulting during the time in forbearance. In August 2021, the Authority discontinued the Natural Disaster Forbearance Policy.

Fixed Rate MEFA Loans Immediate Repayment (670+) and Interest Only (690+)[1]
(As of December 31, 2024)

Repayment Year	Total Amount Entering Repay ($000,000)	Repayment Year of Default																
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15+	Totals
1997	$ 37	0.00%	0.00%	0.00%	0.11%	0.05%	0.06%	0.06%	0.11%	0.06%	0.09%	0.03%	0.10%	0.07%	0.01%	0.01%	0.02%	0.77%
1998	76	0.00	0.00	0.00	0.04	0.14	0.15	0.17	0.13	0.19	0.06	0.10	0.07	0.06	0.04	0.02	0.02	1.19
1999	85	0.00	0.00	0.01	0.03	0.12	0.15	0.23	0.20	0.12	0.09	0.07	0.10	0.05	0.03	0.06	0.00	1.27
2000	89	0.00	0.00	0.00	0.05	0.21	0.28	0.23	0.14	0.16	0.13	0.13	0.11	0.04	0.03	0.01	0.01	1.53
2001	85	0.00	0.00	0.02	0.06	0.10	0.22	0.11	0.15	0.19	0.15	0.10	0.03	0.07	0.01	0.06	0.02	1.28
2002	59	0.00	0.01	0.03	0.07	0.26	0.18	0.39	0.25	0.30	0.28	0.06	0.11	0.04	0.10	0.04	0.04	2.16
2003	36	0.00	0.00	0.11	0.40	0.32	0.37	0.48	0.36	0.19	0.11	0.08	0.10	0.09	0.05	0.04	0.01	2.71
2004	35	0.00	0.00	0.25	0.37	0.32	0.83	0.56	0.15	0.14	0.12	0.09	0.17	0.04	0.03	0.06	0.03	3.16
2005	9	0.00	0.00	0.27	0.51	0.42	0.70	0.71	0.15	0.50	0.07	0.05	0.00	0.09	0.03	0.00	0.00	3.50
2006	58	0.00	0.17	0.57	1.02	0.95	0.26	0.23	0.21	0.11	0.19	0.05	0.03	0.01	0.06	0.04	0.00	3.90
2007	102	0.00	0.21	0.66	0.87	0.80	0.43	0.29	0.19	0.12	0.09	0.06	0.02	0.04	0.07	0.00	0.02	3.85
2008	114	0.00	0.26	0.71	0.68	0.41	0.37	0.25	0.15	0.11	0.09	0.10	0.10	0.11	0.00	0.00	0.09	3.44
2009	22	0.00	0.13	0.61	0.55	0.29	0.32	0.15	0.24	0.16	0.13	0.17	0.00	0.00	0.00	0.07	0.01	2.82
2010	68	0.00	0.36	0.62	0.52	0.81	0.62	0.38	0.15	0.22	0.36	0.11	0.00	0.00	0.06	0.07	0.00	4.28
2011	66	0.00	0.36	0.89	0.80	0.73	0.53	0.52	0.19	0.55	0.26	0.00	0.00	0.13	0.05	0.01	.	5.00
2012	68	0.00	0.44	0.88	0.73	0.77	0.36	0.27	0.57	0.34	0.06	0.00	0.10	0.09	0.04	.	.	4.63
2013	76	0.00	0.29	0.73	0.74	0.36	0.31	0.59	0.30	0.11	0.00	0.27	0.11	0.02	.	.	.	3.83
2014	88	0.00	0.29	0.57	0.28	0.32	0.67	0.44	0.09	0.00	0.18	0.14	0.11	.	.	.	.	3.08
2015	95	0.00	0.21	0.53	0.45	0.76	0.49	0.16	0.00	0.27	0.21	0.28	.	.	.	.	.	3.36
2016	104	0.00	0.30	0.49	0.92	0.64	0.09	0.00	0.45	0.27	0.23	.	.	.	.	.	.	3.29
2017	108	0.00	0.13	0.91	0.62	0.00	0.00	0.58	0.23	0.22	.	.	.	.	.	.	.	2.69
2018	115	0.00	0.24	0.50	0.05	0.00	0.51	0.33	0.24	.	.	.	.	.	.	.	.	1.86
2019	124	0.00	0.10	0.03	0.00	0.80	0.31	0.22	.	.	.	.	.	.	.	.	.	1.45
2020 [2]	165	0.00	0.00	0.00	0.89	0.43	0.49	.	.	.	.	.	.	.	.	.	.	1.81
2021 [2]	132	0.00	0.00	0.45	0.30	0.24	.	.	.	.	.	.	.	.	.	.	.	1.00
2022	129	0.00	0.23	0.65	0.41	.	.	.	.	.	.	.	.	.	.	.	.	1.29
2023	146	0.00	0.42	0.69	.	.	.	.	.	.	.	.	.	.	.	.	.	1.11
2024	172	0.00	0.52	.	.	.	.	.	.	.	.	.	.	.	.	.	.	0.52

1 ● FICO scores are based on the greater of the borrower or co-borrower score as of the original application date.
● Includes both undergraduate and graduate programs and both co-signed and non-co-signed loans.
● Terms and calculations of the default statistics are defined as follows:
● Repayment Year – The calendar year that the loans entered repayment.
● Original Note Value Entering Repayment – The amount of principal entering repayment in a given year based on the disbursed principal including any interest capitalization at repayment.
● Years in Repayment – Measured in years between repayment start date and default date with zero representing any defaults prior to the start of repayment.
● Periodic Defaults – Defaulted principal in each Year of Repayment as a percentage of the Original Note Value Entering Repayment in each Repayment Year, includes any interest capitalization that occurred prior to default and is not reduced by any amount of recoveries after the loan defaulted.
● Total – The sum of the Periodic Defaults across Years in Repayment for each Repayment Year (Totals may not foot due to rounding).

2 ● For the calendar years ending December 31, 2020 and December 31, 2021, due to the severity of COVID-19, the Authority offered a Natural Disaster Forbearance to any borrowers impacted by COVID-19. MEFA Loans in this forbearance status prevented such loans from becoming delinquent or defaulting during the time in forbearance. In August 2021, the Authority discontinued the Natural Disaster Forbearance Policy.

Fixed Rate MEFA Loans Deferred (710+)[1]
(As of December 31, 2024)

Repayment Year	Total Amount Entering Repay ($000,000)	Repayment Year of Default																
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15+	Totals
1997	$ 0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1998	3	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.17	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.00	0.74
1999	10	0.00	0.00	0.00	0.00	0.00	0.77	0.06	0.10	0.00	0.00	0.00	0.14	0.09	0.00	0.00	0.00	1.17
2000	17	0.00	0.00	0.10	0.39	0.29	0.09	0.02	0.00	0.04	0.15	0.08	0.07	0.00	0.00	0.02	0.00	1.25
2001	24	0.00	0.00	0.22	0.58	0.33	0.02	0.47	0.12	0.06	0.20	0.48	0.05	0.08	0.00	0.02	0.02	2.65
2002	22	0.00	0.00	0.51	0.15	0.17	0.22	0.12	0.15	0.00	0.18	0.10	0.00	0.00	0.03	0.00	0.03	1.65
2003	23	0.00	0.03	0.34	0.19	0.11	0.03	0.08	0.37	0.32	0.00	0.00	0.00	0.16	0.08	0.00	0.04	1.74
2004	19	0.00	0.00	0.51	0.00	0.10	0.36	0.38	0.64	0.17	0.10	0.29	0.00	0.00	0.03	0.00	0.00	2.57
2005	13	0.00	0.25	0.08	0.02	0.91	0.36	0.00	0.22	0.02	0.03	0.53	0.12	0.00	0.00	0.17	0.04	2.75
2006	13	0.00	0.14	1.97	0.03	0.90	0.75	0.12	0.14	0.00	0.00	0.12	0.00	0.00	0.23	0.00	0.00	4.40
2007	23	0.00	0.11	1.58	0.89	0.69	0.32	0.44	0.63	0.30	0.00	0.17	0.00	0.13	0.28	0.00	0.09	5.62
2008	54	0.00	0.09	2.10	1.07	0.52	0.62	0.55	0.10	0.17	0.20	0.12	0.05	0.21	0.00	0.00	0.11	5.90
2009	71	0.00	0.36	2.24	1.56	0.63	0.22	0.27	0.47	0.44	0.10	0.13	0.10	0.00	0.00	0.13	0.07	6.71
2010	104	0.00	0.16	2.03	1.05	0.67	0.36	0.17	0.24	0.16	0.15	0.14	0.07	0.00	0.05	0.04	0.03	5.33
2011	122	0.00	0.72	3.65	0.92	1.01	0.39	0.34	0.25	0.36	0.43	0.05	0.00	0.07	0.09	0.02	.	8.31
2012	96	0.00	0.54	2.28	1.14	0.66	0.39	0.80	0.53	0.64	0.00	0.00	0.22	0.14	0.13	.	.	7.47
2013	104	0.00	0.32	2.63	0.39	0.98	0.32	0.51	0.32	0.01	0.00	0.22	0.03	0.03	.	.	.	5.77
2014	127	0.00	0.32	1.81	1.35	0.32	0.89	0.49	0.00	0.00	0.32	0.27	0.25	.	.	.	.	6.03
2015	118	0.00	0.48	1.58	0.81	0.78	0.82	0.21	0.00	0.19	0.25	0.16	.	.	.	.	.	5.27
2016	103	0.00	0.27	1.59	1.36	0.49	0.27	0.00	0.33	0.43	0.22	.	.	.	.	.	.	4.96
2017	128	0.00	0.39	2.96	0.76	0.01	0.00	0.73	0.36	0.59	.	.	.	.	.	.	.	5.81
2018	111	0.00	0.17	1.74	0.15	0.00	0.72	0.14	0.68	.	.	.	.	.	.	.	.	3.60
2019	116	0.00	0.18	0.15	0.00	1.55	0.41	0.37	.	.	.	.	.	.	.	.	.	2.66
2020 [2]	126	0.00	0.00	0.00	2.20	0.43	0.49	.	.	.	.	.	.	.	.	.	.	3.12
2021 [2]	131	0.00	0.00	1.26	0.46	0.58	.	.	.	.	.	.	.	.	.	.	.	2.29
2022	130	0.00	0.20	1.29	0.94	.	.	.	.	.	.	.	.	.	.	.	.	2.33
2023	138	0.00	0.34	1.99	.	.	.	.	.	.	.	.	.	.	.	.	.	2.34
2024	156	0.00	0.23	.	.	.	.	.	.	.	.	.	.	.	.	.	.	0.23

[1]
- FICO scores are based on the greater of the borrower or co-borrower score as of the original application date.
- Includes both undergraduate and graduate programs and both co-signed and non-co-signed loans.
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  - Repayment Year – The calendar year that the loans entered repayment.
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  - Total – The sum of the Periodic Defaults across Years in Repayment for each Repayment Year (Totals may not foot due to rounding).

[2]
- For the calendar years ending December 31, 2020 and December 31, 2021, due to the severity of COVID-19, the Authority offered a Natural Disaster Forbearance to any borrowers impacted by COVID-19. MEFA Loans in this forbearance status prevented such loans from becoming delinquent or defaulting during the time in forbearance. In August 2021, the Authority discontinued the Natural Disaster Forbearance Policy.

MEFA Refinancing Loan Portfolio

The Authority implemented the MEFA Refinancing Loan Program in 2015, which included both variable rate MEFA Refinancing Loans and fixed rate MEFA Refinancing Loans. Eligible borrowers could choose between variable rate and fixed rate MEFA Refinancing Loans for which they qualified based upon the credit standards established by the Authority. As of November 12, 2021, MEFA Refinancing Loans are only offered on a fixed rate basis. See "THE MEFA FINANCING PROGRAM—MEFA Refinancing Loan Terms" herein. The Authority funds MEFA Refinancing Loans through funding sources other than tax-exempt bonds.

Through February 28, 2025, the Authority has received 41,214 applications for MEFA Refinancing Loans and refinanced $908.9 million of prior education loans for 13,979 borrowers:

Calendar Year	Applications Received	Education Loans Refinanced
2015	72	$ 0
2016	3,800	39,800,000
2017	7,550	143,300,000
2018	5,040	89,300,000
2019	6,714	138,100,000
2020	4,398	107,900,000
2021	3,381	78,400,000
2022	3,773	116,400,000
2023	4,836	149,000,000
2024	1,540	44,100,000
2025	110	2,600,000

The Authority's Experience with MEFA Refinancing Loans

As of December 31, 2024, the Authority had originated approximately $906 million of MEFA Refinancing Loans of which approximately $415 million were in repayment as of December 31, 2024, and as of such date only 183 defaults had occurred totaling $9.6 million (including accrued interest), or 1.06% of the original note value of the MEFA Refinancing Loans as of December 31, 2024, which represents an annualized default rate of 0.118%. The following table indicates the defaults of MEFA Refinancing Loans in repayment by repayment vintage.

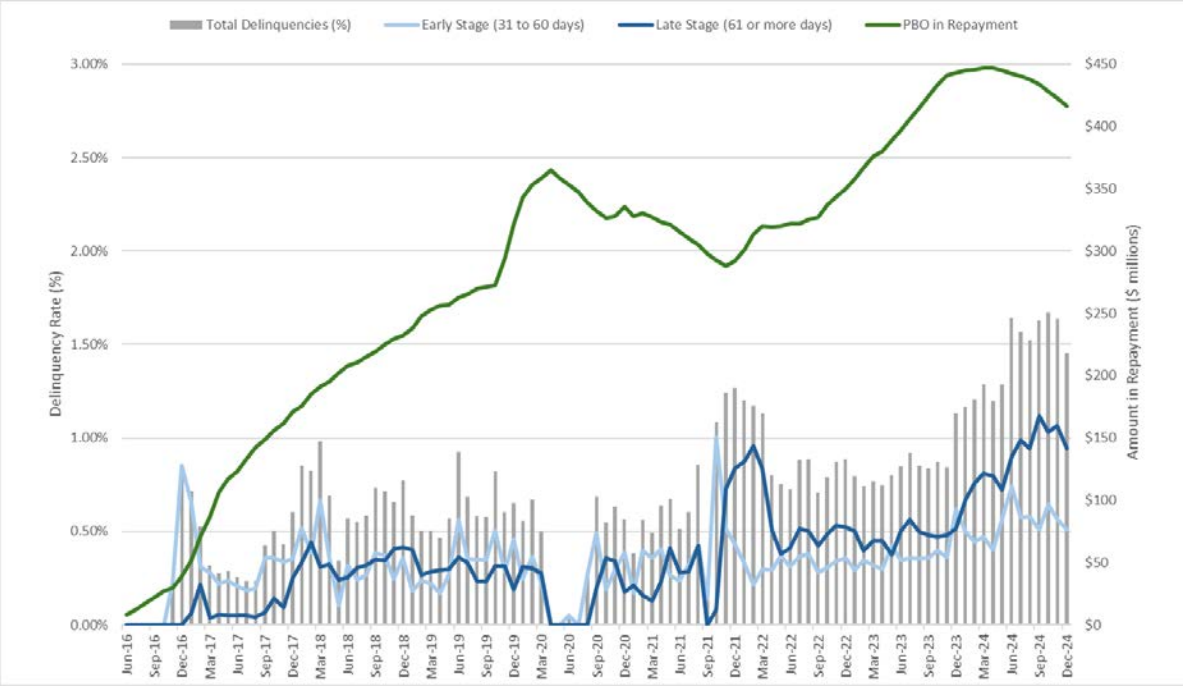
MEFA Refinancing Loan Defaults by Repayment Vintage

		2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Original Note Value		$30,594,014	$142,758,627	$93,505,245	$110,270,881	$123,713,479	$84,011,744	$118,332,671	$152,726,248	$50,016,241	$905,929,149
Principal Outstanding		$ 4,955,965	$ 24,720,193	$21,564,041	$ 26,713,744	$ 36,131,129	$44,238,980	$ 85,358,861	$126,024,047	$45,769,943	$415,476,902
Pool Factor		16.20%	17.32%	23.06%	24.23%	29.21%	52.66%	72.13%	82.52%	91.51%	45.86%
Cumulative Defaults ($)		$ 709,382	$ 2,424,289	$ 992,666	$ 977,004	$ 1,193,917	$ 1,338,909	$ 801,947	$ 1,207,196	$ 0	$ 9,645,309
Cumulative Defaults (%)		2.32%	1.70%	1.06%	0.89%	0.97%	1.59%	0.68%	0.79%	0.00%	1.06%

[1]Figures are either as of, or through, December 31, 2024.

On December 31, 2024, the MEFA Refinancing Loans in repayment had a 0.71% average overall delinquency rate, with a 0.34% average early-stage delinquency rate (31 to 60 days past due) and a 0.37% average late-stage delinquency rate (61 or more days past due). The following chart indicates the delinquency history for the MEFA Refinancing Loans through December 31, 2024. See the caption

"INVESTMENT CONSIDERATIONS— An Outbreak Similar to the COVID-19 Pandemic Could Adversely Affect the Value of the Series 2025 Bonds or Borrowers' Ability to Repay their MEFA Education Loans" herein, for a discussion of historical Natural Disaster Forbearance and Modified Payment Plans.



There can be no assurance that MEFA Refinancing Loan borrowers will not default or become delinquent at higher rates in the future or be subject to different economic conditions than affect MEFA Loan borrowers. Moreover, the future performance of MEFA Refinancing Loans in general, or the MEFA Refinancing Loans to be pledged to the Issue M Resolution in particular, may not conform to the Authority's expectations, which are based primarily upon the actual performance of MEFA Refinancing Loans.

See the caption "RISK FACTORS— Future Performance of the Issue M Loan Portfolio May Differ From Historical MEFA Education Loan Performance" herein.

ISSUE M LOAN PORTFOLIO

The Authority currently expects that, upon the date of issuance of the Series 2025 Bonds, the Issue M Loan portfolio will consist of projected amounts of approximately (a) $465† million of Fixed Rate MEFA Loans, (b) $4† million of Variable Rate MEFA Loans, (c) $200† million of fixed rate MEFA Refinancing Loans and (d) $86,307† of variable rate MEFA Refinancing Loans. The $200† million of fixed rate MEFA Refinancing Loans expected to be part of the Issue M Loan Portfolio on the date of issuance of the Series 2025 Bonds, includes approximately $20† million of fixed rate MEFA Refinancing Loans to be transferred to the Issue M Resolution upon repayment of commercial paper notes. Such fixed rate MEFA Refinancing Loans have not yet been identified; therefore, the tables below include characteristics of a random sampling of fixed rate MEFA Refinancing Loans in an amount equal to approximately $20† million. The Authority expects the approximately $20† million of fixed rate MEFA Refinancing Loans to be transferred on or prior to the date of issuance of the Series 2025 Bonds, will have characteristics substantially similar to the fixed rate MEFA Refinancing Loans described herein. The Issue M Loan portfolio is expected to be substantially

† Projected as of February 28, 2025.

as described under this heading based on data as of February 28, 2025, subject to payment activity with respect to the Issue M Loans listed below during the period from and including February 28, 2025 through and including the date of issuance of the Series 2025 Bonds.

The Authority has covenanted in the Issue M Resolution to make periodic Issue M Loan portfolio information publicly available no less frequently than quarterly. Such information will include operating data substantially of the type indicated under this caption. The Authority reserves the rights, however: (i) to alter the format in which such periodic information is presented; and (ii) to make such periodic information available either by posting as part of, or in the same manner as, annual reports filed pursuant to the Continuing Disclosure Agreement described in Appendix F to this Official Statement or, subject to compliance with such Continuing Disclosure Agreement, by posting on a publicly accessible website.

Composition of the Issue M MEFA Loan Portfolio
(As of February 28, 2025)

Aggregate Outstanding Principal Balance	$468,965,930
Accrued Interest[1]	$14,127,403
Number of Borrowers	21,608
Average Outstanding Principal Balance per Borrower	$21,703
Number of Loans	33,128
Average Outstanding Principal Balance per Loan	$14,156
Weighted Average Annual Interest Rate	5.937%
Weighted Average Interim (Months)	3.14
Weighted Average Remaining Term (Months)	129.07
Weighted Average FICO Score at Origination	757.74
Percentage of Fixed Rate Loans[2]	99.14%
Percentage of Loans to Students Attending 4-Year & Graduate Schools[2]	93.92%
Percentage of Loans with a Co-Borrower[2]	97.83%

[1] Includes $12,505,222 of accrued interest to be capitalized.
[2] Percentages are based upon the Aggregate Outstanding Principal Balance.

Distribution of the Issue M MEFA Loan Portfolio by FICO Score Upon Origination
(As of February 28, 2025)

FICO Score Upon Origination*	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Below 670	279	$ 1,345,511	0.29%
670-699	2,947	33,136,343	7.07
700-739	8,280	114,814,046	24.48
740-799	17,421	255,253,445	54.43
800-850	4,201	64,416,585	13.74
Total	33,128	$468,965,930	100.00%

* The dollar-weighted average FICO score at origination is 757.74.

Distribution of the Issue M MEFA Loan Portfolio by School Type
(As of February 28, 2025)

School Type	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Two Year	2,252	$ 25,488,388	5.44%
Four Year+	30,565	440,187,729	93.86
Graduate	43	303,311	0.06
Unknown/Other	268	2,986,502	0.64
Total	33,128	$468,965,930	100.00%

Distribution of the Issue M MEFA Loan Portfolio by Interest Rate
(As of February 28, 2025)

Interest Rate	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Less Than 5.000%	4,332	$ 61,457,199	13.10%
5.000% to 5.499%	6,443	99,101,848	21.13
5.500% to 5.999%	6,030	92,352,027	19.69
6.000% to 6.499%	4,264	66,702,623	14.22
6.500% to 6.999%	8,446	131,298,663	28.00
7.000% to 7.499%	254	1,883,126	0.40
7.500% to 7.999%	1,822	8,869,406	1.89
8.000% to 8.999%	1,537	7,301,038	1.56
Total	33,128	$468,965,930	100.00%

Distribution of the Issue M MEFA Loan Portfolio
by Number of Days Delinquent*
(As of February 28, 2025)

Number of Days Delinquent	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
0-30 days	27,443	$369,074,014	98.26%
31-60 days	223	2,696,829	0.72
61-90 days	108	1,587,466	0.42
91-120 days	76	1,234,820	0.33
121-150 days	41	522,355	0.14
151-180 days	39	506,380	0.13
Total	27,930	$375,621,865	100.00%

* Includes balances in repayment only.

Distribution of the Issue M MEFA Loan Portfolio
by Interest Rate Type
(As of February 28, 2025)

Interest Rate Type	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Fixed	32,092	$464,911,521	99.14%
Variable	1,036	4,054,409	0.86
Total	33,128	$468,965,930	100.00%

Distribution of the Issue M MEFA Loan Portfolio
by Co-Borrower Status
(As of February 28, 2025)

Co-Borrower Status	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Co-Borrower			
Undergraduate	31,586	$445,623,582	95.02%
Graduate	781	13,181,390	2.81
Subtotal	32,367	$458,804,972	97.83%
Non Co-Borrower			
Undergraduate	379	$ 3,637,906	0.78%
Graduate	382	6,523,052	1.39
Subtotal	761	10,160,957	2.17
Total	33,128	$468,965,930	100.00%

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Distribution of the Issue M MEFA Loan Portfolio
by Number of Months Remaining Until Scheduled Maturity
(As of February 28, 2025)

Number of Months Remaining Until Scheduled Maturity	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
60 or less	4,667	$ 18,202,798	3.88%
61 to 72	565	2,408,072	0.51
73 to 84	3,144	31,452,300	6.71
85 to 96	3,926	47,941,426	10.22
97 to 108	701	7,794,541	1.66
109 to 120	852	12,000,013	2.56
121 to 132	2,295	38,221,941	8.15
133 to 144	9,248	163,897,690	34.95
145 to 156	7,166	136,012,563	29.00
157 to 168	561	10,985,949	2.34
169 or more	3	48,636	0.01
Total	33,128	$468,965,930	100.00%

Distribution of the Issue M MEFA Loan Portfolio
by Date of Disbursement
(As of February 28, 2025)

Date of Disbursement	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
July 1, 2004 - June 30, 2005	2	$ 1,258	0.00*%
July 1, 2005 - June 30, 2006	89	208,614	0.04
July 1, 2006 - June 30, 2007	524	1,061,000	0.23
July 1, 2007 - June 30, 2008	1,541	8,019,490	1.71
July 1, 2008 - June 30, 2009	9	40,317	0.01
July 1, 2009 - June 30, 2010	51	128,874	0.03
July 1, 2010 - June 30, 2011	381	702,786	0.15
July 1, 2011 - June 30, 2012	881	3,383,360	0.72
July 1, 2012 - June 30, 2013	142	933,178	0.20
July 1, 2013 - June 30, 2014	1,083	7,608,123	1.62
July 1, 2015 - June 30, 2016	34	208,208	0.04
July 1, 2016 - June 30, 2017	1	7,389	0.00*
July 1, 2017 - June 30, 2018	473	3,780,684	0.81
July 1, 2018 - June 30, 2019	37	707,813	0.15
July 1, 2019 - June 30, 2020	12,792	192,165,703	40.98
July 1, 2022 - June 30, 2023	14,975	247,538,915	52.78
July 1, 2023 - June 30, 2024	113	2,470,217	0.53
Total	33,128	$468,965,930	100.00%

* Less than 0.05%, but greater than 0.00%.

Distribution of the Issue M MEFA Loan Portfolio by Borrower Payment Status
(As of February 28, 2025)

Payment Status	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
School	4,518	$ 81,489,130	17.38%
Grace	591	9,934,953	2.12
Forbearance	89	1,919,981	0.41
Repayment	27,930	375,621,865	80.10
Total	33,128	$468,965,930	100.00%

Distribution of the Issue M MEFA Loan Portfolio
by Loan Program
(As of February 28, 2025)

Loan Program	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Undergraduate Immediate	10,548	$129,662,712	27.65%
Undergraduate Deferred	10,030	149,541,328	31.89
Undergraduate Interest Only	4,349	68,768,823	14.66
Undergraduate Student Alternative	7,038	101,288,626	21.60
Graduate Interest Only	347	4,817,306	1.03
Graduate Deferred	816	14,887,136	3.17
Total	33,128	$468,965,930	100.00%

Distribution of the Issue M MEFA Loan Portfolio
by Loan Program Type
(As of February 28, 2025)

Loan Program Type	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Undergraduate	31,965	$449,261,488	95.80%
Graduate	1,163	19,704,442	4.20
Total	33,128	$468,965,930	100.00%

Distribution of the Issue M MEFA Loan Portfolio
by Range of Outstanding Principal Balance
(As of February 28, 2025)

Range of Outstanding Principal Balance	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Less than $5,000.00	6,981	$ 19,061,588	4.06%
$5,000-$9,999.99	8,068	59,771,390	12.75
$10,000-$19,999.99	10,213	146,435,888	31.23
$20,000-$29,999.99	4,670	112,898,314	24.07
$30,000-$39,999.99	1,943	65,972,458	14.07
$40,000-$49,999.99	728	32,014,850	6.83
$50,000-$59,999.99	279	15,024,689	3.20
$60,000-$69,999.99	136	8,725,553	1.86
$70,000-$79,999.99	59	4,371,398	0.93
More Than $79,999.99	51	4,689,802	1.00
Total	33,128	$468,965,930	100.00%

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Distribution of the Issue M MEFA Loan Portfolio by School
(As of February 28, 2025)

Name of School*	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
University of Massachusetts at Amherst	2,145	$ 21,767,966	4.64%
Northeastern University	683	10,425,986	2.22
Boston University	597	10,235,664	2.18
University of New Hampshire	625	10,146,150	2.16
Merrimack College	505	7,874,469	1.68
Wentworth Institute of Technology	518	7,022,621	1.50
Worcester Polytechnic Institute	390	6,884,245	1.47
Massachusetts College of Pharmacy	437	6,689,274	1.43
University of Massachusetts at Lowell	722	6,532,079	1.39
Bentley University	371	6,432,891	1.37
University of Rhode Island	396	6,252,170	1.33
Endicott College	362	6,092,365	1.30
Boston College	283	5,996,797	1.28
Pennsylvania State University	306	5,958,243	1.27
Western New England College	419	5,242,218	1.12
Bridgewater State College	676	5,137,554	1.10
Suffolk University	458	4,899,778	1.04
Bryant College of Business Admin	245	4,839,244	1.03
Quinnipiac University	247	4,733,071	1.01
Emerson College	232	4,328,977	0.92
Curry College	279	3,743,595	0.80
Stonehill College	277	3,734,307	0.80
University of Vermont	213	3,694,498	0.79
Berklee School of Music	181	3,587,934	0.77
Syracuse University	171	3,455,511	0.74
Others	21,390	303,258,325	64.67
Total	33,128	$468,965,930	100.00%

* Listed schools represent approximately 35.3% of total loan balance outstanding.

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Distribution of the Issue M MEFA Loan Portfolio by Geographic Location[1]
(As of February 28, 2025)

Geographic Location	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Massachusetts	19,204	$255,092,282	54.39%
New York	1,583	26,354,871	5.62
California	1,100	22,673,249	4.83
Pennsylvania	1,077	16,050,587	3.42
New Jersey	808	14,776,900	3.15
Connecticut	864	12,415,732	2.65
Illinois	663	11,308,483	2.41
Texas	720	11,146,814	2.38
New Hampshire	809	10,341,263	2.21
Florida	679	10,161,045	2.17
Ohio	460	6,642,752	1.42
Maryland	313	5,654,912	1.21
Virginia	338	5,231,567	1.12
North Carolina	393	5,213,534	1.11
Georgia	259	4,172,268	0.89
Michigan	305	3,851,199	0.82
Colorado	232	3,571,601	0.76
Minnesota	265	3,367,054	0.72
Washington	209	3,353,252	0.72
Maine	277	3,279,917	0.70
Indiana	234	3,172,894	0.68
South Carolina	237	3,132,006	0.67
Rhode Island	236	2,693,712	0.57
Wisconsin	178	2,672,916	0.57
Oregon	105	2,081,191	0.44
Tennessee	135	1,978,981	0.42
Missouri	167	1,931,930	0.41
Arizona	125	1,930,318	0.41
Kentucky	82	1,289,809	0.28
Oklahoma	88	1,259,368	0.27
Alabama	106	1,249,457	0.27
Iowa	126	1,196,525	0.26
Delaware	69	1,093,768	0.23
Vermont	69	910,752	0.19
Idaho	44	871,442	0.19
Louisiana	64	786,860	0.17
Utah	52	757,429	0.16
Kansas	69	727,969	0.16
Hawaii	36	682,301	0.15
Nevada	41	549,595	0.12
Arkansas	46	516,677	0.11
Nebraska	53	482,538	0.10
Montana	37	417,044	0.09
District of Columbia	24	347,144	0.07
South Dakota	29	298,341	0.06
Mississippi	27	241,552	0.05
New Mexico	22	186,365	0.04
Alaska	10	164,876	0.04
West Virginia	13	154,543	0.03
Wyoming	8	113,518	0.02
North Dakota	7	100,010	0.02
Unknown	31	314,820	0.07
Total	33,128	$468,965,930	100.00%

[1] Based on billing addresses of borrowers shown on Loan Servicer Records.

Composition of the Issue M MEFA Refinancing Loan Portfolio
(As of February 28, 2025)

Aggregate Outstanding Principal Balance	$199,622,947
Accrued Interest	$274,946
Number of Borrowers	4,259
Average Outstanding Principal Balance per Borrower	$46,871
Number of Loans	4,290
Average Outstanding Principal Balance per Loan	$46,532
Weighted Average Annual Borrower Income at Origination	$116,227
Weighted Average Monthly Free Cash Flow at Origination	$4,038
Weighted Average FICO Score at Origination	769.31
Weighted Average Borrower Age (years) at Origination	33
Percentage of Loans with a Co-Borrower[1]	23.04%
Percentage of Fixed Rate Loans[1]	99.96%
Weighted Average Annual Interest Rate	5.022%
Weighted Average Remaining Term (Months)	120.93

[1] Percentages are based upon the Aggregate Outstanding Principal Balance.

Distribution of the Issue M MEFA Refinancing Loan Portfolio by Interest Rate Type
(As of February 28, 2025)

Interest Rate Type	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Fixed Rate	4,286	$199,536,641	99.96%
Variable Rate	4	86,307	0.04
Total	4,290	$199,622,947	100.00%

Distribution of the Issue M MEFA Refinancing Loan Portfolio by Interest Rate
(As of February 28, 2025)

Current Interest Rate	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Less than 5.00%	2,164	$ 97,133,088	48.66%
5.00% through 5.49%	449	19,424,950	9.73
5.50% through 5.99%	560	26,982,527	13.52
6.00% through 6.49%	540	24,678,273	12.36
6.50% through 6.99%	157	7,798,192	3.91
7.00% or greater	420	23,605,918	11.83
Total	4,290	$199,622,947	100.00%

Distribution of the Issue M MEFA Refinancing Loan Portfolio
by Number of Months Remaining Until Scheduled Maturity
(As of February 28, 2025)

Number of Months Remaining Until Scheduled Maturity	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
60 or less	571	$ 12,009,534	6.02%
61 to 72	390	13,079,316	6.55
73 to 84	534	21,895,478	10.97
85 to 96	543	21,314,896	10.68
97 to 108	236	9,973,841	5.00
109 to 120	36	1,485,806	0.74
121 to 132	278	16,107,250	8.07
133 to 144	479	28,353,685	14.20
145 to 156	857	51,390,654	25.74
157 to 168	248	15,743,583	7.89
169 or more	118	8,268,904	4.14
Total	4,290	$199,622,947	100.00%

Distribution of the Issue M MEFA Refinancing Loan Portfolio
by Number of Days Delinquent*
(As of February 28, 2025)

Number of Days Delinquent	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
0-30 days	4,231	$196,747,127	98.92%
31-60 days	21	886,302	0.45
61-90 days	10	385,088	0.19
91-120 days	5	286,935	0.14
121-150 days	3	160,330	0.08
151-180 days	8	435,667	0.22
Total	4,278	$198,901,449	100.00%

* Includes balances in repayment only.

Distribution of the Issue M MEFA Refinancing Loan Portfolio by Borrower Payment Status
(As of February 28, 2025)

Payment Status	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Forbearance	12	$ 721,498	0.36%
Repayment	4,278	198,901,449	99.64
Total	4,290	$199,622,947	100.00%

Distribution of the Issue M MEFA Refinancing Loan Portfolio
by Date of Disbursement
(As of February 28, 2025)

Date of Disbursement	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
July 1, 2004 - June 30, 2005	11	$ 405,249	0.20%
July 1, 2005 - June 30, 2006	1,045	40,737,739	20.41
July 1, 2006 - June 30, 2007	1,326	65,466,475	32.80
July 1, 2007 - June 30, 2008	1,342	62,739,824	31.43
July 1, 2008 - June 30, 2009	566	30,273,660	15.17
Total	4,290	$199,622,947	100.00%

Distribution of the Issue M MEFA Refinancing Loan Portfolio by FICO Score Upon Origination
(As of February 28, 2025)

FICO Score Upon Origination*	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
670-699	402	$ 16,909,992	8.47%
700-739	673	31,647,218	15.85
740-799	2,103	94,138,874	47.16
800-850	1,112	56,926,863	28.52
Total	4,290	$199,622,947	100.00%

* The dollar-weighted average FICO score at origination is 769.31.

Distribution of the Issue M MEFA Refinancing Loan Portfolio
by Co-Borrower Status
(As of February 28, 2025)

Co-Borrower Status	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Co-Borrower	852	$ 45,983,637	23.04%
Non Co-Borrower	3,438	153,639,310	76.96
Total	4,290	$199,622,947	100.00%

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Distribution of the Issue M MEFA Refinancing Loan Portfolio by Annual Borrower Income at Origination
(As of February 28, 2025)

Annual Borrower Income	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Less than $50,000.00	314	$ 9,553,716	4.79%
$50,000.00 to $99,999.99	2,358	93,767,650	46.97
$100,000.00 to $149,999.99	1,026	54,963,553	27.53
$150,000.00 to $199,999.99	368	22,373,384	11.21
$200,000.00 and Greater	224	18,964,645	9.50
Total	4,290	$199,622,947	100.00%

Distribution of the Issue M MEFA Refinancing Loan Portfolio by Monthly Free Cash Flow at Origination
(As of February 28, 2025)

Monthly Free Cash Flow	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
$1,500.00 to $2,499.99	1,622	$ 68,516,873	34.32%
$2,500.00 to $3,499.99	1,118	47,108,611	23.60
$3,500.00 to $4,499.99	590	28,056,213	14.05
$4,500.00 to $5,499.99	371	19,294,199	9.67
$5,500.00 and Greater	589	36,647,052	18.36
Total	4,290	$199,622,947	100.00%

Distribution of the Issue M MEFA Refinancing Loan Portfolio by Highest Degree Attained
(As of February 28, 2025)

Highest Degree Attained	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
PHD	454	$ 34,243,815	17.15%
Masters	873	40,657,462	20.37
Bachelors	2,191	98,594,832	49.39
Associates	240	7,406,789	3.71
Some College	532	18,720,050	9.38
Total	4,290	$199,622,947	100.00%

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Distribution of the Issue M MEFA Refinancing Loan Portfolio
by Range of Outstanding Principal Balance
(As of February 28, 2025)

Range of Outstanding Principal Balance	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Less than $5,000.00	49	$ 155,850	0.08%
$5,000-$9,999.99	202	1,651,094	0.83
$10,000-$19,999.99	763	11,473,713	5.75
$20,000-$29,999.99	754	18,802,329	9.42
$30,000-$39,999.99	632	21,994,221	11.02
$40,000-$49,999.99	506	22,598,579	11.32
$50,000-$59,999.99	316	17,390,025	8.71
$60,000-$69,999.99	264	17,012,638	8.52
$70,000-$79,999.99	178	13,272,995	6.65
More Than $79,999.99	626	75,271,503	37.71
Total	4,290	$199,622,947	100.00%

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Distribution of the Issue M MEFA Refinancing Loan Portfolio by Geographic Location[1]
(As of February 28, 2025)

Geographic Location	Number of Loans	Approximate Outstanding Principal Balance	Percent by Outstanding Principal Balance
Massachusetts	531	$ 24,426,122	12.24%
Pennsylvania	357	17,229,573	8.63
New York	293	15,103,959	7.57
California	263	13,606,871	6.82
New Jersey	231	11,663,875	5.84
Texas	198	9,113,898	4.57
Illinois	196	8,658,249	4.34
Florida	135	7,156,459	3.58
Ohio	169	7,094,044	3.55
Michigan	134	6,101,058	3.06
Virginia	135	5,535,806	2.77
Connecticut	111	5,295,403	2.65
North Carolina	126	5,022,881	2.52
Colorado	94	4,672,202	2.34
Maryland	107	4,619,743	2.31
Minnesota	95	4,449,866	2.23
Wisconsin	96	3,585,025	1.80
New Hampshire	72	3,484,202	1.75
Georgia	76	3,323,960	1.67
Indiana	68	3,039,702	1.52
Arizona	59	2,864,229	1.43
Washington	66	2,726,294	1.37
Tennessee	51	2,637,211	1.32
Missouri	62	2,630,315	1.32
Maine	50	2,471,134	1.24
South Carolina	52	2,370,818	1.19
Alabama	38	2,008,771	1.01
Iowa	43	1,658,481	0.83
Oklahoma	26	1,638,126	0.82
Rhode Island	32	1,439,743	0.72
Kentucky	37	1,428,560	0.72
Oregon	33	1,342,493	0.67
Louisiana	24	1,202,425	0.60
District of Columbia	18	1,124,988	0.56
Delaware	19	993,556	0.50
Kansas	28	975,317	0.49
South Dakota	17	923,565	0.46
Utah	22	797,886	0.40
West Virginia	15	658,195	0.33
Vermont	14	641,281	0.32
Hawaii	13	555,502	0.28
Montana	8	543,469	0.27
Nebraska	11	469,372	0.24
Idaho	14	440,224	0.22
Nevada	6	366,762	0.18
New Mexico	8	364,251	0.18
Arkansas	12	354,549	0.18
Alaska	4	130,953	0.07
Wyoming	4	118,835	0.06
North Dakota	3	98,153	0.05
Mississippi	3	80,382	0.04
Unknown	11	384,211	0.19
Total	4,290	$199,622,947	100.00%

[1] Based on billing addresses of borrowers shown on Loan Servicer Records.

BOOK-ENTRY ONLY SYSTEM

The information under this caption concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy or completeness thereof.

The Authority and the Underwriters cannot and do not give any assurances that DTC, Participants or others will properly distribute: (i) payments of debt service on the Series 2025 Bonds paid to DTC, or its nominee owner, as the registered owners; or (ii) 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 the manner described in this Official Statement.

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities 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 Series 2025 Bond certificate will be issued for each maturity (and interest rate, if applicable) of each Class of the Series 2025 Bonds in the aggregate principal amount of such maturity, as set forth on the inside cover page hereof, 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 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. Such website is not incorporated into this Official Statement.

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

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's

records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within a Class and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository) with respect to the Series 2025 Bonds. In that event, Series 2025 Bond certificates will be printed and delivered. See the caption "Certificated Series 2025 Bonds" below.

Direct Participants and Indirect Participants may impose service charges on book-entry interest owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

NEITHER THE AUTHORITY NOR THE TRUSTEE HAS ANY RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANT OR THE PERSONS TO WHOM THEY ACT AS NOMINEES WITH RESPECT TO: THE ACCURACY OF THE RECORDS MAINTAINED BY DTC, CEDE & CO. OR ANY PARTICIPANT; PAYMENTS TO, OR THE PROVIDING OF NOTICE FOR, ANY

PARTICIPANT OR ANY INDIRECT PARTICIPANT OR BENEFICIAL OWNER; THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2025 BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED OWNER OF SERIES 2025 BONDS.

The Authority and the Trustee have no role in the purchases, transfers or sales of book-entry interests. The rights of book-entry interest owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Book-entry interest owners may want to discuss with their legal advisers the manner of transferring or pledging their book-entry interests.

The Authority and Trustee have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, book-entry interest ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

For ease of reference in this and other discussions, reference to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

For all purposes under the Issue M Resolution, DTC will be, and will be considered by the Authority and the Trustee to be, the Bondholder of the Series 2025 Bonds.

Owners of book-entry interests in the Series 2025 Bonds (book-entry interest owners) will not receive or have the right under the Issue M Resolution to receive physical delivery of the Series 2025 Bonds.

Certificated Series 2025 Bonds

In addition, the Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) with respect to the Series 2025 Bonds. If for any reason the book-entry only system is discontinued, the Series 2025 Bond certificates will be delivered as described in the Issue M Resolution and each Beneficial Owner, upon registration of certificates held in such Beneficial Owner's name, will become a Bondholder. Thereafter Series 2025 Bonds may be exchanged for an equal aggregate principal amount of Series 2025 Bonds in other authorized denominations, upon surrender thereof at the principal corporate trust office of the Trustee. The transfer of any Series 2025 Bond may be registered on the books maintained by the Trustee for such purpose only upon the surrender thereof to the Trustee with a duly executed assignment in form satisfactory to the Trustee. For every exchange or registration of transfer of Series 2025 Bonds, the Authority and the Trustee may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Series 2025 Bonds.

LEGALITY OF BONDS FOR INVESTMENT

Under the provisions of the Act, bonds of the Authority are securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, and all Massachusetts insurance companies, trust companies, savings banks, co-operative banks, banking associates, investment companies, executors, administrators, trustees and other fiduciaries, may properly and legally invest funds, including capital in their control or belonging to them.

BONDS AS SECURITY FOR DEPOSIT

Under the provisions of the Act, bonds of the Authority are securities which may properly and legally be deposited with and received by any Commonwealth or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized by law.

LITIGATION AND OTHER MATTERS

At the time of delivery of and payment for the Series 2025 Bonds, the Authority's general counsel will deliver an opinion to the effect that there is no litigation, inquiry or investigation before or by any court, public board or body known to be pending or, to the best of such counsel's knowledge, threatened against the Authority affecting the creation, organization or corporate existence of the Authority or the title of its present members or officers to their respective offices; seeking to prohibit, restrain or enjoin the issuance or delivery of the Series 2025 Bonds or the collection of Revenues of the Authority or the pledge of assets and Revenues under the Issue M Resolution; in any way contesting or affecting the validity or enforceability of the Series 2025 Bonds, the Issue M Resolution, the PHEAA Servicing Agreement, the Origination Guidelines, or the Servicing Guidelines; or contesting in any material respect the completeness or accuracy of this Official Statement.

Such opinion shall also be to the effect that the Authority is not unreasonable in its opinion that any litigation which is pending against the Authority is routine litigation incidental to the operations of the Authority unlikely to have a material effect on its power or authority to satisfy its obligations with respect to the Series 2025 Bonds.

From time to time, bills may be introduced into the Commonwealth legislature affecting government operations generally or that could seek to impose financial and other obligations on the Authority, which might include requiring the transfer of funds or assets from the Authority to the Commonwealth or other agencies of the Commonwealth. Furthermore, measures and legislation may be considered by the federal government, or the Commonwealth legislature, which measures may affect the Authority's programs. For example, legislation in the Commonwealth was recently enacted, among other things, establishing a new licensing program for student loan servicers (as defined therein) and an office of "student loan ombudsman" in the Commonwealth's Attorney General's Office. While some of these measures may benefit the Authority's programs, no assurance can be given that the programs will not be adversely affected by such measures.

In addition, the Congress or the Commonwealth legislature could enact legislation that would affect the demand for or the repayment performance of MEFA Loans in a manner that might adversely affect the availability of amounts for the payment of debt service on Issue M Bonds or that might result in the redemption prior to scheduled amortization of Issue M Bonds.

The Authority cannot predict whether any particular legislation will be enacted or, if it is enacted, what effect it would have on the timing or amount of revenues received by the Authority from MEFA Loans, the timing of such receipt or the demand for MEFA Loans. There can be no assurance that any particular legislation will not be enacted or that such legislation, if enacted, will not have an adverse impact on the operations of the Authority, its financial condition or any of its contractual obligations.

CERTAIN LEGAL MATTERS

All legal matters related to the authorization, issuance, sale and delivery of the Series 2025 Bonds are subject to the approval of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts,

Bond Counsel and general counsel to the Authority. The unqualified approving opinions of such Bond Counsel, substantially in the forms set forth in Appendix E hereto, will be delivered upon the issuance of the Series 2025 Bonds. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, Denver, Colorado.

TAX MATTERS

Federal Tax Matters for the Subordinate 2025B Bonds

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., bond counsel to the Authority ("Bond Counsel") is of the opinion that, under existing law, interest on the Subordinate 2025B Bonds (the "Series 2025 Tax-Exempt Bonds") is excludable from the gross income of holders of such Series 2025 Tax-Exempt Bonds for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel's opinion is expressly conditioned upon continued compliance by the Authority with certain requirements imposed by the Code, which requirements must be satisfied subsequent to the date of issuance of the Series 2025 Tax-Exempt Bonds in order to ensure that the interest on the Series 2025 Tax-Exempt Bonds is and continues to be excludable from the gross income of the holders of the Series 2025 Tax-Exempt Bonds for federal income tax purposes. In particular, and without limitation: (i) section 144(b) of the Code imposes requirements for a "qualified student loan bond"; and (ii) section 148 of the Code requires that certain proceeds of the Series 2025 Tax-Exempt Bonds be invested at a yield not materially higher than the yield on the Series 2025 Tax-Exempt Bonds and that certain profits earned from investment of proceeds of the Series 2025 Tax-Exempt Bonds be rebated to the United States. The Authority has provided certifications and covenants as to its continued compliance with such requirements. Failure to so comply could cause the interest on the Series 2025 Tax-Exempt Bonds to be includable in the gross income of the holders thereof retroactive to the date of issuance of the Series 2025 Tax-Exempt Bonds.

Bond Counsel is of the opinion that, under existing law, interest on the Series 2025 Tax-Exempt Bonds will constitute a preference item for purposes of computation of the federal individual alternative minimum tax and, interest on the Series 2025 Tax-Exempt Bonds included in the adjusted financial statement income of certain corporations is included in the computation of the federal corporate alternative minimum tax. Bond Counsel has not opined as to any other matters of federal tax law relating to the Series 2025 Tax-Exempt Bonds. However, prospective purchasers of the Series 2025 Tax-Exempt Bonds should be aware that certain collateral consequences may result under federal tax law for certain holders of the Series 2025 Tax-Exempt Bonds, including but not limited to the requirement that recipients of certain Social Security and railroad retirement benefits take into account receipts or accruals of interest on the Series 2025 Tax-Exempt Bonds in determining gross income. The nature and extent of these other tax consequences depends on the particular tax status of the holder and the holder's other items of income or deduction. Holders should consult their own tax advisors with respect to such matters.

