

Continuing Covenant Agreement - Minnesota Office of Higher Education
Exhibit A: Collateral Requirement and Reporting Certificate

As of date: 12/31/2019

"Asset Ratio" means the ratio (expressed as a percentage) of (a) the Aggregate Market Value to (b) the aggregate principal amount of all Obligations, including Bank Bonds, plus accrued and unpaid Program Expenses plus any Acquisition Costs to the extent accrued and unpaid, any Excess Interest and any Rebate Amount, as reasonably calculated by the Issuer.

As of: 9/30/2019 12/31/2019

Assets for Asset Ratio:

Principal Amount of Financed Eligible Student Loans	\$148,198,019.53	\$139,416,729.44
Borrower Accrued Interest on Financed Eligible Student Loans	\$474,587.29	\$453,140.36
Revenue Fund (includes 'in transit' funds from the Servicer \$344,583.35)	\$89,921,837.83	\$98,838,013.90
Surplus Fund		
Acquisition Fund	\$7,274,895.11	\$7,304,658.53
Debt Service Reserve Fund	\$1,913,014.83	\$1,920,841.45
Removal of excess collateral	\$0.00	\$0.00
Permitted Investments and Accrued Interest Receivable on Permitted Investments	\$0.00	\$0.00
Value of all Collateral Assets	\$247,782,354.59	\$247,933,383.68
Less: the Value of all Defaulted Loans in current month (\$1,