Interest paid on tax-exempt obligations such as the Series 2025 Tax-Exempt Bonds is generally required to be reported by payors to the Internal Revenue Service ("IRS") and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to "backup withholding" if the Bondholder fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, as ordinarily would be provided in connection with establishment of a brokerage account, or the IRS has specifically identified the Bondholder as being subject to backup withholding because of prior underreporting. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Series 2025 Tax-Exempt Bonds from gross income for federal tax purposes.

Interest on the Series 2025 Tax-Exempt Bonds includes original issue discount, which with respect to a Series 2025 Tax-Exempt Bond is equal to the excess, if any, of the stated redemption price at maturity

of such Series 2025 Tax-Exempt Bond over the initial offering price thereof to the public, excluding underwriters and other intermediaries, at which price a substantial amount of all such Series 2025 Tax-Exempt Bonds with the same maturity was sold. Original issue discount accrues based on a constant yield method over the term of a Series 2025 Tax-Exempt Bond. Holders should consult their own tax advisors with respect to the computations of original issue discount during the period in which any such Series 2025 Tax-Exempt Bond is held.

An amount equal to the excess, if any, of the purchase price of a Series 2025 Tax-Exempt Bond over the principal amount payable at maturity constitutes amortizable bond premium. The required amortization of such premium during the term of a Series 2025 Tax-Exempt Bond will result in reduction of the holder's tax basis in such Series 2025 Tax-Exempt Bond. Such amortization also will result in reduction of the amount of the stated interest on the Series 2025 Tax-Exempt Bond taken into account as interest for tax purposes. Holders of Series 2025 Tax-Exempt Bonds purchased at a premium should consult their own tax advisors with respect to the determination and treatment of such premium for federal income tax purposes and with respect to the state or local tax consequences of owning such Series 2025 Tax-Exempt Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel has not undertaken to advise update or supplement its opinions in the future whether to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any events that occur after the date of issuance of the Series 2025 Tax-Exempt Bonds, including legislation, court decisions, or administrative actions, whether at the federal or state level, that may affect the tax-exempt status of interest on the Series 2025 Tax-Exempt Bonds or the tax consequences of ownership of the Series 2025 Tax-Exempt Bonds, or that may affect the market value or marketability of the Series 2025 Tax-Exempt Bonds. Moreover, Bond Counsel's opinions are not a guarantee of a particular result and are not binding on the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law and its reliance on the representations and covenants that it deems relevant to such opinions or the tax consequences of ownership of the Series 2025 Tax-Exempt Bonds or the market value or marketability of the Series 2025 Tax-Exempt Bonds. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly reduce or eliminate the benefit of the exclusion of the interest on the Series 2025 Tax-Exempt Bonds from gross income for federal income tax purposes or any state tax benefit of the Series 2025 Tax-Exempt Bonds. Holders should consult their own tax advisors with respect to any of the foregoing tax consequences.

Federal Tax Matters for the Senior 2025A Bonds

The following discussion briefly summarizes the principal U.S. federal tax consequences of the acquisition, ownership, and disposition of the Senior 2025A Bonds for holders who acquire any Senior 2025A Bonds in the initial offering and hold such Senior 2025A Bonds as "capital assets." It does not discuss all aspects of U.S. federal income taxation which may apply to a particular holder, nor does it discuss U.S. federal income tax provisions which may apply to particular categories of holders, such as partnerships, insurance companies, financial institutions, regulated investment companies, real estate investment trusts, employee benefit plans, tax-exempt organizations, dealers in securities or foreign currencies, persons holding Senior 2025A Bonds as a position in a "hedge" or "straddle," an integrated conversion transaction, or holders whose functional currency is not the U.S. dollar. It is based upon provisions of existing law which are subject to change at any time, possibly with retroactive effect. No rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

Except as otherwise explicitly noted below, this summary addresses only "U.S. Holders", that is, individual citizens or residents of the United States, corporations or other business entities organized under the laws of the United States, any state, or the District of Columbia, estates with income subject to United States federal income tax, trusts subject to primary supervision by a United States court and for which United States persons control all substantial decisions, and certain other trusts that elect to be treated as United States persons. This discussion relates only to U.S. federal income taxes and not to any state, local or foreign taxes or U.S. federal taxes other than income taxes.

Interest on the Senior 2025A Bonds that is "qualified stated interest" generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting). Generally, "qualified stated interest" means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate and includes the semi-annual interest payments as set forth on the inside cover hereof. U.S. Holders that use an accrual method of accounting for U.S. federal income tax purposes generally are required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements. Accrual method U.S. Holders should consult their tax advisors regarding the potential applicability of this rule to their particular situation.

Interest on the Senior 2025A Bonds includes any accrued original issue discount. Original issue discount with respect to a Senior 2025A Bond is equal to the excess, if any, of the stated redemption price at maturity of a Senior 2025A Bond over the initial offering price thereof, excluding underwriters and other intermediaries, at which price a substantial amount of all Senior 2025A Bonds with the same maturity were sold, provided that such excess equals or exceeds a de minimis amount (generally ¼% of the stated redemption price at maturity multiplied by the number of complete years from its issue date to its maturity). The stated redemption price at maturity of a Senior 2025A Bond is the sum of all scheduled amounts payable on the Senior 2025A Bond (other than qualified stated interest). A U.S. Holder of a Senior 2025A Bond with original issue discount must include the discount in income as ordinary interest for federal income tax purposes as it accrues in advance of receipt of the cash payments attributable to such income, regardless of the U.S. Holder's regular method of tax accounting. Original issue discount accrues based on a constant yield method over the term of a Senior 2025A Bond and results in a corresponding increase in the holder's tax basis in such Senior 2025A Bond. Holders should consult their own tax advisors with respect to the computation of original issue discount during the period in which any such Senior 2025A Bonds is held.

An amount equal to the excess, if any, of the purchase price of a Senior 2025A Bond over the principal amount payable at maturity generally constitutes amortizable bond premium. A holder of a Senior 2025A Bond may elect to amortize such premium during the term of such Senior 2025A Bond by claiming an offset to interest otherwise required to be included in income during any taxable year by the amortizable amount of such premium for the taxable year. Such amortization will result in a corresponding reduction of the holder's tax basis in such Senior 2025A Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the holder at the beginning of the first taxable year to which the election applies and to all taxable debt instruments acquired on or after such date and may be revoked only with the consent of the IRS. Holders of Senior 2025A Bonds purchased at a premium should consult their own tax advisors with respect to the determination and treatment of amortizable bond premium.

Unless a non-recognition provision of the Code applies, upon the sale, exchange, redemption, or other disposition (including a legal defeasance) of a Senior 2025A Bond, a U.S. Holder will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts representing accrued but unpaid interest) and such holder's adjusted tax basis in such Senior 2025A Bond. Such gain or loss generally will be long-term capital gain or loss if the Senior 2025A Bond was held for

more than one year. If the U.S. Holder is an individual, long-term gains will be subject to reduced rates of taxation. The deductibility of losses is subject to limitations.

A non-U.S. Holder of Senior 2025A Bonds whose income from such Senior 2025A Bonds is effectively connected with the conduct of a U.S. trade or business generally will be taxed as if the holder were a U.S. Holder. Otherwise: (i) a non-U.S. Holder who is an individual or corporation (or an entity treated as a corporation for federal income tax purposes) holding Senior 2025A Bonds on its own behalf (other than a bank which acquires the Senior 2025A Bonds in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business) generally will not be subject to federal income taxes on payments of principal, premium, interest or original issue discount on a Senior 2025A Bond, as long as the non-U.S. Holder makes an appropriate filing with a U.S. withholding agent; and (ii) a non-U.S. Holder will not be subject to federal income taxes on any amount which constitutes capital gain upon retirement or disposition of a Senior 2025A Bond unless such non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and such gain is derived from sources within the United States.

A Senior 2025A Bond held by an individual Non-U.S. Holder who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that at the time of such individual's death, payments of interest with respect to the Senior 2025A Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information as to interest on or proceeds from the sale or other disposition of Senior 2025A Bonds is required to be reported by payors to the IRS and to recipients. In addition, backup withholding may apply unless the holder of a Senior 2025A Bond provides to a withholding agent its taxpayer identification number and certain other information or certification of foreign or other exempt status. Any amount withheld under the backup withholding rules is allowable as a refund or credit against the holder's actual U.S. federal income tax liability.

Certain non-corporate U.S. Holders will be subject to a 3.8% tax, in addition to regular tax on income and gains, on some or all of their "net investment income," which generally will include interest on the Senior 2025A Bonds and any net gain recognized upon a disposition of a Senior 2025A Bond. U.S. Holders should consult their tax advisors regarding the applicability of this tax.

The Foreign Account Tax Compliance Act ("FATCA") generally imposes a 30% withholding tax on interest payments and gross proceeds from the sale of interest-bearing obligations for payments made after the relevant effective date to (i) certain foreign financial institutions that fail to certify their FATCA compliance and (ii) non-financial foreign entities if certain disclosure requirements related to direct and indirect United States shareholders and/or United States accountholders are not satisfied. Under FATCA, applicable Treasury Regulations, and related administrative guidance, U.S. withholding at a rate of 30% will generally be required on interest payments in respect of the Senior 2025A Bonds where such payments are made to persons described in the immediately preceding sentence. While FATCA withholding would also have applied to payments of gross proceeds from the sale or other disposition of Senior 2025A Bonds on or after January 1, 2019, proposed Treasury Regulations from December 13, 2018 eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

With respect to payments made to a "foreign financial institution" either as a beneficial owner or as an intermediary, the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such institution (i) enters into (or is otherwise subject to) and complies with an agreement with the U.S. government (a "FATCA Agreement") or (ii) is required by and complies with applicable foreign law

enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an "IGA"), in either case to, among other things, collect and provide to the United States or other relevant tax authorities certain information regarding U.S. account holders of such institution. With respect to payment made to a foreign entity that is not a financial institution (as a beneficial owner), the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such entity provides to the withholding agent a certification that such entity does not have any "substantial" U.S. owner (generally, any specified U.S. person that owns, directly or indirectly, more than a specified percentage of such entity) or identifies its "substantial" U.S. owners.

FATCA withholding will generally apply regardless of whether the payment would otherwise be exempt from U.S. nonresident withholding tax (e.g., under the portfolio interest exemption or as capital gain). A foreign entity may generally claim an exemption from FATCA withholding, if an exemption is available, by properly filling out and giving to the person making payments to it IRS Form W-8BEN-E. Bondholders should consult their tax advisors regarding the application and impact of FATCA.

Bond counsel is not rendering an opinion as to the foregoing federal tax consequences of ownership of the Senior 2025A Bonds. Senior 2025A Bondholders should seek advice based on their particular circumstances relating to the tax consequences of purchasing or holding federally taxable bonds from an independent tax advisor.

State Tax Matters for the Series 2025 Bonds

In the opinion of Bond Counsel, under existing law, interest on the Series 2025 Bonds and any profit made on the sale thereof are exempt from Massachusetts personal income taxes, and the Series 2025 Bonds are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to the other Massachusetts tax consequences arising with respect to the Series 2025 Bonds. Prospective purchasers should be aware, however, that the Series 2025 Bonds are included in the measure of Massachusetts estate and inheritance taxes, and the Series 2025 Bonds and the interest thereon are included in the measure of Massachusetts corporate excise and franchise taxes. Bond Counsel has not opined as to the taxability of the Series 2025 Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, under the laws of any state other than The Commonwealth of Massachusetts.

Opinion of Bond Counsel

On the date of delivery of the Series 2025 Bonds the original purchasers will be furnished with the opinions of Bond Counsel substantially in the forms included in Appendix E hereto.

UNDERWRITING

The Series 2025 Bonds are being purchased by RBC Capital Markets, LLC, as representative of the underwriters listed on the front cover of this Official Statement (collectively, the "Underwriters"). The Underwriters have agreed, subject to certain conditions, to purchase all of the Series 2025 Bonds at a purchase price of par less original issue discount and less an underwriting discount (including reimbursable expenses) of $2,408,282. The initial public offering prices of the Series 2025 Bonds set forth on the inside front cover page hereof may be changed without notice by the Underwriters. The Underwriters may offer and sell the Series 2025 Bonds to certain dealers (including dealers depositing the Series 2025 Bonds into investment trusts, certain of which may be sponsored or managed by an Underwriter) and others at prices lower than or yields higher than the offering prices or yields set forth on the inside front cover page hereof.

During and after the offering, the Underwriters may engage in transactions, including open market purchases and sales, to stabilize the prices of the Series 2025 Bonds. The Underwriters, for example, may

over-allot the Series 2025 Bonds for the account of the underwriting syndicate to create a syndicate short position by accepting orders for more Series 2025 Bonds than are to be sold. In general, over allotment transactions and open market purchases of the Series 2025 Bonds for the purpose of stabilization or to reduce a short position could cause the price of a Series 2025 Bond to be higher than it might be in the absence of those transactions. The Underwriters or their affiliates may retain a material percentage of the Series 2025 Bonds for their own accounts. The retained Series 2025 Bonds 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.

The Underwriters and their respective 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 Underwriters and their respective 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 Underwriters and their respective 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 Authority. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective 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 Authority. The Underwriters and their affiliates have, from time to time, performed, and may in the future perform, various advisory and investment management services for the Authority, for which they received or will receive customary fees and expenses. If such advisory and investment management activities are undertaken, the Underwriters will have the obligation to meet their fair dealing or fiduciary duties, as the case may be, to the Authority, under applicable laws and regulations.

RBC Capital Markets, LLC, an underwriter of the Series 2025 Bonds, has entered into a distribution arrangement with its affiliate City National Securities, Inc. (CNS). As part of this arrangement, RBC Capital Markets, LLC may distribute municipal securities to investors through the financial advisor network of CNS. As part of this arrangement, RBC Capital Markets, LLC may compensate CNS for its selling efforts with respect to the Series 2025 Bonds.

Royal Bank of Canada ("RBC"), an affiliate of RBC Capital Markets, LLC, has provided a letter of credit ("LOC") to the Authority in support of the commercial paper notes (the "CP Notes") issued by the Authority in connection with its commercial paper program, which CP Notes are secured separately from the Series 2025 Bonds. RBC Capital Markets, LLC also serves as sole dealer for the CP Notes, which are issued from time to time by the Authority. Certain proceeds of the Series 2025 Bonds for which RBC Capital Markets, LLC is acting as an underwriter, will be used to repay CP Notes currently outstanding under the Authority's commercial paper program with RBC and therefore reduce RBC's funding obligation under the LOC.

BofA Securities, Inc., as an underwriter of the Series 2025 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2025 Bonds.

RATINGS

At the time of issuance, the Senior 2025A Bonds are expected to be rated "AA (sf)" by S&P and the Subordinate 2025B Bonds are expected to be rated "BBB (sf)" by S&P. Assignment of such ratings to the Series 2025 Bonds is a precondition to delivery of the Series 2025 Bonds.

Such ratings reflect only the views of S&P at the time such ratings were given and the Authority makes no representation as to the appropriateness of the ratings. An explanation of the significance of such ratings can only be obtained from S&P. There is no assurance that a particular rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating organization if, in the judgment of S&P circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Series 2025 Bonds or on the existence of a secondary market for the Series 2025 Bonds. The ratings are not a recommendation to buy or sell the Series 2025 Bonds and are not a comment as to the suitability of the Series 2025 Bonds for any investor.

NEGOTIABLE INSTRUMENTS

Pursuant to the Act, the Series 2025 Bonds are negotiable instruments, subject only to the provisions for registration of the Series 2025 Bonds.

COMMONWEALTH NOT LIABLE ON ISSUE M BONDS

The Issue M Bonds, including the Series 2025 Bonds, shall not be deemed to constitute a debt or liability of the Commonwealth or any political subdivision thereof or a pledge of the faith and credit of the Commonwealth or any such political subdivision, but shall be payable solely from the Revenues and other moneys derived by the Authority under the Issue M Resolution. Neither the faith and credit nor the taxing power of the Commonwealth or of any political subdivision thereof is pledged to the payment of the principal of or the interest on the Issue M Bonds, including the Series 2025 Bonds. The Act does not in any way create a so-called moral obligation of the Commonwealth or of any political subdivision thereof to pay debt service in the event of a default. The Authority does not have taxing power.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the SEC (the "Rule"), the Authority will enter into a continuing disclosure agreement, with respect to the Series 2025 Bonds (a "Continuing Disclosure Agreement") with U.S. Bank Trust Company, National Association, as dissemination agent, for the benefit of Bondholders of the Series 2025 Bonds setting forth the undertaking of the Authority regarding continuing disclosure with respect to the Series 2025 Bonds. The proposed form of the Continuing Disclosure Agreement is set forth in Appendix F.

INDEPENDENT AUDITORS

The financial statements of the Authority as of June 30, 2024 and 2023 and for each of the two years in the period ended June 30, 2024, included in this Official Statement, have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their report appearing in Appendix A hereto.

AVAILABILITY OF FINANCIAL AND OTHER AUTHORITY INFORMATION

Under the Issue M Resolution, the Authority is required to prepare an annual report with respect to each Fiscal Year ending June 30. Each annual report will include information relating to Authority operations and financial statements for the Fiscal Year ending June 30. Copies of the most recent report may be obtained at the offices of the Authority at 60 State Street, Suite 900, Boston, Massachusetts 02110.

Such financial statements include information with respect to the MEFA Financing Program generally, and with respect to Authority programs which are unrelated to education lending, as well as with respect to the MEFA Financing Program. Since the Issue M Bonds, including the Series 2025 Bonds, are special obligations of the Authority, payable only from the Revenues and other assets pledged under the Issue M General Resolution, the overall financial status of the Authority, or that of the MEFA Financing Program, does not indicate and does not necessarily affect whether the Revenues and other assets so pledged will be sufficient to fund the timely payment of principal installments, premium, if any, and interest on the Issue M Bonds, including the Series 2025 Bonds.

The Authority has covenanted in the Issue M Resolution to make periodic Issue M Loan portfolio information publicly available no less frequently than quarterly. Such information will include operating data substantially of the type described under the caption "ISSUE M LOAN PORTFOLIO" herein as applicable to the MEFA Loans and MEFA Refinancing Loans then included in the Issue M Loans. The Authority reserves the rights, however: (i) to alter the format in which such periodic information is presented; and (ii) to make such periodic information available either by posting as part of, or in the same manner as, annual reports filed pursuant to the Continuing Disclosure Agreement described in Appendix F hereto or, subject to compliance with such Continuing Disclosure Agreement, by posting on a publicly accessible website.

The Authority currently follows a practice of regularly releasing certain information concerning the portfolios of education loans included in certain of its trust estates, and concerning its overall education loan financing program and will also do so for the Trust Assets pledged to the repayment of the Issue M Bonds, by posting such information on a publicly accessible Internet website maintained by or on behalf of the Authority for such purpose. Such information is currently posted to www.mefa.org. Such information may include some or all of the information described under the caption "ISSUE M LOAN PORTFOLIO" herein, as applicable to the Fixed Rate MEFA Loans and MEFA Refinancing Loans then included in the Issue M Loans, and may include other factual information concerning the Authority's education loans or the Authority's education loan financing program that the Authority believes to be appropriate. The Authority reserves the rights: (i) to alter or discontinue this policy at any time without notice; and (ii) to satisfy contractual secondary market disclosure obligations with respect to the Issue M Bonds in part by reference to information that is posted in this manner without thereby becoming contractually obligated to continue releasing such information in this manner.

MUNICIPAL ADVISOR

Samuel A. Ramirez and Company, Inc. ("Ramirez") has acted as an independent municipal advisor to the Authority with respect to certain aspects of the transactions described herein. Ramirez is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or adequacy of the information contained in this Official Statement and the appendices hereto. Ramirez is a registered municipal broker-dealer but is not an underwriter of, or a member of any underwriting syndicate or selling group with respect to, the Series 2025 Bonds.

MISCELLANEOUS

The references to the Act, the Issue M Resolution, the PHEAA Servicing Agreement, the MEFA Financing Program and the MEFA Program Documents are brief summaries of certain provisions thereof. Such summaries do not purport to be complete, and reference is made thereto for full and complete statements of such and all provisions. The agreements of the Authority with the holders of the Series 2025 Bonds are fully set forth in the Issue M Resolution, and neither any advertisement of the Series 2025 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2025 Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the offices of the Authority.

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

MASSACHUSETTS EDUCATIONAL FINANCING AUTHORITY

By: /s/ Thomas M. Graf
Thomas M. Graf
Executive Director

Dated: June 11, 2025

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APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY

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Massachusetts Educational Financing Authority

Financial Statements with Management's Discussion and Analysis and Supplemental Information
June 30, 2024 and 2023

Massachusetts Educational Financing Authority
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Report of Independent Auditors

To the Management and Board of Directors of the Massachusetts Educational Financing Authority

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Massachusetts Educational Financing Authority (the "Authority") as of and for the years ended June 30, 2024 and 2023, including the related notes, which collectively comprise the Authority's basic financial statements as listed in the index.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") on pages 5 through 15 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental schedules on pages 38 through 45 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules on pages 38 through 45 are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

Boston, Massachusetts
December 17, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

INTRODUCTION

This discussion and analysis of the financial position and performance of the Massachusetts Educational Financing Authority (the "Authority") is intended to provide an introduction and analytical overview of the basic financial statements of the Authority on a comparative basis for the fiscal years ended June 30, 2024 ("FY24") and 2023 ("FY23") along with selected comparative information for the fiscal year ended June 30, 2022 ("FY22"). This unaudited management's discussion and analysis should be read in conjunction with the attached audited financial statements and the notes thereto in its entirety.

The Authority is a body politic and corporate, constituting a public instrumentality of The Commonwealth of Massachusetts (the "Commonwealth"). The Authority was established as the Massachusetts College Student Loan Authority pursuant to Chapter 803 of the Acts of 1981, as amended (the "Act"), in recognition of the increasing costs of higher education, to assist students, their parents and institutions of higher education in financing, refinancing, and saving for the costs of such education. Since 2015, the Authority has maintained a AA- issuer credit rating from Standard and Poor's Ratings Services.

Beginning in 1983, the Authority established a number of proprietary, unsecured consumer loan programs for financing and refinancing loans for undergraduate and graduate students, to finance higher education expenses, including credit based and need based loans that bear interest on a fixed rate or variable rate basis. Since inception, the MEFA financing program has included loans to finance higher education expenses of current students. In 2015, the Authority introduced the MEFA refinancing program that offers credit-based fixed rate and variable rate loans to borrowers for the purpose of refinancing loans previously incurred for higher education expenses.

The loan programs are funded using proceeds from Educational Loan Revenue Bonds and Asset Backed Notes issued by the Authority (the "Bonds"). The Bonds, which are issued under various resolutions, are special obligations of the Authority, which has no taxing power, payable solely from the revenues and the funds and accounts established and pledged under the resolution. No revenues or other assets of the Authority are available to fund payment of the Bonds except as expressly provided by the resolutions. Neither the Commonwealth nor any political subdivision thereof is or shall be obligated to pay the principal or redemption or purchase price of and interest on the Bonds, and neither the full faith and credit, nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to such payment. The Authority has the same exemption as the Commonwealth (under I.R.S. Code, Section 115) from filing and/or paying federal income taxes.

In 2017, the Authority adopted a resolution authorizing the issuance of commercial paper notes ("the Notes") as an additional short term financing mechanism for its education loan programs. The Notes are special obligations of the Authority and are collateralized by the assets and associated revenues financed with Notes proceeds and further supported by a letter of credit. The letter of credit and any associated bank note or bank obligation are general obligations of the Authority secured by the full faith and credit of the Authority. The Authority intends to issue a combination of revenue bonds and asset backed notes to permanently finance education loans originated with proceeds from the Notes.

In addition to the loan programs, the Authority offers two college savings programs: The U. Plan: The Massachusetts Tuition Prepayment Program (the "U. Plan") and the U. Fund College Investing Plan (the "U. Fund"). The U. Plan, launched in February 1995, is a pre-paid tuition program that permits saving for a named beneficiary's undergraduate tuition and mandatory fees at participating Massachusetts colleges and universities in a manner designed to preserve the purchasing power of savings. The U. Fund, launched in March 1999, is a tax-advantaged method of saving for higher education costs (under I.R.S. Code, Section 529) through investment vehicles such as mutual funds. These funds are professionally administered and managed by Fidelity Investments (an unrelated party) on behalf of the account owners and are accordingly not a component of these financial statements. Proceeds earned by program participants through investing in the U. Fund are available to pay for costs of higher education nationwide.

In May 2017, the Authority, on behalf of the Commonwealth, introduced the Attainable Savings Plan (the "Attainable Plan"). The Attainable Plan, established under the Achieving a Better Life Experience (ABLE) Act of 2014, is a tax

advantaged savings plan under Section 529A of the Internal Revenue Code that allows individuals with disabilities to save for qualifying disability expenses through investment vehicles such as mutual funds. These funds are professionally administered and managed by Fidelity Investments on behalf of the account owners and held by the Authority in a fiduciary capacity.

In addition to developing and operating its loan, savings and investment programs, the Authority conducts an extensive outreach program for students and parents across the Commonwealth on planning, saving, and paying for college and also offers MEFA Pathway, the Authority's college, and career planning portal, a free resource for students, parents, and high school counselors.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority maintains its accounts and prepares its financial statements in accordance with the accounting principles generally accepted in the United States of America ("GAAP"), as set forth by Governmental Accounting Standards Board ("GASB"). The financial records of the Authority are maintained utilizing the economic resources measurement focus and the accrual basis of accounting, whereby all revenues are recorded when earned and all expenses are recorded when they have been incurred.

The key to understanding the financial position and changes in the Authority's finances from year to year are presented in the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows and fiduciary fund financial statements.

The Statements of Net Position provide information about the Authority's financial condition at the end of the fiscal year by indicating the nature and amounts of its investments in resources (assets), its deferred outflows of resources, its obligations to outside creditors (liabilities), its deferred inflows of resources, and its resulting net position at the date of the Statements of Net Position. Net position represents total assets, plus deferred outflows of resources, less total liabilities, less deferred inflows of resources. The organization of the statement of net position separates assets and liabilities into their current and non-current components.

The Statements of Revenues, Expenses, and Changes in Net Position present the revenues earned and the expenses incurred during the year. All activities of the Authority are reported as either operating or non-operating. Operating activities are those that support the mission and purpose of the Authority. The principal operating revenues for the Authority are interest income earned on education loans and the principal operating expenses are bond and note interest expense and general and administrative costs. Non-operating activities represent transactions that are primarily investing, legislative or regulated in nature.

The Statements of Cash Flows present information related to cash inflows and outflows summarized by operating, capital and non-capital financing and investing activities. Cash flow information is a key factor to consider when evaluating financial viability and the Authority's ability to meet financial obligations.

The Statements of Fiduciary Net Position present information on the Attainable Plan's assets, liabilities and fiduciary net position and the Statements of Changes in Fiduciary Net Position present information showing how the Attainable Plan's fiduciary net position changed during the year. The Attainable Plan is held by the Authority on behalf of the account owners in a custodial fund and therefore cannot be used to support the Authority's enterprise operations. The GASB requires fiduciary funds be reported separately from the basic financial statements of business type activities.

The notes to the financial statements provide information that is useful to the reader in understanding the Authority's financial statements and the accounting principles applied.

The Authority's financial statements have been audited by PricewaterhouseCoopers LLP, as independent auditors.

LEGISLATIVE DEVELOPMENTS

From time to time, bills may be introduced into the Commonwealth legislature affecting government operations generally or that could seek to impose financial and other obligations on the Authority, which might include requiring the transfer of funds or assets from the Authority to the Commonwealth or other agencies of the Commonwealth.

Furthermore, measures and legislation may be considered by the federal government, or the Commonwealth legislature, which may affect the Authority's programs. While some of these measures may benefit the programs, no assurance can be given that the programs will not be adversely affected by such measures.

In addition, the United States Congress or the Commonwealth legislature could enact legislation that would affect the demand for or the repayment performance of the Authority's loan programs in a manner that might adversely affect the availability of amounts for the payment of debt service on obligations or that might result in the redemption prior to scheduled amortization of obligations.

The Authority cannot predict whether any particular legislation will be enacted or, if it is enacted, what effect it would have on the timing or amount of revenues received by the Authority from education finance loans, the timing of such receipt or the demand for those loans. There can be no assurance that any particular legislation will not be enacted or that such legislation, if enacted, will not have an adverse impact on the operations of the Authority, its financial condition or any of its contractual obligations.

FINANCIAL HIGHLIGHTS

The Authority disbursed a total of $449M of education loans in FY24 compared to $406M disbursed in FY23, representing a 10% increase in disbursements in a competitive education loan origination environment.

In the Authority's savings and investment programs, U. Fund assets under management, which are not a component of the Authority's financial statements, increased 15% to $9.7B. Attainable Plan assets under management, which are a fiduciary fund of the Authority, grew by 39% to $153.8M at June 30, 2024. For the U. Plan, the Authority had $11.3M of matured tuition certificates on its financial statements as a liability to program participants at the end of FY24 and $4.7M of deposits for the purchase of August 1, 2024 tuition certificates.

A new $15M grant was awarded to the Authority by the Commonwealth to support FY24 capital market bond issuance activities in conjunction with the Authority's tax-exempt private activity volume cap.

Total net position was $298.6M at the end of FY24, representing an increase of $12.8M or 4.5% growth from the beginning of the fiscal year compared to an increase of $11.1M in FY23 and 4% growth.

OPERATING AND NON-OPERATING RESULTS

The following illustrates the comparative results of total revenues from fiscal years ended June 30, 2024, 2023 and 2022, respectively:

(in thousands)

	2024	2023	2022
Operating revenues			
Interest on educational loan notes	$ 115,572	$ 99,069	$ 94,426
Non-interest revenues	24,168	8,299	8,075
Total operating revenues	139,740	107,368	102,501
Non-operating revenues	25,724	15,706	1,056
Total revenues	$ 165,464	$ 123,074	$ 103,557

Operating revenues

Total operating revenues for the Authority, which consisted of interest earned on education loan notes, grant award income and earnings related to the Authority's savings programs, were $139.7M in FY24, a 30% increase compared to the prior fiscal year. FY23 total operating revenues were $107.4M, which represented a 5% increase from FY22 total operating revenues.

Interest earned on education loan notes increased by 17% and 5%, respectively in FY24 and FY23 due to the increase in education loan notes receivable and higher loan interest rates on new loan originations over the past three fiscal years. Interest income accounted for 83% of total operating revenues in FY24 and 92% in FY23.

Non-interest revenues increased by $15.9M or 191% in FY24 due to a new $15M grant awarded by the Commonwealth to the Authority to support FY24 capital market bond issuance activities.

Non-operating revenues

Total non-operating revenues were $25.7M in FY24 and consisted of interest and dividend income on the Authority's investments, which are invested in vehicles providing short-term flexibility and principal protection. Interest and dividend income increased by $10.1M and $14.6M in FY24 and FY23 respectively, as interest rates remained elevated and average cash and investment balances increased over the past three fiscal years.

As a result of the Authority's operating and non-operating revenue activities in FY24, total revenues increased by $42.4M or 34% compared to an increase of $19.5M or 19% in total revenues in FY23.

The following illustrates the comparative results of total expenses from fiscal years ended June 30, 2024, 2023 and 2022, respectively:

(in thousands)

	2024	2023	2022
Operating expenses			
Interest expense	$ 81,863	$ 65,005	$ 55,445
Non-interest expenses	47,280	42,119	41,246
Total operating expenses	129,143	107,124	96,691
Non-operating expenses	23,501	4,874	-
Total expenses	$ 152,644	$ 111,998	$ 96,691

Operating expenses

Total operating expenses for the Authority, which included bond and note interest expense, general and administrative costs, bond and note issuance costs and the provision for doubtful education loans, were $129.1M in FY24, a 21% increase compared to the prior fiscal year. FY23 operating expenses were $107.1M, representing an increase of 11% over FY22 operating expenses.

Interest expense on bonds and notes outstanding increased by 25.9% and 17% in FY24 and FY23, respectively as new bond issuances have outpaced bond redemptions and the cost of funds in the capital markets have increased. Interest expense represented 63% and 61% of total operating expense in FY24 and FY23, respectively.

Non-interest operating expenses increased by 12% compared to the prior fiscal year and were comprised of the provision for doubtful education loans, bond and note issuance costs and general and administrative expenses. The provision for doubtful education loans increased by $1.1M or 15% compared to the prior fiscal year as the seasoned loan portfolio performed as expected and new loan originations were added to the allowance. Bond and note issuance costs increased by $1.2M or 40% in FY24 relative to the size of the capital market transaction closed in the fiscal year and general and administrative expenses increased by $2.8M or 9% resulting from volume driven loan program administration expenses. FY23 non-interest expenses were consistent with FY22.

Non-operating expenses

Non-operating expenses relate to the yield restriction and arbitrage rebate requirements of Internal Revenue Code (IRC) Section 148 and corresponding Treasury Regulations.

Under yield restriction requirements, the Authority is required to keep the yield on student loans within a designated percentage of the bond yield of the related tax-exempt borrowing. The Authority has traditionally selected to utilize loan forgiveness at the retirement of the bonds to keep the yield within the designated bond yield of the related tax-exempt borrowing. The Authority's yield restriction expense increased by $17.8M in FY24 due to the acceleration of loan forgiveness resulting from the current year refunding component in the capital market transaction as well as an estimate for future loan forgiveness in older bond trusts.

Under arbitrage rebate requirements, investment interest earnings on tax-exempt proceeds are limited to the yield of the related tax-exempt bond issued. FY24 includes a $0.6M provision for estimated future arbitrage rebate payments in the newer bond trusts issued in the recent higher rate environment.

As a result of the Authority's operating and non-operating expense activities in FY24, total expenses increased by $40.6M or 36% compared to an increase of $15.3M or 16% in total expenses in FY23.

CHANGE IN NET POSITION

The following illustrates the comparative results of increases in net position from fiscal years ended June 30, 2024, 2023 and 2022, respectively:

(in thousands)

	2024	2023	2022
Operating revenues	$ 139,740	$ 107,368	$ 102,501
Operating expenses	129,143	107,124	96,691
Operating income	10,597	244	5,810
Non-operating revenues	25,724	15,706	1,056
Non-operating expenses	23,501	4,874	-
Non-operating income	2,223	10,832	1,056
Increase in net position	$ 12,820	$ 11,076	$ 6,866

Operating income

The Authority's operating income increased by $10.3M as a $16.5M increase in interest earned on education loan notes and a new $15M grant awarded to the Authority to support FY24 capital market bond issuance activities were partially offset by an increase in bond interest expense of $16.9M and loan program related expenses of $5.2M. In FY23, the Authority's operating income decreased by $5.6M as a $4.9M increase in total operating revenue was offset by an increase in bond interest expense of $9.6M reflective of a slowdown in bond principal paydowns and higher cost of funds.

Non-operating income

The Authority's non-operating income decreased by $8.6M as an increase in interest and dividend income of $10M was offset by an increase of $18.6M in arbitrage bond related expenses, which were accelerated due to FY24 bond refundings. In FY23, the Authority's non-operating income increased by $9.8M as investments performed well in a rising interest rate environment

As a result of these activities, net position increased by $12.8M in FY24 and increased by $11.1M during FY23.

FINANCIAL POSITION

The following table reflects the condensed Statements of Net Position at June 30, 2024 compared to the prior fiscal years ended 2023 and 2022. The Statements of Net Position present the financial position and financial strength of the Authority at the end of the fiscal year and includes all the assets, liabilities and deferred inflows of the Authority with the residual being classified as net position.

(in thousands)

	2024	2023	2022
Assets			
Cash and investments	$ 841,698	$ 730,043	$ 745,371
Education loan notes receivable	1,981,061	1,807,462	1,644,581
Other assets	50,952	46,295	41,308
Total assets	2,873,711	2,583,800	2,431,260
Liabilities			
Bonds payable	2,392,323	2,203,783	2,101,617
Notes payable	103,650	25,700	-
Bond and note interest payable	38,392	34,064	28,656
Other liabilities	38,821	33,471	25,136
Total liabilities	2,573,186	2,297,018	2,155,409
Deferred Inflows			
Gain on bond refunding	1,885	962	1,107
Total deferred inflows	1,885	962	1,107
Net Position			
Net investment in capital assets	9,627	10,827	7,984
Restricted	190,339	193,421	163,548
Unrestricted	98,674	81,572	103,212
Total net position	$ 298,640	$ 285,820	$ 274,744

Cash and investment balances increased by 15% mostly due to proceeds received from the Issue N 2024 capital market transaction. Cash and investment balances at the end of FY23 were consistent with FY22 year end balances

Education loan notes receivable increased by 10% in both FY24 and FY23 consistent with increases in new loan disbursements of 10% and 18%, respectively and higher loan interest rates on new loan originations over the past three fiscal years. The ratio of education loan note receivables to total assets was 69% and 70% at June 30, 2024 and 2023, respectively.

Other assets, which are comprised of interest receivable on education loan notes, prepaid expenses, and capital assets, increased by 10% due to a $5.3M increase in interest receivable consistent with the increase in education loan notes receivable. In FY23, Other assets included the recognition of $5.5M of subscription assets to conform to the capitalization requirements of GASB 96.

Bonds payable increased by 9% in FY24 as the Authority executed the $476M Issue N 2024 capital market transaction to fund the origination of new education loans and retire previously issued bonds and notes, which were partially offset by bond retirements and premium amortization of $287M. In FY23, bonds payable increased by 5% as the Authority executed the $333M Issue L 2023 capital market transaction to fund the origination of new education loans and retire previously issued commercial paper notes, which was partially offset by bond retirements and premium amortization of $231M.

Notes payable at June 30, 2024 represented $103.7M of commercial paper notes outstanding and reflect $129M of new notes issued and maturities of $51M during the fiscal year. In FY22, all commercial paper notes outstanding were retired with proceeds from the Issue M 2022 capital market transaction.

Other liabilities include a provision for estimated yield restriction liability of $10.3M and $4.9M at June 30, 2024 and 2023, respectively relating to IRS and Treasury regulations that require the Authority to keep the yield on its student loans within a designated percentage of the interest cost of the related tax-exempt borrowing. In addition, a $3.8M subscription liability to conform to the requirements of GASB 96 was recorded in FY23.

The increase in gain on bond refunding of $1M relates to previously issued bonds refunded as part of the Issue N 2024 capital market transaction.

Total net position of the Authority was $298.6M at June 30, 2024, representing an increase of $12.8M or 4.5% from the beginning of the fiscal year. Within net position, 67% is comprised of net investment in capital assets and those assets that are restricted through bond and note resolutions or program specific regulations at June 30, 2024. In FY23, net position increased by $11.1M or 4% from the beginning of the fiscal year.

STATEMENTS OF CASH FLOWS

The Statements of Cash Flows present information showing how the Authority's cash and cash equivalents position changed during the fiscal year. The Statements of Cash Flows classify cash receipts and cash payments as resulting from operating activities, non-capital financing activities, capital financing activities, and investing activities. Cash and cash equivalents were $298.8M and $303.9M at June 30, 2024 and 2023, respectively. These cash ending balances reflect the net activity of raising proceeds in the capital markets, disbursing that cash into education, and refinancing loans and collecting the loan payments over the life of the assets to pay debt service and operating expenses.

EDUCATIONAL LOAN NOTES ALLOWANCE

As of and for the years ending June 30, 2024, 2023 and 2022, respectively, the activity for the Authority's Education Loan Notes Allowance for Doubtful Accounts was as follows:

(in thousands)

Education Loan Note Defaulted Loans Provision	FY2024	FY2023	FY2022
Allowance at beginning of period	$102,112	$94,682	$89,363
Provision for education loan losses	$8,540	$7,430	$5,319
Allowance at end of period	$110,652	$102,112	$94,682
Gross loan defaults	$15,025	$13,202	$11,584
Recoveries	$5,359	$6,895	$5,730
Net loan defaults	$9,666	$6,307	$5,854
Net loan defaults as a percentage of average loans in repayment	0.61%	0.45%	0.43%
Allowance multiple of average non-current loans in repayment (90+ days)	9.51	9.84	9.64
Allowance as a percentage of the ending total loan balance	5.67%	5.74%	5.87%
Allowance as a percentage of ending loans in repayment	6.89%	6.90%	7.03%
Ending total loans, gross	$1,951,227	$1,778,422	$1,614,124
12-month average in repayment	$1,576,085	$1,408,324	$1,356,069
Ending loans in repayment	$1,606,940	$1,480,565	$1,346,333
12-month average 90+ days delinquent	$11,633	$10,373	$9,820
90+ days delinquent % of avg. repayment	0.74%	0.74%	0.72%

The Authority uses loan modifications to assist private loan borrowers demonstrating a need for temporary monthly payment relief. The loan modification plans in place temporarily reduce the borrower's monthly payment for up to forty-eight months without changing the original loan term or interest rate. As of June 30, 2024 and 2023, the total principal balance outstanding of loans in a modified status was $61M and $59M respectively, which represented approximately 3.8% of all loans in repayment. Loans in a modified payment plan status are factored into the allowance for education loan notes receivable, which is based on historical default and recovery performance.

During FY24, the Authority continued its methodology for estimating the allowance for doubtful accounts, which is derived from historical information based on the loan portfolios performance to achieve the current estimated net realizable value of the outstanding education loan notes. The FY24 provision for education loan losses was $8.5M, which increased the allowance for doubtful accounts to $110.7M. Approximately $6.4M and $5.1M of the allowance for doubtful accounts is allocated to education loans in deferment in FY24 and FY23, respectively.

DEBT ADMINISTRATION

As of June 30, 2024, the Authority had $2.36B of bond principal outstanding compared to $2.17B at the end of FY23. All of the Authority's outstanding bonds are rated by nationally recognized rating agencies.

Debt Issuance	S&P	Fitch	DBRS
FRN Indenture	AA+	AAA	-
Issue I	AA	A	-
Issue J	AA	A	-
Issue K - Senior	AA	AA	-
Issue K – Subordinate	A	-	-
Issue L – Senior	AA	-	-
Issue L – Subordinate	BBB	-	-
Issue M – Senior	AA	-	-
Issue M – Subordinate	BBB	-	-
Issue N – Senior	AA	-	-
Issue N – Senior Subordinate	A	-	-
Issue N – Subordinate	BBB	-	-
ABS 2018 Indenture - Senior	AA	-	AAA
ABS 2018 Indenture - Subordinate	A	-	A
ABS 2020 Indenture - Senior	AAA	-	AAA
ABS 2020 Indenture - Subordinate	AA	-	AA

The following is the segmentation of the bonds' outstanding portfolio:

- Fixed rate taxable revenue bonds represent 60% of the outstanding bond portfolio (an increase from 50% in FY23 and 45% in FY22).
- Fixed rate tax-exempt revenue bonds represent 35% of the outstanding bond portfolio (a decrease from 44% in FY23 and 47% in FY22).
- Fixed rate taxable asset backed notes represent 4% of the outstanding bond portfolio (a decrease from 5% in FY23 and 7% in FY22).
- Taxable floating rate notes represent 1% of the outstanding bond portfolio (no change from FY23 and FY22).

The Authority also had $103.7M of commercial paper notes outstanding at June 30, 2024 which are supported by a letter of credit. The notes have published short term ratings of A-1+ by S&P and F1+ by Fitch in each case based upon the issuance of the letter of credit by the bank. The letter of credit and any associated bank note or bank obligation are general obligations of the Authority.

CAPITAL ASSETS

For the year ended June 30, 2024, the Authority had $9.6M invested in capital assets, representing a net decrease (additions and depreciation) of $1.2M. The reconciliation below summarizes the change in capital assets by fiscal year. FY23 included $5.5M of technology subscription assets resulting from the implementation of GASB 96.

(in thousands)

	2024	2023	2022
Beginning balance, net	$ 10,827	$ 7,984	$ 8,074
Additions	1,856	5,882	2,165
Depreciation and amortization	(3,057)	(3,039)	(2,255)
Ending balance, net	$ 9,626	$ 10,827	$ 7,984

FINANCIAL CONTACT

The Authority's financial statements are designed to present readers with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives and expends. If you have any questions regarding the report or need additional financial information, please contact MEFA at 60 State Street, Suite 900, Boston, MA 02109.

Massachusetts Educational Financing Authority
Statements of Net Position
As of June 30, 2024 and 2023
(in thousands)

	2024	2023
Assets		
Current assets		
Cash and cash equivalents (Notes 3 and 4)	$ 272,969	$ 276,738
Investments (Notes 3 and 4)	21,266	21,257
Education loan notes receivable, net (Notes 3, 5, and 10)	165,751	149,657
Interest receivable on education loan notes (Note 3)	34,617	29,306
Prepaid expenses and other assets	6,661	5,872
Total current assets	501,264	482,830
Non-current assets		
Cash and cash equivalents (Notes 3 and 4)	25,792	27,131
Investments (Notes 3 and 4)	521,671	404,917
Derivative instruments (Notes 3 and 8)	47	290
Education loan notes receivable, net (Notes 3, 5, and 10)	1,815,310	1,657,805
Capital assets, net of accumulated depreciation (Notes 3, 12 and 13)	9,627	10,827
Total assets	$ 2,873,711	$ 2,583,800
Liabilities		
Current liabilities		
Accounts payable and accrued expenses (Note 3)	$ 17,415	$ 15,772
Bonds payable – current portion (Note 6)	127,115	129,239
Certificates payable (Note 9)	4,663	5,467
Accrued bond and note interest payable	38,392	34,064
Other liabilities – current (Notes 3 and 12)	1,697	1,747
Total current liabilities	189,282	186,289
Non-current liabilities		
Notes payable (Note 7)	103,650	25,700
Bonds payable – net of current portion (Note 6)	2,265,208	2,074,544
Yield restriction liability - (Note 3)	10,712	4,874
Other liabilities – non-current (Notes 3 and 12)	4,334	5,611
Total liabilities	2,573,186	2,297,018
Deferred inflows of resources		
Net gain on bond refunding (Note 6)	1,885	962
Total deferred inflows of resources	1,885	962
Total liabilities and deferred inflows of resources	2,575,071	2,297,980
Net position		
Net investment in capital assets	9,627	10,827
Restricted	190,339	193,421
Unrestricted	98,674	81,572
Total net position	298,640	285,820
Total liabilities, deferred inflows of resources and net position	$2,873,711	$ 2,583,800

The accompanying notes are an integral part of the financial statements.

Massachusetts Educational Financing Authority
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2024 and 2023
(in thousands)

	2024	2023
Operating revenues		
Interest on education loan notes receivable (Note 3)	$ 115,572	$ 99,069
College savings plan interest and fees (Note 9)	7,856	7,153
Other revenue	16,312	1,146
Total operating revenues	139,740	107,368
Operating expenses		
Bond and note interest expense (Notes 6 and 7)	81,863	65,005
Costs of bond and note issuance	4,332	3,105
Provision for doubtful education loan notes receivable (Note 5)	8,540	7,430
General and administrative (Notes 3, 11, 12, and 13)	33,008	30,490
Other expense	1,400	1,094
Total operating expenses	129,143	107,124
Operating income	10,597	244
Non-operating revenues (expenses)		
Interest and dividends	25,724	15,623
(Decrease) increase in fair value of derivative instruments	(244)	83
Arbitrage rebate liability expense (Note 3)	(595)	-
Yield restriction liability expense (Note 3)	(22,662)	(4,874)
Net non-operating revenues	2,223	10,832
Total increase in net position	12,820	11,076
Net position, beginning of year	285,820	274,744
Net position, end of year	$ 298,640	$ 285,820

The accompanying notes are an integral part of the financial statements.

Massachusetts Educational Financing Authority
Statements of Cash Flows
For the years ended June 30, 2024 and 2023

(in thousands)

	2024	2023
Cash flows from operating activities:		
Payments for disbursed loans	$ (448,603)	$ (406,441)
Payments received on outstanding loan principal	263,085	250,471
General and administrative payments	(30,541)	(26,962)
Interest received on education loans	95,418	83,225
Proceeds from other sources	24,054	8,284
Net cash used in operating activities	(96,587)	(91,423)
Cash flows from non-capital financing activities:		
Proceeds from issuance of bonds	472,165	332,843
Proceeds from issuance of commercial paper notes	129,000	107,100
Costs of bond and note issuance	(700)	(3,105)
Bond and note interest paid	(85,259)	(68,352)
Principal payments on bonds payable	(278,611)	(222,069)
Principal payments on commercial paper notes	(51,050)	(81,400)
Net cash provided by non-capital financing activities	185,545	65,017
Cash flows from capital financing activities:		
Purchase of capital assets and software development	(1,857)	(2,941)
Net cash used in capital financing activities	(1,857)	(2,941)
Cash flows from investing activities:		
Proceeds from maturity/sale of investments	329,853	21,613
Purchases of investments	(447,420)	(331,202)
Interest and dividends received on cash and investments	25,359	14,038
Net cash used in investing activities	(92,208)	(295,551)
Net decrease in cash and cash equivalents	(5,107)	(324,898)
Cash and cash equivalents, beginning of year	303,868	628,766
Cash and cash equivalents, end of year	$ 298,761	$ 303,868

The accompanying notes are an integral part of the financial statements.

Massachusetts Educational Financing Authority
Statements of Cash Flows, continued
For the years ended June 30, 2024 and 2023
(in thousands)

Reconciliation of operating income to net cash used in operating activities	2024	2023
Operating income	$ 10,597	$ 244
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation expense	3,057	3,257
Provision for doubtful education loan notes receivable	8,540	7,430
Costs of bond and note issuance	4,332	3,105
Bond and note interest expense	81,863	65,005
Changes in assets and liabilities:		
Education loan notes receivable	(182,136)	(170,311)
Interest receivable on education loan notes	(27,972)	(409)
Prepaid expenses and other assets	(425)	(68)
Accounts payable and accrued expenses	1,644	324
Other liabilities	(1,925)	-
Accrued yield restriction	5,838	-
Net cash used in operating activities	$ (96,587)	$ (91,423)

The accompanying notes are an integral part of the financial statements.

Attainable Savings Plan (a Custodial Fund of the Massachusetts Educational Financing Authority)
Statements of Fiduciary Net Position
As of June 30, 2024 and 2023
(in thousands)

	2024	2023
Assets		
Investments, at fair value	$153,805	$110,821
Receivable for investments sold	5	46
Receivable for units sold	225	198
Distributions receivable	120	79
Total assets	154,155	111,144
Liabilities		
Payable for investments purchased	297	228
Payable for units redeemed	53	95
Accrued management fee	21	18
Total liabilities	371	341
Fiduciary net position, end of year	$153,784	$110,803

The accompanying notes are an integral part of the financial statements.

Attainable Savings Plan **(a Custodial Fund of the Massachusetts Educational Financing Authority)**
Statements of Changes in Fiduciary Net Position
For the years ended June 30, 2024 and 2023
(in thousands)

	2024	2023
Additions		
Contributions	$50,203	$34,535
Investments Earnings:		
Investment distributions from underlying funds	3,267	2,264
Capital gain distributions from underlying funds	47	2,345
Net increase / (decrease) in fair value of investments	10,228	3,628
Total Investments Earnings	13,542	8,237
Total additions	63,745	42,772
Deductions		
Withdrawals	(20,538)	(14,308)
Management fee	(226)	(189)
Total deductions	(20,764)	(14,497)
Increase in net position	42,981	28,275
Fiduciary net position, beginning of year	110,803	82,528
Fiduciary net position, end of year	$153,784	$110,803

The accompanying notes are an integral part of the financial statements.

NOTES TO THE ENTERPRISE FINANCIAL STATEMENTS

1. THE AUTHORITY

The Massachusetts Educational Financing Authority (the "Authority") is a body politic and corporate, constituting a public instrumentality of The Commonwealth of Massachusetts (the "Commonwealth"). The Authority was established as the Massachusetts College Student Loan Authority pursuant to Chapter 803 of the Acts of 1981, as amended (the "Act"), in recognition of the increasing costs of higher education, to assist students, their parents and institutions of higher education in financing, refinancing, and saving for the costs of such education.

Beginning in 1983, the Authority established several proprietary, unsecured consumer loan programs for financing and refinancing loans for undergraduate and graduate students, to finance higher education expenses, including credit based and need based loans that bear interest on a fixed rate or variable rate basis. Since inception, the MEFA financing program has included loans to finance higher education expenses of current students.

The Authority solicits participation in its loan programs from qualifying independent and public education institutions and eligible borrowers. For-profit higher education schools are not eligible to participate in the MEFA financing program. In addition to developing and operating its loan, savings and investment programs, the Authority conducts an extensive outreach program for students and parents across the Commonwealth on planning, saving, and paying for college.

The loan programs are carried out on a long-term funding basis using proceeds from Education Loan Revenue Bonds (the “Bonds”) or Asset Backed Notes (see *Note 6*). The Bonds, which are issued under various resolutions, are special obligations of the Authority, which has no taxing power, payable solely from the revenues and the funds and accounts established and pledged under the resolutions. No revenues or other assets of the Authority are available to fund payment of the Bonds except as expressly provided by the resolutions. Neither the Commonwealth nor any political subdivision thereof is or shall be obligated to pay the principal or redemption or purchase price of and interest on the Bonds, and neither the full faith and credit, nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to such payment. The Authority has the same exemption as the Commonwealth (under I.R.S. Code, Section 115) from filing and/or paying federal income taxes.

In February 1995, the Authority, in cooperation with the Commonwealth and Massachusetts colleges and universities, introduced the Massachusetts College Saving Program, which was further named The U. Plan: The Massachusetts Tuition Prepayment Program (the “U. Plan”) to distinguish between each of the Authority’s two college savings programs. The U. Plan is a prepaid tuition program that permits individuals to save for a beneficiary’s undergraduate tuition and mandatory fees at participating Massachusetts colleges and universities in a manner designed to preserve the purchasing power of an individual’s savings.

In March 1999, the Authority, on behalf of the Commonwealth, introduced the U. Fund College Investing Plan (the "U. Fund"). The U. Fund is a tax-advantaged method of saving for higher education costs through investment vehicles such as stock, bond, and money market mutual funds. Those funds are professionally administered and managed by Fidelity Investments (an unrelated party) and held in a contractual trust on behalf of the owners of the funds and accordingly are not a component of these financial statements.

In 2003, the Authority introduced *MEFA Counselor* to coordinate its efforts to educate families and students about planning, saving, and paying for college. Working through schools, libraries and community organizations, the Authority provides step-by-step guidance to assist students in accessing higher education opportunities through in-person and virtual seminars, one-on-one telephone counseling, and online, interactive resources for families at every stage of the college financing process. The technology available through *MEFA Pathway*, previously known as *YourPlanForCollege*, introduced in 2010, offers a complete college and career planning resource for students, parents, and school counselors across the Commonwealth. The Commonwealth’s college and career web portal is free for school counselors, students, and their families.

In 2015, the Authority introduced the MEFA refinancing program that offers credit-based fixed rate and variable rate loans to borrowers for the purpose of refinancing loans previously incurred for higher education expenses.

In March 2017, the Authority adopted a resolution (the “Note Resolution”) to authorize the issuance of commercial paper notes (“the Notes”) as a temporary financing mechanism for its loan programs (see *Note 7*). The Notes are supported by an irrevocable direct-pay letter of credit (the “Letter of Credit”) and payable primarily from drawings on the Letter of Credit as well as revenues and the funds and accounts established and pledged under the resolution. The Authority intends to issue a combination of revenue bonds and asset backed notes to permanently finance education loans originated with proceeds from the Notes. The Notes are special obligations of the Authority. Neither the

Commonwealth nor any political subdivision thereof is or shall be obligated to pay the principal of or interest on the Notes, and neither the full faith and credit, nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to such payment.

In May 2017, the Authority, on behalf of the Commonwealth, introduced the Attainable Savings Plan (the "Attainable Plan"). The Attainable Plan, established under the Achieving a Better Life Experience (ABLE) Act of 2014, is a tax advantaged savings plan that allows individuals with disabilities to save for qualifying expenses through investment vehicles such as stock, bond, and money market mutual funds. Those funds are professionally managed by Fidelity and held by the Authority on behalf of the owners of the funds and accordingly are reported as a fiduciary fund of the Authority. The Governmental Accounting Standards Board ("GASB") requires fiduciary activities be excluded from the basic financial statements of business type activities and reported separately in fiduciary fund financial statements.

In 2021, the MEFA Institute was launched to offer free professional development opportunities to school counselors, college access professionals, college administrators, and community-based organizations focused on planning, saving, and paying for college. Expert guidance is provided through trainings, tools and resources.

2. BASIS OF PRESENTATION

Accounting and Reporting Standards
These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Authority accounts for and reports its activities by applying Standards of Governmental Accounting and Financial Reporting, as promulgated by the GASB. The statements are prepared utilizing the economic resources measurement focus and the accrual basis of accounting, wherein revenues are recognized when earned and expenses when incurred.

The GASB defines the basic financial statements of a business type activity as the following: Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. The Statement of Net Position is presented to illustrate both the current and non-current balances of each asset and liability, as well as deferred outflows of resources and deferred inflows of resources. All revenues and expenses are classified as either operating or non-operating activities in the Statement of Revenues, Expenses and Changes in Net Position. Operating activities are those that support the mission and purpose of the Authority. Non-operating activities represent transactions that are capital, investing, legislative or regulated in nature.

Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. The GASB requires the categorization of net position into the following three components:

- **Net investment in capital assets**: capital assets, net of accumulated depreciation.

- **Restricted net position**: net position subject to externally imposed stipulations or enabling legislation that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. The Authority's restricted net position is comprised of:

    - **Trusteed Bond Funds**
      The Bond resolutions for the Trusteed Bond Funds establish various funds and accounts, the primary purpose of which is to (i) provide a basis for the allocation and disbursement of monies received by the Bond funds; (ii) pay Bond issuance costs; (iii) provide for the periodic payment of principal and interest; and (iv) establish reserves to provide for the timely servicing of debt obligations (see *Note 5*). The use of the assets of the various funds and accounts is governed and restricted by the Trusteed Bond Fund Resolutions (see *Note 6*).

      The assets, deferred outflows, liabilities, deferred inflows, and net position of these funds are the sole responsibility of the trust of each of the individual bond indentures. Neither the Authority, the College Savings funds, nor any other indenture have entitlement to any of the assets or any legal obligation to settle the liabilities of these bond indentures.

    - **Trusteed Notes Funds**
      The Notes issued under the Notes Resolution are special obligations of the Authority. The Notes are collateralized by the assets and associated revenues financed from Note proceeds and further supported by the Letter of Credit. The Letter of Credit and any associated bank note or bank obligation are general obligations of the Authority secured by the full faith and credit of the Authority.

The Note Resolution established certain funds and accounts to provide a basis for the allocation and disbursement of monies received by the Notes funds. The use of the assets of these funds and accounts is governed and restricted by the Note Resolution (see *Note 7*).

- **U. Plan**
  The College Savings Funds (the "Fund") consist of the U. Plan and the U. Fund. The U. Plan is governed by the terms and conditions of participation described in the Program Description and Offering Statement, including the Enrollment Agreement that is in effect for each enrollment year. The Fund accounts for fee income and for the operating expenses of the U. Plan as well as all monies received from the program investors and other deposits (*see Note 9*).

- **Program Reserve Fund**
  Pursuant to Chapter 15C, Section 5C, of the General Laws as established by Chapter 803 of the Acts of 1981, and as amended by Chapter 133, Section 12, of the Acts of 1992 (the "Act"), the program reserve fund was established by the Authority. The Act authorized the Authority to develop and establish a comprehensive state-supported supplemental education loan program. The program consists of lending medium and long-range fixed rate and variable rate loans. These programs shall operate at effective rates of interest and other feasible terms.

- **Unrestricted net position**: net position that is not subjected to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties. The Authority's unrestricted net position includes the general fund and fees earned from the U. Fund. The Authority's unrestricted net position is comprised of:

  - **General Fund**
    The General Fund, through monthly draws from the Trusteed Bond Funds and College Savings Funds, maintains the funds available for paying the operating expenses of the Authority, investing in capital assets, supporting capital market activities through direct contributions for cost of issuance and over collateralization requirements of structured transactions and liquidity for Letter of Credit requirements. The general fund may also include outstanding loans that remain after an entire trust is retired.

  - **U. Fund**
    The U. Fund is governed by the terms and conditions of participation described in the Fidelity Brokerage Services, LLC Customer Agreement, and the U. Fund Supplemental Information. While the beneficial interests of the participants of the U. Fund (or overall aggregate value of these funds) are not included in the financial statements, the Authority does receive certain fees and incurs related operating expenses in connection with the U. Fund that are included in these financial statements. The related revenue earned and expenses incurred by the Authority in offering the U. Fund program are not subject to externally imposed stipulations and therefore the aggregate net position of the program is classified on the Statement of Net Position as unrestricted (*see Note 9).*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Certain relevant elements such as tax policies, political and economic conditions, competition in products, asset pricing variance and interest rate fluctuations and relationships may result in actual results differing from those estimated. The Authority makes every effort to incorporate an analysis of all market conditions as of the Statement of Net Position date in determining what to record as the most accurate estimates.

Cash, Cash Equivalents and Investments
Cash and cash equivalents are comprised of cash in bank depository accounts and money market funds in the Trusteed Bond and Trusteed Note Funds, which are restricted in nature. Investments, the alternatives of which are governed by the Authority's enabling legislation, include guaranteed investment contracts in the Trusteed Bond Funds and money

market funds within the Authority's General and U. Plan funds. Cash and investments not intended to be used within one fiscal year are classified as long-term assets.

Interest and Fees on Education Loan Notes Receivable
Interest on education loan notes receivable is accrued and credited as earned on the principal amount outstanding.

Allowance for Education Loan Notes Receivable
The Trusteed Bond Fund Resolutions establish cash and investment reserve accounts to provide funding for education loan notes receivable which may reach a specified state of delinquency or uncollectibility (*see Note 5*). For financial accounting purposes, adjustments to the allowance for the estimated amount for each of the aforementioned items are included as an expense or revenue in the Statement of Revenues, Expenses and Changes in Net Position. This aggregate allowance is reviewed and adjusted as necessary based on management's assessment of the net realizable value of the loan portfolio.

Arbitrage Requirements
Arbitrage is earned when the proceeds of a tax-exempt bond issue are used to acquire investments that earn a yield more than the bond yield, which is the average yield issuers pay to their bondholders. Liabilities are measured by computing the excess amount earned on investments over the amount that would have been earned if proceeds were invested at the bond yield.

Under Internal Revenue Code (IRC) Section 148 and related Treasury Regulations, two sets of rules apply to the Authority to determine whether bonds are arbitrage bonds:

Yield Restriction
IRC Section 148(a) requires the Authority to keep the yield to the Authority on student loans within a designated percentage of the bond yield of the related tax-exempt borrowing. The Authority has traditionally selected to utilize loan forgiveness at the retirement of the bonds to keep the yield within the designated bond yield of the related tax-exempt borrowing.

A separate method of reducing yield is to make yield reduction payments to the United States Treasury. These estimated yield reduction payments may be made by the end of the tenth year and every fifth year thereafter during the life of each bond issue and when the bonds are retired. The Authority has contracted with a third party to calculate the estimated liability of the yield restrictions for bonds that are in their tenth year or beyond. The factors used in determining this estimate are sensitive to change in the future and consequently the change in estimate may be material to the financial statement results.

Arbitrage Rebate
Under IRC Section 148(f), arbitrage rebate represents the excess, if any, of amounts earned on bond proceeds and certain related funds on taxable securities (except for earnings that are not required to be rebated under limited exemptions under the Code) over the bond yield on the Authority's tax-exempt bonds, plus income attributable to any such excess. Such rebate payments are due every fifth year of each bond issue and when the bonds are retired. The Authority contracts with a third party to calculate estimated amounts due on an annual basis to the federal government. After reviewing and evaluating this estimate, management records a corresponding liability for any amount expected to be remitted.

Capital Assets
Capital assets include computer hardware, software development costs, furniture and fixtures, office equipment, lease assets, and subscription assets and are recorded at cost less accumulated depreciation computed using the straight-line method over an estimated useful life of 3 to 10 years *(see Note 13).* Capital assets are defined as assets over a certain dollar threshold with an estimated useful life more than one year.

Right-to-use Leases and Subscription Based Technology Agreements
The Authority is a lessee in a non-cancelable right-to-use office space lease and is also party to various non-cancelable subscription-based information technology arrangements that allow the Authority to use third party software for a period of time specified in a contract.

The Authority accounts for these arrangements in accordance with GASB Statement No. 87, "Leases" (GASB 87) and GASB Statement No. 96, "Subscription-Based Information Technology Arrangements" (GASB 96) whereas a liability and a corresponding asset are recognized at the commencement of the lease or agreement and measured at the present value of payments expected to be made during the term. Subsequently the liability is reduced by the principal portion of payments made during the term and the asset is amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

Investment Earnings
Investment earnings include interest earned on cash and investments.

Accounting and Financial Reporting for Refunding of Debt
Gains and losses on retirement of debt are accounted for in accordance with GASB 23 and GASB 65. The gains and losses on debt refunding, which involve the issuance of new debt whose proceeds are used to pay previously issued debt, have been recognized as deferred inflows or outflows of resources and amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. Gains and losses on extinguishment of debt that does not involve a refunding are recognized immediately.

General and Administrative Expenses
General and administrative expenses include personnel costs, professional fees, marketing costs and office expense and are funded by the Trusteed Bond Funds, College Savings Plans and Authority based on an operating budget prepared by Authority management and approved annually by the Board of Directors. Loan program administration costs are also included in general and administrative costs and funded by the Trusteed Bond Funds in accordance with the Trusteed Bond Fund resolutions requirements.

Fair Value
GASB statement No. 72, *Fair Value Measurement and Application* defines fair value as 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. The statement requires the use of certain valuation techniques when measuring fair value and established a hierarchy of valuation inputs: Level 1 inputs (quoted prices in active markets for identical investments), Level 2 inputs (inputs other than quoted prices that are observable) and Level 3 inputs (unobservable inputs). As of June 30, 2024 and June 30, 2023, the Authority's money market investments are categorized as Level 1 and derivative instruments are categorized as Level 2.

Derivative Instruments
The fair values of hedgeable derivatives and other derivatives are presented on the Statement of Net Position, either as a derivative liability (negative fair value) or as a derivative asset (positive fair value). The change in fair value of derivatives is recorded as a deferred inflow or outflow of resources if determined to be an effective hedge and presented on the Authority's Statement of Net Position. If a derivative instrument does not meet the criteria of a hedging derivative, the change in fair value is presented as an increase (decrease) in fair value of derivative instruments on the Statement of Revenues, Expenses and Changes in Net Position.

Recently Issued Accounting Pronouncements
In June 2022, GASB issued Statement No. 101, "Compensated Absences" (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The Authority is currently assessing the impact of GASB 101.

In December 2023, GASB issued Statement No. 102, "Certain Risk Disclosures" (GASB 102). The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Authority is currently assessing the impact of GASB 102.

In April 2024, GASB issued Statement No. 103, "Financial Reporting Model Improvements" (GASB 103). The objective of this Statement is to improve key components of the financial reporting model. The purposes of the improvements are to (a) enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and (b) address certain application issues identified through preagenda research conducted by the GASB. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Authority is currently assessing the impact of GASB 103.

In September 2024, GASB issued Statement No. 104, "Disclosure of Certain Capital Assets" (GASB 104). The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. GASB 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and requires additional disclosures for capital assets held for sale The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Authority is currently assessing the impact of GASB 104.

4. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Authority's enabling legislation and its individual fund resolutions govern the investment alternatives available to the Authority. In general, the Authority may invest in obligations of the United States Government and its agencies, investment grade securities issued by the various states, time deposits in banks which are federally insured (provided that, to the extent such time deposits exceed insurance, they are either fully collateralized or are rated in the top three rating categories by Standard and Poor's Corporation ("S&P") or Moody's Investor's Service Inc. ("Moody's")) and in repurchase and investment agreements with financial institutions or insurance companies which are rated in the top three rating categories by S&P or Moody's or which meet certain capital standards. The requirements within the top three rating categories vary among the trusteed funds and depend upon the type of investment.

The following summarize the cash, cash equivalents and investments of the Authority and identifies certain types of investment risk as defined by Governmental Accounting Standards Board No. 40 Deposit and Investment Risks Disclosures at June 30, 2024 and 2023, respectively.

(in thousands)	2024	2023
Cash deposits	$ 1,834	$ 3,763
Mutual funds:		
Money market funds – Authority and College Savings	129,165	109,984
Money market funds – Trusteed Bonds and Notes	296,929	300,107
Guaranteed investment contracts	413,772	316,189
Total cash, cash equivalents and investments	$ 841,700	$ 730,043

At June 30, 2024, $732M of the total cash and investments balance listed above was restricted in nature and at June 30, 2023, $637.6M was restricted.

Credit Risk and Custodial Credit Risk
Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that in the event of a financial institution's counterparty failure, the Authority's deposits or investments may not be returned to it. The Authority manages its exposure to credit risk and custodial credit risk by limiting investments to those permitted by the Authority's enabling legislation and its investment policy.

As of June 30, 2024 and June 30, 2023, $1.4M and $3.3M were exposed to custodial credit risk as uninsured and uncollateralized deposits, respectively. As required by the Authority's investment policy, depository banks are all rated in the top three rating categories by S&P or Moody's. The Authority's money market mutual funds are all rated AAAm by S&P.

Interest Rate Risk
Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of June 30, 2024, the Authority had guaranteed investment contracts with the following financial institutions:

Investment Agreement Contract Provider	Current S&P Ratings
Mass Mutual Life Insurance Company	AA+
Toronto-Dominion Bank	AA-

As of June 30, 2024, the Authority had the following cash and investments by financial institution within each outstanding trust and the Authority:

Authority, College Savings Funds and Trusteed Note Funds	Cash and Investments	% of Total
Bank of America	$ 1,422,891	1.0%
US Bank	$ 33,938	0.1%
Fidelity U.S. Government Portfolio – Authority	$ 102,459,790	72.4%
JP Morgan Federal Money Market – Authority	$ 5,439,609	3.9%
Fidelity Government Money Market – College Savings	$ 1,753,463	1.2%
First American Government Obligations - College Savings	$ 19,512,194	13.8%
Fidelity U.S. Government Portfolio – Trusteed Note Funds	$ 10,724,414	7.6%

Issue FRN Indenture	Cash and Investments	% of Total
Fidelity U.S. Government Portfolio	$ 2,242,804	100%

Issue ABS 18 Indenture	Cash and Investments	% of Total
Bank of America	$ 1,194	0.1%
Fidelity U.S. Government Portfolio	$ 1,147,107	99.9%

Issue ABS 20 Indenture	Cash and Investments	% of Total
Bank of America	$ 5,904	0.4%
Fidelity U.S. Government Portfolio	$ 1,616,777	99.6%

Issue I Indenture	Cash and Investments	% of Total
Bank of America	$ 75,685	0.1%
Fidelity U.S. Government Portfolio	$ 53,368,313	99.9%

Issue J Indenture	Cash and Investments	% of Total
Bank of America	$ 58,027	25.0%
Fidelity U.S. Government Portfolio	$ 173,884	75.0%

Issue K Indenture	Cash and Investments	% of Total
Bank of America	$ 23,117	0.1%
Fidelity U.S. Government Portfolio	$ 26,768,068	99.9%

Issue L Indenture	Cash and Investments	% of Total
Bank of America	$ 29,431	0.1%
Fidelity U.S. Government Portfolio	$ 113,162,247	82.2%
Mass Mutual Life Insurance Company	$ 24,016,500	17.5%
Toronto-Dominion Bank	$ 213,857	0.2%

Issue M Indenture	Cash and Investments	% of Total
Bank of America	$ 3,707	0.1%
Fidelity U.S. Government Portfolio	$ 85,390,355	99.9%

Issue N Indenture	Cash and Investments	% of Total
Bank of America	$ 228	0.0%
Fidelity U.S. Government Portfolio	$ 2,300,796	0.6%
Mass Mutual Life Insurance Company	$ 4,755,300	1.2%
Toronto-Dominion Bank	$ 385,000,000	98.2%
Total cash, cash equivalents and investments	$ 841,699,600	

5. EDUCATIONAL FINANCINGS

The Authority originates proprietary, unsecured consumer education loan notes at the original principal amount of the note. During the years ended June 30, 2024 and 2023, respectively, the activity for the Authority's Education loan notes receivable was as follows:

(in thousands)

	2024	2023
Outstanding education loan notes receivable (beginning) gross	$ 1,909,574	$1,739,263
Increases to education loan notes receivable	463,423	421,832
Decreases to education loan notes receivable	(281,284)	(251,521)
Outstanding education loan notes receivable (ending) gross	2,091,713	1,909,574
Allowance for education loan notes receivable (beginning)	102,112	94,682
Increase to allowance for education loan notes receivable	8,540	7,430
Allowance for education loan notes receivable (ending)	110,652	102,112
Outstanding education loan notes receivable (ending) net	$ 1,981,061	$ 1,807,462

The allowance for educational loan notes receivable is derived from information based on the loan portfolios historical default and recovery performance to achieve the current estimated net realizable value of the outstanding education loan notes.

Defaulted loans are included in outstanding education loan notes receivable and classified as non-current assets with a portion classified as current assets based on estimated collections.

The Authority uses loan modifications to assist private loan borrowers, demonstrating a need for temporary payment relief during difficult economic times. The loan modification plans in place temporarily reduce the borrower's monthly payment for up to twenty-four months without changing the original loan term or interest rate. As of June 30, 2024 and 2023, the total principal balance outstanding of loans in a modified status was $61M and $59M representing approximately 3.8% of all loans in repayment, respectively. At June 30, 2024 and 2023, these modified loans were 94.8% and 93.9% current, respectively, defined as less than 30 days past due, regarding monthly payments received under the modified terms. Loans in a modified payment plan status are factored into the allowance for education loan notes receivable, which is based on historical default and recovery performance.

The loan and debt service reserve funds are designed and funded to provide another level of support for defaulted loans and debt service payments that provide stability to the cash flow of the bond issuance. On an annual basis, the reserve requirements are reviewed and funded by cash balances at levels approved by the insurer or rating agencies of each specific bond issue. The fund balance of the loan and debt service reserve requirements in aggregate was $33.8M and $34.1M for fiscal years 2024 and 2023, respectively.

6. BONDS PAYABLE

The following table shows the bonds payable activity related to education loan financings for the fiscal years ended 2024 and 2023:

(in thousands)

	2023	Issued	Redeemed	2024
Taxable education loan revenue bonds, final maturities 2032-2049 at fixed interest rates of 2.00%-6.35%	$ 1,076,015	$ 370,040	$ (32,985)	$ 1,413,070
Tax-exempt education loan revenue bonds, final maturities 2030-2054 at fixed interest rates of 2.00%-5.00%	951,871	105,490	(219,241)	838,120
Education loan asset backed notes, final maturities 2033-2042 at fixed interest rates of 2.30%-4.65%	124,365	-	(22,916)	101,449
Floating rate notes, final maturity 2038 at variable interest rates	13,376	-	(3,469)	9,907
Bonds Outstanding, Gross Balance	2,165,627	475,530	(278,611)	2,362,546
Net unamortized issuance premiums	38,156	268	(8,647)	29,777
Bonds Outstanding, Net Balance	$ 2,203,783	$475,798	$ (287,258)	$2,392,323

	2022	Issued	Redeemed	2023
Taxable education loan revenue bonds, final maturities 2032-2049 at fixed interest rates of 2.00%-5.95%	$ 918,650	$ 214,930	$ (57,565)	$ 1,076,015
Tax-exempt education loan revenue bonds, final maturities 2030-2054 at fixed interest rates of 2.00%-5.00%	967,046	115,085	(130,260)	951,871
Education loan asset backed notes, final maturities 2033-2042 at fixed interest rates of 2.30%-4.65%	152,250	-	(27,885)	124,365
Floating rate notes, final maturity 2038 at variable interest rates	19,735	-	(6,359)	13,376
Bonds Outstanding, Gross Balance	2,057,681	330,015	(222,069)	2,165,627
Net unamortized issuance premiums	43,936	2,828	(8,608)	38,156
Bonds Outstanding, Net Balance	$ 2,101,617	$ 332,843	$ (230,677)	$ 2,203,783

Bonds payable issued under the individual Trust resolutions are payable from a pledge of the assets and revenues of each Trusteed Bond Fund. Bonds may be redeemed at par and ahead of scheduled maturity under circumstances specified in the Bond Resolutions. All bonds payable issued under the Trust resolutions contain a provision that in the event of default, the timing of repayment of outstanding amounts become immediately due.

On May 31, 2024, under the Issue N 2024 Bond Resolution, the Authority issued $475.5M of education loan revenue bonds to finance and refinance education loans. The N2024 bonds were issued with a premium of $0.3M. Proceeds of $72.4M from the Issue N Series 2024 bonds were used to optionally redeem bonds previously issued under the Issue J resolutions. The difference between the reacquisition price and the net carrying amount of the old debt of $1.1M was reported as a deferred inflow of resources in fiscal year 2024 and recognized as a component of interest expense over the remaining life of the new debt. These refunding transactions did not result in a material economic gain or a significant difference between the cash flows required to service the old debt and cash flows required to service the new debt.

On June 2, 2023, under the Issue L 2023 Bond Resolution, the Authority issued $330M of education loan revenue bonds to finance and refinance education loans. The Issue L 2023 Bonds were issued with a premium of $2.8M.

Total interest expense for the years ended June 30, 2024 and 2023 was $81.9M and $65M, respectively and includes $7.6M and $8.6M amortization of bond issuance premium, respectively.

As of June 30, 2024 mandatory annual maturities of bonds principal payable by Trusteed Bond Fund for the next five fiscal years and thereafter are as follows (in thousands):

	2025	2026	2027	2028	2029	Remaining Schedule	Total Payable
2008 FRN	-	-	-	-	-	$9,907	$ 9,907
2014 Issue I	33,600	24,000	18,000	-	-	-	75,600
2015A Issue I	7,000	8,000	-	-	-	-	15,000
2015B Issue I	5,070	1,230	465	470	435	260	7,930
2017 Issue K	13,230	12,480	9,370	-	-	42,800	77,880
2018 Issue L	24,210	26,165	25,710	23,545	17,590	50,290	167,510
2018 ABS	-	-	-	-	-	37,899	37,899
2019 Issue L	12,380	13,705	13,755	13,855	15,880	63,500	133,075
2020 ABS	-	-	-	-	-	63,550	63,550
2020 Issue L	18,065	20,550	24,715	25,360	24,230	98,130	211,050
2021 Issue M	7,000	20,000	29,800	27,800	29,700	259,115	373,415
2022 Issue M	4,000	19,400	24,900	30,800	30,600	274,485	384,185
2023 Issue L	-	-	-	-	19,000	311,015	330,015
2024 Issue N	-	-	4,000	5,500	20,240	445,790	475,530
	$124,555	$145,530	$150,715	$127,330	$157,675	$ 1,656,741	$2,362,546

The following is a summary of the principal maturities and estimated interest expense for bonds payable outstanding at June 30, 2024 (in thousands):

Year Ending June 30	Principal	Interest	Total Debt Service
2025	$124,555	$91,259	$215,814
2026	145,530	98,781	244,311
2027	150,715	92,484	243,199
2028	127,330	86,612	213,942
2029	157,675	80,824	238,499
2030-2034	595,287	321,946	917,233
2035-2039	260,787	232,510	493,297
2040-2044	56,747	203,311	260,058
2045-2049	325,065	139,066	464,131
2050-2054	378,000	29,068	407,068
Thereafter	40,855	1,021	41,876
	$2,362,546	$1,376,883	$3,739,429

In July and August 2024, the Authority redeemed fixed rate bonds outstanding of $121.6M and $1.3M of floating rate notes.

7. NOTES PAYABLE

The Note Resolution and subsequent amendments authorize the issuance and sale of up to $350M of Commercial Paper Revenue Notes. The Notes are interest bearing obligations with maturities no later than 270 days from their date of issuance and payable primarily from draws on the Letter of Credit at maturity as well as revenues and the funds and accounts established and pledged under the Note Resolution. There were no draws outstanding on the Letter of Credit at June 30, 2024 and 2023.

The activity related to the Notes for the fiscal years ended 2024 and 2023 was as follows:
(in thousands)

	2024	2023
Notes outstanding, beginning balance	$ 25,700	$ -
Commercial paper notes issued	129,000	107,100
Commercial paper notes matured	(51,050)	(81,400)
Notes outstanding, ending balance	$ 103,650	$ 25,700

The Notes are a short-term financing mechanism and the Authority has historically issued a combination of long-term revenue bonds and asset backed notes to finance the education loans originated with proceeds from the Notes. Proceeds from education loan revenue bond Issue N 2024 were used to retire $24M of commercial paper notes outstanding in fiscal year 2024. In fiscal year 2023, proceeds from education loan revenue bond Issue L 2023 were used to retire $30M of commercial paper notes outstanding.

Total interest expense on the Notes for the fiscal years ended June 30, 2024 and June 30, 2023 was $4.9M and $0.5M, respectively. Interest rates on Notes issued during fiscal year 2024 ranged from 5.32% to 5.54% with maturities ranging from 1 day to 70 days and an average outstanding note balance during the fiscal year of $88M. Interest rates on Notes issued during fiscal year 2023 ranged from 4.85% to 5.35% with maturities ranging from 9 days to 61 days and an average outstanding note balance during the fiscal year of $10.5M

As the Authority has demonstrated the ability to consummate the refinancing of the Notes, the obligation is reported as a non-current liability on the Statement of Net Position.

8. DERIVATIVES

As a method to manage the debt costs associated with financing student loans, the Authority has engaged in the use of interest rate cap derivatives, which were structured specifically regarding its underlying asset portfolio. As the interest rate caps no longer meet the criteria of an effective hedging relationship, they are presented as other derivatives on the Statement of Net Position and any changes in fair value are presented as an increase or decrease in fair value of derivative instruments on the Statement of Revenues, Expenses & Changes in Net Position.

The fair value of the other derivatives was $46.9K and $290.8K at June 30, 2024 and 2023, respectively with amortized notional balances outstanding of $51.8M and $60.7M, respectively.

9. COLLEGE SAVINGS INVESTING PROGRAMS

The U. Plan was developed by the Authority in cooperation with the Commonwealth of Massachusetts, pursuant to specific legislative authorization in 1989. The purpose of the U. Plan is to allow families to save for undergraduate tuition at participating Massachusetts colleges and universities in a manner designed to preserve the purchasing power of the savings.

As of June 30, 2024 and 2023, the Authority had deposits of $4.7M and $5.5M, respectively for the purchase of tuition certificates under the Commonwealth of Massachusetts General Obligation Bonds, effective August 1, 2024, and August 1, 2023, respectively.

As part of the annual cycle of the U. Plan program, Commonwealth of Massachusetts General Obligation Bonds were purchased as follows:

(in thousands)

	Bonds Purchased	Issue Date	Maturity Dates From/Through
2002 College Opportunity Bonds, Series A	5,970	August 1, 2002	August 1, 2007 / 2022
2003 College Opportunity Bonds, Series A	6,343	August 1, 2003	August 1, 2008 / 2023
2004 College Opportunity Bonds, Series A	7,118	August 1, 2004	August 1, 2009 / 2024
2005 College Opportunity Bonds, Series A	7,078	August 1, 2005	August 1, 2010 / 2025
2006 College Opportunity Bonds, Series A	5,763	August 1, 2006	August 1, 2011 / 2026
2007 College Opportunity Bonds, Series A	6,028	August 1, 2007	August 1, 2012 / 2027
2008 College Opportunity Bonds, Series A	5,894	August 1, 2008	August 1, 2013 / 2028
2009 College Opportunity Bonds, Series A	6,903	August 1, 2009	August 1, 2014 / 2029
2010 College Opportunity Bonds, Series A	8,426	August 1, 2010	August 1, 2015 / 2030
2011 College Opportunity Bonds, Series A	9,031	August 1, 2011	August 1, 2016 / 2031
2012 College Opportunity Bonds, Series A	11,738	August 1, 2012	August 1, 2017 / 2032
2013 College Opportunity Bonds, Series A	10,998	August 1, 2013	August 1, 2018 / 2033
2014 College Opportunity Bonds, Series A	9,781	August 1, 2014	August 1, 2019 / 2034
2015 College Opportunity Bonds, Series A	9,209	August 1, 2015	August 1, 2020 / 2035
2016 College Opportunity Bonds, Series A	8,675	August 1, 2016	August 1, 2021 / 2036
2017 College Opportunity Bonds, Series A	9,442	August 1, 2017	August 1, 2022 / 2037
2018 College Opportunity Bonds, Series A	8,136	August 1, 2018	August 1, 2023 / 2038
2019 College Opportunity Bonds, Series A	8,386	August 1, 2019	August 1, 2024 / 2039
2020 College Opportunity Bonds, Series A	7,048	August 1, 2020	August 1, 2025 / 2040
2021 College Opportunity Bonds, Series A	7,836	August 1, 2021	August 1, 2026 / 2041
2022 College Opportunity Bonds, Series A	7,236	August 1, 2022	August 1, 2027 / 2042
2023 College Opportunity Bonds, Series A	7,104	August 1, 2023	August 1, 2028 / 2043
Total	$ 174,143		

The U. Plan tuition certificates represent a beneficial ownership interest in these bonds. The bonds bear interest at a rate equal to the annual increase in the consumer price index plus 2.5%. Between the date deposits are collected from participants and the purchase of the bonds, the amounts collected and a related liability to participants are recorded on the Statement of Net Position as certificates payable. Once bonds are purchased, the liability is removed from the Statement of Net Position of the Authority. When bonds mature, the cash is moved to an investment account restricted to MEFA's use and an associated liability to U. Plan participants is recorded on the Statement of Net Position. As of June 30, 2024 and 2023, included in accounts payable and accrued expenses, were matured certificates payable to U. Plan participants in the amounts of $11.3M and $11M, respectively.

The U. Fund was developed by the Authority on behalf of the Commonwealth of Massachusetts under section 529 of the Internal Revenue Code of 1986, as amended. The purpose of the U. Fund is to allow families to save for higher education expenses through the investment in mutual funds, which are professionally managed by Fidelity Investments. At June 30, 2024 and 2023, the U. Fund was composed of thirty-seven portfolios, comprised of equity, fixed income, and money market funds. Each portfolio is designed to accommodate the asset allocation based on the risk profile of the participants. As of June 30, 2024 and 2023, net assets for the U. Fund were $9,661M and $8,412M, respectively.

10. RELATED PARTIES

During the fiscal years ended June 30, 2024 and June 30, 2023, four members of the Authority were officers/trustees of participating institutions and the Authority purchased loans totaling $14.2M and $11.8M, respectively, in principal balance, from these institutions. At June 30, 2024 and 2023 $71.8M and $69M, respectively, of loans purchased from those institutions were outstanding.

11. DEFINED CONTRIBUTION PLANS

All employees of the Authority participate in the Massachusetts Educational Financing Authority Retirement Savings Plan (the "Plan"); a defined contribution plan created in accordance with Internal Revenue Code Sections 401(a) and 414(d). Plan benefit terms are established and may be amended by the Authority acting in its capacity as Plan Administrator. The Authority contributes an amount equal to 12.4% of an employee's gross salary to the Plan, which vest 100% after two years of employment.

The Authority also offers the Deferred Compensation Plan of the Massachusetts Educational Financing Authority (the "Deferred Plan"). The Deferred Plan was created under Internal Revenue Code Section 457(b) and allows employees the opportunity to make pre- and post-tax contributions to the plan subject to IRS limitations. Deferred Plan benefit terms are established and may be amended by the Authority acting in its capacity as Plan Administrator. The Authority provides a matching contribution equal to 100% of the amount contributed to the Deferred Plan up to 6% of an employee's gross salary. Total employee contributions to the Deferred Plan for the years ended June 30, 2024 and 2023 were $533K and $495K, respectively. Employee contributions to the Deferred Plan vest immediately.

It is the Authority's policy to fund contributions on a current basis. Total retirement plan expense included in general and administrative expense on the Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2024 and 2023 was $1.2M and $1.1M, respectively. The Authority pays administrative expenses of the plans for the plan participants and Matrix Financial Solutions is the custodian of the plan assets.

12. RIGHT-TO-USE LEASE AND SUBSCRIPTION BASED TECHNOLOGY ARRANGEMENTS

The Authority entered into a ten-year lease agreement for its current office space commencing in March 2018. In accordance with GASB 87, a lease liability and corresponding lease asset have been recognized for this lease.

At June 30, 2024 and 2023, the balance of the lease liability was as follows:

(in thousands)

	2024	2023
Lease liability, current	$ 731	$ 703
Lease liability, non-current	2,090	2,821
Total lease liability	$ 2,821	$ 3,524

A summary of the principal and interest requirements to maturity for the lease liability is presented below (in thousands):

Year Ending June 30	Total lease payments	Interest	Principal
2025	$782	$51	$731
2026	796	36	760
2027	809	20	789
2028	545	4	541
Total	$2,932	$111	$2,821

The office space lease is subject to the Authority paying certain variable operating costs, such as annual escalation for increases in real estate taxes and operating expenses, which are not included in the measurement of the lease liability balances above. Total expense relating to these costs for the years ended June 30, 2024 and 2023 was $66.2K and $44K, respectively.

The Authority is also party to subscription-based information technology arrangements that allow the Authority to use third party software, alone or in combination with technology assets, for a period of time specified in a contract. In accordance with GASB 96, which was adopted by the Authority in fiscal year 2023, a subscription liability and corresponding subscription asset have been recognized for these arrangements.

At June 30, 2024 and 2023, the balance of the subscription liability was as follows:

(in thousands)

	2024	2023
Subscription liability, current	$ 966	$ 1,043
Subscription liability, non-current	1,649	2,790
Total subscription liability	$ 2,615	$ 3,833

A summary of the principal and interest requirements to maturity, presented separately, for the subscription liability is presented below (in thousands):

Year Ending June 30	Total subscription payments	Interest	Principal
2025	$1,052	$86	$966
2026	844	53	791
2027	878	20	858
Total	$2,774	$159	$2,615

13. CAPITAL ASSETS

The activity related to the Authority's capital assets for the fiscal years ended 2024 and 2023, respectively, was as follows:

(in thousands)

	June 30, 2023	Additions	June 30, 2024
Software	$ 14,798	$ 1,498	$ 16,296
Right-to-use lease assets	6,034	-	6,034
Subscription assets	5,519	347	5,866
Computer hardware	736	12	748
Furniture	434	-	434
Equipment	304	-	304
Total capital assets (at cost)	27,825	1,857	29,682
Accumulated depreciation	(16,998)	(3,057)	(20,055)
Capital assets, net	$ 10,827	$ (1,200)	$ 9,627

(in thousands)

	June 30, 2022	Additions	June 30, 2023
Software	$ 14,463	$ 335	$ 14,798
Right-to-use lease assets	6,034	-	6,034
Subscription assets	-	5,519	5,519
Computer hardware	730	6	736
Furniture	434	-	434
Equipment	282	22	304
Total capital assets (at cost)	21,943	5,882	27,825
Accumulated depreciation	(13,959)	(3,039)	(16,998)
Capital assets, net	$ 7,984	$ 2,843	$ 10,827

Included in general and administrative expenses are depreciation expenses of $3.1M and $3M for the years ended June 30, 2024 and June 30, 2023, respectively.

NOTES TO FIDUCIARY FUND FINANCIAL STATEMENTS

1. THE ATTAINABLE PLAN

In May 2017, the Authority, on behalf of the Commonwealth, introduced the Attainable Savings Plan (the "Attainable Plan"). The Attainable Plan, established under the Achieving a Better Life Experience (ABLE) Act of 2014, is a tax advantaged savings plan under Section 529A of the Internal Revenue Code that allows individuals with disabilities to save for qualifying disability expenses through investment portfolios ("Portfolios") managed by Fidelity Management & Research Company LLC (FMR) and held by the Authority on behalf of the account owners in a custodial fund. A custodial fund is a type of fiduciary fund which is used to report assets held in a trustee or custodial capacity for others and therefore cannot be used to support a government's own programs. Fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under this method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flow. The Governmental Accounting Standards Board ("GASB") requires fiduciary funds be reported separately from the basic financial statements of business type activities.

2. BASIS OF PRESENTATION

Accounting and Reporting Standards
The GASB defines the basic financial statements of a fiduciary custodial fund as the Statement of Fiduciary Net Position, which presents information on the Attainable Plan's assets and liabilities and a Statement of Changes in Fiduciary Net Position, which presents information showing how the Attainable Plan's net position changed during the year. The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position present only the Attainable Plan, not the financial position of the Authority or changes to its financial position or cash flows in accordance with accounting principles generally accepted in the United States of America.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These fiduciary fund financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB, which requires management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. The following summarizes the significant accounting policies of the Attainable Plan:

Investment Valuation
Each Portfolio categorizes the inputs to valuation techniques used to value its investments into a disclosure hierarchy consisting of three levels as shown below:

Level 1 – quoted prices in active markets for identical investments
Level 2 – other significant observable inputs
Level 3 – unobservable inputs (including each Portfolio's own assumptions based on the best information available)

Investments in the underlying funds are valued at their closing net asset value (NAV) each business day. As of June 30, 2024, and June 30, 2023, all investments held by the Portfolios are categorized as Level 1 under the fair value hierarchy

Investment Transactions and Income
For financial reporting purposes, the Portfolios' investment holdings and NAV include trades executed through the end of the last business day of the period. The NAV per unit for processing designated beneficiary transactions is calculated as of the close of business of the New York Stock Exchange and includes trades executed through the end of the prior business day. Gains and losses on securities sold are determined on the basis of average cost. Income and capital gain distributions from the underlying funds, if any, are recorded on the ex-dividend date. Interest income is accrued as earned. There are no distributions of net investment gains or net investment income to the Portfolios' designated beneficiaries or persons with signature authority.

Expenses
Expenses are recorded on the accrual basis. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known. Expenses included in the accompanying financial statements reflect the expenses of each Portfolio and do not include any expenses associated with the underlying funds.

Contributions and Withdrawals
Contributions and withdrawals are recognized on the trade date. Contributions on the Statement of Changes in Fiduciary Net Position include any contributions to the Attainable Plan made by account owners and any exchanges within the Attainable Plan that result in a reinvestment of assets. Withdrawals in the Statement of Changes in Fiduciary Net Position include any withdrawals from the Attainable Plan made by account owners and any exchanges within the Attainable Plan that result in a withdrawal and subsequent reinvestment of assets.

Other
There are no unrecognized tax benefits in the accompanying financial statements in connection with the tax positions taken by each Portfolio. The Portfolios do not file any tax returns since the Attainable Plan is exempt from federal and state income tax under Section 529A of the Internal Revenue Code.

4. PLAN FEES

The Authority has entered into a Management & Administrative Services agreement with Fidelity Brokerage Services, LLC, to provide administrative, record-keeping, distribution, and marketing services to the Attainable plan. Under this agreement and a related agreement with FMR, a Management and Administration Fee is charged to the Portfolios at an annual rate based on the net assets of each Portfolio. This fee has two components, a Program Manager fee paid to FMR, which ranges from .00% to .12% and a State Sponsor fee paid to the Authority, which ranges from .00% to .05%.

5. INVESTMENTS

The following summarizes the value of the investments of the Attainable Plan (in thousands):

Portfolios	Underlying Funds	June 30, 2024	June 30, 2023
ABLE Conservative Income 20%	Fidelity Asset Manager® 20%	$10,102	$7,846
ABLE Income 30% Portfolio	Fidelity Asset Manager® 30%	7,278	5,765
ABLE Moderate Income 40% Portfolio	Fidelity Asset Manager® 40%	8,049	6,121
ABLE Balanced 50% Portfolio	Fidelity Asset Manager® 50%	19,577	14,978
ABLE Moderate Growth 60% Portfolio	Fidelity Asset Manager® 60%	18,792	13,977
ABLE Growth 70% Portfolio	Fidelity Asset Manager® 70%	21,838	15,791
ABLE Aggressive Growth 85% Portfolio	Fidelity Asset Manager® 85%	35,427	25,867
ABLE Multi-Asset Index Portfolio	Fidelity® Multi-Asset Index Fund	2,900	-
ABLE Money Market Portfolio	Fidelity® Government Cash Reserves	29,842	20,476
		$153,805	$110,821

At June 30, 2024 and June 30, 2023, the costs of investments were $143.4M and $110.5M, respectively.

Supplemental Schedules

The following supplementary information, which provides financial information segregated by fund, is presented for purposes of additional analysis and is not a required part of the financial statements of the Authority.

Massachusetts Educational Financing Authority

Supplemental Schedule 1

Statements of Net Position

June 30, 2024 and 2023

	2024					2023				
Assets	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**
Current assets										
Cash and cash equivalents	$ 260,788	$ 10,758	$ 1,035	$ 388	$ 272,969	$ 272,070	$ 1,328	$ 3,573	$ (233)	$ 276,738
Investments	-	-	21,266	-	21,266	-	-	21,257	-	21,257
Education loan notes receivable, net	159,822	5,191	-	738	165,751	146,709	1,648	-	1,300	149,657
Interest receivable on education loan notes	34,404	213	-	-	34,617	29,275	31	-	-	29,306
Prepaid expenses and other assets	1,988	45	3,653	975	6,661	1,832	9	3,142	889	5,872
Interfund balances	(1,887)	-	-	1,887	-	(1,012)	-	-	1,012	-
Total current assets	455,115	16,207	25,954	3,988	501,264	448,874	3,016	27,972	2,968	482,830
Non-current assets										
Cash and cash equivalents	25,792	-	-	-	25,792	27,131	-	-	-	27,131
Investments	413,772	-	47,840	60,059	521,671	316,189	-	40,648	48,080	404,917
Derivative instruments	-	-	-	47	47	-	-	-	290	290
Education loan notes receivable, net	1,716,301	88,557	-	10,452	1,815,310	1,624,365	22,946	-	10,494	1,657,805
Capital assets, net of accumulated depreciation	-	-	-	9,627	9,627	-	-	-	10,827	10,827
Total assets	$ 2,610,980	$ 104,764	$ 73,794	$ 84,173	$ 2,873,711	$ 2,416,559	$ 25,962	$ 68,620	$ 72,659	$ 2,583,800
Liabilities										
Current liabilities										
Accounts payable and accrued expenses	$ 667	$ -	$ 11,335	$ 5,413	$ 17,415	$ 237	$ -	$ 11,026	$ 4,509	$ 15,772
Bonds payable - current portion	127,115	-	-	-	127,115	129,239	-	-	-	129,239
Certificates payable	-	-	4,663	-	4,663	-	-	5,467	-	5,467
Accrued bond and note interest payable	37,917	475	-	-	38,392	34,030	34	-	-	34,064
Other liabilities - current	-	-	-	1,697	1,697	-	-	-	1,747	1,747
Total current liabilities	165,699	475	15,998	7,110	189,282	163,506	34	16,493	6,256	186,289
Non-current liabilities										
Notes payable	-	103,650	-	-	103,650	-	25,700	-	-	25,700
Bonds payable - net of current portion	2,265,208	-	-	-	2,265,208	2,074,544	-	-	-	2,074,544
Yield restriction liability	10,712	-	-	-	10,712	4,874	-	-	-	4,874
Other liabilities - non-current	595	-	-	3,739	4,334	-	-	-	5,611	5,611
Total liabilities	2,442,214	104,125	15,998	10,849	2,573,186	2,242,924	25,734	16,493	11,867	2,297,018
Deferred inflows of resources										
Net gain on bond refunding	1,885	-	-	-	1,885	962	-	-	-	962
Total deferred inflows of resources	1,885	-	-	-	1,885	962	-	-	-	962
Total liabilities and deferred inflows of resources	2,444,099	104,125	15,998	10,849	2,575,071	2,243,886	25,734	16,493	11,867	2,297,980
Net position										
Net investment in capital assets	-	-	-	9,627	9,627	-	-	-	10,827	10,827
Restricted	166,881	639	20,706	2,113	190,339	172,673	228	18,517	2,003	193,421
Unrestricted	-	-	37,090	61,584	98,674	-	-	33,610	47,962	81,572
Total net position	166,881	639	57,796	73,324	298,640	172,673	228	52,127	60,792	285,820
Total liabilities, deferred inflows and net position	$ 2,610,980	$ 104,764	$ 73,794	$ 84,173	$ 2,873,711	$ 2,416,559	$ 25,962	$ 68,620	$ 72,659	$ 2,583,800

Massachusetts Educational Financing Authority

Supplemental Schedule 1

Statements of Revenues, Expenses and Changes in Net Position

For the years ended June 30, 2024 and 2023

	2024					2023				
Operating revenues	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**
Interest on education loan notes receivable	$ 109,720	$ 5,852	$ -	$ -	$ 115,572	$ 98,426	$ 641	$ -	$ 2	$ 99,069
College savings plan interest and fees	-	-	7,793	63	7,856	-	-	7,107	46	7,153
Other revenue	-	-	1,312	15,000	16,312	-	-	1,146	-	1,146
Total operating revenues	109,720	5,852	9,105	15,063	139,740	98,426	641	8,253	48	107,368
Operating expenses										
Bond and note interest expense	76,978	4,885	-	-	81,863	64,464	541	-	-	65,005
Costs of bond and note issuance	4,308	-	-	24	4,332	3,090	-	-	15	3,105
Provision for doubtful education loan notes receivable	7,876	816	-	(152)	8,540	5,789	283	-	1,358	7,430
General and administrative	19,052	2	6,014	7,940	33,008	9,960	1	6,742	13,787	30,490
Other expense	1,400	-	-	-	1,400	1,093	-	-	1	1,094
Total operating expenses	109,614	5,703	6,014	7,812	129,143	84,396	825	6,742	15,161	107,124
Operating income (loss)	106	149	3,091	7,251	10,597	14,030	(184)	1,511	(15,113)	244
Non-operating revenues (expenses)										
Interest and dividends	19,750	335	2,578	3,061	25,724	11,836	44	1,791	1,952	15,623
(Decrease) increase in fair value of derivative instruments	-	-	-	(244)	(244)	-	-	-	83	83
Arbitrage rebate liability expense	(595)	-	-	-	(595)	-	-	-	-	-
Yield restriction liability expense	(22,662)	-	-	-	(22,662)	(4,874)	-	-	-	(4,874)
Net asset transfers	(17,803)	-	-	17,803	-	-	-	-	-	-
Net non-operating revenues	(21,310)	335	2,578	20,620	2,223	6,962	44	1,791	2,035	10,832
Income (loss) before interfund transfers	(21,204)	484	5,669	27,871	12,820	20,992	(140)	3,302	(13,078)	11,076
Interfund transfers	15,412	(73)	-	(15,339)	-	7,007	113	-	(7,120)	-
Total increase (decrease) in net position	(5,792)	411	5,669	12,532	12,820	27,999	(27)	3,302	(20,198)	11,076
Net position, beginning of year	172,673	228	52,127	60,792	285,820	144,674	255	48,825	80,990	274,744
Net position, end of year	$ 166,881	$ 639	$ 57,796	$ 73,324	$ 298,640	$ 172,673	$ 228	$ 52,127	$ 60,792	$ 285,820

Massachusetts Educational Financing Authority

Supplemental Schedule 1

Statements of Cash Flows

For the years ended June 30, 2024 and 2023

	2024					2023				
Cash flows from operating activities:	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**
Payments for disbursed loans	$ (317,408)	$ (131,195)	$ -	$ -	$ (448,603)	$ (360,417)	$ (46,024)	$ -	$ -	$ (406,441)
Payments received on outstanding loan principal	254,751	7,577	-	757	263,085	248,435	687	-	1,349	250,471
General & administrative payments	(18,586)	(1)	(6,046)	(5,908)	(30,541)	(10,428)	(2)	(6,170)	(10,362)	(26,962)
Interest received on education loans	90,225	5,193	-	-	95,418	82,614	611	-	-	83,225
Proceeds from other sources	-	-	8,991	15,063	24,054	-	-	8,238	46	8,284
Net cash provided by (used in) operating activities	8,982	(118,426)	2,945	9,912	(96,587)	(39,796)	(44,728)	2,068	(8,967)	(91,423)
Cash flows from non-capital financing activities:										
Proceeds from issuance of bonds	472,165	-	-	-	472,165	332,843	-	-	-	332,843
Proceeds from issuance of commercial paper notes	-	129,000	-	-	129,000	-	107,100	-	-	107,100
Costs of bond and note issuance	(675)	-	-	(25)	(700)	(3,090)	-	-	(15)	(3,105)
Bond and note nterest paid	(80,816)	(4,443)	-	-	(85,259)	(67,845)	(507)	-	-	(68,352)
Principal payments on bonds payable	(278,611)	-	-	-	(278,611)	(222,069)	-	-	-	(222,069)
Principal payments on commercial paper notes	-	(51,050)	-	-	(51,050)	-	(81,400)	-	-	(81,400)
Net asset transfers	(55,640)	54,051	-	1,589	-	(13,490)	20,778	-	(7,288)	-
Net cash provided by (used in) non-capital financing activities	56,423	127,558	-	1,564	185,545	26,349	45,971	-	(7,303)	65,017
Cash flows from capital financing activities:										
Purchase of capital assets and software development	-	-	-	(1,857)	(1,857)	-	-	-	(2,941)	(2,941)
Net cash used in capital financing activities	-	-	-	(1,857)	(1,857)	-	-	-	(2,941)	(2,941)
Cash flows from investing activities:										
Proceeds from maturity/sale of investments	292,173	-	11,680	26,000	329,853	-	-	10,540	11,073	21,613
Purchases of investments	(389,755)	-	(19,685)	(37,980)	(447,420)	(316,189)	-	(13,211)	(1,802)	(331,202)
Interest and dividends received on cash and investments	19,556	298	2,522	2,983	25,359	10,527	51	1,658	1,802	14,038
Net cash provided by (used in) investing activities	(78,026)	298	(5,483)	(8,997)	(92,208)	(305,662)	51	(1,013)	11,073	(295,551)
Net increase (decrease) in cash and cash equivalents	(12,621)	9,430	(2,538)	622	(5,107)	(319,109)	1,294	1,055	(8,138)	(324,898)
Cash and cash equivalents, beginning of year	299,201	1,328	3,573	(234)	303,868	618,310	34	2,518	7,904	628,766
Cash and cash equivalents, end of year	$ 286,580	$ 10,758	$ 1,035	$ 388	$ 298,761	$ 299,201	$ 1,328	$ 3,573	$ (234)	$ 303,868

Massachusetts Educational Financing Authority
Supplemental Schedule 1
Statements of Cash Flows, Continued
For the years ended June 30, 2024 and 2023

	2024					2023				
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**
Operating income (loss)	$ 106	$ 149	$ 3,091	$ 7,251	$ 10,597	$ 14,030	$ (184)	$ 1,511	$ (15,113)	$ 244
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:										
Depreciation expense	-	-	-	3,057	3,057	-	-	-	3,257	3,257
Provision for doubtful education loan notes receivable	7,876	816	-	(152)	8,540	5,789	283	-	1,358	7,430
Costs of bond and note issuance	4,308	-	-	24	4,332	3,090	-	-	15	3,105
Bond and note interest expense	76,978	4,885	-	-	81,863	64,464	541	-	-	65,005
Changes in assets and liabilities:										
Education loan notes receivable	(59,272)	(123,623)	-	759	(182,136)	(126,323)	(45,337)	-	1,349	(170,311)
Interest receivable on education loan notes	(27,317)	(655)	-	-	(27,972)	(380)	(30)	-	1	(409)
Prepaid expenses and other assets	36	-	(455)	(6)	(425)	9	-	23	(100)	(68)
Accounts payable and accrued expenses	429	2	309	904	1,644	(475)	(1)	534	266	324
Other liabilities	-	-	-	(1,925)	(1,925)	-	-	-	-	-
Accrued yield restriction	5,838	-	-	-	5,838	-	-	-	-	-
Net cash provided by (used in) operating activities	$ 8,982	$ (118,426)	$ 2,945	$ 9,912	$ (96,587)	$ (39,796)	$ (44,728)	$ 2,068	$ (8,967)	$ (91,423)

Massachusetts Educational Financing Authority

Supplemental Schedule 2

Statements of Net Position

June 30, 2024 and 2023

	2024										2023									
Assets	**FRN of 2008**	**Issue I Total**	**Issue J Total**	**Issue K Total**	**Issue L Total**	**Issue M Total**	**Issue N Total**	**ABS of 2018**	**ABS of 2020**	**Trusteed Bond Funds**	**FRN of 2008**	**Issue I Total**	**Issue J Total**	**Issue K Total**	**Issue L Total**	**Issue M Total**	**ABS of 2018**	**ABS of 2020**	**Trusteed Bond Funds**
Current assets																			
Cash and cash equivalents	$ 1,485	$ 45,443	$ 231	$ 23,360	$ 108,382	$ 77,632	$ 2,301	$ 647	$ 1,307	$ 260,788	$ 660	$ 60,191	$ 46,928	$ 33,920	$ 80,069	$ 47,984	$ 947	$ 1,371	$ 272,070
Education loan notes receivable, net	1,072	18,847	1,078	10,253	48,052	48,918	17,718	4,424	9,460	159,822	1,595	20,605	18,511	11,006	37,372	43,199	4,585	9,836	146,709
Interest receivable on education loan notes	350	691	-	556	14,273	17,153	1,035	170	176	34,404	519	867	838	837	13,286	12,566	184	178	29,275
Prepaid expenses and other assets	14	242	103	116	504	350	630	10	19	1,988	11	291	231	164	870	234	10	21	1,832
Interfund balances	-	(378)	(34)	-	(1,120)	-	(327)	(28)	-	(1,887)	-	(358)	(34)	-	(310)	(281)	(29)	-	(1,012)
Total current assets	2,921	64,845	1,378	34,285	170,091	144,053	21,357	5,223	10,962	455,115	2,785	81,596	66,474	45,927	131,287	103,702	5,697	11,406	448,874
Non-current assets																			
Cash and cash equivalents	757	8,000	-	3,431	5,024	7,763	-	500	317	25,792	760	8,000	2,750	3,431	-	11,373	500	317	27,131
Investments	-	-	-	-	24,017	-	389,755	-	-	413,772	-	-	-	-	316,189	-	-	-	316,189
Education loan notes receivable, net	8,350	74,761	8,192	73,494	714,700	651,737	87,451	38,326	59,290	1,716,301	11,860	100,565	115,385	89,969	493,409	693,428	45,824	73,925	1,624,365
Total assets	$ 12,028	$ 147,606	$ 9,570	$ 111,210	$ 913,832	$ 803,553	$ 498,563	$ 44,049	$ 70,569	$ 2,610,980	$ 15,405	$ 190,161	$ 184,609	$ 139,327	$ 940,885	$ 808,503	$ 52,021	$ 85,648	$ 2,416,559
Liabilities																			
Current liabilities																			
Accounts payable and accrued expenses	$ 10	$ 19	$ 20	$ 16	$ 178	$ 64	$ 349	$ 4	$ 7	$ 667	$ 13	$ 22	$ 45	$ 15	$ 58	$ 70	$ 5	$ 9	$ 237
Bonds payable - current portion	-	46,153	-	13,516	55,742	11,704	-	-	-	127,115	-	46,090	29,298	15,336	38,515	-	-	-	129,239
Accrued interest payable	121	2,410	-	1,787	19,129	13,622	795	25	28	37,917	155	3,488	2,914	2,162	11,325	13,923	30	33	34,030
Total current liabilities	131	48,582	20	15,319	75,049	25,390	1,144	29	35	165,699	168	49,600	32,257	17,513	49,898	13,993	35	42	163,506
Non-current liabilities																			
Bonds payable - net of current portion	9,907	55,232	-	66,959	800,561	755,506	475,798	37,708	63,537	2,265,208	13,377	101,083	111,541	80,980	857,128	786,342	45,536	78,557	2,074,544
Yield restriction liability	-	10,712	-	-	-	-	-	-	-	10,712	-	-	4,874	-	-	-	-	-	4,874
Other liabilities - non-current	-	-	-	-	489	91	15	-	-	595	-	-	-	-	-	-	-	-	-
Total liabilities	10,038	114,526	20	82,278	876,099	780,987	476,957	37,737	63,572	2,442,214	13,545	150,683	148,672	98,493	907,026	800,335	45,571	78,599	2,242,924
Deferred inflows of resources																			
Net gain (loss) on bond refunding	-	-	-	-	-	887	1,081	(83)	-	1,885	-	-	-	-	-	1,072	(110)	-	962
Total deferred inflows of resources	-	-	-	-	-	887	1,081	(83)	-	1,885	-	-	-	-	-	1,072	(110)	-	962
Total liabilities and deferred inflows of resources	10,038	114,526	20	82,278	876,099	781,874	478,038	37,654	63,572	2,444,099	13,545	150,683	148,672	98,493	907,026	801,407	45,461	78,599	2,243,886
Net position																			
Restricted	1,990	33,080	9,550	28,932	37,733	21,679	20,525	6,395	6,997	166,881	1,860	39,478	35,937	40,834	33,859	7,096	6,560	7,049	172,673
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total net position	1,990	33,080	9,550	28,932	37,733	21,679	20,525	6,395	6,997	166,881	1,860	39,478	35,937	40,834	33,859	7,096	6,560	7,049	172,673
Total liabilities, deferred inflows and net position	$ 12,028	$ 147,606	$ 9,570	$ 111,210	$ 913,832	$ 803,553	$ 498,563	$ 44,049	$ 70,569	$ 2,610,980	$ 15,405	$ 190,161	$ 184,609	$ 139,327	$ 940,885	$ 808,503	$ 52,021	$ 85,648	$ 2,416,559

Massachusetts Educational Financing Authority

Supplemental Schedule 2

Statements of Revenues, Expenses and Changes in Net Position

For the years ended June 30, 2024 and 2023

	2024										2023									
	FRN of 2008	Issue I Total	Issue J Total	Issue K Total	Issue L Total	Issue M Total	Issue N Total	ABS of 2018	ABS of 2020	Trusteed Bond Funds	FRN of 2008	Issue I Total	Issue J Total	Issue K Total	Issue L Total	Issue M Total	ABS of 2018	ABS of 2020	Trusteed Bond Funds
Operating revenues																			
Interest on education loan notes receivable	$ 875	$ 6,363	$ 7,079	$ 5,715	$ 42,364	$ 40,520	$ 215	$ 2,730	$ 3,859	$ 109,720	$ 775	$ 8,402	$ 9,158	$ 6,808	$ 30,854	$ 34,651	$ 3,156	$ 4,622	$ 98,426
Total operating revenues	875	6,363	7,079	5,715	42,364	40,520	215	2,730	3,859	109,720	775	8,402	9,158	6,808	30,854	34,651	3,156	4,622	98,426
Operating expenses																			
Bond interest expense	780	3,748	2,774	2,732	36,320	26,228	795	1,761	1,840	76,978	798	6,003	4,716	3,148	18,537	26,931	2,115	2,216	64,464
Costs of bond issuance	-	-	-	-	12	-	4,296	-	-	4,308	-	-	-	-	3,096	(6)	-	-	3,090
Provision for doubtful education loan notes receivable	3	451	(242)	363	7,267	(642)	282	135	259	7,876	18	1,498	885	578	(2,579)	6,382	(281)	(712)	5,789
General and administrative	49	774	10,279	425	4,144	2,885	21	175	300	19,052	67	943	840	470	1,370	4,627	369	1,274	9,960
Other expense	-	114	146	106	401	470	-	122	41	1,400	-	145	172	76	229	250	-	221	1,093
Total operating expenses	832	5,087	12,957	3,626	48,144	28,941	5,394	2,193	2,440	109,614	883	8,589	6,613	4,272	20,653	38,184	2,203	2,999	84,396
Operating income (loss)	43	1,276	(5,878)	2,089	(5,780)	11,579	(5,179)	537	1,419	106	(108)	(187)	2,545	2,536	10,201	(3,533)	953	1,623	14,030
Non-operating revenues (expenses)																			
Interest and dividends	87	3,038	1,571	1,009	10,138	3,100	635	74	98	19,750	70	2,154	1,338	1,066	2,718	4,358	55	77	11,836
Arbitrage rebate expense	-	-	-	-	(489)	(91)	(15)	-	-	(595)	-	-	-	-	-	-	-	-	-
Yield restriction expense	-	(10,712)	(11,950)	-	-	-	-	-	-	(22,662)	-	-	(4,874)	-	-	-	-	-	(4,874)
Net asset transfers	-	-	(437)	(15,000)	-	-	-	(780)	(1,586)	(17,803)	-	-	-	-	-	-	-	-	-
Net non-operating revenues (expenses)	87	(7,674)	(10,816)	(13,991)	9,649	3,009	620	(706)	(1,488)	(21,310)	70	2,154	(3,536)	1,066	2,718	4,358	55	77	6,962
Income (loss) before interfund transfers	130	(6,398)	(16,694)	(11,902)	3,869	14,588	(4,559)	(169)	(69)	(21,204)	(38)	1,967	(991)	3,602	12,919	825	1,008	1,700	20,992
Interfund transfers	-	-	(9,693)	-	5	(5)	25,084	4	17	15,412	3	-	-	-	6,908	81	5	10	7,007
Total increase (decrease) in net position	130	(6,398)	(26,387)	(11,902)	3,874	14,583	20,525	(165)	(52)	(5,792)	(35)	1,967	(991)	3,602	19,827	906	1,013	1,710	27,999
Net position, beginning of year	1,860	39,478	35,937	40,834	33,859	7,096	-	6,560	7,049	172,673	1,895	37,511	36,928	37,232	14,032	6,190	5,547	5,339	144,674
Net position, end of year	$ 1,990	$ 33,080	$ 9,550	$ 28,932	$ 37,733	$ 21,679	$ 20,525	$ 6,395	$ 6,997	$ 166,881	$ 1,860	$ 39,478	$ 35,937	$ 40,834	$ 33,859	$ 7,096	$ 6,560	$ 7,049	$ 172,673

Massachusetts Educational Financing Authority

Supplemental Schedule 2

Statements of Cash Flows

For the years ended June 30, 2024 and 2023

	2024										2023									
Cash flows from operating activities:	**FRN of 2008**	**Issue I Total**	**Issue J Total**	**Issue K Total**	**Issue L Total**	**Issue M Total**	**Issue N Total**	**ABS of 2018**	**ABS of 2020**	**Trusteed Bond Funds**	**FRN of 2008**	**Issue I Total**	**Issue J Total**	**Issue K Total**	**Issue L Total**	**Issue M Total**	**ABS of 2018**	**ABS of 2020**	**Trusteed Bond Funds**
Payments for disbursed loans	$ -	$ -	$ -	$ -	$ (313,715)	$ (3,659)	$ (34)	$ -	$ -	$ (317,408)	$ -	$ -	$ -	$ -	$ 70	$ (360,487)	$ -	$ -	$ (360,417)
Payments received on outstanding loan principal	4,126	27,000	24,973	16,989	82,979	75,324	1,243	7,405	14,712	254,751	5,535	31,815	30,936	21,135	70,636	63,636	8,662	16,080	248,435
General & administrative payments	(51)	(777)	(10,267)	(415)	(4,037)	(2,891)	327	(174)	(301)	(18,586)	(69)	(951)	(848)	(462)	(1,529)	(4,904)	(373)	(1,292)	(10,428)
Interest received on education loans	946	6,536	7,081	5,768	32,472	30,413	408	2,741	3,860	90,225	571	8,645	9,360	6,800	25,971	23,411	3,208	4,648	82,614
Net cash provided by (used in) operating activities	5,021	32,759	21,787	22,342	(202,301)	99,187	1,944	9,972	18,271	8,982	6,037	39,509	39,448	27,473	95,148	(278,344)	11,497	19,436	(39,796)
Cash flows from non-capital financing activities:																			
Proceeds from issuance of bonds	-	-	-	-	-	-	472,165	-	-	472,165	-	-	-	-	332,843	-	-	-	332,843
Costs of bond issuance	-	-	-	-	(12)	-	(663)	-	-	(675)	-	-	-	-	(3,096)	6	-	-	(3,090)
Bond interest paid	(813)	(6,944)	(7,291)	(3,948)	(30,455)	(27,847)	-	(1,677)	(1,841)	(80,816)	(722)	(7,964)	(6,905)	(4,961)	(23,760)	(19,310)	(2,006)	(2,217)	(67,845)
Principal payments on bonds payable	(3,470)	(43,670)	(138,155)	(15,000)	(37,400)	(18,000)	-	(7,890)	(15,026)	(278,611)	(6,359)	(22,470)	(42,215)	(23,985)	(99,155)	-	(9,769)	(18,116)	(222,069)
Net asset transfers	-	20	72,551	(15,000)	814	(30,286)	(81,394)	(777)	(1,568)	(55,640)	3	2	-	-	(22,705)	9,195	5	10	(13,490)
Net cash (used in) provided by non-capital financing activities	(4,283)	(50,594)	(72,895)	(33,948)	(67,053)	(76,133)	390,108	(10,344)	(18,435)	56,423	(7,078)	(30,432)	(49,120)	(28,946)	184,127	(10,109)	(11,770)	(20,323)	26,349
Cash flows from investing activities:																			
Proceeds from maturity/sale of investments	-	-	-	-	292,173	-	-	-	-	292,173	-	-	-	-	-	-	-	-	-
Purchases of investments	-	-	-	-	-	-	(389,755)	-	-	(389,755)	-	-	-	-	(316,189)	-	-	-	(316,189)
Interest and dividends received on cash and investments	84	3,087	1,661	1,046	10,518	2,984	4	72	100	19,556	65	1,926	1,190	970	1,961	4,293	52	70	10,527
Net cash provided by (used in) investing activities	84	3,087	1,661	1,046	302,691	2,984	(389,751)	72	100	(78,026)	65	1,926	1,190	970	(314,228)	4,293	52	70	(305,662)
Net increase (decrease) in cash and cash equivalents	822	(14,748)	(49,447)	(10,560)	33,337	26,038	2,301	(300)	(64)	(12,621)	(976)	11,003	(8,482)	(503)	(34,953)	(284,160)	(221)	(817)	(319,109)
Cash and cash equivalents, beginning of year	1,420	68,191	49,678	37,351	80,069	59,357	-	1,447	1,688	299,201	2,396	57,188	58,160	37,854	115,022	343,517	1,668	2,505	618,310
Cash and cash equivalents, end of year	$ 2,242	$ 53,443	$ 231	$ 26,791	$ 113,406	$ 85,395	$ 2,301	$ 1,147	$ 1,624	$ 286,580	$ 1,420	$ 68,191	$ 49,678	$ 37,351	$ 80,069	$ 59,357	$ 1,447	$ 1,688	$ 299,201

Massachusetts Educational Financing Authority

Supplemental Schedule 2

Statements of Cash Flows, Continued

For the years ended June 30, 2024 and 2023

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	2024 FRN of 2008	2024 Issue I Total	2024 Issue J Total	2024 Issue K Total	2024 Issue L Total	2024 Issue M Total	2024 Issue N Total	2024 ABS of 2018	2024 ABS of 2020	2024 Trusteed Bond Funds
Operating income (loss)	$ 43	$ 1,276	$ (5,878)	$ 2,089	$ (5,780)	$ 11,579	$ (5,179)	$ 537	$ 1,419	$ 106
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:										
Provision for doubtful education loan notes receivable	3	451	(242)	363	7,267	(642)	282	135	259	7,876
Costs of bond issuance	-	-	-	-	12	-	4,296	-	-	4,308
Bond interest expense	780	3,748	2,774	2,732	36,320	26,228	795	1,761	1,840	76,978
Changes in assets and liabilities:										
Education loan notes receivable	4,030	27,111	41,919	16,866	(239,240)	66,558	1,209	7,523	14,752	(59,272)
Interest receivable on education loan notes	169	(10,535)	(11,924)	281	(987)	(4,530)	192	16	1	(27,317)
Prepaid expenses and other assets	-	-	37	11	(12)	-	-	-	-	36
Accounts payable and accrued expenses	(4)	(4)	(25)	-	119	(6)	349	-	-	429
Accrued yield restriction	-	10,712	(4,874)	-	-	-	-	-	-	5,838
Net cash provided by (used in) operating activities	$ 5,021	$ 32,759	$ 21,787	$ 22,342	$ (202,301)	$ 99,187	$ 1,944	$ 9,972	$ 18,271	$ 8,982

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	2023 FRN of 2008	2023 Issue I Total	2023 Issue J Total	2023 Issue K Total	2023 Issue L Total	2023 Issue M Total	2023 ABS of 2018	2023 ABS of 2020	2023 Trusteed Bond Funds
Operating income (loss)	$ (108)	$ (187)	$ 2,545	$ 2,536	$ 10,201	$ (3,533)	$ 953	$ 1,623	$ 14,030
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Provision for doubtful education loan notes receivable	18	1,498	885	578	(2,579)	6,382	(281)	(712)	5,789
Costs of bond issuance	-	-	-	-	3,096	(6)	-	-	3,090
Bond interest expense	798	6,003	4,716	3,148	18,537	26,931	2,115	2,216	64,464
Changes in assets and liabilities:									
Education loan notes receivable	5,506	31,903	30,608	20,071	60,285	(299,655)	8,661	16,298	(126,323)
Interest receivable on education loan notes	(175)	300	703	1,132	5,766	(8,187)	53	28	(380)
Prepaid expenses and other assets	-	10	9	18	(1)	(14)	-	(13)	9
Accounts payable and accrued expenses	(2)	(18)	(18)	(10)	(157)	(262)	(4)	(4)	(475)
Accrued yield restriction	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	$ 6,037	$ 39,509	$ 39,448	$ 27,473	$ 95,148	$ (278,344)	$ 11,497	$ 19,436	$ (39,796)

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APPENDIX B

DEFINITIONS OF CERTAIN TERMS

The term "Issue M Loans" as used in the front portion of this Official Statement has the same meaning as the term "Education Loans," which is defined herein and is the term used in this "APPENDIX B - DEFINITIONS OF CERTAIN TERMS" and in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION." The term "Issue M Bonds" as used in the front portion of this Official Statement has the same meaning as the term "Bonds," which is defined herein and is the term used in this "APPENDIX B – DEFINITIONS OF CERTAIN TERMS" and in "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION."

Accountant's Certificate means an opinion signed by an independent certified public accountant of recognized national standing or a firm of certified public accountants of recognized national standing, selected by the Authority, who may be the accountant or firm of accountants who regularly audits the books of the Authority.

Accounts Bank means U.S. Bank National Association and any other entity that holds funds or securities in connection with Bonds.

Act means Chapter 15C of the General Laws of the Commonwealth as amended from time to time.

Additional Bonds means any Bonds issued pursuant to the Resolution in addition to the Series 2021A Bonds, the Series 2021BC Bonds, the Series 2022A Bonds, the Series 2022BC Bonds, the Series 2025A Bonds and the Series 2025B Bonds.

Annual Budget means the budget adopted by the Authority for the Program, as amended or supplemented and in effect, from time to time, for a particular Fiscal Year of the Authority.

Applicable means, when used to modify any account or subaccount in a particular Fund established for Tax-Exempt Bonds or Taxable Bonds, or for a particular Series of either such Category of Bonds, the account or subaccount within a Fund or account established for such Category and/or Series of Bonds. "Applicable" may also be used to modify references to Revenues, Program Expenses, Subordinated Program Expenses, the Capitalized Interest Account Requirement or the Reserve Fund Requirement allocable to a particular Category of Bonds.

Arbitrage Projection Certificate means a certificate of an Authorized Officer in form and substance approved by Bond Counsel establishing, as the context indicates, one or more of the following: that (i) a transfer from the Revenue Fund to the Program Fund and the acquisition of Education Loan Notes at certain specified rates with the amounts so transferred; (ii) a transfer of moneys to the Authority free and clear of the lien of the Resolution pursuant to the Resolution; (iii) a transfer of excess moneys in the Tax-Exempt Account within the Reserve Fund to any Purchase Account; (iv) the disposition of Educations Loans which are not Defaulted pursuant to the Resolution to the extent the Loans are allocable to Tax-Exempt Bonds or the proceeds of disposition are applied to redeem Tax-Exempt Bonds; or (v) the optional application of Tax-Exempt Excess Revenues to redeem Taxable Bonds or of Taxable Excess Revenues to redeem Tax-Exempt Bonds; in each case, will not cause the applicable Series of Tax-Exempt Bonds to become "arbitrage bonds" within the meaning of Section 148(a) of the Code or adversely affect the ability of the Authority to provide for timely payment in full of such Series of Tax-Exempt Bonds or to make payments or credits to the United States Treasury, Borrowers or others, so as to comply with the requirements of Section 148 of the Code as to such Series of Tax-Exempt Bonds.

Authority means the Massachusetts Educational Financing Authority, a body politic and corporate and a public instrumentality of the Commonwealth organized and existing under the Act, and any successor thereto.

Authority Expenses means the Authority's reasonable and necessary expenses of carrying out and administering the Program under the Resolution, including without limitation fees incurred in preparing cash flow models and a properly allocable portion of its general overhead and operating expenses, as reasonably determined by the Authority, but in no event exceeding on a cumulative basis the aggregate amount set forth in the Loan Program Certificate.

Authorized Officer means the Chairman, Vice Chairman, Executive Director, Assistant Executive Director or Chief Financial Officer of the Authority or any other officer or employee of the Authority authorized to perform specific acts or duties by resolution duly adopted by the Authority.

Bond or Bonds means any bond or bonds authorized and issued under the Resolution.

Bond Counsel means Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. or any successor firm of attorneys or any other nationally recognized bond counsel selected by the Authority.

Bond Counsel's Opinion means an opinion of Bond Counsel.

Bondholder or Holder means, when used with reference to Bonds, the registered owner of any Bond or Bonds, and for the purpose of paying interest on any Interest Payment Date, means the registered owner at the close of business on the record date specified in the applicable Series Resolution.

Bond Year means, unless otherwise specified in a Series Resolution with respect to a Series of Bonds, each year beginning on July 1 and ending on the next succeeding June 30; provided that the first Bond Year with respect to the Series 2025 Bonds shall begin on the Closing Date and end June 30, 2025.

Bonds Subject to Redemption from Excess Revenues means all Bonds Subject to Redemption from Tax-Exempt Excess Revenues and Bonds Subject to Redemption from Taxable Excess Revenues, as each such term may be defined in a Series Resolution and updated in the most current Series Resolution. Each Series Resolution, in each such definition of Bonds Subject to Redemption from Excess Revenues, may designate particular Bonds to be redeemed on a priority basis over other Bonds and the extent of such priority.

Book-Entry Only System means with respect to a particular Series of Bonds, the registration of the Bonds of such Series in the name of a nominee of The Depository Trust Company or other depository entity pursuant to the provisions of the applicable Series Resolution.

Borrower means an applicant approved in accordance with the Origination Guidelines and Servicing Guidelines, as applicable, who has agreed to repay an Education Loan in accordance with the terms and conditions of an Education Loan Note.

Business Day means any day other than (i) a Saturday or Sunday or any other day on which banks are authorized or required to be closed in the Commonwealth, the Commonwealth of Pennsylvania, or New York City, or (ii) a day on which the offices of the New York Stock Exchange

are closed, or (iii) as to a Series of Bonds, any other date specified as not being a Business Day in the Series Resolution for such Series.

Capitalized Interest Accounts means collectively the Tax-Exempt Capitalized Interest Account and the Taxable Capitalized Interest Account.

Capitalized Interest Account Requirements means collectively the Tax-Exempt Capitalized Interest Account Requirement and the Taxable Capitalized Interest Account Requirement.

Category means Bonds with the same characteristics as to tax treatment of interest or of the same priority as to secured position under the Resolution, or both, as the context indicates.

Code means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations promulgated thereunder or applicable thereto.

Commonwealth means The Commonwealth of Massachusetts.

Costs of Issuance means the items of expense payable or reimbursable directly or indirectly by the Authority and related to the authorization, sale and issuance of Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, initial premiums, fees and charges of any Reserve Fund Facility provider, initial fees and charges of a provider of a Qualified Hedge Agreement, professional consultants' fees, fees incurred in preparing certain cash flow models, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, costs and expenses of refunding Bonds and other costs, charges and fees in connection with the foregoing.

Costs of Issuance Accounts means the Tax-Exempt Costs of Issuance Account and the Taxable Costs of Issuance Accounts.

Counsel's Opinion means an opinion signed by an attorney or firm of attorneys (who may be general or special counsel to the Authority) selected by the Authority and which attorney or firm is satisfactory to the Trustee.

Cumulative Sinking Fund Installment means a scheduled Sinking Fund Installment with respect to Bonds designated as "Term Bonds" pursuant to a Series Resolution to be made subject to availability of adequate Taxable Revenues and/or Tax-Exempt Revenues, as applicable, prior to a maturity date.

Custodian has the meaning set forth under the definition of "Investment Obligations" in sub-paragraph 10.

Debt Service means with respect to any given period of time, an amount equal to the sum of (a) all interest due and payable on the Bonds during such period at their stated rate of interest, plus (b) the Principal Installments payable during such period. Debt Service and interest on Bonds with respect to which there is a Qualified Hedge Agreement in effect shall be calculated so as to reflect the anticipated effect of such Qualified Hedge Agreement consistent with terms set forth in the Resolution.

Debt Service Fund means the Debt Service Fund established by the Resolution.

Defaulted means Education Loans or Education Loan Notes which are in default in accordance with their terms and as to which payment has been accelerated or as to which an Education Loan Payment is overdue by 180 days or more or for such lesser or greater period of time as the Authority may from time to time establish.

Education Loan means any loan to or on behalf of a Student originated directly or indirectly by the Authority which loan satisfies the requirements of the Origination Guidelines, Servicing Guidelines and the Loan Program Certificate and is eligible for Purchase or has been Purchased by the Authority from the proceeds of Bonds or other funds and pledged under the Resolution as security for the Bonds.

Education Loan Note means a promissory note or credit agreement (including without limitation an electronically executed promissory note or credit agreement) or such other evidence as may be described by a certificate of an Authorized Officer to the Trustee evidencing an Education Loan Purchased or to be Purchased with the proceeds of Bonds or other funds pledged under the Resolution as security for the Bonds.

Education Loan Payments means all payments on an Education Loan, including a Defaulted Education Loan, which reduce or eliminate the principal balance or interest due on such Education Loan, including without limitation (1) scheduled payments of principal and interest on such Education Loan and (2) amounts paid with respect to principal or interest on account of (i) voluntary prepayment of all or any portion of an Education Loan by a Borrower, (ii) receipts upon acceleration of the due date of such Education Loan, (iii) proceeds of sale or other disposition of such Education Loan (including acquisition or refinancing of such Education Loan by the Authority from moneys other than Bond proceeds or Trust Assets), and (iv) payments received pursuant to any insurance or guaranty on such Education Loan.

Eligible Collateral has the meaning set forth under the definition of "Investment Obligations" in sub-paragraph 10.

Eligible Investment Agreement Provider has the meaning set forth under the definition of "Investment Obligations" in sub-paragraph 11.

Eligible Repurchase Agreement Provider has the meaning set forth under the definition of "Investment Obligations" in sub-paragraph 10.

Event of Default means an event of default as defined in the section entitled "SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION – Events of Default" in Appendix C.

Excess Revenues means collectively any Tax-Exempt Excess Revenues and Taxable Excess Revenues.

Favorable Opinion means a Bond Counsel's Opinion addressed to the Authority and the Trustee, reasonably acceptable to such addressees, to the effect that the action proposed to be taken is authorized or permitted by the Act and the Resolution and will not adversely affect any exclusion of interest of the particular Series of Tax-Exempt Bonds in question from gross income for purposes of federal income taxation or the exemption from taxation by the Commonwealth.

Favorable Projection of Revenues means a Projection of Revenues showing that, taking into account one or more actions proposed by the Authority, expected Revenues and other funds

available for such purposes will be at least sufficient to pay, in the current and each future Bond Year, Required Debt Service when due, Program Expenses and Subordinated Program Expenses, and Rebate Fund Requirements.

Fiduciary means each of the Trustee, the registrar and the Paying Agent.

First Series Resolution means the Authority's First Issue M Series Resolution, dated as of April 8, 2021, authorizing the issuance of the Series 2021A Bonds.

Fifth Series Resolution means the Authority's Fifth Issue M Series Resolution, dated as of April 10, 2025 authorizing the issuance of the Series 2025A Bonds.

Fiscal Year means the period of twelve calendar months ending with June 30, or such other date as the Authority may designate consistent with the Act, of any year.

Fixed Rate Bonds means any Bonds the interest rate on which is fixed to maturity.

Floating Rate Bonds means any Bonds other than Fixed Rate Bonds.

Fourth Series Resolution means the Authority's Fourth Issue M Series Resolution, dated as of April 14, 2022 authorizing the issuance of the Series 2022BC Bonds.

Hedge Agreement means a payment exchange agreement, interest rate swap agreement, forward purchase agreement or any other hedge agreement entered into by the Authority providing for payments between the parties based on levels of, or changes, in interest rates, stock or other indices or contracts to exchange cash flows or a series of payments or contracts, including without limitation, interest rate floors or caps, options, puts or calls, which allows the Authority to manage or hedge payment, rate, spread or similar risk with respect to any Bonds.

Highest Priority Bonds means, so long as any Senior Bonds are Outstanding, the Senior Bonds, if no Senior Bonds are Outstanding, the Subordinate Bonds, and if no Senior Bonds or Subordinate Bonds are Outstanding, the Junior Subordinate Bonds.

Interest Payment Date means January 1 and July 1 of each year that Bonds are Outstanding except as otherwise specified in the Series Resolution applicable to a particular Series of Bonds.

Investment Obligations means and includes for any Series of Bonds, subject to any restrictions set forth in the Series Resolution for such Series of Bonds, any of the following securities or obligations (any of which may be held in book-entry form and any of which under clauses (1) through (9) shall have maturities of 365 days or less, unless otherwise noted):

1. (a) Cash (fully insured by the Federal Deposit Insurance Corporation), (b) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("U.S. Treasury Obligations"), (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States Department of Treasury.

   Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America and rated at least "AA" by S&P:

   a) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations

   b) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

   c) Federal Home Loan Banks (FHL Banks) consolidated debt obligations;

   d) Federal National Mortgage Association (FNMA) senior debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances of any bank the short-term obligations of which are rated "A-1+" by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least $15 million.

6. Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P.

7. Money market funds rated at least "AAAm" by S&P.

8. "State Obligations" means:

   a) Direct general obligations of any state of the United States of America the unsecured general obligation debt of which is rated at least "AA" by S&P.

   b) Direct general short-term obligations of any state agency rated "A-1+" by S&P.

   c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated "AA" or better by S&P.

9. Pre-refunded municipal obligations rated "AAA" by S&P meeting the following requirements:

   a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

   b) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

   c) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public

accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification Report");

d) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

e) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

f) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements: with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "AA" by S&P; or (2) any broker-dealer with "retail customers" which has, long-term debt rated at least "AA" by S&P which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least "AA" by S&P and acceptable to the Authority (each an "Eligible Repurchase Agreement Provider"), provided that:

a) (i) permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers), and (ii) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral");

b) the Trustee or a third party acting solely as agent therefore or for the Authority (the "Custodian") has possession of the collateral or the collateral has been transferred to the Custodian in accordance with applicable state and federal laws (other than by means of entries on the transferor's books) and such collateral shall be marked to market;

c) the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the Trustee and the Authority setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

d) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

e) the repurchase agreement shall provide that if during its term the provider's rating by S&P is withdrawn or suspended or falls below "AA-" by S&P, the provider must notify the Authority and the Trustee within five (5) days of receipt of such notice. Within sixty (60) days of such withdrawal, suspension

or downgrade, the provider shall either: (i) provide a written guarantee from an entity rated at least "AA' by S&P and acceptable to the Authority, or (ii) assign the agreement to an Eligible Repurchase Agreement Provider. If the provider does not perform a remedy within sixty (60) days, the provider shall, at the direction of the Trustee repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the Authority or the Trustee.

11. Investment agreements[*]: with a domestic or foreign bank or corporation the short-term debt of which is rated at least "A-1+" by S&P or, if the short-term debt of which, if not rated by S&P, the long-term debt of which is rated at least "AA-," and which is acceptable to the Authority (each an "Eligible Investment Agreement Provider"); provided that:

a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for one or more Purchase Accounts, Purchase Account draws) on the Bonds;

b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior notice;

c) the provider shall send monthly reports to the Trustee and the Authority setting forth the balance the Authority or Trustee has invested with the provider and the amounts and dates of interest accrued and paid by the provider;

d) the investment agreement shall state that it is an unconditional and general obligation of the provider, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

e) the Authority and the Trustee shall receive an opinion of domestic counsel to the provider that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms;

f) the Authority and the Trustee shall receive an opinion of foreign counsel to the provider (if applicable) that (i) the investment agreement has been duly

[*] With respect to proceeds of the Series 2025 Bonds deposited in the applicable Purchase Account, "Investment Obligations" includes an investment agreement with a domestic or foreign bank or corporation the short-term debt of which is rated at least "A-1+" by S&P or, if the short-term debt of which is not rated at least "A-1+" by S&P, the long-term debt of which is rated at least "A-," and which is acceptable to the Authority (each, an "Eligible Provider"), and any other investment approved by the Authority, the investment in which will not adversely affect the then current ratings, if any, assigned to the Series 2025 Bonds by each Nationally Recognized Rating Agency then maintaining a credit rating on the Series 2025 Bonds. With respect to proceeds of the Series 2025 Bonds deposited in the applicable Purchase Account that are invested in an investment agreement, if during its term the provider's rating by S&P falls below the minimum level required in the first sentence of this footnote, or is withdrawn or suspended, the provider shall, within sixty (60) days of such occurrence, do one of the following: (i) provide a written guarantee acceptable to the Authority from a guarantor with a short-term debt rating of at least "A-1+" or better, or, if the short-term debt rating is not at least "A-1+," a long-term debt rating of "A-" or better, by S&P, (ii) assign the agreement to an Eligible Provider, or (iii) repay the principal of and accrued but unpaid interest on the investment.

authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms, (ii) the choice of law of the state set forth in the investment agreement is valid under that country's laws and a court in such country would uphold such choice of law, and (iii) any judgment rendered by a court in the United States would be recognized and enforceable in such country;

g) the investment agreement shall provide that if during its term the provider's rating by S&P falls below the minimum level required in the introductory clause of this item (11) in the definition of "Investment Obligations" or is withdrawn or suspended, the provider shall, within sixty (60) days of such occurrence, either (i) provide a written guarantee acceptable to the Authority from a guarantor with a short-term debt rating of at least "A-1+" or better, or, if no short-term debt rating, a long-term debt rating of "AA-" or better, by S&P, (ii) assign the agreement to an Eligible Investment Agreement Provider, or (iii) repay the principal of and accrued but unpaid interest on the investment, in either case with no termination, penalty or premium to the Authority or Trustee;

h) in the event the provider is required to collateralize, permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers) and collateral levels must be 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC. In addition, the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the Trustee and the Authority setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

i) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

j) the investment agreement must provide that if during its term: (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Authority or the Trustee be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Authority or Trustee, as appropriate, and (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc., the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Authority or Trustee, as appropriate; and

k) Prior Rating Agency Notice shall be required for an investment agreement entered into in connection with a particular Series of Bonds after the date of issuance of such Series.

Junior Subordinate Bonds means Bonds issued pursuant to the Resolution and secured on a subordinate priority to the Senior Bonds and the Subordinate Bonds under the terms of the applicable Series Resolution.

Junior Subordinate Taxable Bonds means Junior Subordinate Bonds which are Taxable Bonds.

Junior Subordinate Tax-Exempt Bonds means Junior Subordinate Bonds which are Tax-Exempt Bonds.

Late Charges means any charges or penalties which are assessed Borrowers on account of failure to make timely payments of principal or interest on Education Loan Notes pursuant to the terms thereof.

Loan Origination Period means, with respect to each Series of Bonds, the period beginning on the date of issuance of such Bonds and ending on the date specified in the applicable Series Resolution as the latest date on which any unexpended original proceeds of such Bonds may be applied or committed to the Purchase of Education Loans.

Loan Origination Target means, when applicable, an amount required to be expended from the Purchase Account relating to a particular Series of Bonds to originate or acquire Education Loans as of a particular date, as set forth in the Series Resolution relating to such Series of Bonds. For the avoidance of doubt, satisfaction of each Loan Origination Target with respect to a Series of Bonds will be determined on a periodic basis, rather than a cumulative basis, subject to a credit if a prior Loan Origination Target is exceeded.

Loan Origination Target Date means, when applicable, the date by which the Loan Origination Target(s) relating to a particular Series of Bonds must be met, subject in each case to adjustment to a later date or dates with Prior Rating Agency Notice, as set forth in the Series Resolution relating to such Series of Bonds.

Loan Program Certificate means the Loan Program Certificate attached to the most recent Series Resolution setting forth terms and conditions for the Education Loans to be Purchased and for the Program, as the same may be amended from time to time, subject to Prior Rating Agency Notice.

MEFA Loan means any Education Loan described in the Loan Program Certificate, and does not include Refinancing Loans.

MEFA Loan for Graduate Education means an Education Loan for a post-baccalaureate degree, or a post-doctoral program of study and bearing such further characteristics as are set forth in the Loan Program Certificate.

MEFA Loan for Undergraduate Education means an Education Loan for a program of study leading to a baccalaureate degree and bearing such further characteristics as are set forth in the Loan Program Certificate.

Nationally Recognized Rating Agency means (1) S&P, (2) any other credit rating agency which is nationally recognized for skill and expertise in rating the credit of obligations similar to the Bonds and (3) any successor to any of the foregoing by merger, conversion, consolidation or otherwise; provided in each case that such agency has assigned and is maintaining a rating on the Bonds or any Series of Bonds at the request of the Authority.

Net Assets means, as of any date of calculation, the amount equal to (i) the sum of the value of (a) the Education Loans Purchased (valued at par plus accruals), excluding Defaulted Education Loans; plus (b) all moneys and Investment Obligations held in the Funds and accounts established under the Resolution (valued as set forth in the Resolution, plus accrued interest), other than the Rebate Fund and other than amounts held for the payment of Bonds which are no longer Outstanding within the meaning of the Resolution, less (ii) the sum of (x) the principal of and accrued interest on all Outstanding Bonds plus (y) all accrued but unpaid Program Expenses and Subordinated Program Expenses (as certified by an Authorized Officer).

Optional Excess Revenues Redemption Date means any Interest Payment Date on which either (i) the Recycling Period is in effect for one or more Series of Bonds or (ii) as of the applicable date of determination, all of the conditions required to deliver a Parity Ratio Equity Release Certificate have been satisfied.

Origination Guidelines means the document on file with the Authority so designated containing the Program guidelines and certain Program forms regarding the origination of Education Loans, as amended from time to time by the Authority and Entech Consulting, LLC d/b/a Anovaa (so long as it is under contract with the Authority to provide origination services) in a manner consistent with the covenants contained in the Resolution and in any applicable Series Resolution provided, however, that no such amendment shall (a) reduce in any manner the amount of, or delay the time of, collections of scheduled payments with respect to an Education Loan Purchased or (b) reduce the underwriting standards with respect to an Education Loan or (c) conflict with any provision of the Resolution or the related Series Resolution, except in all cases as specifically authorized by a Loan Program Certificate.

Outstanding, when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being delivered under the Resolution except: (i) any Bonds cancelled by the Trustee or any Paying Agent at or prior to such date; (ii) Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered pursuant to the Resolution or the provisions of any Series Resolution; and (iii) Bonds deemed to have been paid as provided in the Resolution.

Overall Parity Ratio means, as of any date of calculation, the ratio of the sum of the value of (a) the Education Loans Purchased (valued at par plus accruals), excluding Defaulted Education Loans; plus (b) all moneys and Investment Obligations held in the Funds and accounts established under the Resolution (valued as set forth in the Resolution, plus accrued interest), other than the Rebate Fund and other than amounts held for the payment of Bonds which are no longer Outstanding within the meaning of the defeasance provisions of the Resolution, to the sum of (x) the principal of and accrued interest on all Outstanding Bonds, plus (y) all accrued but unpaid Program Expenses and Subordinated Program Expenses (as certified by an Authorized Officer).

Parity Ratio Equity Release Certificate means a certificate of an Authorized Officer of the Authority showing that, as of the date of calculation, after giving effect to any proposed transfer or transaction requiring such a Certificate under the Resolution, (i) the Overall Parity Ratio and the Senior Parity Ratio are at least equal to the minimum required ratios, if any, set forth in the most recent Series Resolution or Supplemental Resolution, and (ii) the Net Assets are at least equal to the

minimum required amount, if any, set forth in the most recent Series Resolution or Supplemental Resolution.

Parity Ratio Junior Subordinate Principal Reduction Certificate means a certificate of an Authorized Officer of the Authority showing that, as of the date of the calculation, after giving effect to any proposed payment of principal of Junior Subordinate Bonds (other than a Principal Installment on the Junior Subordinate Bonds from Revenues in accordance with sections of the Resolution requiring such a certificate, the Senior Parity Ratio and the Subordinate Parity Ratio (if any) are at least equal to the minimum required ratios set forth in the most recent Series Resolution or Supplemental Resolution.

Parity Ratio Subordinate Principal Reduction Certificate means a certificate of an Authorized Officer of the Authority showing that, as of the date of the calculation, after giving effect to any proposed payment of principal of Subordinate Bonds (other than a Principal Installment on the Subordinate Bonds from Revenues in accordance with the sections of the Resolution requiring such a certificate, the Senior Parity Ratio is at least equal to the minimum required ratio set forth in the most recent Series Resolution or Supplemental Resolution.

Participating Institution means (i) a non-profit, degree granting educational institution, whether public or private, in Massachusetts or outside of Massachusetts, authorized by law to provide a program of education beyond the high school level, (ii) the Authority on behalf of an educational institution described in (i), or (iii) any other person, firm, association, corporation or other entity participating in the Authority's loan programs.

Paying Agent means the Trustee and any other bank or trust company designated as paying agent for the Bonds pursuant to the Resolution, and its successor or successors thereafter appointed in the manner provided therein.

Principal Installment means, as of any date of calculation with respect to a future date, an amount equal to the aggregate of (1) the principal amount of Outstanding Bonds which mature on such future date reduced by the aggregate principal amount of such Outstanding Bonds which would at or before such future date be retired by reason of the payment when due and application in accordance with the Resolution of remaining Sinking Fund Installments (after adjustment for any actual redemptions credited against such Sinking Fund Installments) payable at or before such future date for the retirement of such Outstanding Bonds, plus (2) the amount of any remaining Sinking Fund Installments (after adjustment for any actual redemptions credited against such Sinking Fund Installments) payable on such future date for the retirement of any Outstanding Bonds.

Principal Office, when used with respect to a Fiduciary, means the office where such Fiduciary maintains its principal office or, where different, its principal trust office.

Prior Rating Agency Notice means written notice to all Nationally Recognized Rating Agencies of an action proposed to be taken by the Authority under the Resolution which requires such notice, which notice shall be given no less than 20 Business Days prior to the proposed effective date of such proposed action.

Program means the Authority's program of Purchasing Education Loans pursuant to the terms of the Resolution and the Loan Program Certificate.

Program Documents means the Education Loan Note and any security agreement or other agreement or certificate required for an Education Loan pursuant to the Loan Program Certificate, the Origination Guidelines, the Servicing Guidelines or a Servicing Agreement.

Program Expense Accounts means collectively the Tax-Exempt Program Expense Account and the Taxable Program Expense Account.

Program Expense Fund means the Program Expense Fund established by the Resolution.

Program Expenses means Authority Expenses and any fee, premium or other item of expense payable or reimbursable directly or indirectly by the Authority and related to (1) the compensation and expenses of the Fiduciaries payable in accordance with the Resolution, (2) the origination or servicing of Education Loans (whether by a Servicer, the Authority or another entity), (3) the fees, premiums and expenses of the provider of any Reserve Fund Facility (but not reimbursement of draws or payments under a Reserve Fund Facility, or any interest due thereon); and (4) such other items of expense as may be provided for in a Series Resolution, but not including Subordinated Program Expenses.

Program Fund means the Program Fund established by the Resolution.

Projection of Revenues means a certificate concerning projected Revenues, Debt Service, Program Expenses, Subordinated Program Expenses and other matters prepared in accordance with the Resolution.

Purchase means, when used in reference to Education Loans or Education Loan Notes pledged as security for the Bonds, the purchase, origination or other acquisition of such Education Loans or Education Loan Notes by the Authority, by the Trustee or by a Loan Servicer acting on behalf of the Authority (including without limitation the designation by the Authority of existing loan or notes as Trust Assets), on terms and conditions permitted by the Resolution and the Program Documents.

Purchase Accounts means collectively the Tax-Exempt Purchase Account and the Taxable Purchase Account.

Qualified Hedge Agreement means a Hedge Agreement as defined in "SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION – Hedging Transactions" in Appendix C.

Qualified Institution means (i) a bank, a trust company, a national banking association, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, a corporation, a trust, a partnership, an unincorporated organization, or a government or an agency, instrumentality, program, account, fund, political subdivision or corporation thereof, which makes collateralization arrangements consistent with those required under the definition of "Investment Securities" in sub-paragraph 10 or, in each case the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, at the time a Qualified Hedge Agreement is entered into by the Authority are rated in a category equal to or higher than "AA" by S&P or (ii) the Government National

Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality.

Rating Agency Condition means receipt of the written confirmation from the Nationally Recognized Rating Agency or Agencies then assigning a rating to any Series of Bonds specified in the applicable provision of the Resolution or of any Series Resolution that such rating will not be lowered or withdrawn as a result of an action proposed by the Authority under the Resolution which requires such confirmation.

Rebate Fund means the Rebate Fund established by the Resolution

Rebate Fund Requirement means, as of any date of calculation, an amount equal to the aggregate of the amounts, if any, specified in each Series Resolution authorizing the issuance of a Series of Tax-Exempt Bonds or in a certificate of an Authorized Officer as the amount required to be deposited in the Rebate Fund with respect to such Bonds, any such certificate to be accompanied by a Favorable Opinion.

Record Date means the fifteenth (15th) day of the month preceding each Interest Payment Date.

Recycling Period means, with respect to all Bonds Outstanding under the Resolution, the period beginning on the date of issuance of such Bonds and ending on the date specified in the most recent Series Resolution or Loan Program Certificate applicable to such Bonds as the latest date on which Revenues of any such Bonds may be applied to the Purchase of Education Loans.

Redemption Accounts means collectively the Tax-Exempt Redemption Account and the Taxable Redemption Account.

Redemption Fund means the Redemption Fund established by the Resolution.

Redemption Price means, with respect to any Bond the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the terms of such Bond and the Series Resolution applicable thereto.

Refinancing Loan means an Education Loan for refinancing higher education expenses as described from time to time in any Program Document.

Required Debt Service means Debt Service, other than Principal Installments that are Cumulative Sinking Fund Installments and other than any other sort of Sinking Fund Installments the payment of which on any Interest Payment Date prior to maturity is not mandatory, but is instead dependent upon the availability of adequate particular Revenues as of such an Interest Payment Date as set forth in the applicable Series Resolution.

Reserve Accounts means collectively the Tax-Exempt Reserve Account and the Taxable Reserve Account.

Reserve Fund means the Reserve Fund established by the Resolution.

Reserve Fund Facility means a letter of credit, policy of insurance, surety bond, acceptance, guarantee or other similar instrument issued to the Trustee for the account of the Authority under

which moneys may be drawn by the Trustee for the purposes of any Reserve Account within the Reserve Fund and which meets the requirements set forth in the Resolution.

Reserve Fund Requirements means the Tax-Exempt Reserve Account Requirement and the Taxable Reserve Account Requirement.

Resolution means the Education Loan Revenue Bond General Resolution, Issue M, dated as of April 8, 2021, as amended or supplemented from time to time by any Series or Supplemental Resolution in accordance with the terms thereof.

Revenue Accounts means collectively, the Tax-Exempt Revenue Account and the Taxable Revenue Account.

Revenue Fund means the Revenue Fund established by the Resolution.

Revenues means (1) all amounts paid or required to be paid with respect to principal and interest from time to time on Education Loans, including without limitation, Education Loan Payments, Late Charges and amounts received upon the sale or other disposition of Education Loan Notes, (2) all amounts received from third parties by the Authority under any security agreement for an Education Loan, excluding any amounts loaned to the Authority thereunder or paid to the Authority as indemnification, (3) all interest, investment gains and other income received on moneys or securities held in Funds or accounts established under the Resolution, except the Rebate Fund, and (4) payments received by the Authority under and pursuant to a Hedge Agreement, including without limitation a Qualified Hedge Agreement.

S&P means S&P Global Ratings, a division of S&P Global, Inc., and its successors and assigns.

Second Series Resolution means the Authority's Second Issue M Series Resolution, dated as of April 8, 2021, authorizing the issuance of the Series 2021B Bonds and the Series 2021C Bonds.

Senior Bonds means all Bonds issued pursuant to the Resolution and secured on a senior priority to the Subordinate Bonds and Junior Subordinate Bonds under the terms of the applicable Series Resolution.

Senior Parity Ratio means, as of any date of calculation, the ratio of the sum of the value of (a) the Education Loans Purchased (valued at par plus accruals), excluding Defaulted Education Loans; and (b) all moneys and Investment Obligations held in the Funds and Accounts established under the Resolution (and valued as set forth in the Resolution, other than the Rebate Fund, to the sum of (x) the principal of and accrued interest on all Outstanding Senior Bonds plus (y) all accrued but unpaid Program Expenses and Subordinated Program Expenses (as certified by an Authorized Officer.

Senior Taxable Bonds means Senior Bonds which are Taxable Bonds.

Senior Tax-Exempt Bonds means Senior Bonds which are Tax-Exempt Bonds.

Series means, except as otherwise provided in a Series Resolution, all of the Bonds delivered upon original issuance in a simultaneous transaction, and any Bonds thereafter delivered in lieu of or in substitution for such Bonds pursuant to the Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions. Reference to a Series therein will be deemed to

refer separately to each Subseries therein except as otherwise provided in the applicable Series Resolution or required by the context.

Series 2021 Bonds means, collectively the Series 2021A Bonds, the Series 2021B Bonds and the Series 2021C Bonds.

Series 2021A Bonds means the Education Loan Revenue Bonds, Issue M, Senior Series 2021A (Federally Taxable) of the Authority authorized by the First Series Resolution and the Resolution.

Series 2021B Bonds means the Education Loan Revenue Bonds, Issue M, Senior Series 2021B of the Authority authorized by the Second Series Resolution and the Resolution.

Series 2021BC Bonds means, collectively, the Series 2021B Bonds and the Series 2021C Bonds.

Series 2021C Bonds means the Education Loan Revenue Bonds, Issue M, Subordinate Series 2021C of the Authority authorized by the Second Series Resolution and the Resolution.

Series 2022 Bonds means, collectively the Series 2022A Bonds, the Series 2022B Bonds and the Series 2022C Bonds.

Series 2022A Bonds means the Authority's Education Loan Revenue Bonds, Issue M, Senior Series 2022A (Federally Taxable) authorized by the Third Series Resolution and the Resolution.

Series 2022B Bonds means the Authority's Education Loan Revenue Bonds, Issue M, Senior Series 2022B authorized by the Fourth Series Resolution and the Resolution.

Series 2022BC Bonds means, collectively, the Series 2022B Bonds and the Series 2022C Bonds.

Series 2022C Bonds means the Authority's Education Loan Revenue Bonds, Issue M, Subordinate Series 2022C authorized by the Fourth Series Resolution and the Resolution.

Series 2025A Bonds means the Authority's Education Loan Revenue Bonds, Issue M, Senior Series 2025A (Federally Taxable) authorized by the Fifth Series Resolution and the Resolution.

Series 2025B Bonds means the Authority's Education Loan Revenue Bonds, Issue M, Senior Series 2025B authorized by the Sixth Series Resolution and the Resolution.

Series Resolution means any resolution supplemental to or amendatory of the Resolution adopted by the Authority in connection with the issuance of a Series of Bonds in accordance with the Resolution.

Servicer means (i) any person in the business of servicing loans who enters into a loan servicing agreement with the Authority for the servicing of Education Loans in connection with the Program or (ii) the Authority, if it provides such services as set forth in the Resolution.

Servicing Agreement means each of the Servicing Agreement between Pennsylvania Higher Education Assistance Agency and the Authority dated as of April 1, 2018, as amended and restated, the Master Services Agreement between Pennsylvania Higher Education Assistance Agency and the

Authority dated July 18, 2023, as amended, and any other loan servicing agreement in effect from time to time between the Authority and a Servicer for the servicing of Education Loans in connection with the Program.

Servicing Guidelines means the document on file with the Authority so designated containing the Program guidelines and certain Program forms regarding Education Loan servicing, as amended from time to time by the Authority with the approval of Pennsylvania Higher Education Assistance Agency, or any successor (so long as it is under contract with the Authority to act as a Servicer) in a manner consistent with the covenants contained in the Resolution and in any applicable Series Resolution provided, however, that no such amendment shall (a) reduce in any manner the amount of, or delay the time of, collections of scheduled payments with respect to an Education Loan Purchased or (b) reduce the underwriting standards with respect to an Education Loan or (c) conflict with any provision of the Resolution or the related Series Resolution, except as specifically authorized by a Loan Program Certificate.

Sinking Fund Installment means, with respect to Bonds of any particular Series and stated maturity date and any particular Interest Payment Date, the principal amount thereof required to be redeemed in advance of their stated maturity date on such Interest Payment Date pursuant to the provisions of the applicable Series Resolution, including without limitation Cumulative Sinking Fund Installments, as contemplated by the Resolution.

Sixth Series Resolution means the Authority's Sixth Issue M Series Resolution, dated as of April 10, 2025 authorizing the issuance of the Series 2025B Bonds.

Student means a person admitted or enrolled or previously enrolled at an institution of higher education that is a Participating Institution who is, will be or was engaged on at least a half-time basis, as determined by the institution, in a program of study leading to a certificate or degree granted or to be granted by such institution or a post-doctoral program, meeting the requirements set forth in the Origination Guidelines and the Servicing Guidelines.

Subordinate Bonds means Bonds issued pursuant to the Resolution and secured on a subordinate priority to the Senior Bonds and on a senior priority to the Junior Subordinate Bonds under the terms of the applicable Series Resolution.

Subordinate Parity Ratio means, as of any date of calculation, the ratio of the sum of the value of (a) the Education Loans Purchased (valued at par plus accruals), excluding Defaulted Education Loans; and (b) all moneys and Investment Obligations held in the Funds and Accounts established under the Resolution (valued as set forth in the Resolution, plus accrued interest), other than the Rebate Fund, to the sum of (x) the principal of and accrued interest on all Outstanding Senior Bonds and Subordinate Bonds, plus (y) all accrued but unpaid Program Expenses and Subordinated Program Expenses (as certified by an Authorized Officer).

Subordinate Taxable Bonds means Subordinate Bonds which are Taxable Bonds.

Subordinate Tax-Exempt Bonds means Subordinate Bonds which are Tax-Exempt Bonds.

Subordinated Program Expenses means, collectively, the Taxable Subordinated Program Expenses and Tax-Exempt Subordinated Program Expenses.

Subordinated Program Expense Account means a subaccount created within a Program Expense Account for one or more particular Series of Bonds.

Subseries means a portion of a Series of Bonds separately designated under a Series Resolution to reflect differences in one or more of interest rate, date of issue, programmatic use, tax treatment or other features, as determined by the Authority in its discretion. References to a Series in the Resolution shall be deemed to refer separately to each Subseries therein except as otherwise provided in the applicable Series Resolution or required by context in the Resolution.

Supplemental Resolution means any resolution supplemental to or amendatory of the Resolution other than a Series Resolution, adopted by the Authority in accordance with the Resolution.

Taxable Bonds means any Bonds issued under the Resolution the interest on which is included in gross income for federal income tax purposes.

Taxable Capitalized Interest Account means the account established by the Resolution within the Program Fund.

Taxable Capitalized Interest Account Requirement, means with respect to a Series of Taxable Bonds, as of any Interest Payment Date, the amount set forth in the applicable Series Resolution or Supplemental Resolution.

Taxable Costs of Issuance Account means the account established by the Resolution within the Program Fund.

Taxable Excess Revenues means any amounts available in the Taxable Revenue Account on any date of calculation after all monthly and semi-annual payments and transfers required by the Resolution, as applicable, to be made from all sub-accounts within the Taxable Revenue Account, as the case may be, on such date have been made, and to the extent applicable: (i) during the Recycling Period, the Authority determines that such amounts are not to be used to originate or acquire additional Education Loans; and (ii) if the requirements of the Resolution with respect to a release of moneys to the Authority may be met on such date, the Authority determines that such amounts are not to be so released.

Taxable Program Expense Account means the account established by the Resolution within the Program Expense Fund.

Taxable Program Expenses means Program Expenses allocable to Taxable Bonds or to the Education Loans allocable to Taxable Bonds.

Taxable Purchase Account means the account established by the Resolution within the Program Fund.

Taxable Redemption Account means the account established by the Resolution within the Redemption Fund.

Taxable Reserve Account means the account established by the Resolution within the Reserve Fund.

Taxable Reserve Account Requirement means, as of any date of calculation while any Taxable Bonds are Outstanding, the amount specified in the most recent Series Resolution or Supplemental Resolution.

Taxable Revenue Account means the account established by the Resolution within the Revenue Fund.

Taxable Revenues means Revenues received from or in connection with an Education Loan financed from proceeds of, or other amounts allocable to, Taxable Bonds.

Taxable Subordinated Program Expenses means (1) the fees, charges and termination payments relating to a Qualified Hedge Agreement (which need not be included in the Annual Budget or Loan Program Certificate), and (2) such other items of expense as may be provided for in a Series Resolution or Loan Program Certificate, allocable to Taxable Bonds or to the Education Loans allocable to Taxable Bonds, but not including Program Expenses.

Tax-Exempt Bonds means collectively, any Bonds the interest on which is excluded from gross income for federal income tax purposes.

Tax-Exempt Capitalized Interest Account means the account established by the Resolution within the Program Fund.

Tax-Exempt Capitalized Interest Account Requirement means with respect to a Series of Tax-Exempt Bonds, as of any Interest Payment Date, the amount set forth in the applicable Series Resolution or Supplemental Resolution.

Tax-Exempt Costs of Issuance Account means the account established by the Resolution within the Revenue Fund.

Tax-Exempt Excess Revenues means any amounts available in the Tax-Exempt Revenue Account on any date of calculation after all monthly and semi-monthly payments and transfers required by the Resolution, as applicable, to be made from all sub-accounts within the Tax-Exempt Revenue Account, as the case may be, on such date have been made, and to the extent applicable: (i) during the Recycling Period, the Authority determines that such amounts are not to be used to originate or acquire additional Education Loans; and (ii) if the requirements of the Resolution with respect to a release of moneys to the Authority may be met on such date, the Authority determines that such amounts are not to be so released.

Tax-Exempt Program Expense Account means the account established by the Resolution within the Program Expense Fund.

Tax-Exempt Program Expenses means Program Expenses allocable to Tax-Exempt Bonds or to the Education Loans allocable to Tax-Exempt Bonds.

Tax-Exempt Purchase Account means the account established by the Resolution within the Program Fund.

Tax-Exempt Redemption Account means the account established by the Resolution within the Redemption Fund.

Tax-Exempt Reserve Account means the account established by the Resolution within the Reserve Fund.

Tax-Exempt Reserve Account Requirement means, as of any date of calculation while any Tax-Exempt Bonds are Outstanding, the amount specified in the most recent Series Resolution or Supplemental Resolution.

Tax-Exempt Revenues means Revenues received from or in connection with an Education Loan financed from proceeds of, or other amounts allocable to, Tax-Exempt Bonds.

Tax-Exempt Revenue Account means the account established by the Resolution within the Revenue Fund.

Tax-Exempt Subordinated Program Expenses means (1) the fees, charges and termination payments relating to a Qualified Hedge Agreement (which need not be included in the Annual Budget or Loan Program Certificate), and (2) such other items of expense as may be provided for in a Series Resolution or Loan Program Certificate, allocable to Tax-Exempt Bonds or to the Education Loans allocable to Tax-Exempt Bonds, but not including Program Expenses.

Third Series Resolution means the Authority's Third Issue M Series Resolution, dated as of April 14, 2022, authorizing the issuance of the Series 2022A Bonds.

Three Month Treasury Bill Yield means the per annum discount rate (expressed as a bond equivalent yield on the basis of 365 or 366 days, as applicable, and applied on a daily basis) for 91-day Treasury Bills set at the most recent 91-day Treasury Bill auction as published by the Board of Governors of the Federal Reserve of the United States Department of Treasury (in Statistical Release H.15 or any successor publication), or, in the event no such rates are published by either of the above, then as quoted or published by any Federal Reserve Bank or any department or agency of the United States of America.

Trust Assets has the meaning set forth in the Resolution.

Trustee means the trustee appointed pursuant to the Resolution, and its successor or successors.

UCC means the Uniform Commercial Code as in force in the Commonwealth of Massachusetts, as may be amended from time to time.

Except where the context otherwise requires, words importing the singular number will include the plural number and vice versa, words importing persons will include firms, associations and corporations and words of the masculine gender will include correlative words of the feminine and neuter genders.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE ISSUE M RESOLUTION

The Resolution contains terms and conditions relating to the issuance and sale of the Series 2025 Bonds as well as other Bonds issued under the Resolution, including various covenants and security provisions, certain of which are summarized below.

Resolution to Constitute Contract (Section 103)

The Resolution constitutes a contract among the Authority, the Trustee and the Holders from time to time of the Bonds; and the pledge made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Authority shall be for the benefit, protection and security of the Holders of any and all of the Bonds, all of which Bonds, regardless of the time or times of their delivery or maturity, shall be of equal rank without preference, priority or distinction of any of such Bonds over any other Bonds except as set forth in the Resolution with respect to designated Senior Bonds, Subordinate Bonds or Junior Subordinate Bonds or as otherwise expressly provided in or permitted by the Resolution.

Hedging Transactions (Section 104)

A Hedge Agreement is a Qualified Hedge Agreement if (i) the provider of the Hedge Agreement is a Qualified Institution or the provider's obligations under the Hedge Agreement are unconditionally guaranteed by a Qualified Institution and (ii) the Authority designates it as such by certificate of an Authorized Officer. Prior to entering into a Hedge Agreement, the Authority shall provide Prior Rating Agency Notice.

If the Authority enters into any Qualified Hedge Agreement with respect to any Bonds and the Authority has made a determination that the Qualified Hedge Agreement was entered into for the purpose of hedging or managing the interest due with respect to those Bonds, then during the term of the Qualified Hedge Agreement and so long as the provider of the Qualified Hedge Agreement is not in default:

(1) for purposes of any calculation of Debt Service or interest on Bonds, the interest rate on the Bonds with respect to which the Qualified Hedge Agreement applies will be determined as if such Bonds had interest payments equal to the interest payable on those Bonds less any payments reasonably expected to be made to the Authority by the provider and plus any payments reasonably expected to be made by the Authority to the provider in accordance with the terms of the Qualified Hedge Agreement (other than fees, charges or termination payments payable to such provider for providing the Qualified Hedge Agreement);

(2) any such payments (other than fees, charges and termination payments, referred to in the Resolution as "regular payments") required to be made by the Authority to the provider pursuant to such Qualified Hedge Agreement will be made from amounts on deposit in the Debt Service Fund and will be treated as interest in an Event of Default;

(3) any such payments received by or for the account of the Authority from the Provider pursuant to such Qualified Hedge Agreement will be deposited in the Applicable Revenue Account; and

(4) fees, charges and termination payments, if any, payable to the provider may be deemed to be Subordinated Program Expenses and paid from amounts on deposit in the Subordinated Program Expense Account within a Program Expense Account if and to the extent expressly provided in the Qualified Hedge Agreement (otherwise such fees, charges and termination payments will be payable solely from general funds of the Authority).

C. If the Authority enters into a Hedge Agreement with respect to any Bonds and the Authority determines that the Hedge Agreement was entered into for the purpose of hedging or managing the interest due with respect to those Bonds that is not a Qualified Hedge Agreement, then:

(1) the interest rate adjustments or assumptions referred to in clause (1) of the second paragraph under this heading will not be made;

(2) any and all payments required to be made by the Authority to the provider pursuant to such Hedge Agreement (including any fees, charges and termination payments) will be made only from general funds of the Authority; and

(3) any payments received by the Authority from the provider pursuant to such Hedge Agreement will be treated as Revenues and will be deposited in the applicable account in the Revenue Fund.

D. If an event occurs which would allow the counterparty on a Qualified Hedge Agreement with respect to any Bonds to terminate such Qualified Hedge Agreement, the Authority will notify the Nationally Recognized Rating Agencies of such event promptly upon receipt of notice thereof.

Provisions for Issuance of a Series of Bonds (Section 202)

The Bonds of each Series will be executed by or on behalf of the Authority for issuance under the Resolution and delivered to the Trustee for authentication and upon authentication by it delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(1) A copy of the Series Resolution authorizing such Series of Bonds, certified by an Authorized Officer;

(2) A Counsel's Opinion, dated the date of delivery of such Series, to the effect that (i) the Resolution and such Series Resolution have been duly and lawfully adopted by the Authority, are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms, and no other authorization for the Resolution or such Series Resolution is required; (ii) the Resolution creates the valid pledge and lien which it purports to create subject to the provisions of the Resolution; and (iii) the Bonds of such Series have been duly and validly authorized and issued in accordance with law, including the Act as amended to the date of such opinion, and in accordance with the Resolution and are valid and binding special obligations of the Authority, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Resolution; provided that such Counsel's Opinion may take an exception for limitations imposed by or resulting from laws of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditor's rights theretofore or thereafter enacted and for considerations of equity.

(3) A certificate of an Authorized Officer as to the authentication and delivery of the Bonds of such Series;

(4) A certificate of an Authorized Officer stating that as of the delivery of such Series of Bonds no Event of Default will have happened and then be continuing;

(5) A certificate of an Authorized Officer stating the amounts, if any, which are to be transferred and the dates on which such transfers are to be made by the Trustee from the Tax-Exempt Capitalized Interest Account or Taxable Capitalized Interest Account to the Debt Service Fund or any

other Fund; provided that such certificate will be subject to amendment by certificate of an Authorized Officer delivered to the Trustee at any time and from time to time;

(6) A Favorable Projection of Revenues dated as of the date of issuance of the Bonds of such Series;

(7) With respect to all Bonds theretofore issued and remaining Outstanding, evidence of satisfaction of the Rating Agency Condition as to all Nationally Recognized Rating Agencies;

(8) By attachment to the Series Resolution or otherwise, a Loan Program Certificate, as amended or confirmed as of the date of issuance of the Bonds of such Series; and

(9) Such further documents and moneys as are required by the Resolution or any Series or Supplemental Resolution adopted pursuant to the Resolution.

Subordinate Bonds and Junior Subordinate Bonds (Section 204)

(A) The Authority may from time to time, pursuant to the Resolution and subject to satisfaction of the Rating Agency Condition as to each Nationally Recognized Rating Agency, issue Subordinate Bonds which shall be secured by a pledge of Trust Assets that is subordinate to the pledge applicable to Senior Bonds and senior to the pledge applicable to Junior Subordinate Bonds. Such Subordinate Bonds shall contain an express statement to the effect that the payment of the principal of and interest on such Subordinate Bonds is subordinate to such payment of Senior Bonds and that the lien and security interest on Trust Assets for the benefit of such Subordinate Bonds is subordinate to the lien and security interest on Trust Assets for the benefit of Senior Bonds. Notwithstanding the foregoing, the interest on such Subordinate Bonds may be paid currently from Revenues on a periodic basis with the priority set forth in the Resolution while Senior Bonds are Outstanding on any Interest Payment Date or any other convenient date or dates so long as no Event of Default exists. Funds on deposit in the Reserve Fund shall be applied to the payment of principal of or interest on such Subordinate Bonds with the priority set forth in the Resolution. The Series Resolution with respect to any such Subordinate Bonds shall specify the terms and conditions applicable to such Subordinate Bonds not inconsistent with the terms and conditions of the Resolution and may make such amendments to the Resolution as are necessary to effect the subordination of payments with respect to such Subordinate Bonds.

(B) The Authority may also from time to time, subject to the Resolution and subject to the satisfaction of the Rating Agency Condition as to each Nationally Recognized Rating Agency, issue Junior Subordinate Bonds secured by a pledge of the Trust Assets which is subordinate to the pledge applicable to both Senior Bonds and Subordinate Bonds. Such Junior Subordinate Bonds shall contain an express statement to the effect that the payment of the principal of and interest on such Junior Subordinate Bonds is subordinate to such payment of Senior Bonds and Subordinate Bonds and that the lien and security interest on Trust Assets for the benefit of such Junior Subordinate Bonds is subordinate to the lien and security interest on Trust Assets for the benefit of Senior Bonds and Subordinate Bonds. Notwithstanding the foregoing, the interest on such Junior Subordinate Bonds may be paid currently from Revenues on a periodic basis with the priority set forth in the Resolution while Senior Bonds or Subordinate Bonds are Outstanding on any Interest Payment Date or any other convenient date or dates so long as no Event of Default exists. Funds on deposit in the Reserve Fund shall be applied to the payment of principal of or interest on such Junior Subordinate Bonds with the priority set forth in the Resolution. The Series Resolution with respect to any such Junior Subordinate Bonds shall specify the terms and conditions applicable to such Junior Subordinate Bonds not inconsistent with the terms and conditions of the Resolution and may make such amendments to the Resolution as are necessary to effect the subordination of payments with respect to such Junior Subordinate Bonds.

Rating Agency Condition; Prior Rating Agency Notice (Section 205)

Satisfaction of the Rating Agency Condition shall be required as to each Nationally Recognized Rating Agency prior to making any supplement or change to or modification of a Series Resolution or the Resolution, in each case in connection with the issuance of Bonds and as may be specified in a Series Resolution. Unless the Rating Agency Condition is met, Prior Rating Agency Notice shall be required for any reduction in the Overall Parity Ratio or the Senior Parity Ratio level required for a Parity Ratio Equity Release Certificate or in any other reduction in restrictions on releases of assets from the lien of the Resolution, any extension of periods of time for loan origination or Revenue recycling set forth in a Series Resolution or the Resolution, any supplement or change to or modification of a Series Resolution which shall reduce the Reserve Fund Requirements or Capitalized Interest Account Requirements specified in the latest Series Resolution, any amendment to a Loan Program Certificate, certain sales of Education Loans, any change to a Series Resolution which shall reduce the minimum Senior Parity Ratio required for a Parity Ratio Subordinate Principal Reduction Certificate or the minimum Senior Parity Ratio and Subordinate Parity Ratio required for a Parity Ratio Junior Subordinate Principal Reduction Certificate, entering into a Hedge Agreement, changes in the Servicer or replacement of the Trustee and entering into any investment agreement in connection with a particular Series of Bonds after the date of issuance of such Series and for any other supplement or modification of the Resolution or a Series Resolution. In connection with any Prior Rating Agency Notice, the Authority agrees to use commercially reasonable efforts to provide to each Nationally Recognized Rating Agency such factual data and cash-flow analyses as such Nationally Recognized Rating Agency may reasonably request of the Authority in order to review the proposed action, provided that such request is made in writing within ten (10) Business Days of receipt of the initial notice from the Authority. For the avoidance of doubt, in connection with satisfaction of the Rating Agency Condition, the Authority agrees to provide each Nationally Recognized Rating Agency such factual data and cash-flow analyses as such Nationally Recognized Rating Agency may require in such manner and such time period as each such Nationally Recognized Rating Agency may require and to comply with all terms and conditions imposed by each such Nationally Recognized Rating Agency.

Pledge (Section 501)

As security for the payment of the principal or Redemption Price of and interest on the Bonds the Authority pledges and grants to the Trustee on behalf of the Bondholders a security interest in (1) all Revenues, (2) all Education Loan Notes and any other Revenue-producing contracts or loan guaranties and all rights and interests of the Authority incident thereto, except for amounts loaned to the Authority or the Authority's rights to indemnification under any security agreement required for an Education Loan Note pursuant to the Loan Program Certificate, (3) all moneys and securities on deposit in all Funds and accounts created by or pursuant to the Resolution (other than the Rebate Fund) including without limitation any Reserve Fund Facilities, any funds drawn on Reserve Fund Facilities and any Investment Obligations in which such moneys are invested, (4) all general intangibles (including payment intangibles) comprising or relating to any of the foregoing, and (5) the proceeds of any of the foregoing, whether any of the foregoing is existing as of the date of the Resolution or is thereafter acquired (collectively the "Trust Assets"). It is expressly understood, however, that the application of amounts held pursuant to the Resolution for the purposes and on the terms and conditions set forth therein is permitted. The foregoing pledge will be valid and binding from the time of delivery by the Authority of the first Bond, will be effective as to all such rights and other pledged property whether existing as of the date of the Resolution or thereafter coming into existence, whether held as of the date of the Resolution or thereafter acquired by the Authority, and whether or not segregated or held in trust by the Authority. The Authority represents and warrants that the Resolution creates a valid and continuing security interest in the Trust Assets in favor of the Trustee, which security interest is prior to all other liens, and is enforceable as such as against creditors of and purchasers from the Authority. The rights, Revenues, Education Loan Notes, Reserve Fund Facilities, contracts, guaranties, other property and proceeds so pledged will immediately be subject to the lien of such pledge without any physical delivery or segregation thereof or

further act and the lien of such pledge will be valid and binding against any and all parties having a claim of any kind, in tort, contract or otherwise, against the Authority, irrespective of whether such parties have notice thereof.

Funds and Accounts (Section 502)

The Resolution established certain Funds and Accounts to be held by the Trustee, including:

(1) Program Fund

Tax-Exempt Purchase Account

Taxable Purchase Account

Tax-Exempt Capitalized Interest Account

Taxable Capitalized Interest Account

Tax-Exempt Costs of Issuance Account

Taxable Costs of Issuance Account

(2) Revenue Fund

Tax-Exempt Revenue Account

Taxable Revenue Account

(3) Debt Service Fund

Tax-Exempt Debt Service Account

Taxable Debt Service Account

(4) Reserve Fund

Tax-Exempt Reserve Account

Taxable Reserve Account

(5) Program Expense Fund

Tax-Exempt Program Expense Account

Taxable Program Expense Account

(6) Redemption Fund

Tax-Exempt Redemption Account

Taxable Redemption Account

Tax-Exempt Suspension Account

Taxable Suspension Account

(7) Rebate Fund

The Authority may by Series Resolution adopted in connection with the issuance of a Series or Subseries of Bonds under the Resolution establish additional Funds or accounts for each such Series or Subseries and may pursuant to such Series Resolution or by certificate of an Authorized Officer of the Authority establish within one or more Funds or accounts separate subaccounts for each such Series or Subseries. To the extent such separate subaccounts are so established, the proceeds of a particular Series or Subseries of Bonds, the Revenues from Education Loans acquired with such proceeds and the investment earnings on moneys in such subaccounts relating to a particular Series or Subseries of Bonds, as applicable, whenever required to be deposited or credited in any Fund, will be deposited or credited to the subaccount established therein for that particular Series or Subseries of Bonds, if any. To the extent moneys are required to be deposited to or withdrawn from any Fund or account pursuant to the Resolution and the applicable subaccount does not have adequate amounts on deposit, the Trustee will, except as otherwise provided in the Resolution, in a Series Resolution or a certificate of an Authorized Officer, withdraw pro rata from each other subaccount within the relevant Fund or account (determined according to the amounts available in such subaccounts) the amounts necessary to make such deposit or withdrawal. When accounts or separate subaccounts established for a Series or Subseries of Bonds are no longer active, the Authority may, by certificate of an Authorized Officer, instruct the Trustee to close such accounts and subaccounts.

Application of Program Fund (Section 503)

Purchase Account. Upon the issuance, sale and delivery of any Series of Bonds (other than an issue of refunding Bonds for which a Purchase Account is not to be funded), the Trustee shall establish a separate subaccount within the Applicable Purchase Account within the Program Fund for such Series. Each subaccount in a Purchase Account within the Program Fund shall be used for the Purchase of Education Loans as provided in the Resolution and to the extent provided for in the applicable Series Resolution.

The Trustee, upon the written request of the Authority signed by an Authorized Officer, which may be an e-mail verified as to its authenticity in such manner as the Trustee shall determine, shall pay from the Applicable Purchase Account and subaccount therein to the designated Participating Institutions or, in the case of Refinancing Loans, to the lenders or loan servicers on loans being refinanced, or, in any case, to an intermediary designated by the Authority, the amounts, if any, stated in such written request for or upon the Purchase of the Education Loans specified in such request. Such written request shall certify (i) the purchase price of the Education Loans specified to be Purchased and that the amount of payments requested thereby are not in excess of the purchase price of the Education Loans permitted under the Loan Program Certificate submitted prior to such request and (ii) that the Education Loans comply with the Resolution and with any requirements pertaining thereto in the applicable Series Resolution, the Loan Program Certificate and the Act. Prior to or simultaneously upon any disbursement to a Participating Institution, a lender or loan servicer (in the case of Refinancing Loans) or an intermediary of the amounts specified in such written request of the Authority to Purchase Education Loans, the Authority shall deliver, or cause to be delivered, to the Trustee or to the Servicer or another entity acting as custodian for the Trustee the original copies of the duly executed Education Loan Notes evidencing the Education Loans specified in the aforementioned request, which Education Loan Notes shall be duly endorsed to the Authority; provided that, with respect to any such Education Loan Notes that have been electronically executed, the Authority may deliver, or cause to be delivered, the original electronic records of such Education Loan Notes. The Trustee shall verify the aggregate principal amount of Education Loan Notes so delivered and the purchase price of such Loans and shall not disburse an amount greater than the purchase price of such Loans.

The Trustee, upon the written request of the Authority signed by an Authorized Officer, or upon the written request of the Servicer bearing the written consent of an Authorized Officer of the Authority, which, in either case, may be an e-mail verified as to its authenticity in such manner as the Trustee shall determine, shall pay from the Applicable Purchase Account and subaccount therein to the Servicer, the amounts stated in such written request for or upon the Purchase of the Education Loans specified in such request. Such written request shall certify (i) the purchase price of the Education Loans specified to be Purchased and that the amount of payments requested thereby are not in excess of the purchase price of the Education Loans to be Purchased by or on behalf of the Authority from such disbursement on the date of the disbursement by the Trustee to the Servicer and (ii) that the Authority or the Servicer, as applicable, has determined that such Education Loans comply with the Resolution and with any requirements pertaining thereto in the applicable Series Resolution and the Act and that the Purchase is being made in accordance with the terms and conditions set forth in the Loan Program Certificate. The Servicing Agreement shall require that, prior to or simultaneously with the disbursement by the Servicer to a Participating Institution of any amount obtained by the Servicer from the Trustee pursuant to such written request, the Authority shall have delivered or caused to be delivered to the Servicer, or another entity acting as custodian for the Trustee, the original copies (or original electronic records) of the duly executed Education Loan Notes evidencing the Education Loans funded by or on behalf of the Authority with such disbursement, which Education Loan Notes shall be duly endorsed or otherwise assigned to the Authority.

If at any time there shall not be sufficient amounts in the Debt Service Fund to provide for the payment of Required Debt Service on the Bonds then due, the Trustee at that time shall transfer from the Applicable Purchase Account and subaccount therein and pay into the Debt Service Fund the amount of the deficiency in accordance with the priority set forth (and subject to the conditions) in the Resolution for deficiencies relating to Tax-Exempt Bonds and for deficiencies relating to Taxable Bonds. If at any time there shall not be sufficient amounts in the Program Expense Fund to provide for the payment of Program Expenses then due and payable therefrom, the Trustee at that time shall transfer from the Applicable Purchase Account and subaccount therein and pay into the Applicable Program Expense Account the amount of the deficiency in accordance with the priority set forth (and subject to the conditions) in the Resolution for deficiencies relating to Tax-Exempt Program Expenses or for deficiencies relating to Taxable Program Expenses.

Capitalized Interest Accounts. Upon the issuance of any Series of Bonds, the Series Resolution authorizing such Series may, but shall not be required to, establish one or more separate subaccounts within one or more Capitalized Interest Accounts within the Program Fund for such Series, and provide for the deposit into such Capitalized Interest Accounts or subaccounts of a portion of the proceeds of such Series of Bonds or other moneys in an amount equal to the Applicable Capitalized Interest Account Requirement. Moneys in each Capitalized Interest Account shall be used, to the extent available, for the purpose of paying interest on the Bonds or for paying Program Expenses. If on any Interest Payment Date there are more funds on deposit in the Capitalized Interest Account for a particular Category or Series of Bonds than are needed to satisfy the then Applicable Capitalized Interest Account Requirement, any such excess moneys in such account shall be transferred to the Applicable Revenue Account.

If at any time there shall not be sufficient amounts in a Debt Service Account to provide for the payment of interest on the Bonds then due, the Trustee at that time shall transfer from each Capitalized Interest Account and pay into such Debt Service Account the amount of the deficiency in accordance with the priority (and subject to the conditions) set forth in the Resolution for deficiencies relating to Tax-Exempt Bonds and for deficiencies relating to Taxable Bonds. If at any time there shall not be sufficient amounts in a Program Expense Account to provide for the payment of Program Expenses then due and payable therefrom, the Trustee at that time shall transfer from each Capitalized Interest Account and pay into such Program Expense Account the amount of the deficiency in accordance with the priority (and subject to the conditions) set forth in the Resolution for deficiencies relating to Tax-Exempt Program Expenses and for deficiencies relating to Taxable Program Expenses.

Costs of Issuance Accounts. Upon the issuance of any Series of Bonds, the Series Resolution authorizing such Series of Bonds may, but shall not be required to, establish a separate Costs of Issuance Account or subaccount within the Program Fund for such Series, and provide for the deposit into such Applicable Costs of Issuance Account or subaccount of a portion of proceeds of such Series of Bonds or other moneys; provided that, in the case of Bond proceeds, such deposit is included in the latest Favorable Projection of Revenues filed pursuant to the Resolution. The Trustee shall pay or reimburse the Authority for Costs of Issuance from the Applicable Costs of Issuance Account or subaccount upon receipt of a requisition signed by an Authorized Officer stating the amount and purpose of any such payment; provided that, in the case of Tax-Exempt Bonds, except as otherwise provided in a Series Resolution, the total Costs of Issuance paid out of proceeds of the Applicable Costs of Issuance Account or subaccount shall not exceed the lesser of the actual Costs of Issuance allocable to such Series of Bonds and two percent (2%) of the initial issue price of the applicable Series of Bonds, unless approved by a Favorable Opinion. Upon payment of all Costs of Issuance for a Series of Bonds any amount remaining in the Applicable Costs of Issuance Account or subaccount shall be transferred to such Applicable account within such Fund under the Resolution as shall be designated by the Authority in writing to the Trustee.

All moneys transferred from the Tax-Exempt Revenue Account or Taxable Revenue Account to the Tax-Exempt Purchase Account or Taxable Purchase Account, as applicable, or from the Tax-Exempt Redemption Account or Taxable Redemption Account, as applicable, pursuant to the Resolution, shall be applied in accordance with the applicable Series Resolution and the Loan Program Certificate to the Purchase of Education Loans in the manner provided in the Resolution; provided that at any time the Authority may by certificate of an Authorized Officer direct the Trustee to transfer any such moneys to the Tax-Exempt Redemption Account or Taxable Redemption Account, as applicable.

After the initial deposit to the Applicable Purchase Accounts, Capitalized Interest Accounts and Costs of Issuance Accounts, if any, for any Series of Bonds, at least monthly the Trustee shall furnish the Authority with a written statement as to the amount remaining in the Purchase Accounts and, if applicable, the Capitalized Interest Accounts and Costs of Issuance Accounts and a list of investments in each such account. The Trustee shall retain copies of all written requests of the Authority delivered pursuant to the Resolution and of all such statements while the Bonds remain Outstanding.

Interest or other income derived from the investment or deposit of moneys in a Purchase Account shall be transferred to the Applicable Revenue Account, unless (i) the applicable Series Resolution provides otherwise, or (ii) if permitted by the Series Resolution, an Authorized Officer shall file a certificate with the Trustee directing, that such interest or other income is to be retained therein; provided that the proceeds of any disposition of Education Loans are to be applied in accordance with the Resolution. Interest or other income derived from the investment or deposit of moneys in the Capitalized Interest Accounts and Costs of Issuance Accounts shall be transferred to the Applicable Revenue Account.

When all Education Loans to be Purchased from the proceeds of a Series of Bonds deposited in a Purchase Account or any subaccount therein established by Series Resolution have been so Purchased, as evidenced by a certificate of an Authorized Officer, and in any event on such date as may be established for a particular Series of Bonds by the applicable Series Resolution for the Applicable Purchase Account and any such subaccount, if no such certificate is received prior thereto, any amount remaining unexpended in such Purchase Account or any such subaccount (less any amounts which are specified in a certificate of an Authorized Officer as required for the Purchase of Education Loans committed to be originated or acquired after such date, subject to the terms of the applicable Series Resolution) shall be transferred by the Trustee to the Applicable Redemption Account and any amount funded from proceeds of the same Series of Bonds remaining in a Capitalized Interest Account or a Costs of Issuance Account not required for any purposes thereof shall be transferred by the Trustee to the Applicable Redemption Account or the Applicable Debt Service Account, as such certificate may designate.

If at any time the Authority shall have deposited in the accounts within the Program Fund any moneys of the Authority derived other than from the proceeds of Bonds or of bonds refunded by Bonds or as contemplated by the Resolution, such moneys shall be deemed to be expended in the following order from such accounts within the Program Fund: (i) proceeds of Bonds shall always be deemed to have been expended before any other moneys from such account; (ii) amounts deposited pursuant to the Resolution shall be deemed to have been expended, pro-rata, next after no proceeds of Bonds remain; and (iii) and contributions of moneys from the Authority shall be deemed to have been expended last, after no proceeds of Bonds or amounts deposited pursuant to the Resolution remain. Any such moneys contributed by the Authority remaining in a Purchase Account or any subaccount therein upon completion of Purchase of Education Loans from such Purchase Account or subaccount may, notwithstanding the foregoing provisions, unless prohibited under the applicable Series Resolution, be transferred by the Trustee to the Applicable Revenue Account or to the Authority free and clear of the lien and pledge of the Resolution upon written direction of an Authorized Officer if such direction is accompanied by a Parity Ratio Equity Release Certificate.

Revenues and Revenue Fund (Section 504)

Except as otherwise provided in the Resolution and in any Series Resolution with respect to Revenues allocable to a Series of Bonds authorized thereby, and to the extent otherwise provided in the Resolution with respect to certain proceeds of disposition of Education Loans, all Revenues, promptly upon receipt by the Authority, shall be deposited in the Revenue Fund; provided that (i) Tax-Exempt Revenues shall be deposited in the Tax-Exempt Revenue Account and (ii) Taxable Revenues shall be deposited in the Taxable Revenue Account. Revenues which have been received by persons collecting Revenues on behalf of the Authority but have not yet been paid over directly to the Authority by such persons shall not be required to be so deposited until so paid over; provided, however, that such Revenues shall be deemed to have been received by the Authority for purposes of the Resolution.

On the second to last Business Day of each month other than a month in which transfers are made pursuant to the Resolution, the Trustee shall apply any moneys in the Tax-Exempt Revenue Account and Taxable Revenue Account of the Revenue Fund (and from among any subaccounts within such Revenue Accounts, as the Authority may direct), as applicable, to make deposits as follows and in the following priority:

(1) As directed by the Authority, with respect to Tax-Exempt Bonds, to the Rebate Fund from the Tax-Exempt Revenue Account, if and to the extent required, so that the balance therein shall equal the Rebate Fund Requirement;

(2) As directed by the Authority, (a) to the Tax-Exempt Program Expense Account from the Tax-Exempt Revenue Account; and (b) to the Taxable Program Expense Account from the Taxable Revenue Account; in each case in an amount certified to the Trustee by an Authorized Officer, which amount together with prior amounts transferred to each such Program Expense Account for such Fiscal Year, is not in excess of the budgeted cumulative year-to-date amount for Program Expenses to be paid from each Revenue Account to the Applicable Program Expense Account through the end of the next ensuing month set forth in the most recent Annual Budget of the Authority on file with the Trustee and is not inconsistent on a cumulative basis with the Loan Program Certificate, all as certified by an Authorized Officer;

(3) To the Applicable Debt Service Account and subaccount therein:

(a) with respect to Senior Tax-Exempt Bonds, from the Tax-Exempt Revenue Account as necessary so that the amount on deposit is equal to (i) interest accrued and to accrue on the Senior Tax-Exempt Bonds from the most recent Interest

Payment Date through the end of the month, including any payments due or to become due under a related Qualified Hedge Agreement (other than fees, charges and termination fees), plus (ii) commencing six months or twelve months, as applicable, prior to the first Interest Payment Date on which a Principal Installment (including any Cumulative Sinking Fund Installment) is due on the Senior Tax-Exempt Bonds, the portion of such Principal Installment that would have accrued on the Senior Tax-Exempt Bonds from the most recent Interest Payment Date through the end of the month if amounts due on such Principal Installment accrued in equal monthly installments; and

(b) with respect to Senior Taxable Bonds, from the Taxable Revenue Account as necessary so that the amounts on deposit are equal to (i) interest accrued and to accrue on the Senior Taxable Bonds from the most recent Interest Payment Date through the end of the month, respectively, including any payments due or to become due under a related Qualified Hedge Agreement (other than fees, charges and termination fees), plus (ii) commencing six months or twelve months, as applicable, prior to the next succeeding Interest Payment Date on which a Principal Installment (including any Cumulative Sinking Fund Installment) is due on such Senior Taxable Bonds, the portion of such Principal Installment that would have accrued on the Senior Taxable Bonds from the most recent Interest Payment Date through the end of the month if amounts due on such Principal Installment accrued in equal monthly installments;

(c) To the Applicable Debt Service Account and subaccount therein:

(x) with respect to Subordinate Tax-Exempt Bonds, from the Tax-Exempt Revenue Account as necessary so that the amount on deposit is equal to (i) interest accrued and to accrue on the Subordinate Tax-Exempt Bonds from the most recent Interest Payment Date through the end of the month, including any payments due or to become due under a related Qualified Hedge Agreement (other than fees, charges and termination fees), plus (ii) commencing six months or twelve months, as applicable, prior to the first Interest Payment Date on which a Principal Installment (including any Cumulative Sinking Fund Installment) is due on the Subordinate Tax-Exempt Bonds, the portion of such Principal Installment that would have accrued on the Subordinate Tax-Exempt Bonds from the most recent Interest Payment Date through the end of the month if amounts due on such Principal Installment accrued in equal monthly installments; and

(y) with respect to Subordinate Taxable Bonds, from the Taxable Revenue Account as necessary so that the amounts on deposit are equal to (i) interest accrued and to accrue on the Subordinate Taxable Bonds from the most recent Interest Payment Date through the end of the month, respectively, including any payments due or to become due under a related Qualified Hedge Agreement (other than fees, charges and termination fees), plus (ii) commencing six months or twelve months, as applicable, prior to the next succeeding Interest Payment Date on which a Principal Installment (including any Cumulative Sinking Fund Installment) is due on such Subordinate Taxable Bonds, the portion of such Principal Installment that would have accrued on the Subordinate Taxable Bonds from the most recent Interest Payment Date through the end of the month if amounts due on such Principal Installment accrued in equal monthly installments;

(d) After making any Scheduled Capitalized Interest Account Transfer, to the Applicable Debt Service Account and subaccount therein:

(x) with respect to Junior Subordinate Tax-Exempt Bonds, from the Tax-Exempt Revenue Account as necessary so that the amount on deposit is equal to (i) interest accrued and to accrue on the Junior Subordinate Tax-Exempt Bonds from the most recent Interest Payment Date through the end of the month, including any payments due or to become due under a related Qualified Hedge Agreement (other than fees, charges and termination fees), plus (ii) commencing six months or twelve months, as applicable, prior to the first Interest Payment Date on which a Principal Installment (including any Cumulative Sinking Fund Installment) is due on the Junior Subordinate Tax-Exempt Bonds, the portion of such Principal Installment that would have accrued on the Junior Subordinate Tax-Exempt Bonds from the most recent Interest Payment Date through the end of the month if amounts due on such Principal Installment accrued in equal monthly installments; and

(y) with respect to Junior Subordinate Taxable Bonds, from the Taxable Revenue Account as necessary so that the amounts on deposit are equal to (i) interest accrued and to accrue on the Junior Subordinate Taxable Bonds from the most recent Interest Payment Date through the end of the month, respectively, including any payments due or to become due under a related Qualified Hedge Agreement (other than fees, charges and termination fees), plus (ii) commencing six months or twelve months, as applicable, prior to the next succeeding Interest Payment Date on which a Principal Installment (including any Cumulative Sinking Fund Installment) is due on such Junior Subordinate Taxable Bonds, the portion of such Principal Installment that would have accrued on the Junior Subordinate Taxable Bonds from the most recent Interest Payment Date through the end of the month if amounts due on such Principal Installment accrued in equal monthly installments.

(4) From each Revenue Account to the Applicable Reserve Account in the Reserve Fund, in the manner set forth in the Resolution and described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Revenues and Revenue Fund", if the amount therein is less than the Reserve Fund Requirement for the Applicable Reserve Account, the lesser of the moneys available therefor or the amount required so that the balance therein shall equal the applicable Reserve Fund Requirement and any amount required to reimburse the provider of a Reserve Fund Facility used to fund the Applicable Reserve Account for a draw or payment thereunder, including any interest thereon;

(5) As directed by the Authority, (a) to the Tax-Exempt Program Expense Account from the Tax-Exempt Revenue Account; and (b) to the Taxable Program Expense Account from the Taxable Revenue Account, in each case in an amount certified to the Trustee by an Authorized Officer sufficient to provide for payment of Subordinated Program Expenses, if any, consistent with the Annual Budget and the Loan Program Certificate to be paid from a Revenue Account to the Applicable Subordinated Program Expense Account;

(6) From each Revenue Account to the Applicable Purchase Account or applicable subaccount therein for each Series of Bonds, to the extent directed by an Authorized Officer in writing, Revenues derived from or allocable to such Category and Series of Bonds, but only during the Recycling Period for such Series of Bonds; provided that Revenues in a Revenue Account may be transferred to the Purchase Account or subaccount therein of another Category and Series of Bonds

(that is, other than the Applicable Purchase Account or subaccount therein), if and to the extent that the Purchase Account or subaccount therein of such other Category and Series of Bonds has previously been drawn upon (and not replenished) pursuant to the Resolution to meet shortfalls in Revenues available in the Revenue Account in question; and

(7) To the Redemption Fund (and within such Fund to such account or sub-account as the Authority may direct in accordance with the Resolution), the remaining balance in a Revenue Account; provided that, subject to the operation of the Resolution, such amounts may be retained in each Revenue Account until the time of the final transfers to be made under the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Revenues and Revenue Fund" preceding the next Interest Payment Date to the extent that an Authorized Officer certifies in writing either (i) that such Revenues are expected to be required at the time of or prior to such final transfers or (ii) that, following all other required transfers to be made prior to such next Interest Payment Date, the Authority expects pursuant to the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Revenues and Revenue Fund" to authorize transfer of some or all of the retained amounts to the Authority;

In addition to the monthly transfers from each Revenue Account described in paragraph (B) above, semi-annually on the second Business Day before each Interest Payment Date on the Outstanding Bonds, the Trustee shall transfer from each Revenue Account the amounts on deposit therein as follows and in the following order of priority:

(1) With respect to Tax-Exempt Bonds, if not previously fully funded pursuant to the Resolution and described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Revenues and Revenue Fund", to the Rebate Fund from the Tax-Exempt Revenue Account, if and to the extent required so that the balance therein shall equal the Rebate Fund Requirement;

(2) As directed by the Authority, to the Tax-Exempt Program Expense Account from the Tax-Exempt Revenue Account; and to the Taxable Program Expense Account from the Taxable Revenue Account, in the same manner as set forth in the Resolution and described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Revenues and Revenue Fund", to the extent that the amounts transferred thereto from each such Revenue Account or the Applicable Capitalized Interest Account since the next preceding Interest Payment Date for Program Expenses to be paid from each Program Expense Account consistent with the Annual Budget and the Loan Program Certificate (through the end of the month in which such Interest Payment Date occurs) are less than the amounts required to be transferred thereto;

(3) To the Applicable Debt Service Account and subaccount therein of the Debt Service Fund, in the same manner set forth in the Resolution and described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Revenues and Revenue Fund", if and to the extent required so that the balance therein shall equal the sum of all due and unpaid interest and Principal Installments and all interest and Principal Installments to become due on such Interest Payment Date on the Senior Bonds Outstanding (in each case interest includes regular payments due or to become due on related Qualified Hedge Agreements and, for this purpose, Principal Installments includes Cumulative Sinking Fund Installments); to the Applicable Debt Service Account and subaccount therein of the Debt Service Fund, in the same manner set forth in the Resolution and described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Revenues and Revenue Fund", if and to the extent required so that the balance therein shall equal the sum of all due and unpaid interest and Principal Installments and all interest and Principal Installments

to become due on such Interest Payment Date on the Subordinate Bonds Outstanding (in each case interest includes regular payments due or to become due on related Qualified Hedge Agreements and, for this purpose, Principal Installments includes Cumulative Sinking Fund Installments); to the Applicable Debt Service Account and subaccount therein of the Debt Service Fund, in the same manner set forth in the Resolution and described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Revenues and Revenue Fund", if and to the extent required so that the balance therein shall equal the sum of all due and unpaid interest and Principal Installments and all interest and Principal Installments to become due on such Interest Payment Date on the Junior Subordinate Bonds Outstanding (in each case interest includes regular payments due or to become due on related Qualified Hedge Agreements and, for this purpose, Principal Installments includes Cumulative Sinking Fund Installments);

(4) To each Reserve Account in the Reserve Fund, in the same manner set forth in the Resolution and described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Revenues and Revenue Fund", if the amount therein is less than the applicable Reserve Fund Requirement, the lesser of the moneys available therefor or the amount required so that the balance therein shall equal the applicable Reserve Fund Requirement and any amount required to reimburse the provider of a Reserve Fund Facility used to fund such Reserve Account for a draw or payment thereunder, including any interest thereon;

(5) As directed by the Authority, to the Tax-Exempt Program Expense Account from the Tax-Exempt Revenue Account; and to the Taxable Program Expense Account from the Taxable Revenue Account, in the same manner as set forth in the Resolution and described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Revenues and Revenue Fund", to the extent that the amounts transferred thereto from each such Revenue Account since the next preceding Interest Payment Date for Subordinated Program Expenses, if any, consistent with the Annual Budget and the Loan Program Certificate (through the end of the month in which such Interest Payment Date occurs) are less than the amounts required to be transferred thereto;

(6) As directed by an Authorized Officer in writing, to the Applicable Purchase Account or subaccount therein for each Category and Series of Bonds, Revenues derived from or allocable to such Category and Series of Bonds, but only during the Recycling Period for such Category and Series of Bonds; provided that Revenues in a Revenue Account may be transferred to the Purchase Account of another Category and Series of Bonds (that is, other than the Applicable Purchase Account or subaccount therein), if and to the extent that the Purchase Account or subaccount therein of such other Category and Series of Bonds has previously been drawn upon (and not replenished) pursuant to the Resolution to meet shortfalls in Revenues available in the Revenue Account in question; and

(7) Except as otherwise provided pursuant to the Resolution, to the Redemption Fund (and within such Fund to such accounts or subaccounts as the Authority may direct in accordance with the Resolution), the remaining balance in the Tax-Exempt Revenue Account and Taxable Revenue Account, if any.

As long as no Event of Default shall have occurred and be continuing, the Trustee shall be entitled to rely on a certificate of an Authorized Officer as to the proper amounts to be deposited in the various Funds, accounts and subaccounts as required by the Resolution. The Authority agrees to furnish the Trustee with such certificates prior to each date upon which the Trustee is required to allocate amounts from the Tax-Exempt Revenue Account and Taxable Revenue Account. The Trustee shall retain copies of such certificates while any Bonds remain Outstanding and shall also maintain appropriate records of the interest and other income earned on investment or deposit of all such amounts while held under the Resolution in any Fund, account or subaccount.

Unless otherwise provided in a Series Resolution, the Authority may by certificate of an Authorized Officer direct the Trustee to transfer to the Authority free and clear of the lien of the Resolution from time to time Revenues from Education Loans acquired with the proceeds of any Series of Bonds which (i) otherwise would be deposited to the Tax-Exempt Redemption Account or Taxable Redemption Account, as applicable, pursuant to the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Revenues and Revenue Fund", or (ii) which are available at the time of issuance of a Series of Bonds in accordance with the terms of the Resolution (including without limitation satisfaction of the Rating Agency Condition), provided that such certificate shall be accompanied by a Parity Ratio Equity Release Certificate, in the case of a transfer in lieu of redemption or a Favorable Projection of Revenues in the case of a transfer upon issuance of a Series of Bonds (which Favorable Projection of Revenues is consistent with such transfer); in the case of application of Tax-Exempt Revenues or redemption of Tax-Exempt Bonds, an Arbitrage Projection Certificate or a Favorable Opinion; and a certificate of an Authorized Officer certifying in writing that no payments are due and unpaid to any provider of a Qualified Hedge Agreement or any Fiduciary or account of fees, expenses, reimbursements or any other obligations.

In the event that a transfer is required to the Reserve Fund pursuant to the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Revenues and Revenue Fund", the amount necessary to replenish either Reserve Account or any subaccount therein shall be drawn first from the Taxable Revenue Account or the Tax-Exempt Revenue Account to the extent the deficiency is the result of transfers made to satisfy shortfalls in such respective accounts, and the remaining balance of any such deficiency, if any, shall be drawn first from the Applicable Revenue Account and then from the other Revenue Account.

Priority of Unscheduled Draws to Meet Required Debt Service for Tax-Exempt Bonds, Tax-Exempt Program Expenses and Tax-Exempt Subordinated Program Expenses (Section 505A)

With respect to any Series of Tax-Exempt Bonds, if, on an Interest Payment Date or, with respect to any Tax-Exempt Program Expenses or any Tax-Exempt Subordinated Program Expenses, on any date such Program Expenses are immediately due and payable after the monthly and semi-annual transfers from the Tax-Exempt Revenue Account required by the Resolution and prior to any other transfer under the Resolution, except for unscheduled draws to meet required debt service for Taxable Bonds, Taxable Program Expenses, and Taxable Subordinated Program Expenses, which shall be deemed to be contemporaneous, the amounts in the Applicable Debt Service Account are insufficient to pay the Required Debt Service coming due on such Tax-Exempt Bonds, or if the amounts on deposit in the Applicable Program Expense Account are insufficient to pay Tax-Exempt Program Expenses and Tax-Exempt Subordinated Program Expenses then immediately due and payable, such Required Debt Service, Tax-Exempt Program Expenses and Tax-Exempt Subordinated Program Expenses shall be payable from funds available in the following Funds and accounts in the following order of priority, to be funded pro-rata from among all the subaccounts in an account, based on the respective balances thereof; provided that all Required Debt Service due on Senior Tax-Exempt Bonds shall be provided for in full before any Debt Service on Subordinate Tax-Exempt Bonds or Junior Subordinate Tax-Exempt Bonds, all Required Debt Service due on Subordinate Tax-Exempt Bonds shall be provided for in full before any Debt Service on Junior Subordinate Tax-Exempt Bonds, and all Program Expenses shall be provided for in full before any Subordinated Program Expenses:

(1) Tax-Exempt Capitalized Interest Account, but only to the extent of the interest due and payable on the Tax-Exempt Bonds and for Tax-Exempt Program Expenses subject to any limitation set forth in a Series Resolution;

(2) Tax-Exempt Suspension Account;

(3) Tax-Exempt Redemption Account, but only to the extent funds are held for redemption of Bonds for which the Trustee has not given notice of redemption pursuant to the Resolution;

(4) In the case of Required Debt Service on Senior Tax-Exempt Bonds, the Tax-Exempt Debt Service Account in subaccounts allocable to Junior Subordinate Tax-Exempt Bonds (first any amounts allocable to principal then any amounts allocable to interest, and pro rata by balance therein);

(5) In the case of Required Debt Service on Senior Tax-Exempt Bonds, the Tax-Exempt Debt Service Account in subaccounts allocable to Subordinate Tax-Exempt Bonds (first any amounts allocable to principal then any amounts allocable to interest, and pro rata by balance therein);

(6) In the case of Required Debt Service on Subordinate Tax-Exempt Bonds, the Tax-Exempt Debt Service Account in subaccounts allocable to Junior Subordinate Tax-Exempt Bonds (first any amounts allocable to principal then any amounts allocable to interest, and pro rata by balance therein);

(7) Taxable Revenue Account;

(8) Taxable Suspension Account;

(9) Taxable Redemption Account, but only to the extent funds are held for redemption of Bonds for which the Trustee has not given notice of redemption pursuant to the Resolution;

(10) Taxable Capitalized Interest Account;

(11) In the case of Required Debt Service on Senior Tax-Exempt Bonds, the Taxable Debt Service Account in subaccounts allocable to Junior Subordinate Taxable Bonds;

(12) In the case of Required Debt Service on Senior Tax-Exempt Bonds, the Taxable Debt Service Account in subaccounts allocable to Subordinate Taxable Bonds;

(13) In the case of Required Debt Service on Subordinate Tax-Exempt Bonds, the Taxable Debt Service Account in subaccounts allocable to Junior Subordinate Taxable Bonds;

(14) Tax-Exempt Purchase Account;

(15) Taxable Purchase Account; and

(16) Subject to the Resolution as to Program Expenses, first the Tax-Exempt Reserve Account, then the Taxable Reserve Account;

provided that no funds shall be drawn from the account referred to in clause (14) above unless the Trustee and Authority have received a Favorable Opinion; and provided, further, that if multiple transfers are to be made pursuant to the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Priority of Unscheduled Draws to Meet Required Debt Service for Tax-Exempt Bonds, Tax-Exempt Program Expenses and Tax-Exempt Subordinated Program Expenses" and/or "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Priority of Unscheduled

Draws to Meet Required Debt Service for Taxable Bonds, Taxable Program Expenses and Taxable Subordinated Program Expenses" regarding unscheduled draws to meet required debt service for Taxable Bonds, Taxable Program Expenses, and Taxable Subordinated Program Expenses contemporaneously, transfers shall be made to the Applicable account first and then to the other account.

Priority of Unscheduled Draws to Meet Required Debt Service for Taxable Bonds, Taxable Program Expenses and Taxable Subordinated Program Expenses (Section 505B)

With respect to any Series of Taxable Bonds, if, on an Interest Payment Date or, with respect to any Taxable Program Expenses or Taxable Subordinated Program Expenses, on any date such Program Expenses are immediately due and payable after the monthly and semi-annual transfers from the Taxable Revenue Account required by the Resolution and prior to any other transfer thereunder except for unscheduled draws to meet required debt service for Tax-Exempt Bonds, Tax-Exempt Program Expenses and Tax-Exempt Subordinate Program Expenses, which shall be deemed to be contemporaneous, the amounts in the Applicable Debt Service Account are insufficient to pay the Required Debt Service coming due on such Taxable Bonds, or if the amounts on deposit in the Applicable Program Expense Account are insufficient to pay Taxable Program Expenses and Taxable Subordinated Program Expenses then immediately due and payable, such Required Debt Service, Taxable Program Expenses and Taxable Subordinated Program Expenses shall be payable from funds available in the following Funds and accounts in the following order of priority, to be funded pro-rata from among all the subaccounts in an account, based on the respective balances thereof; provided that all Required Debt Service due on Senior Taxable Bonds shall be provided in full before any Debt Service on Subordinate Taxable Bonds or Junior Subordinate Taxable Bonds and all Required Debt Service due on Subordinate Taxable Bonds shall be provided for in full before any Debt Service on Junior Subordinate Taxable Bonds and all Program Expenses shall be provided for in full before any Subordinated Program Expenses:

(1) Taxable Capitalized Interest Account;

(2) Taxable Suspension Account;

(3) Taxable Redemption Account, but only to the extent funds are held for redemption of Bonds for which the Trustee has not given notice of redemption pursuant to the Resolution;

(4) In the case of Required Debt Service on Senior Taxable Bonds, the Taxable Debt Service Account in subaccounts allocable to Junior Subordinate Taxable Bonds (first any amounts allocable to principal then any amounts allocable to interest, and pro rata by balance therein);

(5) In the case of Required Debt Service on Senior Taxable Bonds, the Taxable Debt Service Account in subaccounts allocable to Subordinate Taxable Bonds (first any amounts allocable to principal then any amounts allocable to interest, and pro rata by balance therein);

(6) In the case of Required Debt Service on Subordinate Taxable Bonds, the Taxable Debt Service Account in subaccounts allocable to Junior Subordinate Taxable Bonds (first any amounts allocable to principal then any amounts allocable to interest, and pro rata by balance therein);

(7) Tax-Exempt Revenue Account;

(8) Tax-Exempt Suspension Account;

(9) Tax-Exempt Redemption Account, but only to the extent funds are held for redemption of Bonds for which the Trustee has not given notice of redemption pursuant to the Resolution;

(10) In the case of Required Debt Service on Senior Taxable Bonds, the Tax-Exempt Debt Service Account in subaccounts allocable to Junior Subordinate Tax-Exempt Bonds;

(11) In the case of Required Debt Service on Senior Taxable Bonds, the Tax-Exempt Debt Service Account in subaccounts allocable to Subordinate Tax-Exempt Bonds;

(12) In the case of Required Debt Service on Subordinate Taxable Bonds, the Tax-Exempt Debt Service Account in subaccounts allocable to Junior Subordinate Tax-Exempt Bonds;

(13) Taxable Purchase Account;

(14) Tax-Exempt Capitalized Interest Account;

(15) Tax-Exempt Purchase Account; and

(16) Subject to the Resolution as to Program Expenses, first the Taxable Reserve Account and then the Tax-Exempt Reserve Account;

provided that, no funds shall be drawn under the accounts referred to in clauses (14) or (15) above unless the Trustee and Authority have received a Favorable Opinion; and provided, further, that if multiple transfers are to be made pursuant to the Resolution as descripted under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Priority of Unscheduled Draws to Meet Required Debt Service for Taxable Bonds, Taxable Program Expenses and Taxable Subordinated Program Expenses" and/or "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Priority of Unscheduled Draws to Meet Required Debt Service for Tax-Exempt Bonds, Tax-Exempt Program Expenses and Tax-Exempt Subordinated Program Expenses" regarding unscheduled draws to meet required debt service for Tax-Exempt Bonds, Tax-Exempt Program Expenses and Tax-Exempt Subordinated Program Expenses contemporaneously, transfers shall be made to the Applicable account first and then to the other account.

Additional Transfers to Meet Rebate Fund Requirement for Tax-Exempt Bonds (Section 505C)

With respect to any Series of Tax-Exempt Bonds, in addition to any transfers to the Rebate Fund pursuant to the Resolution, the Trustee will, on any Business Day on which such transfer is required under any Series Resolution, transfer from the Tax-Exempt Revenue Account to the Rebate Fund the amount necessary so that the balance in the Rebate Fund will equal the Rebate Fund Requirement.

Application of Debt Service Fund (Section 506)

The Trustee will pay out of the Debt Service Fund to the appropriate Paying Agent on a timely basis by wire transfer in immediately available funds, together with moneys if any provided from the Tax-Exempt Redemption Account or Taxable Redemption Account, as applicable, in accordance with the Resolution, an amount equal to the Principal Installments of and interest on the Bonds coming due on any Interest Payment Date or redemption date. The Trustee will also pay to the provider thereof any amounts that have been

transferred to the Debt Service Fund for payments due by the Authority on a Qualified Hedge Agreement on such date. The Paying Agents will apply such amounts to the payment of Principal Installments of and interest on the Bonds, on and after the due dates thereof. If on any Interest Payment Date the amount accumulated in the Debt Service Fund for the purpose specified above exceeds the amount required therefor, the Authority by written certificate of an Authorized Officer may direct the Trustee to deposit such excess in the Applicable Revenue Account. The Trustee will also pay out of the Debt Service Fund accrued interest included in the purchase price of Bonds purchased from time to time under any provisions of the Resolution.

Amounts in the Debt Service Fund with respect to any Sinking Fund Installment (together with amounts therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) may, and if so directed by the Authority will, be applied by the Trustee prior to the Trustee's having given notice of redemption in connection with such Sinking Fund Installment, to the purchase of Bonds of the Series, maturity and tenor for which such Sinking Fund Installment was established, such prices not to exceed the applicable sinking fund Redemption Price plus interest on such Bonds to the first date on which such Bonds could be redeemed (or in the case of a Sinking Fund Installment due on the stated maturity date, the principal amount thereof plus interest to such date); provided that any such purchases will be arranged by the Authority. The applicable principal amount of any Bonds so purchased will be deemed to constitute part of the Debt Service Fund until such Sinking Fund Installment date for the purpose of calculating the amount of such Fund. Unless otherwise specified in the applicable Series Resolution, as soon as practicable after the 60^{th} day preceding the due date of any such Sinking Fund Installment and on or before the 30^{th} such day, the Trustee will proceed (by giving notice as provided in the Resolution) to call for redemption on such due date Bonds of the Series, maturity and tenor for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as will be necessary to complete the retirement of the principal amount of the Bonds of such Series, maturity and tenor as specified for such Sinking Fund Installment in accordance with the Resolution and any applicable Series Resolution, and whether or not the balance in the Debt Service Fund is sufficient to pay all such Bonds.

In satisfaction, in whole or in part, of any amount required to be paid into the Debt Service Fund which is attributable to a Sinking Fund Installment, there may be delivered on behalf of the Authority to the Trustee Bonds of the Series, maturity and tenor entitled to such payment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment will reduce the amount thereof by the amount of the aggregate of the sinking fund Redemption Prices of such Bonds.

Notwithstanding anything to the contrary contained in the Resolution, the Trustee will not purchase or accept Bonds in lieu of any Sinking Fund Installment following the giving of notice of redemption of the Bonds on account of which such Sinking Fund Installment was established.

All interest earned or other income derived from the investment of moneys in the Tax-Exempt Debt Service Account or Taxable Debt Service Account will be transferred by the Trustee to the Applicable Revenue Account upon receipt thereof.

Application of Reserve Fund (Section 507)

If, after making the transfers required by the Resolution, the Trustee determines that the amount on deposit and available therefor in the Applicable account or subaccount within the Debt Service Fund is insufficient to pay Required Debt Service (including any payments other than termination payments on Qualified Hedge Agreements) coming due on a Series of Bonds on the next Interest Payment Date, the Trustee shall, to the extent of the funds available therein, withdraw from the Reserve Fund consistent with the priority set forth in the Resolution for Tax-Exempt Bonds and in the Resolution for Taxable Bonds and deposit in the Applicable account or subaccount within the Debt Service Fund the amount necessary to meet the deficiency.

If, on the second to last Business Day of any month, sufficient moneys are not available in the Tax-Exempt Revenue Account or Taxable Revenue Account, as applicable, to fund required withdrawals under the Resolution for Program Expenses, the Trustee shall at the direction of an Authorized Officer apply moneys from the Reserve Fund consistent with the priority set forth in (and subject to the conditions in) the Resolution for Tax-Exempt Program Expenses and in the Resolution for Taxable Program Expenses to the extent of such deficiency; provided that such Authorized Officer shall certify that such deficiency results from delinquencies and defaults in payments on Education Loan Notes or is less than or equal to the aggregate amount of all accrued but unpaid earnings on investments held in the various Funds and accounts established under the Resolution not previously relied upon in providing such a certification.

All interest earned or other income derived from the investment of moneys in the Tax-Exempt Reserve Account or Taxable Reserve Account shall be transferred to the Applicable Revenue Account.

If on any Interest Payment Date the balance in a Reserve Account shall exceed the applicable Reserve Fund Requirement, after consideration of any amounts owed to the provider of any Reserve Fund Facility, the Trustee shall, at the direction of the Authority in its discretion, reduce the stated amount of any Reserve Fund Facility or transfer any moneys in such Reserve Account to the extent of such excess as set forth in the Resolution and described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Revenue Fund". Any such excess moneys shall be attributed, first, to moneys other than Bond proceeds as the Authority may determine and then to Bond proceeds previously deposited in such Reserve Account. Excess moneys shall be transferred to the Applicable Redemption Account or to such other Applicable Account as directed by the Authority; provided however, that an amount equal to the excess moneys may instead be transferred during any Recycling Period at the direction of the Authority to the Applicable Purchase Account and, if Tax-Exempt Bond proceeds are involved, a direction to transfer to other than the Applicable Redemption Account shall be subject to receipt of a Favorable Opinion by the Trustee.

Notwithstanding the foregoing, at the direction of the Authority in its discretion, any excess moneys in the Reserve Fund, together with any amounts transferred to the Reserve Fund pursuant to the Resolution, shall be applied to substitute for, or reduce the face amount of, any Reserve Fund Facility selected by the Authority in accordance with the terms of the applicable governing instrument.

In the event that a portion of a Reserve Fund Requirement has been funded by a Reserve Fund Facility and a withdrawal from a Reserve Account is required for any reason under the Resolution, notwithstanding any provisions of the Resolution to the contrary, the Trustee shall draw upon sources used to fund the Reserve Account in the following order: (i) proceeds of Bonds, (ii) contributions of moneys from the Authority, and (iii) amounts available under a Reserve Fund Facility (and in the case of (i) and (ii), pro-rata in accordance with the amount of such sources available in any subaccount within the Reserve Account). Amounts transferred to a Reserve Account pursuant to the Resolution shall be applied first to reimburse, pro-rata on the basis of unreimbursed draw or payment, the providers of Reserve Fund Facilities for draws or payments thereunder (and shall be applied by the Trustee for such reimbursement in accordance with the terms of the applicable governing instrument without further direction), then to satisfy the Reserve Fund Requirement, and finally to pay, pro-rata, any interest due to providers of Reserve Fund Facilities on account of draws or payments made thereunder. Prior to transferring amounts in excess of the Reserve Fund Requirement pursuant to the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Revenue Fund", the Authority shall determine whether any amount is owed to the provider of a Reserve Fund Facility and, if amounts are owed to the provider of a Reserve Fund Facility, shall not make any such transfer pursuant to the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Revenue Fund".

Draw on Reserve Fund Facility Prior to Expiration (Section 507A)

In the event a Reserve Fund Facility has been used to fund all or a portion of the Reserve Fund Requirement and such Reserve Fund Facility is about to expire by its terms and may be drawn upon prior to expiration, unless a substitute Reserve Fund Facility has been delivered, two Business Days prior to the stated expiration date of such Reserve Fund Facility the Trustee will draw upon such Reserve Fund Facility in an amount necessary, along with other available amounts in the Reserve Account, to ensure that the Reserve Fund Requirement is satisfied after the expiration of such Reserve Fund Facility.

Application of Program Expense Fund (Section 508)

The Trustee shall pay, or reimburse the Authority for, Tax-Exempt Program Expenses and Taxable Program Expenses from time to time from the Applicable Program Expense Account upon receipt of a requisition signed by an Authorized Officer of the Authority stating the amount, purpose and payee for each such payment and certifying that such Program Expenses are in accordance with the Annual Budget or authorized under a Series Resolution and not inconsistent on a cumulative basis with the amounts set forth in the Loan Program Certificate and in the case of Authority Expenses, that such Authority Expenses are reasonable and proper. Upon written instruction of the Authority, the Trustee shall pay out of the Applicable Program Expense Account any Subordinated Program Expenses related to Qualified Hedge Agreements. If at any time funds on deposit in a Program Expense Account are insufficient to pay the aggregate of applicable fees, premiums or other amounts due from the Authority to any Fiduciary and the Servicer and any Authority Expenses requisitioned by the Authority, the Trustee at that time shall draw the amount of the deficiency as set forth in the Resolution (in the absence of direction by the Authority allocating between Tax-Exempt Program Expenses and Taxable Program Expenses on the basis of relative par amount of Tax-Exempt Bonds and Taxable Bonds Outstanding). The Trustee shall pay from available funds on deposit in a Program Expense Account on a pro-rata basis, to each Fiduciary and the Servicer all amounts due and unpaid thereto prior to making any payment to the Authority with respect to the Authority Expenses. If, as of any July 1, the Authority shall certify that there are any surplus funds in the Tax-Exempt Program Expense Account or Taxable Program Expense Account, as applicable, the Trustee shall at the direction of the Authority in its discretion transfer such surplus to the Applicable Revenue Account.

Upon the issuance of any Series of Bonds, the Series Resolution authorizing such Series of Bonds may, but shall not be required to, establish a separate Subordinated Program Expense Subaccount within the Applicable Program Expense Account for such Series, and provide for the deposit into such Subordinated Program Expense Subaccount of a portion of proceeds of such Series of Bonds or of Revenues from the Applicable Revenue Account in accordance with the Resolution. The Trustee will pay or reimburse the Authority for Subordinated Program Expenses from time to time from the Subordinated Program Expense Subaccount or Subaccounts upon receipt of an appropriate requisition signed by an Authorized Officer of the Authority certifying that such expenses are reasonable and proper.

Application of Redemption Fund (Section 509)

The Trustee will apply funds deposited in the Tax-Exempt Redemption Account and Taxable Redemption Account, as applicable, to the payment of the Redemption Price of Bonds called for redemption from time to time in accordance with the provisions of the applicable Series Resolution, as directed by an Authorized Officer in writing, all in accordance with the timing, notice and selection provisions set forth in the applicable Series Resolution and the Resolution and the allocation and priority set forth in the Resolution. Funds for the interest due on such Bonds on the redemption date shall be drawn from the Applicable Debt Service Account. The Trustee will apply funds deposited in accordance with the Resolution in the Tax-Exempt Suspension Account and the Taxable Suspension Account, as applicable, to the payment on the next available Interest Payment Date of the Redemption Price of Subordinate Bonds and Junior Subordinate Bonds by

transfer back to the Applicable Redemption Account at such time as the following conditions, as determined by a certificate of an Authorized Officer, are met: (i) in the case of Subordinate Bonds, no Senior Bonds are Outstanding; (ii) in the case of Junior Subordinate Bonds, no Senior Bonds or Subordinate Bonds are Outstanding; or (iii) after taking into account any such transfer and redemption of Bonds, the Overall Parity Ratio is at least 100.0%. Earnings on amounts on deposit in the Tax-Exempt Suspension Account and the Taxable Suspension Account shall be transferred to the Applicable Revenue Account.

If after making the transfers required by the Resolution the Trustee determines that the amount on deposit and available therefor in a Debt Service Account is insufficient to pay the Required Debt Service coming due on the Bonds on the next Interest Payment Date, the Trustee shall withdraw and deposit in such Debt Service Account the amount necessary to meet the deficiency from the Tax-Exempt Redemption Account or Taxable Redemption Account, as applicable, consistent with the priority set forth in the Resolution or Tax-Exempt Bonds and for Taxable Bonds, other than moneys in the Redemption Fund held therein for the payment of the Redemption Price of and interest on Bonds for which the required notice of redemption shall have already been given or held for payment of Bonds within the meaning under the Resolution or moneys already committed to the purchase of Bonds in accordance with provisions of the Resolution. If, after making the transfers required by the Resolution, the Trustee determines that the amount on deposit and available therefor in a Program Expense Account is insufficient to pay the expenses immediately due and payable therefrom, the Trustee shall withdraw from the Tax-Exempt Redemption Account or Taxable Redemption Account, as applicable, and deposit into such Program Expense Account, an amount necessary to meet the deficiency consistent with the priority set forth in the Resolution for Tax-Exempt Program Expenses, Tax-Exempt Subordinated Program Expenses, Taxable Program Expenses, and Taxable Subordinated Program Expenses, other than moneys in the Redemption Fund held therein for the payment of the Redemption Price of and interest on Bonds for which the required notice of redemption shall have already been given or held for the payment of Bonds within the meaning under the Resolution or moneys already committed to the purchase of Bonds in accordance with provisions of the Resolution.

Except as provided in the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Redemption Fund" all moneys transferred to the Redemption Fund shall be applied to effect a redemption of Bonds or to the purchase in lieu of redemption of Bonds in the manner provided in the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Redemption Fund" or in a Series Resolution. The Redemption Price of Bonds subject to redemption shall be the price set forth in the applicable Series Resolution (as certified by the Authority to the Trustee). As provided in the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Redemption Fund", the Trustee shall withdraw from the Applicable Debt Service Account the amount, if any, equal to the interest accrued on Bonds to be redeemed or purchased pursuant to the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Redemption Fund"at the time of such purchase or redemption.

All moneys transferred to the Tax-Exempt Redemption Account or Taxable Redemption Account, as applicable, not required to be applied to a special or Sinking Fund Installment redemption shall, except as provided in the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Redemption Fund", be applied to the purchase in lieu of redemption and retirement or to the optional redemption of Bonds with the applicable interest rate characteristics to the extent any such Bonds are Outstanding, on the terms provided in the applicable Series Resolution (including payment of any applicable premium) in the case of optional redemption and then as contemplated by the Resolution.

Upon receipt of the certificate of an Authorized Officer as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Redemption Fund", the

Trustee if so directed by the Authority, shall apply moneys in the Tax-Exempt Redemption Account or Taxable Redemption Account, as applicable, to the purchase in lieu of redemption and retirement of Bonds designated in such certificate, the purchase to be consistent with the allocation and priority set forth in the Resolution as to redemptions of Bonds. To the extent Bonds are purchased for retirement from Excess Revenues deposited to a Redemption Account with the consent of the Holders thereof in a voluntary transaction, such Bonds shall be deemed to be Bonds Subject to Redemption from Excess Revenues even if not so designated in the applicable Series Resolution. Bonds shall not be purchased at a price that exceeds par plus accrued interest unless the certificate of an Authorized Officer includes a Favorable Projection of Revenues. Following the giving of notice of redemption of the Bonds to be redeemed on account of moneys in the applicable account, however, Bonds shall not be purchased pursuant to the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Redemption Fund" from such moneys.

Except as otherwise provided in the applicable Series Resolution, any Bonds to be purchased in lieu of redemption and retired or to be redeemed other than by special or Sinking Fund Installment redemption from moneys in the Tax-Exempt Redemption Account or Taxable Redemption Account, as applicable, shall be so purchased or redeemed by the Trustee only upon receipt by the Trustee of a certificate of an Authorized Officer determining or certifying the following:

(1) The Series and maturities and other identifying characteristics of the Bonds to be purchased or redeemed (which shall be Bonds with the same interest rate characteristics as the applicable Redemption Account to the extent any such Bonds are Outstanding);

(2) The aggregate principal amount of such Bonds to be purchased or redeemed;

(3) If any of the Bonds to be purchased or redeemed as designated in clauses (1) and (2) above are Bonds for which Sinking Fund Installments have been established, the years in which Sinking Fund Installments are to be reduced and the amount by which the Sinking Fund Installments so determined are to be reduced, which shall in all cases be consistent with the manner in which Sinking Fund Installments are to be credited in the case of optional redemption as set forth in the applicable Series Resolution, provided that the aggregate of such reductions in Sinking Fund Installments shall equal the aggregate principal amount of the Bonds to be purchased or redeemed; and

(4) If Bonds are to be purchased, which Bonds the Authority has arranged to purchase and the manner and timing of such purchase.

Except as otherwise provided in the applicable Series Resolution, prior to the date on which the Trustee gives notice under the Resolution with respect to any optional redemption of Bonds, or purchase of Bonds with moneys not required to be applied to a special or Sinking Fund Installment redemption, from the Redemption Fund in accordance with the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Redemption Fund", the Authority shall, in addition to the requirements of the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Redemption Fund", file with the Trustee a certificate of an Authorized Officer setting forth a Favorable Projection of Revenues or, if the Authority is not able to, a certificate to the effect that in the judgment of the Authority such purchase or redemption will produce a greater estimated availability of Revenues in relation to the amount of such Required Debt Service, Program Expenses and Subordinated Program Expenses in each Bond Year for a greater number of Bond Years than without such a redemption or purchase. If no such Favorable Projection of Revenues or certificate is filed, in the case of optional redemptions, or purchases of Tax-Exempt Bonds or Taxable Bonds in lieu of optional redemption, from the Tax-Exempt Redemption Account or Taxable Redemption Account, as

applicable, unless otherwise specified in the applicable Series Resolution, the Trustee shall redeem Bonds of each Category, Series, Subseries, maturity and tenor, as nearly as practicable, in accordance with the ratio which the aggregate principal amount of the Outstanding Bonds of such Category, Series, Subseries, maturity and tenor bears to the aggregate principal amount of all Outstanding Bonds eligible for such redemption, and if any of the Bonds to be purchased or redeemed are Bonds for which Sinking Fund Installments have been established, shall reduce the Sinking Fund Installments for such Bonds, as nearly as practicable, in accordance with the ratio which the aggregate principal amount of each Sinking Fund Installment bears to the aggregate principal amount of such Bonds; provided that the optional redemption of Subordinate Bonds so long as any Senior Bonds are Outstanding, or of Junior Subordinate Bonds so long as any Senior Bonds or Subordinate Bonds are Outstanding, shall be subject to submission of a Parity Ratio Subordinate Principal Reduction Certificate or a Parity Ratio Junior Subordinate Principal Reduction Certificate, as applicable, taking such redemption into consideration.

Interest or other income derived from the investment or deposit of moneys in the Tax-Exempt Redemption Account or Taxable Redemption Account shall be transferred by the Trustee to the Applicable Revenue Account upon receipt thereof.

Application of Excess Revenues to Redemption of Bonds (Section 510)

Tax-Exempt Excess Revenues. Subject to provisions of a Series Resolution to the contrary with respect to a Series authorized by such Series Resolution, Tax-Exempt Excess Revenues shall be applied to redeem Bonds Subject to Redemption from Tax-Exempt Excess Revenues in the following manner and priority (whether such redemption occurs on a mandatory or optional basis); provided that, except as approved by a Favorable Opinion, clause (4) shall only apply if no Tax-Exempt Bonds remain Outstanding:

(1) Any Senior Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues on a priority basis pursuant to the most recent Series Resolution, sequentially by date of issuance of such Tax-Exempt Bonds and, in the case of multiple such Tax-Exempt Bonds of the same date of issuance, sequentially by final stated maturity date of such Tax-Exempt Bonds;

(2) Unless otherwise directed by the Authority pursuant to clause (3), first to all Senior Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues, on other than a priority basis as referred to in clause (1), so long as any such Senior Tax-Exempt Bonds are Outstanding, then to Subordinate Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues so long as any such Subordinate Tax-Exempt Bonds are Outstanding, and then to Junior Subordinate Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues, in each case pro-rata by principal amount of each maturity of like tenor Outstanding, without regard to date of issuance (or in such manner as directed by the Authority consistent with a Favorable Projection of Revenues); provided that no such Excess Revenues shall be applied to redeem Tax-Exempt Subordinate Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues or Tax-Exempt Junior Subordinate Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues if, as determined by a certificate of any Authorized Officer, any Senior Bonds are Outstanding and the Overall Parity Ratio (taking into consideration the effect of such redemption) is less than 100.0%; and provided further that no such Excess Revenues shall be applied to redeem Tax-Exempt Junior Subordinate Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues if, as so determined, any Subordinate Bonds are Outstanding and the Overall Parity Ratio (taking into consideration the effect of such redemption) is less than 100.0%; and provided further that the amount which would

otherwise then be applied to redeem Bonds shall instead be transferred to the Applicable Suspension Account;

(3) Subject to submission of a Parity Ratio Subordinate Principal Reduction Certificate or a Parity Ratio Junior Subordinate Principal Reduction Certificate, as applicable, and Favorable Projection of Revenues taking such redemption into consideration, to any Subordinate Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues or any Junior Subordinate Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues in such manner as directed by the Authority consistent with such Favorable Projection of Revenues; and

(4) All Taxable Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues as described in clauses (1) through (3) of under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Excess Revenues to Redemption of Bonds" with respect to Taxable Excess Revenues.

Taxable Excess Revenues. Subject to provisions of a Series Resolution to the contrary with respect to a Series authorized by such Series Resolution, Taxable Excess Revenues shall be applied to redeem Bonds Subject to Redemption from Taxable Excess Revenues in the following manner and priority (whether such redemption occurs on a mandatory or optional basis); provided that, except as approved by a Favorable Opinion, clause (4) shall only apply if no Taxable Bonds remain Outstanding:

(1) All Senior Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues on a priority basis pursuant to the most recent Series Resolution, sequentially by date of issuance of such Taxable Bonds and, in the case of multiple such Taxable Bonds of the same date of issuance, sequentially by final stated maturity date of such Taxable Bonds;

(2) Unless otherwise directed by the Authority pursuant to clause (3), first to all Senior Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues, on other than a priority basis as set forth in clause (1), so long as any such Senior Taxable Bonds are Outstanding, then to Subordinate Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues so long as any such Subordinate Taxable Bonds are Outstanding, and then to Junior Subordinate Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues, in each case pro-rata by principal amount of each maturity of like tenor Outstanding, without regard to date of issuance (or in such other manner as directed by the Authority consistent with a Favorable Projection of Revenues); provided that no such Excess Revenues shall be applied to redeem Taxable Subordinate Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues or Taxable Junior Subordinate Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues if, as determined by a certificate of any Authorized Officer, any Senior Bonds are Outstanding and the Overall Parity Ratio (taking into consideration the effect of such redemption) is less than 100.0%; and provided further that no such Excess Revenues shall be applied to redeem Taxable Junior Subordinate Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues if, as so determined, any Subordinate Bonds are Outstanding and the Overall Parity Ratio (taking into consideration the effect of such redemption) is less than 100.0%; and provided further that the amount which would otherwise then be applied to redeem Bonds shall instead be transferred to the Applicable Suspension Account;

(3) Subject to submission of a Parity Ratio Subordinate Principal Reduction Certificate or a Parity Ratio Junior Subordinate Principal Reduction Certificate, as applicable, and a Favorable Projection of Revenues taking such redemption into consideration, to any Subordinate Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues or any Junior Subordinate Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues in such manner as directed by the Authority consistent with such Favorable Projection of Revenues; and

(4) All Tax-Exempt Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues as described in clauses (1) through (3) under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Excess Revenues to Redemption of Bonds" with respect to Tax-Exempt Excess Revenues.

Application of the Rebate Fund (Section 511)

Upon the issuance of any Series of Bonds subject to the Rebate Fund Requirement, the Trustee will establish a separate Rebate Account within the Rebate Fund for such Series. Funds on deposit in the Rebate Fund will be applied as set forth in the applicable Series Resolution. Unless otherwise specified in the applicable Series Resolution, interest or other income derived from the investment or deposit of moneys in the Rebate Fund will be retained therein.

Application of Certain Funds to Redeem Bonds (Section 512)

Pursuant to the Resolution, if amounts on deposit in the Revenue Fund, the Redemption Fund, the Reserve Fund and the Debt Service Fund applicable to a particular Series of Bonds, in each case in excess of the amounts required to be on deposit therein after any transfer required under the Resolution and allowing for the redemption as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Application of Certain Funds to Redeem Bonds," all as certified by an Authorized Officer, are sufficient to redeem all Bonds Outstanding of such Series, such excess amounts, upon the written instruction in the Authority's discretion of an Authorized Officer to the Trustee, will be deposited in the Applicable Redemption Account and applied to the optional redemption or purchase in lieu of optional redemption and retirement of Bonds of such Series as provided in the Resolution; provided, that such use is conditioned upon the filing of a Favorable Projection of Revenues and, provided further, that no redemption or purchase will be so made from the Reserve Fund unless the Reserve Fund Requirement will be satisfied immediately after such redemption or purchase.

Investments and Deposits (Section 513)

Subject to the Series Resolution for any Series of Bonds, and except as otherwise provided in the Resolution, moneys held for the credit of any Fund or Account under the Resolution will, to the fullest extent practicable, be invested, either alone or jointly with moneys in any other Fund or Account, by the Trustee at the direction of an Authorized Officer in Investment Obligations which will mature or be redeemable at par at the option of the holder thereof on such dates and in such amounts as may be necessary to provide moneys to meet the payments required to be made from such Funds and Accounts; provided that if moneys in two or more Funds or Accounts are commingled for purposes of investment, the Trustee will be permitted to make interfund or interaccount transfers in kind, so long as any payments required to be made from such Funds and Accounts are so paid when due, and will maintain appropriate records of the Investment Obligations or portions thereof held for the credit of each such Fund or Account. Investment Obligations purchased as an investment of moneys in any Fund or Account will be deemed at all times to be part of such Fund or Account until transferred as provided in the Resolution. Except as otherwise provided or permitted in the Resolution with respect to the Tax-Exempt Purchase Account or the Taxable Purchase Account, as applicable, and the Rebate Fund or in a Series Resolution authorizing issuance of a Series of Bonds, with respect to interest and other income allocable to such Series, interest and other income derived from the investment or deposit of moneys in any Fund or Account will be transferred upon receipt thereof to the Tax-Exempt Revenue Account, or Taxable Revenue Account, as applicable. Interest or other income derived from the investment or deposit of moneys in the Purchase Account for a Series of Bonds will be transferred as provided in the Resolution and the applicable Series Resolution (provided that the proceeds of any sale or disposition of Education Loans shall be deposited as set forth in the Resolution.) Interest or other income derived from the investment of deposit of moneys in the Rebate Fund will be retained therein unless otherwise specified in the applicable Series Resolution. In making investments under the Resolution, the Trustee will be protected in relying on the written directions of an Authorized Officer and will have no duty to determine whether or not any such investments constitute Investment Obligations.

Subject to the Series Resolution for any Series of Bonds, in computing the amount in any Fund or Account held by the Trustee under the provisions of the Resolution, Investment Obligations will be valued at the amortized cost or market price thereof, whichever is lower, except that the Reserve Fund investments will be valued at amortized cost. As used in the Resolution the term "amortized cost," when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and (i) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (ii) in the case

of an obligation purchased at a discount by adding the product thus obtained to the purchase price. Furthermore, as and when amounts are received by the Trustee as investment earnings on obligations purchased at a premium as aforesaid, or on account of accrued interest paid as part of the purchase price, an amount of such earnings corresponding to the product described in clause (i) of the preceding sentence and the amount of such accrued interest will be deemed to be return of principal to be retained in the applicable Fund or Account to which such obligation relates rather than investment income to be deposited in the Tax-Exempt Revenue Account, or Taxable Revenue Account, as applicable. Unless otherwise specified in the Resolution or in any applicable Series Resolution, the Reserve Fund will be valued by the Trustee on the second Business Day preceding each Interest Payment Date on Fixed Rate Bonds.

The Trustee will sell, or present for redemption, upon the written direction of an Authorized Officer, any obligation purchased by it as an investment whenever it will be necessary in order to provide moneys to meet any payment or transfer (other than inter-fund or intra-fund transfers) from the Fund or Account for which such investment was made. The Trustee will not be liable or responsible for any loss resulting from any such sale or redemption. The Trustee will advise the Authority in writing, on or before the tenth day of each calendar month, of the details of all cash and investments held for the credit of, and transactions in, each Fund and Account in its custody under the provisions of the Resolution as of the end of the preceding month, provided that the Trustee will not be liable for the failure to do so.

Amounts on deposit in the Funds and Accounts established under the Resolution relating to a particular Series of Tax-Exempt Bonds will be invested at a yield no greater than the yield on such Series of Bonds to the extent required by the applicable Series Resolution. The Trustee may establish separate accounts or subaccounts for such purposes and will keep separate records of the investment activities thereof.

Reserve Fund Facility (Section 514)

Pursuant to the Resolution and to the Series Resolution for any Series of Bonds, the Reserve Fund Requirement may be funded in whole or in part with a Reserve Fund Facility. Any provider of a Reserve Fund Facility with respect to any portion of the Reserve Fund Requirement must be rated at least "A" or better by each National Recognized Rating Agency at the time of the issuance of the Reserve Fund Facility. Funds on deposit in the Reserve Fund in excess of the applicable Reserve Fund Requirement after the deposit with the Trustee of such Reserve Fund Facility will be transferred in accordance with the terms of the Resolution.

Recycling of Revenues (Section 515)

During the applicable Recycling Period for each Series of Bonds, Education Loan Payments and other Revenues available for such purpose may be transferred to the Applicable Purchase Account or another Purchase Account for application to the Purchase of additional Education Loan Notes in accordance with the Resolution, subject to any limitation in the Loan Program Certificate.

Issuance of Additional Obligations (Section 603)

Except as permitted in the Resolution, the Authority will not create or permit the creation of or issue any obligations or create any additional indebtedness which will be secured by a charge and lien on the Revenues, Education Loan Notes and other property pledged under the Resolution, so long as the same are so pledged, or which will be payable from any of the Funds or Accounts established and created by or pursuant to the Resolution, unless such obligations or indebtedness satisfy the conditions set forth in the Resolution, treating such obligations or indebtedness as a Series of Bonds for such purpose only.

The Authority expressly reserves the right to adopt one or more other bond resolutions or similar instruments and reserves the right to issue other obligations so long as the same are not a charge or lien prohibited by the Resolution and described in the preceding paragraph.

Program Covenants (Section 604)

The Authority will from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act and with the provisions of the Resolution, make a good faith effort to solicit demand from potential Borrowers and originators for the Purchase of Education Loans by the Authority and to use and apply the proceeds of the Bonds, to the extent not reasonably required for other Program purposes of the Authority, to Purchase Education Loans, and will do all such acts and things necessary to receive and collect Revenues and will diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Authority for the enforcement of all terms, covenants and conditions of Education Loan Notes. Subject to the limits set forth in the Loan Program Certificate and the Resolution, the Authority will determine the terms and conditions of all Education Loans.

Education Loan Notes Purchased with the proceeds of Bonds and any other moneys available therefor under the Resolution will have scheduled payments of principal and interest or other legally enforceable payments available for payment of Principal Installments of and interest on the Bonds which, together with other moneys reasonably anticipated to be available therefor, will be at least sufficient to pay the Principal Installments of and interest on the Bonds when due and all reasonably anticipated Program Expenses and Subordinated Program Expenses. The Authority will not Purchase Education Loan Notes with interest rates lower than those projected with respect to such Education Loan Notes in any Favorable Projection of Revenues previously filed by the Authority pursuant to the Resolution or set forth in a Loan Program Certificate unless the Authority files a Favorable Projection of Revenues taking into account such reduced interest rates.

The Authority covenants to apply any Revenues or other moneys derived by it from Education Loan Notes and held under the Resolution allocable to a particular Series of Bonds after no Bonds of such Series remain Outstanding in accordance with any covenant contained therein or in the applicable Series Resolution.

Covenants as to Education Loans (Section 605)

No Education Loan will be Purchased by the Authority from the proceeds of Bonds or other moneys available therefor under the Resolution, unless the Education Loans and the terms and conditions of Purchase comply with the Resolution, the applicable Series Resolution, the Loan Program Certificate, applicable state and federal laws and, insofar as applicable, the Servicing Guidelines and the Origination Guidelines.

No Education Loan will be Purchased by the Authority unless: (1) an Education Loan Note will have been executed by the Borrower to evidence the Education Loan; (2) the Education Loan is a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms and conditions and free from any right of set-off, counter-claim or other claim, defense or security interest; (3) the Education Loan constitutes an Education Loan within the meaning of the Resolution and the Act; and (4) such Education Loan is made to a Borrower who meets, if applicable, the credit requirements established by the Authority as specified in the Servicing Guidelines and the Origination Guidelines.

The Authority will exercise its best efforts to maintain in effect at all times while Bonds are Outstanding under the Resolution a Servicing Agreement or Agreements with one or more Servicers evidencing, in the judgment of the Authority, the capability and experience necessary to service adequately Education Loans, which contract or contracts will provide for the proper servicing of all Education Loans

and the enforcement of the payment and collection of all Education Loan Payments; provided, however, that the Authority reserves the right to elect at any time to perform all or a portion of the functions of such Servicers for reasonable compensation (not to exceed the amounts permitted under the Loan Program Certificate). In the event the Authority elects to perform all or a portion of the functions of the Servicer, the Authority agrees to abide by applicable current industry standards with respect to its practices as Servicer. During any period in which there is no Servicing Agreement in effect with a Servicer for all or a portion of the functions necessary to service Education Loans adequately, the Authority will perform such functions for reasonable compensation (not to exceed the amounts permitted under the Loan Program Certificate). Each such Servicer (other than the Authority) will enter into a Servicing Agreement providing, among other things, that:

(1) all Revenues received by such Servicer and required to be remitted to the Authority by the terms of any agreement with it will be deposited promptly with a Fiduciary subject to and in accordance with the provisions of the Resolution;

(2) such Servicer will at all times remain qualified to act as such pursuant to such standards as the Authority will prescribe from time to time and will determine to be reasonable to maintain the security for the Bonds;

(3) such Servicer will agree to maintain servicing facilities that are staffed with trained personnel to service adequately Education Loans in accordance with standards normally employed by private professional loan servicers, as determined in the Authority's sole discretion, and will maintain individual files for Education Loans serviced pursuant to the Servicing Agreement and provide regular reports to the Authority as to collections and delinquencies with respect to all Education Loans serviced by such Servicer;

(4) any Education Loan Notes pledged by the Authority to the Trustee under the Resolution and held by such Servicer pursuant to a Servicing Agreement will be held by such Servicer as agent for the Trustee, subject to the rights of the Authority under the Resolution and under such agreement, and the Trustee will be authorized to designate the Servicer as its agent by a UCC filing or such other manner as the Trustee may determine;

(5) any Education Loan Notes held by such Servicer upon the termination of a Servicing Agreement will be delivered by such Servicer to the Trustee, or, upon direction of the Authority, to a successor Servicer that will hold such Education Loan Notes as agent for the Trustee, subject to the rights of the Authority under the Resolution and under the applicable Servicing Agreement, and the Trustee will be authorized to designate the successor Servicer as its agent by a UCC filing or such other manner as the Trustee may determine;

(6) with respect to any period in which a Series of Bonds is Outstanding, such other provisions as may be set forth in the applicable Series Resolution with respect to the Servicer.

The Authority shall not terminate a Servicing Agreement with any Servicer unless the Authority shall have agreed to become Servicer or shall have entered into a replacement Servicing Agreement complying with the requirements of the Resolution with one or more successor Servicers and such successor Servicers and such successor or successors will have assumed the responsibilities and obligations of the Servicer under such Servicing Agreement or the Authority will have elected to assume any of the responsibilities and obligations of the Servicer not so assumed by a successor. Each Servicing Agreement will, in addition to the provisions described under described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Covenants as to Education Loans," contain provisions precluding the Servicer from resigning or otherwise terminating the Servicing Agreement unless the

Authority will have defaulted on its obligations thereunder or the Servicing Agreement will have expired under its terms. The execution and delivery of a Servicing Agreement for Education Loans with a third-party Servicer with terms and conditions materially different than the Servicing Agreement in effect on the date of adoption of the Resolution, or the execution and delivery of a Servicing Agreement with any additional third-party Servicer that will be in effect concurrently with any other Servicing Agreement, will be subject to Prior Rating Agency Notice.

The Authority will diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Education Loans including the prompt payment of all Revenues and all other amounts due the Authority with respect to Education Loans. The Authority will at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the Authority and the Bondholders under or with respect to each Education Loan provided that the Authority will have the power and authority to settle a default on any Education Loan on such terms as the Authority will determine to be in the best interest of the Authority and the Bondholders and to forbear from taking action with respect to enforcement of an Education Loan if it determines such forbearance to be in the best interests of the Authority and the Bondholders.

Whenever it will be necessary in order to protect and enforce the rights of the Authority under an Education Loan and to protect and enforce the rights and interest of Bondholders under the Resolution, the Authority will take steps necessary to enforce any policy or certificate of insurance or guaranty relating to an Education Loan and to accelerate the Education Loan.

The Authority may dispose of Defaulted Education Loans in such manner and upon such terms and for such price or prices as it may determine, provided that it certifies to the Trustee that the disposition of such Loans in the manner, upon the terms and for the price or prices proposed is consistent with the most recently filed Favorable Projection of Revenues or will produce the a greater available amount of Revenues in relation to the amount of Required Debt Service, Program Expenses, and Subordinated Program Expenses in each applicable Bond Year than if such Defaulted Education Loans are not so disposed. The proceeds of such disposition will be deposited in the Applicable Revenue Account (and subaccount therein), determined by the extent to which the Defaulted Education Loans are allocable to Tax-Exempt Bonds or Taxable Bonds.

Subject to the Series Resolution for any Series of Bonds, the Authority may dispose of any Education Loans which are not Defaulted provided that (i) an Authorized Officer will have filed with the Trustee on or prior to the date of disposition a Favorable Projection of Revenues; (ii) to the extent the Education Loans are financed from proceeds of (or otherwise allocable to) Tax-Exempt Bonds, a Favorable Opinion and an Arbitrage Projection Certificate; (iii) proceeds of any such disposition of Education Loans shall be deposited in the Tax-Exempt Redemption Account or the Taxable Redemption Account, as applicable, on the basis of whether the Education Loans are allocable to Tax-Exempt Bonds or Taxable Bonds and applied to the redemption or purchase in lieu of redemption of Bonds of the applicable Category, all in accordance with the Resolution (provided, however, that if no Tax-Exempt Bonds are then Outstanding, any deposit would otherwise be made to the Tax-Exempt Redemption Account shall instead be made to the Taxable Redemption Account, and if no Taxable Bonds are Outstanding, any such deposit that would otherwise be made to the Taxable Redemption Account shall instead be made to the Tax-Exempt Redemption Account); and, unless all Bonds will be paid or defeased as a result of such disposition; (iv) if such disposition is for a price of less than par plus accrued interest, or if the aggregate outstanding principal amount to be sold or transferred, along with all previous sales or transfers, exceeds ten percent of the aggregate original principal amount or, if applicable, accreted value of all Education Loans originated prior to that date, the Authority will provide Prior Rating Agency Notice. For the purposes of allocating proceeds of a disposition of Education Loans to redemption of Bonds among Senior, Subordinate and Junior

Subordinate Bonds of a particular Category, the terms and conditions set forth in the Resolution shall apply among Tax-Exempt Bonds and among Taxable Bonds.

Upon receipt of a certificate of an Authorized Officer to the effect that a determination to make a disposition has been made with respect to specified Education Loans, the Trustee will deliver to the Authority or, in the case of Education Loans held in the custody of a Servicer or other entity, the Authority will cause the Servicer or other entity then holding Education Loan Notes, as applicable, to deliver to the order of the Authority the Education Loan Notes relating to such Education Loans.

If an Event of Default has occurred and is continuing, upon the written direction of the Trustee, the Authority will sell Education Loans (whether Defaulted or not) to the extent and in the manner directed by the Trustee.

The Authority may consent or agree to permit amendment or modification of any Education Loan including amendments and modifications made in connection with settlement of any delinquency or default on any Education Loan which settlement the Authority determines to be in the best interests of the Authority and the Bondholders; provided, however, that any amendment or modification will be permitted only if the amended Education Loan meets the Authority's applicable eligibility criteria for an Education Loan which the Authority may Purchase and the Authority determines that such modification will not have a material adverse impact, taking into account the reasonable expectations with respect to the Education Loan in question immediately prior to such modification, on the Authority's ability to pay Required Debt Service when due and Program Expenses and Subordinated Program Expenses in the current and each subsequent Bond Year.

Projection of Revenues (Section 606)

The Authority will file a Projection of Revenues with the Trustee at such times as are required by the Resolution or any Series Resolution. The Authority will provide a copy of each Projection of Revenues filed with the Trustee and to each Nationally Recognized Rating Agency.

A Projection of Revenues will consist of a certificate of an Authorized Officer setting forth for the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding, the Authority's estimate of:

(1) The Revenues expected to be received on all Education Loans Purchased or expected to be Purchased with funds on deposit in or expected to be deposited in the Program Fund;

(2) All other Revenues, including the interest to be earned and other income to be derived from the Program and the rates or yields used in estimating such amounts; provided that in estimating the interest and other income to be derived from the investment of any moneys held or projected to be held under the Resolution (other than investments in Education Loans), the Projection of Revenues will only assume (a) the actual rates or yields on moneys under investment (or under contract for investment) at the time of filing of such Projection of Revenues to the maturity dates of such investments (or, if earlier, the first date on which such investments are redeemable at the option of the issuer thereof) or (b) if such moneys are not then under investment (or contract for investment), and following the maturity or redemption of any current investment, the Three Month Treasury Bill Yield in effect as of the date of filing of such Projection of Revenues, in either case not to exceed the applicable adjusted bond yield;

(3) The amounts, if any, expected to be withdrawn from the Reserve Fund;

(4) Other funds expected to be available for and applied to the payment of Debt Service, Program Expenses, and Subordinated Program Expenses;

(5) The Debt Service for the current and each succeeding Bond Year reflecting separately Cumulative Sinking Fund Installments, Required Debt Service and total Debt Service and, in the event any Bonds are subject to a Qualified Hedge Agreement, the anticipated effect of such Qualified Hedge Agreement;

(6) The Program Expenses and Subordinated Program Expenses based upon the Authority's previous experience and reasonable expectations; and

(7) The deposits to the Rebate Fund expected to become due during each such year.

In preparing any Projection of Revenues filed after the one supporting the initial issuance of Bonds, the Authority will use the assumptions reflected in the Favorable Projection of Revenues most recently filed pursuant to the Resolution, which assumptions will be modified to take into account its prior experience with respect to prepayments of and defaults and recoveries on Education Loans and with respect to the anticipated schedule of loan origination and any other relevant factors. Every Projection of Revenues will set forth in reasonable detail the relevant financial and other assumptions on which it is based. During such period as any Series of Bonds is Outstanding, any Projection of Revenues affecting such Series of Bonds will incorporate any additional assumptions or requirements set forth in the Series Resolution applicable to such Series of Bonds. In preparing any Projection of Revenues, the Authority will use the assumptions and criteria set forth in the Loan Program Certificate.

Whenever a Projection of Revenues is required to be filed with any person pursuant to the Resolution, it will be sufficient, if a Projection of Revenues has been filed within the preceding twelve months, to file a certificate of an Authorized Officer stating that (1) the expectations and assumptions reflected in the most recent Projection of Revenues filed with such person have not materially changed and (2) either the transaction then being requested was expected and reflected in all material respects in such Projection of Revenues or the transaction then being requested will not materially change the expectations and assumptions reflected in such Projection of Revenues, provided, however, that a new Favorable Projection of Revenues always will be required in satisfaction of the requirements set forth in the Resolution as they relates to Education Loans that are not Defaulted.

Bonds will not be redeemed at the option of the Authority pursuant to the provisions of the applicable Series Resolution at a redemption price in excess of 100% of the principal amount of such Bonds being redeemed unless the Authority has filed a Favorable Projection of Revenues giving effect to such redemption.

Representations and Warranties as to Power to Issue Bonds and Pledge Revenues and Other Funds (Section 607)

The Authority is duly authorized under all applicable laws to create and issue the Bonds and to adopt the Resolution and to pledge the Trust Assets and other moneys purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. The Authority owns, or will own, and has, or will have, good and marketable title to the Trust Assets. The Trust Assets so pledged are, and will be, free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto other than the pledge created by the Resolution. Other than the security interest granted to the Trustee pursuant to the Resolution, the Authority has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Trust Assets. 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 Trust Assets other than any financing

statement related to the security interest granted to the Trustee under the Resolution or that has been terminated. The Authority is not aware of any judgment or tax lien filings against it.

The Authority relies on §13 of the Act, which provides that liens on the Authority's revenues (which include principal and interest on education loans and proceeds of sales of education loans) and the Authority's contract rights are perfected without the need to file any financing statements in any public records other than the records of the Authority. Nonetheless, in accordance with its custom and practice, the Authority has taken, or will take, actions to perfect the security interest granted under the Resolution consistent with the UCC. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Trust Assets and all the rights of the Holders of the Bonds under the Resolution against all claims and demands of all persons whomsoever. The Authority will take or cause to be taken such actions as may be necessary in order to maintain the perfection and priority of the security interests granted or intended to be granted under the Resolution. The provisions described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE– Representations and Warranties as to Power to Issue Bonds and Pledge Revenues and Other Funds" shall survive until payment in full or defeasance of all Outstanding Series of Bonds issued under the Resolution. The Authority may not waive any of the provisions described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE– Representations and Warranties as to Power to Issue Bonds and Pledge Revenues and Other Funds".

Instruments: With respect to the Trust Assets that constitute "instruments" within the meaning of the UCC (referred to in this paragraph as "Instruments"), the Authority has caused or will have caused within ten (10) days of granting a security interest therein, 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 Instruments granted to the Trustee under the Resolution. In addition, the Authority has received or will receive written acknowledgment from the Servicer, acting as custodian for the Trustee (the "Trust Custodian") under a custodial agreement, to be executed in connection with the initial issuance of Bonds under the Resolution, by and among the Authority, the Trustee and the Trust Custodian, that it is holding, or will hold, executed copies of the original promissory notes and credit agreements and original master promissory notes and credit agreements that constitute or evidence the Education Loans, and that it is holding, or will hold, such solely on behalf and for the benefit of the Trustee. None of the Trust Assets that constitute or evidence the Instruments has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any person other than the Trustee. All financing statements filed or to be filed against the Authority in favor of the Trustee in connection with the Resolution describing the Instruments must contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the Trustee."

Accounts: With respect to the Trust Assets that constitutes "accounts" within the meaning of the UCC (referred to in in this paragraph as "Accounts"), the Authority has caused or will have caused within ten (10) days of granting a security interest therein, 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 Accounts granted to the Trustee under the Resolution.

Securities Entitlements: With respect to the Trust Assets that constitute "securities entitlements" within the meaning of the UCC (referred to in this paragraph as "Securities Entitlements"), such Securities Entitlements have been and will have been credited to one or more of the Funds or Accounts created by or pursuant to the Resolution. The securities intermediary for each such Fund or Account has agreed to treat all assets credited to the Funds and Accounts as "financial assets" within the meaning of the UCC. The Authority has taken all steps necessary to cause the securities intermediary to identify in its records the Trustee as the person having a security entitlement against the securities intermediary in each of the Securities Entitlements. The Authority has received all consents and approvals required by the terms of the Securities Entitlements to the transfer to the Trustee of its interest and rights in the Securities Entitlements

under the Resolution. The Funds and Accounts are not in the name of any person other than the Authority or the Trustee. The Authority has not consented to the securities intermediary of any such Fund or Account to comply with entitlement orders of any person other than the Trustee.

General Intangibles: With respect to the Trust Assets that constitute "general intangibles" within the meaning of the UCC (referred to in this paragraph as "General Intangibles"), the Authority has caused or will have caused within ten (10) days of granting a security interest therein, 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 General Intangibles granted to the Trustee under the Resolution.

Deposit Accounts: With respect to the Trust Assets that constitute "deposit accounts" within the meaning of the UCC (referred to in this paragraph as "Deposit Accounts"), the Authority has taken all steps necessary to cause the Trustee to become the account holder of such Deposit Accounts. Such Deposit Accounts are not in the name of any person other than the Authority or the Trustee. The Authority has not consented to any bank maintaining the Deposit Accounts to comply with entitlement orders of any person other than the Trustee.

Further Assurance (Section 608)

At any and all times the Authority will, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for better assuring, conveying, granting, assigning or confirming all and singular the Trust Assets and other moneys, pledged or assigned, or intended so to be, or which the Authority may become bound to pledge or assign.

Annual Budget (Section 609)

By the beginning of each Fiscal Year the Authority will adopt and file with the Trustee an Annual Budget with respect to the Program for the ensuing Fiscal Year. Each such Annual Budget will include allocations for Debt Service and estimated Program Expenses and Subordinated Program Expenses for such Fiscal Year. The Authority may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year. If an Annual Budget has not been adopted for a Fiscal Year, the Annual Budget for the prior Fiscal Year, adjusted to reflect current Debt Service, will be deemed to be in effect.

Accounts and Reports (Section 610)

The Authority will keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries will be made of its transactions and the Funds and Accounts established by the Resolution, such books, and all other books and papers of the Authority and such Funds and Accounts will at all times be subject to the inspection of the Trustee and the Holders of an aggregate of not less than 5% in principal amount of the Bonds then Outstanding or their authorized representatives.

The Authority will annually, within 180 days after the close of each Fiscal Year file with the Trustee and each Nationally Recognized Rating Agency, and otherwise as provided by law a copy of an annual report for such year, accompanied by an Accountant's Certificate, including its audited financial statements and information relating to the Program during such Fiscal Year organized in accordance with the categories or classifications established by the Authority for its operating purposes; provided that the Authority shall not be deemed to be in violation of this covenant if a delay in such a filing occurs which is attributable to delay in receipt of necessary information from a third party. Such annual report and Accountant's Certificate may be combined with any other annual report and Accountant's Certificate relating to other programs and operations of the Authority.

If the Authority generates a Projection of Revenues required under the Resolution, the Authority agrees to provide copies thereof to each Nationally Recognized Rating Agency.

The Authority agrees to provide, on a quarterly basis, either to each Nationally Recognized Municipal Securities Information Repository or, to the extent permitted by Rule 15c2-12(b)(5) adopted by the Securities Exchange Commission under the Securities Exchange Act of 1934, as amended, on its publicly accessible website, periodic Issue L loan portfolio information of the type set forth in an Exhibit to the Series Resolution. The format and manner of delivery of such quarterly reports will be subject to the reasonable discretion of the Authority. Failure to comply with the provisions of the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE–Accounts and Reports" will not constitute an Event of Default and any remedies are limited to those provided in the Resolution.

Creation of Liens; Incurring Indebtedness (Section 611)

Except as set forth in the Resolution, the Authority will not issue any bonds or other evidences of indebtedness and will incur no indebtedness, other than the Bonds, secured by a pledge of the Trust Assets or other moneys, pledged or held or set aside by the Authority or by the Fiduciary under the Resolution and will not create or cause to be created any lien or charge on the Trust Assets or other moneys, unless any lien securing the same (including any documents or instruments filed with any governmental authority to perfect such lien) are expressly subordinated and made subject to the indebtedness evidenced by the Bonds and subject to satisfaction of the Rating Agency Condition as to all Nationally Recognized Rating Agencies; provided, however, that nothing in the Resolution will prevent the Authority from issuing (i) evidences of indebtedness secured by a pledge of Revenues to be derived on and after such date as the pledge of the Revenues provided in the Resolution will be discharged and satisfied, and (ii) notes or bonds of the Authority not secured by Revenues, Trust Assets or the Resolution.

Tax Covenants (Section 612)

The Authority will not permit any of the proceeds of the Tax-Exempt Bonds or any other funds of the Authority to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Tax-Exempt Bond to be an "arbitrage bond" as defined in Section 148 of the Code, or to be used in any manner which would cause any Tax-Exempt Bond to violate any of the restrictions contained in Section 144(b), 146 or 147 of the Code. The Authority will not enter into any arrangement, formal or informal, pursuant to which any person from whom the Authority may acquire Education Loan Notes under the Program (or any related person, as defined in Section 144(a)(3) of the Code) will be required to purchase Tax-Exempt Bonds in an amount related to the amount of Education Loan Notes to be acquired from such person by the Authority. The Authority will at all times retain in the Origination Guidelines provisions limiting the amount of proceeds of Education Loans received by a Student that are allocable to Tax-Exempt Bonds for federal tax compliance purposes to such Student's total costs of attendance at a Participating Educational Institution less other financial assistance available to such Student for application to such costs. The Authority will at all times do and perform all acts and things permitted by law and necessary or desirable in order to comply with the provisions of the Code affecting the exclusion from gross income under the Code of interest paid by the Authority on the Tax-Exempt Bonds.

With respect to Tax-Exempt Bonds, whenever an Arbitrage Projection Certificate is required to be filed with any person pursuant to the Resolution, it will be sufficient, if an Arbitrage Projection Certificate has been filed with the same person within the preceding twelve months, to file a certificate of an Authorized Officer stating that (1) the expectations and assumptions reflected in the most recent Arbitrage Projection Certificate filed with such person have not materially changed and (2) either the transaction then being requested was expected and reflected in all material respects in such Arbitrage Projection Certificate or the

transaction then being requested will not materially change the expectations and assumptions reflected in such Arbitrage Projection Certificate provided.

General (Section 613)

The Authority will do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act and the Resolution.

Upon the date of delivery of each Series of the Bonds, all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds will exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Authority, will be within every debt and other limit prescribed by the laws of the Commonwealth.

Events of Default (Section 701)

Each of the following events is considered an "Event of Default":

(1) payment of the Principal Installments of any Bond included in Required Debt Service (other than Subordinate Bonds or Junior Subordinate Bonds, except if such Subordinate Bonds or Junior Subordinate Bonds have become the Highest Priority Bonds) whether at maturity or otherwise, including upon any tender for purchase, will not be made when and as the same become due; or

(2) payment of any installment of interest on any of the Bonds (other than Subordinate Bonds or Junior Subordinate Bonds, except if such Subordinate Bonds or Junior Subordinate Bonds have become the Highest Priority Bonds) will not be made when and as the same will become due; or

(3) failure or refusal by the Authority to comply with the provisions of the Resolution, the Loan Program Certificate or any Series Resolution (other than relevant events as set forth in the Resolution), or default in the performance or observance of any of the covenants (other than relevant events as set forth in the Resolution), agreements or conditions on its part contained therein or in the Bonds, and such failure, refusal or default will continue for a period of 60 days after written notice thereof to the Authority by the Trustee or the Holders of more than 50% in the principal amount of the Outstanding Bonds, provided that if such default is capable of being remedied but cannot be remedied within such period, it will not constitute an Event of Default under the Resolution if corrective action is instituted by the Authority within such period and diligently pursued if the default is remedied within an additional 60 days; or

(4) An order, judgment or decree is entered by a court of competent jurisdiction (a) appointing a receiver, trustee, or liquidator for the Authority or the whole or any substantial part of its assets, (b) granting relief in involuntary proceedings with respect to the Authority under the federal bankruptcy act, or (c) assuming custody or control of the Authority or of the whole or any substantial part of its assets under the provisions of any law for the relief of debtors, and the order, judgment or decree is not set aside or stayed within 60 days from the date of entry of the order, judgment or decree; or

(5) The Authority (a) admits in writing its inability to pay its debts generally as they become due, (b) commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness, (c) makes an assignment for the benefit of its creditors, or (d) consents to the

assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the Authority or of the whole or any substantial part of its assets.

Remedies (Section 702)

Upon the happening and continuance of any Event of Default, then, and in each such case, the Trustee may proceed, and upon the written request of the Holders of more than 50% in principal amount of the Highest Priority Bonds Outstanding will proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, will deem most effectual to protect and enforce such rights:

(1) By suit, action or proceeding, to enforce all rights of the Bondholders, including the right to require the Authority to carry out the covenants and agreements in the Resolution as to the Revenues and Education Loans and to require the Authority to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(2) By bringing suit upon the Bonds;

(3) By action or suit, to require the Authority to account as if it were the trustee of an express trust for the Holders of the Bonds;

(4) By action or suit, to enjoin any acts or things which may be unlawful or in violation of the Resolution or of the rights of the Holders of the Bonds;

(5) By exercising any and all rights of the Authority with respect to the Revenues and Education Loans; and

(6) For Events of Default other than as described the Resolution, by declaring the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will become and be immediately due and payable, anything in the Resolution or in any of the Bonds contained to the contrary notwithstanding; provided that the right to make such declaration as aforesaid is subject to the condition that if, at any time after such declaration as aforesaid, all outstanding Events of Default (other than the payment of principal and interest due and payable solely by reason of such declaration) will have been cured or provision deemed by the Trustee to be adequate will be made therefor, then and in every such case, unless a final judgment has been obtained for any principal or interest coming due and payable solely by reason of such declaration, the Holders of more than 50% in principal amount of the Highest Priority Bonds then Outstanding, by written notice to the Authority and to the Trustee, may annul such declaration, or, if the Trustee will have acted without a direction from Bondholders and if there will not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of more than 50% in principal amount of the Highest Priority Bonds then Outstanding, then any such declaration will be deemed to be annulled.

Upon the occurrence of an Event of Default, the Authority, at the request of the Trustee or the Holders of more than 50% in principal amount of the Outstanding Highest Priority Bonds, will assign to the Trustee any and all interests and rights held by the Authority in the Education Loans, any security agreements and Servicing Agreements, and will take any other steps requested by the Trustee or Bondholders to further effectuate the rights of the Trustee under the Resolution to the Education Loans or such agreements.

Right to Compel Periodic Reports (Section 703)

Any failure to provide periodic reports as required by the Resolution will not constitute an Event of Default. However, to the extent permitted by law, any Bondholder may seek a court order for specific performance by the Authority to provide such periodic information and to compel the Authority to perform and carry out its obligations thereunder; provided, however, that the sole remedy for a failure to provide periodic reports will be limited to an action to compel specific performance of such obligations and will not include any rights to monetary damages.

Priority of Payments After Default (Section 704)

Subject to the terms of the Resolution, in the event that upon the happening and continuance of any Event of Default, the funds held by the Trustee will be insufficient for the payment of principal and interest then due on the Bonds, the provisions in the Resolution related to the priority of draws from Funds and accounts will no longer apply, and such funds and any other amounts received or collected by the Trustee acting pursuant to the Resolution, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interest of the Holders of the Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee in the performance of its duties under the Resolution, will be applied, as follows:

(1) Unless the principal of all of the Bonds is or have been declared due and payable:

FIRST: To the payment to the persons entitled thereto of all installments of interest on the Senior Bonds then due or accrued and unpaid as of the next prior Interest Payment Date in the 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; provided that scheduled payments on Qualified Hedge Agreements related to the Senior Bonds will be treated as interest for the purposes of this clause.

SECOND: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Senior Bonds which will have become due, and, if the amounts available will not be sufficient to pay in full all such amounts due, then to the payment thereof ratably, according to the amounts due on such date, to the persons entitled thereto, without any discrimination or preference;

THIRD: To be held for the payment to the persons entitled thereto as the same will become due, of the principal or Redemption Price of and interest on the Senior Bonds which may thereafter become due and if the amounts available shall not be sufficient to pay in full all such Senior Bonds due on any date, together with such interest, payment shall be made ratably according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or preference;

FOURTH: To be held for the payment to the persons entitled thereto of all installments of interest on the Subordinate Bonds then due or accrued and unpaid as of the next prior Interest Payment Date in the order of the maturity of such installments, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; provided that scheduled payments on Qualified Hedge Agreements related to Subordinate Bonds shall be treated as interest for the purposes of this clause;

FIFTH: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Subordinate Bonds which shall have become due, and if the amounts available shall not be sufficient to pay in full all such amounts due, then to the payment thereof ratably, according to the amounts due on such date, to the persons entitled thereto, without any discrimination or preference;

SIXTH: To be held for the payment to the persons entitled thereto as the same shall become due, of the principal or Redemption Price of and interest on the Senior Subordinate Bonds which may thereafter become due and if the amounts available shall not be sufficient to pay in full all such Subordinate Bonds due on any date, together with such interest, payment shall be made ratably according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or preference;

SEVENTH: To be held for the payment to the persons entitled thereto of all installments of interest on the Junior Subordinate Bonds then due or accrued and unpaid as of the next prior Interest Payment Date in the order of the maturity of such installments, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; provided that scheduled payments on Qualified Hedge Agreements related to Junior Subordinate Bonds will be treated as interest for the purposes of this clause;

EIGHTH: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Junior Subordinate Bonds which will have become due, and if the amounts available will not be sufficient to pay in full all such amounts due, then to the payment thereof ratably, according to the amounts due on such date, to the persons entitled thereto, without any discrimination or preference; and

NINTH: To be held for the payment to the persons entitled thereto as the same will become due, of the principal or Redemption Price of and interest on the Junior Subordinate Bonds which may thereafter become due and if the amounts available will not be sufficient to pay in full all such Junior Subordinate Bonds due on any date, together with such interest, payment will be made ratably according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or preference; and

(2) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Senior Bonds 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 Bond over any other Senior Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference and as to any difference in the respective rates of interest specified in the Senior Bonds, provided that scheduled payments on Qualified Hedge Agreements allocable to such Senior Bonds shall be treated as interest for the purposes of the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE— Priority of Payments After Default" and then, on a subordinate basis, to the payment of the principal and interest then due and unpaid upon the Subordinate Bonds 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 Subordinate Bond over any other Subordinate Bond, ratably, according to the amounts due respectively for principal and interest to the persons entitled thereto, without any discrimination or preference and as to any difference in the respective rates of interest specified in the Subordinate Bonds, provided that scheduled payments on Qualified Hedge Agreements allocable to such Subordinate Bonds shall be treated as interest for the purposes

of the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE— Priority of Payments After Default" and then, on a further subordinate basis, to the payment of the principal and interest then due and unpaid upon the Junior Subordinate Bonds 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 Junior Subordinate Bond over any other Junior Subordinate Bond, ratably, according to the amounts due respectively for principal and interest to the persons entitled thereto, without any discrimination or preference and as to any difference in the respective rates of interest specified in the Junior Subordinate Bonds, provided that scheduled payments on Qualified Hedge Agreements allocable to such Junior Subordinate Bonds shall be treated as interest for the purposes of the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE— Priority of Payments After Default".

Whenever moneys are to be applied by the Trustee pursuant to the provisions of the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE— Priority of Payments After Default", such moneys will be applied by the Trustee at such times, from time to time, as the Trustee in its sole discretion will determine, having due regard to the amount of such moneys available for application and the likelihood of additional money becoming available for such application in the future. The 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 Authority, to any Bondholder or to 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 Resolution 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) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date 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 Holder of any Bond unless such Bond will be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Bondholders' Direction of Proceedings (Section 706)

Except as otherwise provided in the Resolution, the Holders of more than 50% in aggregate principal amount of the Highest Priority Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee to direct the method of conducting all remedial proceedings to be taken by the Trustee under the Resolution, provided that such direction will not be otherwise than in accordance with law or the provisions of the Resolution, and that the Trustee will have the right to decline to follow such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders of Highest Priority Bonds not parties to such direction.

Notwithstanding any provision of the Resolution to the contrary, if no Event of Default other than an Event of Default under the Resolution will have occurred and be continuing thereunder, except with the consent of the Holders of more than 50% in aggregate principal amount of Subordinate Bonds Outstanding and the consent of the Holders of more than 50% in aggregate principal amount of the Junior Subordinate Bonds Outstanding, the Trustee will not exercise the following rights and remedies: (i) apply available funds other than in accordance with the terms of the Resolution or (ii) effect a sale of Education Loan Notes pledged thereunder as part of the Trust Assets (or any other portion of such Trust Assets) at a price or prices or on terms and conditions which will not be adequate to provide for all principal and interest due or to become due upon maturity, redemption or acceleration of all Bonds (Senior, Subordinate, and Junior Subordinate) Outstanding.

Limitation on Rights of Bondholders (Section 707)

No Holder of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law under the Resolution, or for the protections or enforcement of any right under the Resolution unless such Holder shall 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 unless the Holders of more than fifty percent (50%) in aggregate principal amount of the Highest Priority Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers of right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the power granted under the Resolution or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under the Resolution or for any other remedy under the Resolution or by law. It is understood and intended that no one or more Holders of the Bonds secured under the Resolution shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of the Resolution, or to enforce any right thereunder or under law with respect to the Bonds or the Resolution, except in the manner provided therein, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Resolution and for the benefit of all Holders of the Outstanding Bonds. Nothing contained in the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE— Priority of Payments After Default" shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on his or her Bonds, or the obligation of the Authority to pay the principal of and interest on each Bond issued under the Resolution to the Holder thereof at the time and place in said Bond expressed.

Anything to the contrary notwithstanding contained in the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE— Priority of Payments After Default", or any other provision of the Resolution, each Holder of any Bond by its acceptance thereof shall 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 Resolution or any Supplemental Resolution, 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, including reasonable pretrial, 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 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding more than fifty percent (50%) in aggregate principal amount of the Highest Priority Bonds then Outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of any Bond on or after the respective due date thereof expressed in such Bond.

Responsibilities of Fiduciaries (Section 803)

The recitals in the Resolution and in the Bonds contained will be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bonds issued thereunder or as to the security afforded by the Resolution, and no Fiduciary will incur any liability in respect thereof. No Fiduciary will be under any responsibility or duty with respect to the application of any moneys paid to the Authority or to any other Fiduciary. No Fiduciary will be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect of the Resolution, or to advance any of its own moneys, unless in the view of the Fiduciary it is properly indemnified. Subject to the Resolution as described in the third paragraph of "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE— Responsibilities of Fiduciaries", no Fiduciary will be liable in connection with the performance of its duties thereunder except for its own negligence or willful misconduct. No Fiduciary

will be liable in connection with the performance of its duties thereunder (l) for any error of judgment made in good faith by one or more of its officers unless it will be proved that the Fiduciary was negligent in ascertaining the pertinent facts and (2) for any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of more than 50% in principal amount of the Highest Priority Bonds. The Trustee will, however, be responsible for its representation contained in its certificate of authentication on the Bonds to the extent provided in Article 8, Section 208, as amended, of the Massachusetts Uniform Commercial Code.

All moneys held by or on behalf of any Fiduciary, as such, at any time pursuant to the terms of the Resolution will be and are assigned, transferred and set over unto such Fiduciary in trust for the purposes and under the terms and conditions of the Resolution, but such moneys need not be segregated from other funds except to the extent required by law. No Fiduciary will be under any liability for interest on money received by it under the Resolution except as otherwise agreed with the Authority.

The Trustee, prior to the occurrence of an Event of Default which may have occurred, undertakes to perform such duties as are specifically set forth in the Resolution and no implied covenants or obligations will be read into the Resolution against the Trustee. In case an Event of Default has occurred the Trustee will exercise such of the rights and powers vested in it by the Resolution, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The Trustee will not be charged with knowledge of any Event of Default other than a default in the payment of the principal of or interest on any Bond unless either (a) an officer in the corporate trust department of the Trustee has actual knowledge thereof or (b) written notice of any Event of Default will have been given to the Trustee by the Authority or by Holders of 5% or more in principal amount of the Outstanding Bonds. Any provision of the Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely will be subject to the provisions of the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE— Responsibilities of Fiduciaries"

Prior to the occurrence of an Event of Default, the Trustee will not incur any extraordinary expenditures reimbursable from the Trust Assets unless the Trustee determines or the Authority advises the Trustee that such incurrence will not adversely affect the conclusions in the most recently filed Favorable Projection of Revenues.

To the extent the Trustee performs any record-keeping or safekeeping duties for the Authority in connection with its obligations under the Resolution, the Trustee agrees to hold all documents received by it, and will make disposition thereof only in accordance with the written instructions of the Authority. The Trustee will segregate and maintain continuous custody of all documents received by it in secure and fireproof facilities in accordance with customary standards for such custody.

Resignation of Trustee (Section 807)

The Trustee may at any time resign and be discharged of the duties and obligations created by the Resolution by giving not less than 60 days' written notice to the Authority specifying the date when such resignation will take effect, and such resignation will take effect upon the day specified in such notice unless previously a successor will not have been appointed by the Authority or the Holders of Bonds as provided in the Resolution, in which event such resignation will take effect immediately on the appointment of such successor.

Removal of Trustee and Fiduciaries (Section 808)

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and, subject to the Resolution as described in the second paragraph of "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE— Removal of Trustee and Fiduciaries", signed by the Holders of more than 50% in aggregate principal amount of the Highest Priority Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority. A Paying Agent (other than the Trustee) may be removed at any time by the Authority, upon filing with the Trustee and with such Paying Agent a copy of the resolution of the Authority, certified by its secretary, providing for the removal.

Any Fiduciary (including but not limited to the Trustee) or Accounts Bank holding a Fund or an account will be removed by the Authority and no longer allowed to hold any Fund or account if such Fiduciary or Accounts Bank will fail to maintain a rating of at least "A-" from S&P. If the Fiduciary's or Accounts Bank's rating from S&P is withdrawn, suspended or falls below "A-," the Authority will use commercially reasonable efforts to appoint a successor meeting the foregoing and all other applicable requirements of the Resolution within 60 days of such withdrawal, suspension or downgrade; provided that the Authority will not be required to obtain the consent of the Holders referred to in the Resolution in order to remove or replace a Fiduciary or an Accounts Bank under this paragraph and that the inability to retain a successor Fiduciary or Accounts Bank upon commercially reasonable terms meeting the rating requirement in this paragraph will not in any event constitute an Event of Default under the Resolution.

Supplemental or Series Resolutions Effective Upon Filing With the Trustee (Section 901)

For any one or more of the following purposes, and at any time or from time to time, a Supplemental or Series Resolution of the Authority (in form satisfactory to the Trustee) may be adopted, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority will be fully effective in accordance with its terms:

(1) To authorize the issuance of a Series of Bonds;

(2) To set forth terms governing the issuance of any bonds as contemplated by the Resolution which terms are consistent with the terms of the Resolution;

(3) To add to the covenants and agreements of the Authority in the Resolution, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(4) To add to the limitations and restrictions in the Resolution other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Resolution, of the Revenues or of any other moneys, securities or funds;

(6) To provide for the issuance of non-registered Bonds, provided that such Supplemental or Series Resolution will be accompanied by the Counsel's Opinion as required by the Resolution;

(7) To modify any of the provisions of the Resolution in any respect whatever, provided that such modifications will be, and be expressed to be, effective only after all Bonds will cease to be Outstanding;

(8) To cure any ambiguity, supply any omission, or cure or correct any inconsistent provision in the Resolution; to substitute words or phrases used as defined terms in the Resolution if it is convenient to do so in connection with the administration of the Program; or to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect, provided, in all cases, that such action or actions will not adversely affect the interests of the Bondholders; and

(9) To authorize the Authority to enter into a Qualified Hedge Agreement in connection with a Series of Bonds and to amend the applicable Series Resolution, if necessary, in connection with such Qualified Hedge Agreement subject to Prior Rating Agency Notice and satisfaction of the Rating Agency Condition as to S&P.

In any event, the Authority will not amend the Resolution or any Series Resolution or enact any Supplement Resolution without providing Prior Rating Agency Notice except as provided in the Resolution.

Supplemental Resolutions Effective with Consent (Section 902)

At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by the Holders of Bonds in accordance with and subject to the Resolution, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority and upon compliance with the provisions of the Resolution, shall become fully effective in accordance with its terms as provided in the Resolution.

Powers of Amendment (Section 1002)

Except as otherwise provided in the Resolution, any modification or amendment of the Resolution and of the rights and obligations of the Authority or of the Holders of the Bonds, in any particular, may be made by a Supplemental Resolution, with Prior Rating Agency Notice and with the written consent given as provided in Resolution (i) of the Holders of more than 60% in aggregate principal amount of the Bonds then Outstanding at the time such consent is given, and (ii) in case the modification or amendment changes the terms of any Sinking Fund Installment on Bonds, of the Holders of more than 60% in aggregate principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series and maturity remain Outstanding, the consent of the Holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Power of Amendment". No such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds (whether Senior Bonds, Subordinate Bonds or Junior Subordinate Bonds) or of any installment of interest thereon without the consent of the Holder of such Bonds, or will reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or will change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. The Trustee, relying upon Counsel's Opinion, may determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular maturity would be affected by any modification or amendment of the Resolution and any such determination will be binding and conclusive on the Authority and all Holders of Bonds.

Defeasance (Section 1101)

Subject to the Series Resolution for any Series of Bonds, if the Authority will pay or cause to be paid to the Holders of the Bonds, all of the principal and interest to become due thereon, then the pledge of any Trust Assets and other moneys, thereby pledged to the payment of the Bonds and all other rights granted thereby securing the Bonds will be discharged and satisfied. Subject to satisfaction of all other obligations secured by the Trust Assets, all amounts held in any Funds or Accounts (except for such amounts held for the payment of Bonds not theretofore surrendered for such payment) including any Education Loans, will be distributed in accordance with a certificate of an Authorized Officer of the Authority instructing the Trustee to distribute the amounts therein. The Trustee will execute any and all documents as are necessary or appropriate to effectuate the distributions described in the Resolution. The Trustee will, upon the request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction. If the Authority will pay or cause to be paid, or there will otherwise be paid, to the Holders of all Outstanding Bonds the principal and interest due or to become due thereon at the times and in the manner stipulated in the Bonds and in the Resolution, such Bonds will cease to be entitled to any lien, benefit or security under the Resolution and all covenants, agreements and obligations of the Authority to the Holders of such Bonds will thereupon cease, terminate and become void and be discharged and satisfied.

Bonds (which may be only a portion of a Series of Bonds or of a maturity within a Series) or interest installments for the payment of which moneys and investment earnings thereon, if any, will have been set aside and will be held in trust by the Trustee will, at the stated maturity date or redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph of. Subject to the Series Resolution for any Series of Bonds, all Bonds will, prior to the stated maturity date or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity the Authority will have given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in the Resolution notice of redemption on said date of such Bonds, (ii) there will have been deposited with the Trustee moneys in an amount which will be sufficient, or when invested in obligations described in clauses (1) or (9) of the definition of "Investment Obligations" will, together with the investment earnings thereon, be sufficient to pay when due the principal of and interest due and to become due on said Bonds on and prior to the stated maturity date thereof and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Authority will have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to each of the Holders of such Bonds first-class postage prepaid to the address appearing upon the registration books of the Trustee, that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Defeasance" and stating such maturity date or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, on said Bonds. For the purposes of any determination with respect to the sufficiency of amounts needed to refund any Bonds more than one Interest Payment Date prior to their redemption date, such determination will be made in reliance on a verification report of a firm of independent certified public accountants. For the purpose of defeasance under the Resolution, the Authority may, but will not be required to, provide for payment of remaining Cumulative Sinking Fund Installments that are not Required Debt Service in accordance with the schedule of such Principal Installments established at the date of issuance of each applicable Series of Bonds. Money deposited with the Trustee pursuant to the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Defeasance" and interest payments on any such Investment Obligations purchased with such moneys will be withdrawn or used only for the purpose of, and will be held in trust for, the payment of the principal of and interest on said Bonds; but any cash received from such principal or interest payments on such Investment Obligations deposited with the Trustee, if not then needed for such purpose, will, to the extent practicable, be reinvested in obligations described in clauses (1) or (9) of the definition of Investment Obligations maturing at times and in amounts sufficient to pay when due the principal

or Redemption Price, if any, and interest to become due on said Bonds on and prior to such stated maturity date or Redemption Date thereof, as the case may be, and interest earned from such reinvestments will be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien or pledge. For the purposes of the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Defeasance", Investment Obligations means and includes only such obligations as are described in clauses (1) or (9) of the definition of Investment Obligations in Appendix B – Definition of Certain Terms.

In the event Investment Obligations are deposited with the Trustee as contemplated by the foregoing paragraph, the discharge of the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Defeasance" will become effective as to the applicable Bonds only upon receipt by Trustee of (i) a report by an independent certified public accounting firm of national reputation appointed by the Authority, with the approval of the Trustee, stating that the Investment Obligations are of such maturities and redemption dates, and bear such rate or rates of interest, as will be sufficient, together with any moneys on deposit with the Trustee and available for such purpose, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held in trust and committed for the same purpose) for the payment of all Debt Service on the Bonds, at their maturity or redemption dates, as the case may be, and (ii) a Bond Counsel's Opinion to the effect that such Bonds have been defeased in accordance with the requirements of this the Resolution as described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Defeasance".

Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary or an Accounts Bank in trust for the payment and discharge of any of the Bonds which remain unclaimed for the applicable escheat period after the date when all of the Bonds have become due and payable, if such moneys were held by the Fiduciary or Accounts Bank at such date, or for the applicable escheat period after the date of deposit of such moneys if deposited with the Fiduciary or Accounts Bank after the said date when all of the Bonds became due and payable, will, at the written request of the Authority, be repaid by the Fiduciary or Accounts Bank to the Authority, as its absolute property and free from trust, and the Fiduciary or Accounts Bank, as applicable, will thereupon be released and discharged; except that before being required to make any such payment to the Authority, the Fiduciary or Accounts Bank will, at the expense of the Authority, cause to be mailed to the Holders of such Bonds postage prepaid to the addresses appearing on the registration books of the Authority, notice that said moneys remain unclaimed and that, after a date named in said notice, which date will be not less than ten nor more than twenty days after the date of the mailing of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

APPENDIX D

SPRINGING AMENDMENTS

By the purchase of the Series 2025 Bonds on the date of issuance, each holder of the Series 2025 Bonds will be deemed to have consented to the following amendments to the Resolution, the Fifth Series Resolution and the Sixth Series Resolution. Such amendments shall take effect at such time as the Holders of more than 60% in principal amount of the Bonds then Outstanding agree, or are deemed to have agreed, to such provisions (such date, the "Effective Date").

Amendments to Definitions of "Bonds Subject to Redemption from Taxable Excess Revenues" and "Bonds Subject to Redemption from Tax-Exempt Excess Revenues."

As of the Effective Date, the following definitions, set forth in Section 1.02(B) of the Seventh Series Resolution and of the Eighth Series Resolution, are amended and restated as follows:

"Bonds Subject to Redemption from Taxable Excess Revenues means (i) subject to the terms and conditions of Section 205 of the First Series Resolution, the Series 2021A Bonds maturing on July 1, 2037, as set forth in Section 204(A) of the First Series Resolution; (ii) subject to the terms and conditions of Section 205 of the Third Series Resolution, the Series 2022A Bonds maturing on July 1, 2038, as set forth in Section 204(A) of the Third Series Resolution, (iii) subject to the terms and conditions of Section 205 hereof, the Series 2025A Bonds maturing on July 1, 2050, as set forth in Section 204(A) of the Fifth Series Resolution, (iv) any additional Taxable Bonds identified as such pursuant to a Series Resolution authorizing such Additional Bonds; and (v), but only after no Senior Taxable Bonds remain Outstanding, any other Bonds Subject to Redemption from Tax-Exempt Excess Revenues."

"Bonds Subject to Redemption from Tax-Exempt Excess Revenues means (i) subject to the terms and conditions of Section 205 of the Second Series Resolution, the Series 2021B Bonds maturing on July 1, 2037 and the Series 2021C Bonds, as set forth in Section 204(A) of the Second Series Resolution, (ii) subject to the terms and conditions of Section 205 of the Fourth Series Resolution, the Series 2022B Bonds maturing on July 1, 2038 and the Series 2022C Bonds, as set forth in Section 204(A) of the Fourth Series Resolution, (iii) subject to the terms and conditions of Section 205 of the Sixth Series Resolution, the Series 2025B Bonds, as set forth in Section 204(A) of the Sixth Series Resolution, (iv) any additional Tax-Exempt Bonds identified as such pursuant to a Series Resolution authorizing such Additional Bonds; and (v), but only after no Senior Tax-Exempt Bonds remain Outstanding, any other Bonds Subject to Redemption from Taxable Excess Revenues."

Amendments to Definition of "Investment Obligations."

As of the Effective Date, paragraph 1(a) of the definition of "Investment Obligations" in Section 101 of the Resolution is amended and restated as follows:

> "(a) Cash (fully insured by the Federal Deposit Insurance Corporation), (b) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("U.S. Treasury Obligations"), and (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States Department of Treasury. The securities described in the foregoing clauses (b) and (c) shall have maturities of 365 days or less; provided that such investments held in Purchase Accounts shall have maturities of not later than the last day of the Loan Origination Period as specified in the applicable Series Resolution with respect to each Series of Bonds."

As of the Effective Date, clause 8 of the definition of "Investment Obligations" in Section 101 of the Resolution is amended and restated as follows:

"State Obligations. "State Obligations" means:

(a) Direct general obligations of any state of the United States of America the unsecured general obligation debt of which is rated at least "AA" by S&P.

(b) Direct general short-term obligations of any state agency rated "A-1+" by S&P.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency rated "AA" or better by S&P."

As of the Effective Date, the first paragraph of clause 11 of the definition of Investment Obligations set forth in Section 101 of the Resolution is amended and restated as follows:

"Investment agreements: with a domestic or foreign bank or corporation the short-term debt of which is rated at least "A-1+" by S&P, or the long-term debt of which is rated at least "A-" by S&P, and which is acceptable to the Authority (each an "Eligible Investment Agreement Provider"); provided that the following provisions are true for each investment agreement unless waived by the Authority:"

As of the Effective Date, Paragraph 11(f) of the definition of "Investment Obligations" in Section 101 of the Resolution is amended and restated as follows:

"(f) the Authority and the Trustee shall receive an opinion of foreign counsel to the provider (if applicable) in form and substance satisfactory to the Authority;"

As of the Effective Date, Paragraph 11(g) of the definition of "Investment Obligations" in Section 101 of the Resolution is amended and restated as follows:

"(g) the investment agreement shall provide that if during its term the provider's rating by S&P falls below the minimum level required in the introductory clause of this item (11) in the definition of "Investment Obligations" or is withdrawn or suspended, the provider shall, within sixty (60) days of such occurrence, do one of the following: (i) provide a written guarantee acceptable to the Authority from a guarantor with a short-term debt rating of at least "A-1+" or better, or, if the short-term debt rating is not at least "A-1+," a long-term debt rating of "A-" or better, by S&P, (ii) assign the agreement to an Eligible Investment Agreement Provider, or (iii) repay the principal of and accrued but unpaid interest on the investment, in any such case with no termination, penalty or premium to the Authority or Trustee;"

As of the Effective Date, the definition of "Investment Obligations" set forth in Section 101 of the Resolution is further amended to add the following:

"12. Any other investment approved by the Authority, the investment in which will not adversely affect the then current ratings, if any, assigned to the Bonds by each Nationally Recognized Rating Agency then maintaining a credit rating on the Bonds."

Amendments to Application of Excess Revenues to Redemption of Bonds.

As of the Effective Date, the first paragraph of Section 510(A) of the Resolution is amended and restated as follows:

"(A) Tax-Exempt Excess Revenues. Subject to provisions of a Series Resolution to the contrary with respect to Series authorized by such Series Resolution, Tax-Exempt Excess Revenues shall be applied to redeem Bonds Subject to Redemption from Tax-Exempt Excess Revenues in the following manner and priority (whether such redemption occurs on a mandatory or optional basis):"

As of the Effective Date, Section 510(A)(2) of the Resolution is amended and restated as follows:

"(2) Unless otherwise directed by the Authority pursuant to clause (3) of this subsection (A), first to all Senior Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues, on other than a priority basis as referred to in clause (1) of this subsection (A), so long as any such Senior Tax-Exempt Bonds are Outstanding, then to Senior Taxable Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues so long as any such Senior Taxable Bonds are Outstanding, then to Subordinate Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues so long as any such Subordinate Tax-Exempt Bonds are Outstanding, and then to Junior Subordinate Tax-Exempt Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues, in each case pro-rata by principal amount of each maturity of like tenor Outstanding, without regard to date of issuance (or in such manner as directed by the Authority consistent with a Favorable Projection of Revenues); provided that no such Excess Revenues shall be applied to redeem Tax-Exempt Subordinate Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues or Tax-Exempt Junior Subordinate Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues if, as determined by a certificate of any Authorized Officer, any Senior Bonds are Outstanding and the Overall Parity Ratio (taking into consideration the effect of such redemption) is less than 100.0%; and provided further that no such Excess Revenues shall be applied to redeem Tax-Exempt Junior Subordinate Bonds which are Bonds Subject to Redemption from Tax-Exempt Excess Revenues if, as so determined, any Subordinate Bonds are Outstanding and the Overall Parity Ratio (taking into consideration the effect of such redemption) is less than 100.0%; and provided further that the amount which would otherwise then be applied to redeem Bonds shall instead be transferred to the Applicable Suspension Account;"

As of the Effective Date, the first paragraph of Section 510(B) of the Resolution is amended and restated as follows:

"(B) Taxable Excess Revenues. Subject to provisions of a Series Resolution to the contrary with respect to Series authorized by such Series Resolution, Taxable Excess Revenues shall be applied to redeem Bonds Subject to Redemption from Taxable Excess Revenues in the following manner and priority (whether such redemption occurs on a mandatory or optional basis):"

As of the Effective Date, Section 510(B)(2) of the Resolution is amended and restated as follows:

"(2) Unless otherwise directed by the Authority pursuant to clause (3) of this subsection (B), first to all Senior Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues, on other than a priority basis as set forth in clause (1) of this subsection (B), so long as any such Senior Taxable Bonds are Outstanding, then to Senior Tax-Exempt Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues so long as any such Senior Tax-Exempt Bonds are Outstanding, then to Subordinate Taxable Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues so long as any such Subordinate Taxable Bonds are Outstanding, and then to Junior Subordinate Taxable

Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues, in each case pro-rata by principal amount of each maturity of like tenor Outstanding, without regard to date of issuance (or in such other manner as directed by the Authority consistent with a Favorable Projection of Revenues); provided that no such Excess Revenues shall be applied to redeem Taxable Subordinate Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues or Taxable Junior Subordinate Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues if, as determined by a certificate of any Authorized Officer, any Senior Bonds are Outstanding and the Overall Parity Ratio (taking into consideration the effect of such redemption) is less than 100.0%; and provided further that no such Excess Revenues shall be applied to redeem Taxable Junior Subordinate Bonds which are Bonds Subject to Redemption from Taxable Excess Revenues if, as so determined, any Subordinate Bonds are Outstanding and the Overall Parity Ratio (taking into consideration the effect of such redemption) is less than 100.0%; and provided further that the amount which would otherwise then be applied to redeem Bonds shall instead be transferred to the Applicable Suspension Account;"

APPENDIX E

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

[Dated the Date of Delivery of the Series 2025 Bonds]

Massachusetts Educational Financing Authority
60 State Street, Suite 900
Boston, Massachusetts 02109

Re: Massachusetts Educational Financing Authority (the "Authority") Education Loan Revenue Bonds, Issue M, Senior Series 2025A (Federally Taxable) (the "Series 2025A Bonds")

We have acted as Bond Counsel in connection with the authorization, sale, issuance and delivery of the Series 2025A Bonds. In that capacity, we have examined the provisions of Chapter 15C of the Massachusetts General Laws, as amended, and we have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of the By Laws of the Authority and such records of the Authority, certificates of officers of the Authority and other documents and instruments, and have made such other investigation of facts and examination of Massachusetts and federal law, as we have deemed necessary or proper for the purpose of rendering this opinion. We have also examined a record of proceedings relating to the authorization, sale, issuance and delivery of the Series 2025A Bonds. Capitalized terms used herein shall, unless otherwise specified, have the meanings set forth in the General Resolution of the Authority dated as of April 8, 2021 entitled "Education Loan Revenue Bond General Resolution, Issue M" (as previously supplemented and amended, the "General Resolution"), as supplemented by the Fifth Issue M Series Resolution dated as of April 10, 2025 (the "Fifth Series Resolution") and the Sixth Issue M Series Resolution dated as of April 10, 2025 (the "Sixth Series Resolution," and together with the General Resolution and Fifth Series Resolution, the "Resolution").

The Series 2025A Bonds are being issued pursuant to the Resolution to finance and refinance Education Loans by means of a deposit to the Series 2025A subaccount in the Taxable Purchase Account, a deposit to the Series 2025A subaccount in the Taxable Reserve Account, a deposit to the Series 2025A subaccount in the Taxable Costs of Issuance Account, and a deposit to refinance a portion of the commercial paper program.

Based upon our examination, we are of the following opinion:

(a) The Authority is a duly constituted and existing body public and corporate and a public instrumentality of The Commonwealth of Massachusetts, with the power to adopt the Resolution, perform the agreements on its part contained therein and issue the Series 2025A Bonds.

(b) The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Series 2025A Bonds pursuant to the provisions of law applicable thereto.

(c) The Series 2025A Bonds are special obligations of the Authority secured as provided in the Resolution and payable solely from Revenues received by or for the account of the Authority and moneys on deposit in the funds and accounts established and available therefor under the Resolution, subject to use of such Revenues and moneys for other purposes as permitted under the Resolution.

(d) The Series 2025A Bonds have been duly authorized, executed, authenticated and delivered and are valid and binding special obligations of the Authority enforceable in accordance with their terms and entitled, subject to the limitations described in paragraph (c), to the benefit and security of the Resolution, subject only to applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights heretofore or hereafter enacted and to general equity principles.

(e) The Resolution has been duly adopted by the Authority, is in full force and effect and is a valid and binding agreement of the Authority enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights heretofore or hereafter enacted and to general equity principles, and the Resolution creates the valid pledge and lien which it purports to create for the benefit of the holders of the Series 2025A Bonds.

(f) Under existing law, interest on the Series 2025A Bonds will be included in the gross income of holders of the Series 2025A Bonds for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Series 2025A Bonds.

(f) Under existing law, interest on the Series 2025A Bonds, including any accrued original issue discount, and any profit on the sale thereof are exempt from Massachusetts personal income taxes, and the Series 2025A Bonds are exempt from Massachusetts personal property taxes. We express no opinion as to any other Massachusetts tax consequences arising with respect to the Series 2025A Bonds or as to the taxability of the Series 2025A Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, under the laws of any state other than The Commonwealth of Massachusetts.

The rights of the holders of the Series 2025A Bonds and the enforceability of the Series 2025A Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, to the application of equitable principles, whether considered at law or in equity, and to the exercise of judicial discretion in appropriate cases.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C.

[Dated the Date of Delivery of the Series 2025 Bonds]

Massachusetts Educational Financing Authority
60 State Street, Suite 900
Boston, Massachusetts 02109

Re: Massachusetts Educational Financing Authority (the "Authority") Education Loan Revenue Bonds, Issue M, Subordinate Series 2025B (the "Series 2025B Bonds")

We have acted as Bond Counsel in connection with the authorization, sale, issuance and delivery of the Series 2025B Bonds. In that capacity, we have examined the provisions of Chapter 15C of the Massachusetts General Laws, as amended, and we have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of the By Laws of the Authority and such records of the Authority, certificates of officers of the Authority and other documents and instruments, and have made such other investigation of facts and examination of Massachusetts and federal law, as we have deemed necessary or proper for the purpose of rendering this opinion. We have also examined a record of proceedings relating to the authorization, sale, issuance and delivery of the Series 2025B Bonds. Capitalized terms used herein shall, unless otherwise specified, have the meanings set forth in the General Resolution of the Authority dated as of April 18 2025 entitled "Education Loan Revenue Bond General Resolution, Issue M" (as previously supplemented and amended, the "General Resolution"), as supplemented by the Fifth Issue M Series Resolution dated as of April 10, 2025 (the "Fifth Series Resolution") and the Sixth Issue M Series Resolution dated as of April 10, 2025 (the "Sixth Series Resolution," and together with the General Resolution and Fifth Series Resolution, the "Resolution").

The Series 2025B Bonds are being issued pursuant to the Resolution to finance Education Loans by means of a deposit to the Series 2025B subaccount in the Tax-Exempt Purchase Account, a deposit to the Series 2025B subaccount in the Tax-Exempt Reserve Account and a deposit to the Series 2025B subaccount in the Tax-Exempt Costs of Issuance Account.

Based upon our examination, we are of the following opinion:

(a) The Authority is a duly constituted and existing body public and corporate and a public instrumentality of The Commonwealth of Massachusetts, with the power to adopt the Resolution, perform the agreements on its part contained therein and issue the Series 2025B Bonds.

(b) The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Series 2025B Bonds pursuant to the provisions of law applicable thereto.

(c) The Series 2025B Bonds are special obligations of the Authority secured as provided in the Resolution and payable solely from Revenues received by or for the account of the Authority and moneys on deposit in the funds and accounts established and available therefor under the Resolution, subject to use of such Revenues and moneys for other purposes as permitted under the Resolution.

(d) The Series 2025B Bonds have been duly authorized, executed, authenticated and delivered and are valid and binding special obligations of the Authority enforceable in accordance with their terms and entitled, subject to the limitations described in paragraph (c), to the benefit and security of the Resolution, subject only to applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights heretofore or hereafter enacted and to general equity principles.

(e) The Resolution has been duly adopted by the Authority, is in full force and effect and is a valid and binding agreement of the Authority enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights heretofore or hereafter enacted and to general equity principles, and the Resolution creates the valid pledge and lien which it purports to create for the benefit of the holders of the Series 2025 Bonds.

(f) (i) Under existing law, interest on the Series 2025B Bonds is excludable from the gross income of holders of such Series 2025B Bonds for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion is rendered subject to the condition that the Authority comply with various requirements of the Code, which requirements must be satisfied subsequent to the date of issuance of the Series 2025B Bonds in order to ensure that the interest on the Series 2025B Bonds is and continues to be excludable from the gross income of the holders of the Series 2025B Bonds for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Series 2025B Bonds to be includable in the gross income of holders of the Series 2025B Bonds retroactive to the date of issuance of the Series 2025B Bonds.

(ii) Under existing law, interest on the Series 2025B Bonds will constitute a preference item for purposes of computation of the federal individual alternative minimum tax and interest on the Series 2025B Bonds included in the adjusted financial statement income of certain corporations is included in the computation of the federal corporate alternative minimum tax.

(iii) We express no opinion regarding other federal tax consequences arising with respect to the Series 2025B Bonds.

(g) Under existing law, interest on the Series 2025B Bonds, including any accrued original issue discount, and any profit on the sale thereof are exempt from Massachusetts personal income taxes, and the Series 2025B Bonds are exempt from Massachusetts personal property taxes. We express no opinion as to any other Massachusetts tax consequences arising with respect to the Series 2025B Bonds or as to the taxability of the Series 2025B Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, under the laws of any state other than The Commonwealth of Massachusetts.

The rights of the holders of the Series 2025B Bonds and the enforceability of the Series 2025B Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, to the application of equitable principles, whether considered at law or in equity, and to the exercise of judicial discretion in appropriate cases.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C.

APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Agreement") dated June 26, 2025, is executed and delivered by the Massachusetts Educational Financing Authority (the "Issuer") and U.S. Bank Trust Company, National Association, Boston, Massachusetts, as dissemination agent (in such capacity, the "Dissemination Agent"), in connection with the issuance of the Issuer's Education Loan Revenue Bonds, Issue M, Series 2025 in the aggregate principal amount of $282,055,000 (the "Series 2025 Bonds"). The Series 2025 Bonds are being issued pursuant to the Education Loan Revenue Bond General Resolution, Issue M, dated as of April 8, 2021 as (as previously supplemented and amended, the "Issue M General Resolution"), as further supplemented by the Fifth Issue M Series Resolution, dated as of April 10, 2025 (the "Fifth Issue M Series Resolution") and the Sixth Issue M Series Resolution, dated as of April 10, 2025 (the "Sixth Issue M Series Resolution" and, together with the Issue M General Resolution and the Fifth Issue M Series Resolution, the "Issue M Resolution"). Capitalized terms used in this Agreement which are not otherwise defined in the Issue M Resolution shall have the respective meanings specified above or in Article IV hereof. The Issuer and the Dissemination Agent covenant and agree as follows:

ARTICLE I

THE UNDERTAKING

Section 1.1. Purpose. This Agreement is being executed and delivered solely to assist the Underwriters in complying with subsection (b)(5) of the Rule.

Section 1.2. Annual Financial Information. (a) The Issuer shall provide Annual Financial Information with respect to each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2025, by no later than 9 months after the end of the respective fiscal year, to the MSRB.

(b) The Issuer shall provide, in a timely manner, notice of any failure of the Issuer to provide the Annual Financial Information by the date specified in subsection (a) above to the MSRB.

Section 1.3. Audited Financial Statements. If not provided as part of Annual Financial Information by the date required by Section 1.2(a) hereof, the Issuer shall provide Audited Financial Statements, when and if available, to the MSRB.

Section 1.4. Notice Events. (a) If a Notice Event occurs, the Issuer shall provide, in a timely manner not in excess of ten (10) business days after the occurrence of such Notice Event, notice of such Notice Event to (i) the MSRB and (ii) the Dissemination Agent.

(b) Any notice of a defeasance of Series 2025 Bonds shall state whether the Series 2025 Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

Section 1.5. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of Notice Event hereunder, in addition to that which is required by this Agreement. If the Issuer chooses to do so, the Issuer shall have no obligation under this Agreement to update such additional information or include it in any future Annual Financial Information or notice of a Notice Event hereunder.

Section 1.6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer and that, under some circumstances, compliance with this Agreement without additional disclosures or other action may not fully discharge all duties and obligations of the Issuer under such laws.

ARTICLE II

OPERATING RULES

Section 2.1. Reference to Other Filed Documents. It shall be sufficient for purposes of Section 1.2 hereof if the Issuer provides Annual Financial Information by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, www.emma.msrb.org) or (ii) filed with the SEC. The provisions of this Section shall not apply to notices of Notice Events pursuant to Section 1.4 hereof.

Section 2.2. Submission of Information. Annual Financial Information may be set forth or provided in one document or a set of documents, and at one time or in part from time to time.

Section 2.3. Dissemination Agents. The Issuer hereby designates U.S. Bank Trust Company, National Association as initial dissemination agent and may from time to time designate another agent to act on its behalf in providing or filing notices, documents and information as required of the Issuer under this Agreement, and may revoke or modify any such designation.

Section 2.4. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Markets Access (EMMA) system, the current Internet Web address of which is www.emma.msrb.org.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.5. Fiscal Year. (a) The Issuer's current fiscal year is July 1-June 30, and the Issuer shall promptly notify (i) the MSRB and (ii) the Dissemination Agent of each change in its fiscal year.

(b) Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months.

ARTICLE III

EFFECTIVE DATE, TERMINATION, AMENDMENT AND ENFORCEMENT

Section 3.1. Effective Date; Termination. (a) This Agreement shall be effective upon the issuance of the Series 2025 Bonds.

(b) The Issuer's and the Dissemination Agent's obligations under this Agreement shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Series 2025 Bonds.

(c) This Agreement, or any provision hereof, shall be null and void in the event that the Issuer (1) delivers to the Dissemination Agent an opinion of Counsel, addressed to the Issuer and the Dissemination Agent, to the effect that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Series 2025 Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

Section 3.2. Amendment. (a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Series 2025 Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have delivered to the Dissemination Agent an opinion of Counsel, addressed to the Issuer and the Dissemination Agent, to the same effect as set forth in clause (2) above, (4) either (i) the Issuer shall have delivered to the Dissemination Agent an opinion of Counsel or a determination by an entity, in each case unaffiliated with the Issuer (such as bond counsel or the Dissemination Agent), addressed to the Issuer and the Dissemination Agent, to the effect that the amendment does not materially impair the interests of the holders of the Series 2025 Bonds or (ii) the holders of the Series 2025 Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Issue M Resolution with consent of holders of Series 2025 Bonds pursuant to the Issue M Resolution as in effect at the time of the amendment, and (5) the Issuer shall have delivered, or shall have caused to be delivered, copies of such opinion(s) and amendment to the MSRB.

(b) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Series 2025 Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Issuer shall have delivered, or shall have caused to be delivered, to the Dissemination Agent an opinion of Counsel, addressed to the Issuer and the Dissemination Agent, to the effect that performance by the Issuer and the Dissemination Agent under this Agreement as so amended will not result in a violation of the Rule and (3) the Issuer shall have delivered copies of such opinion and amendment to the MSRB.

(c) This Agreement may be amended by written agreement of the parties, without the consent of the holders of the Series 2025 Bonds, if all of the following conditions are satisfied: (1) the Issuer shall have delivered, or shall have caused to be delivered, to the Dissemination Agent an opinion of Counsel, addressed to the Issuer and the Dissemination Agent, to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of Staff, of the SEC, and (2) the Dissemination Agent shall have delivered copies of such opinion and amendment to the MSRB.

(d) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(e) If an amendment is made pursuant to subsection (a) of this Section to the accounting principles to be followed by the Issuer in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial

statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Series 2025 Bonds, except that beneficial owners of Series 2025 Bonds shall be third-party beneficiaries of this Agreement. The provisions of this Agreement shall create no rights in any person or entity except as provided in this subsection (a) and in subsection (b) of this Section.

(b) The obligations of the Issuer to comply with the provisions of this Agreement shall be enforceable: (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of Outstanding Series 2025 Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the holders of not less than 25% in aggregate principal amount of the Outstanding Series 2025 Bonds. The holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of Series 2025 Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Series 2025 Bonds for purposes of this subsection (b).

(c) Any failure by the Issuer or the Dissemination Agent to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Issue M Resolution, and the rights and remedies provided by the Issue M Resolution upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the Commonwealth; provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV

DEFINITIONS

Section 4.1. Definitions. The following terms used in this Agreement shall have the following respective meanings:

(1) "Annual Financial Information" means, collectively: (i) Audited Financial Statements, if available, or Unaudited Financial Statements; (ii) updated versions of the following financial information and operating data contained in the Official Statement, for each fiscal year of the Issuer, as follows:

(a) Quantitative and operating information for the preceding fiscal year of the type presented in the Official Statement under the captions "THE MEFA FINANCING PROGRAM" and "MEFA EDUCATION LOAN PORTFOLIO" including: (I) Fixed Rate MEFA Loan Terms; (II) Fixed Rate MEFA Refinancing Loan Terms; (III) special redemption experience of MEFA fixed rate bonds; (IV) contractual arrangements for origination and servicing of Issue M Loans and quantitative credit criteria; (V) application and disbursement volume of MEFA Loans; (VI) distribution of MEFA Loan volume by repayment option; (VII) Fixed Rate MEFA Loan

Program historical application timing and cumulative approved applications; (VIII) distribution of Fixed Rate MEFA Loans by Participating Institution (as defined in the Official Statement); (IX) distribution of Fixed Rate MEFA Loans by undergraduate and graduate status; (X) distribution of Fixed Rate MEFA Loans by Co-Borrower status; (XI) Fixed Rate MEFA Loan Program delinquency experience; (XII) Fixed Rate MEFA Loan Program default experience; and (XIII) Fixed Rate MEFA Loan Program static pool cohort default history; and (XIV) MEFA Refinancing Loan applications and loans refinanced; (XV) MEFA Refinancing Loan defaults by repayment vintage; and (XVI) MEFA Refinancing Loan delinquency experience; and

(b) Periodic Issue M Loan portfolio information of the type presented in the Official Statement under the caption "ISSUE M LOAN PORTFOLIO"; as to composition, school type, loan program and loan program type, interest rate type, current interest rate, number of months remaining until scheduled maturity, number of days delinquent, borrower payment status, date of first disbursement, FICO score at origination, co-borrower status, range of outstanding principal balance; provided that the Issuer reserves the rights: (I) to alter the format in which such periodic information is presented; and (II) to make such periodic information available either by posting as part of, or in the same manner as, annual reports filed pursuant to this Agreement or, subject to compliance with this Agreement, by posting on a publicly accessible website;

and (iii) the information regarding amendments to this Agreement required pursuant to Sections 3.2(d) and (e) of this Agreement.

The descriptions contained in Section 4.1(1) hereof of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Financial Information containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

(2) "Audited Financial Statements" means the annual financial statements, if any, of the Issuer, audited by such auditor as shall then be required or permitted by the laws of the Commonwealth or the Issue M Resolution. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that pursuant to Sections 3.2(a) and (e) hereof, the Issuer may from time to time, if required by federal or Commonwealth legal requirements, modify the accounting principles to be followed in preparing its financial statements. The notice of any such modification required by Section 3.2(a) hereof shall include a reference to the specific federal or Commonwealth law or regulation describing such accounting principles, or other description thereof.

(3) "Commonwealth" means The Commonwealth of Massachusetts.

(4) "Counsel" means nationally recognized bond counsel or counsel expert in federal securities laws.

(5) "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 official statement has been provided to the MSRB consistent with the Rule.

(6) "GAAP" means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them.

(7) "MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

(8) "Notice Event" means any of the following events with respect to the Series 2025 Bonds, whether relating to the Issuer or otherwise:

(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 2025 Bonds, or other material events affecting the tax status of the Series 2025 Bonds;

(vii) modifications to rights of Bondholders, if material;

(viii) Series 2025 Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Series 2025 Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Issuer; for the purposes of the event identified in this clause (xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under Commonwealth or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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 Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, 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 Issuer, any of which reflect financial difficulties.

(9) "Official Statement" means the Official Statement dated June 11, 2025 of the Issuer relating to the Series 2025 Bonds.

(10) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, § 240.15c2-12), as amended, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

(11) "SEC" means the United States Securities and Exchange Commission.

(12) "Unaudited Financial Statements" means the same as Audited Financial Statements, except that they shall not have been audited.

(13) "Underwriters" shall have the same meaning as set forth in the Official Statement.

ARTICLE V

MISCELLANEOUS

Section 5.1. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed all as of the date first above written.

MASSACHUSETTS EDUCATIONAL
FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Dissemination Agent

By: _____
Name: _____
Title: _____

APPENDIX G

WEIGHTED AVERAGE LIFE ANALYSIS OF THE SENIOR 2025A BONDS MATURING JULY 1, 2050

The following information with respect to the Senior 2025A Bonds maturing July 1, 2050 has been prepared by the Underwriters in consultation with the Authority. No representation is made by the Authority, the Underwriters or any of their respective agents concerning the actual average life of the Senior 2025A Bonds maturing July 1, 2050 or the Issue M Loans and how it compares to the various forward-looking average life estimates herein.

Prospective purchasers of the Senior 2025A Bonds maturing July 1, 2050 are urged to base their decisions whether to purchase the Senior 2025A Bonds maturing July 1, 2050 upon the purchaser's own determinations about anticipated rates of prepayments with respect to the Issue M Loans and the estimated weighted average life of the Senior 2025A Bonds maturing July 1, 2050.

Prepayments of loans may be measured by a prepayment standard or model. The model used herein is the constant prepayment rate ("CPR") model. CPR represents a constant rate of prepayment on the Issue M Loans each month relative to the then outstanding aggregate principal balance of the Issue M Loans in repayment status for the life of such Issue M Loans.

The tables below indicate the Weighted Average Life ("WAL") of the Senior 2025A Bonds maturing July 1, 2050 based on the assumption that Issue M Loans allocable to the Senior 2025A Bonds prepay at the respective indicated percentages of CPR (the "CPR Prepayment Assumption Rates"). It is unlikely that the Issue M Loans will prepay at any of the CPR Prepayment Assumption Rates presented, and the timing of changes in the rate of prepayments actually experienced on the Issue M Loans is unlikely to follow the pattern described for the CPR Prepayment Assumption Rates presented.

Each Weighted Average Life is likely to vary, perhaps significantly, from that set forth in the table below due to the differences between the actual rate of prepayments on the related Issue M Loans and the assumptions described herein.

Estimated Weighted Average Life of Senior 2025A Bonds maturing July 1, 2050

Prepayment Speed/Cash Flow Scenario	Estimated WAL (Years)	First Bond Retirement Date	Last Bond Retirement Date	Average Maturity Date
0% CPR	11.3	January 1, 2032	January 1, 2040	September 30, 2036
4% CPR	10.5	January 1, 2031	January 1, 2040	January 2, 2036
8% CPR	9.6	January 1, 2030	July 1, 2039	February 8, 2035
12% CPR	8.9	July 1, 2029	January 1, 2039	May 10, 2034
16% CPR	8.3	January 1, 2029	January 1, 2039	October 25, 2033

Weighted average lives (WALs) are influenced by, among other things, the initial parity ratio, cash releases, actual prepayments, bond interest rates, bond redemptions, reinvestment income, the future path of interest rates, MEFA loan interest rates and borrower repayment plans selected, the amount and timing of loans originated, including recycling, borrower delinquencies and defaults, default recoveries, program expenses, allocation of loans between applicable tax-exempt and taxable series, compliance with IRS yield restrictions and the issuance of Additional Bonds in the future under the Issue M Resolution. Actual results will vary from assumptions made in the base case. The following assumptions were used in estimating the weighted average lives of the Senior 2025A Bonds maturing July 1, 2050.

1. WALs are computed from the expected date of issuance of the Series 2025 Bonds.

2. WALs assume the Authority releases cash in the amounts and at the times permitted under the transaction documents.

3. WALs assume the Authority uses excess revenue for new loan originations during the Recycling Period, and the Recycling Period is not extended.

4. All scenarios assume a 0% cumulative default rate, no delinquencies, deferment, or forbearance, and that interest rates remain static at current levels.

5. Scenarios do not take into account any Additional Bonds that may be issued under the Issue M Resolution in the future.

6. WALs assume Taxable Senior Issue M Bonds are redeemed pro rata (which allocation may be changed pursuant to the Issue M Resolution) within the Taxable Series.

7. WALs assume Tax-Exempt Senior Issue M Bonds are redeemed pro rata (which allocation may be changed pursuant to the Issue M Resolution) within the Tax-Exempt Series and all Tax-Exempt Senior Issue M Bonds are redeemed before Tax-Exempt Subordinate Issue M Bonds and Tax-Exempt Junior Subordinate Issue M Bonds (Tax-Exempt Subordinate Issue M Bonds and Tax-Exempt Junior Subordinate Issue M Bonds may be redeemed prior to Tax-Exempt Senior Issue M Bonds if certain conditions are satisfied).

8. WALs assume a guaranteed investment contract with The Toronto-Dominion Bank, acting through its New York branch, providing reinvestment rates of 4.4220% and 4.2720% on the Taxable and Tax-Exempt Purchase Accounts, respectively, to July 1, 2026. WALs also assume a guaranteed investment contract with Massachusetts Mutual Life Insurance Company providing reinvestment rates of 4.5600% and 4.5900% on the Taxable and Tax-Exempt Reserve Accounts, respectively, to July 1, 2035, and 3.0000% thereafter, and 4.5600% on the Taxable Capitalized Interest Account to July 1, 2026. The reinvestment rate on all other Accounts is assumed to be 3.0000% at all times.

See also the captions "REDEMPTIONS PROVISIONS—Mandatory Redemption from Excess Revenues," "—Optional Redemption from Excess Revenues" and "—Availability and Application of Excess Revenues," "INVESTMENT CONSIDERATIONS—Redemption of Series 2025 Bonds" and "THE MEFA FINANCING PROGRAM–Historical Program Financing Special Redemption Experience" in the body of this Official Statement.

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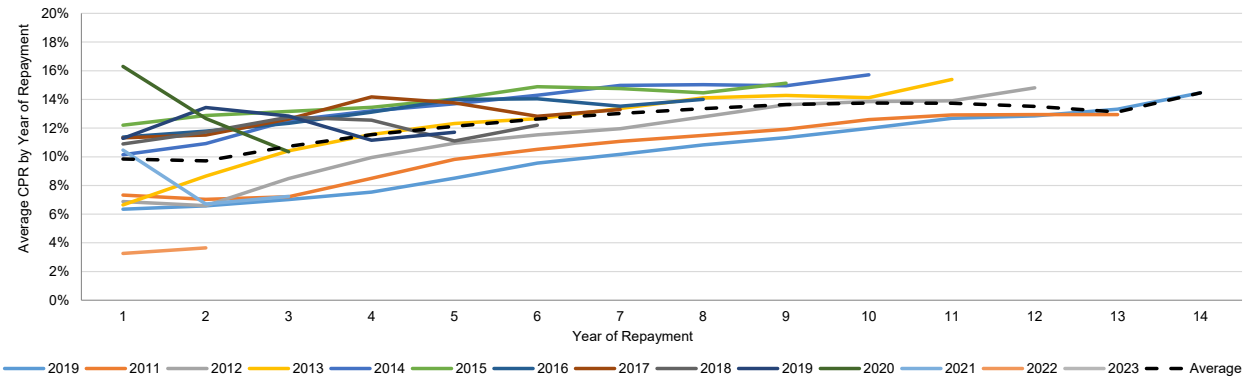
Historical MEFA Loan Prepayment Information. The Authority monitors prepayment activity for MEFA Loans on a "static pool", repayment cohort basis, which allows it to observe the cumulative prepayment behavior of all MEFA Loans within a given repayment vintage or "cohort" over the remaining life of such loans. The cumulative prepayment history for Fixed Rate MEFA Loans beginning with the 2010 repayment cohort is provided in the charts below. Such information is inclusive of immediate repayment MEFA Loans with a FICO score at origination of 670 or higher, interest only MEFA Loans with a FICO score at origination of 690 or higher, and deferred payment MEFA Loans with a FICO score at origination of 710 or higher.

Average Constant Prepayment Rate (CPR) Since Repayment Start
(Repayment Cohorts by Year of Repayment: MEFA Loans)

Year of	Repayment Cohort Year														
Repayment	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average
1	6.3%	7.3%	6.9%	6.6%	10.1%	12.2%	11.4%	11.3%	10.9%	11.3%	16.3%	10.5%	3.3%	1.8%	9.8%
2	6.6%	7.0%	6.6%	8.7%	10.9%	12.9%	11.8%	11.5%	11.7%	13.4%	12.7%	6.7%	3.7%		9.7%
3	7.0%	7.2%	8.5%	10.4%	12.5%	13.2%	12.3%	12.6%	12.8%	12.8%	10.3%	7.2%			10.7%
4	7.5%	8.5%	9.9%	11.6%	13.2%	13.4%	13.1%	14.2%	12.6%	11.2%	10.4%				11.5%
5	8.5%	9.8%	10.9%	12.3%	13.7%	14.0%	14.0%	13.8%	11.1%	11.7%					12.1%
6	9.6%	10.5%	11.5%	12.7%	14.3%	14.9%	14.0%	12.8%	12.2%						12.6%
7	10.2%	11.1%	12.0%	13.4%	15.0%	14.8%	13.5%	13.3%							13.0%
8	10.8%	11.5%	12.8%	14.1%	15.0%	14.5%	14.0%								13.4%
9	11.3%	11.9%	13.6%	14.3%	15.0%	15.1%									13.6%
10	12.0%	12.6%	13.9%	14.1%	15.7%										13.7%
11	12.7%	12.9%	13.9%	15.4%											13.7%
12	12.9%	12.9%	14.8%												13.5%
13	13.3%	12.9%													13.1%
14	14.5%														14.5%
Cohort Amt. ($000)	$143,600	$163,838	$142,532	$157,650	$186,697	$180,750	$179,971	$204,129	$186,788	$212,335	$241,040	$206,561	$215,583	$244,370	12.5%

Average Constant Prepayment Rate (CPR) Since Repayment Start
(Repayment Cohorts by Year of Repayment: MEFA Loans)



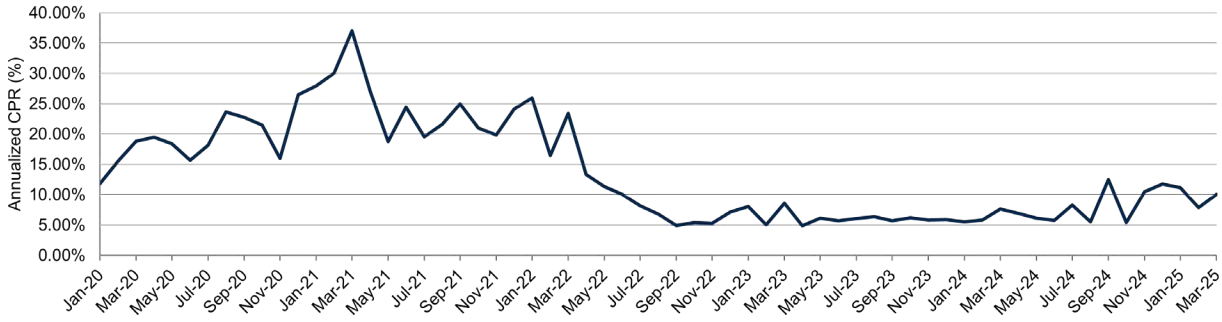
Historical MEFA Refinancing Loan Prepayment Information. The following table and graph indicate the estimated annualized prepayment rate ("CPR") for MEFA Refinancing Loans through March 31, 2025.

MEFA Refinancing Loan Program—Historical Prepayment Data

Year	Actual Defaults/ Write-Offs[1]	New Loan Originations	Actual Principal Reductions	Estimated Scheduled Principal[1]	Estimated Prepaid Principal[2]	Ending Pool Balance	Prepay Single Monthly Mortality Rate[3]	Annualized CPR[4]
2016	--	$39,790,476	$1,025,411	$494,895	$439,213	$38,765,065	0.95%	10.79%
2017	$ 31,952	143,326,410	11,365,878	5,033,367	6,332,510	170,693,644	0.53%	6.20%
2018	596,436	89,307,090	26,951,548	9,698,266	17,253,281	232,452,751	0.71%	8.19%
2019	714,703	138,051,097	48,186,724	14,014,506	34,172,219	321,602,421	1.08%	12.20%
2020	37,497	107,903,533	93,849,378	21,638,772	72,210,606	335,619,078	1.75%	19.09%
2021	56,544	78,447,962	114,245,533	22,638,058	91,607,475	299,764,964	2.35%	24.85%
2022	2,239,466	116,367,957	64,219,505	24,371,688	39,847,816	349,673,950	1.04%	11.76%
2023	1,684,600	148,977,548	53,827,998	28,723,391	25,104,607	443,138,900	0.53%	6.21%
2024	3,870,397	44,101,329	66,727,130	31,896,699	34,830,431	416,642,702	0.66%	7.66%
2025	1,023,257	3,822,189	18,273,063	7,806,562	10,466,501	401,168,571	0.85%	9.71%
Totals / Averages	$10,254,852	$910,095,591	$498,672,167	$166,316,204	$332,264,660		1.04%	11.58%

[1] Estimated Scheduled Principal $_n$ = Ending Pool Balance $_{n-1}$ * (((WAC $_{n-1}$/12) / (1 - (1 + WAC $_{n-1}$ / 12) $^{-WAM\ n-1}$)) – WAC $_n$ / 12).
[2] Estimated Prepaid Principal $_n$ = Beginning Pool Balance $_{n-1}$ - Beginning Pool Balance $_n$ – Actual Defaults & Write-Offs $_n$ + New Loan Originations $_n$ - Estimated Scheduled Principal $_n$.
[3] Simple average of Prepayment SMM $_n$ = 1 - (1 - (Estimated Prepaid Principal $_n$ / (Balance in Repayment $_{n-1}$) for each month during such calendar year.
[4] Annualized Prepayment CPR $_n$ = (1 - (1 - Prepayment SMM $_n$)^{12}).
Defined terms used above are as follows: WAC = Weighted Average Coupon; WAM = Weighted Average Maturity; and SSM = Single Monthly Mortality.

Estimated Annualized Constant Prepayment Rate for MEFA Refinancing Loans[1]



[1] Annualized Constant Prepayment Rate calculated as described in the table above.

The historical prepayment rates described above may not be indicative of the future prepayment rates of the MEFA Refinancing Loans generally. Prepayment experience may be influenced by a variety of economic, social, interest rate, competitive, individual, and geographic conditions and other factors. In general, the rate of prepayments may tend to increase when more attractive alternative financing is available. In particular, the figures shown above reflect a short period of time early in the life of the MEFA Refinancing Loans. Accordingly, prepayment percentages may vary significantly from those shown if a group of MEFA Refinancing Loans were isolated at a period in time and prepayment data showed the activity only for that isolated group over the period indicated.

MEFA™ | Massachusetts Educational Financing Authority

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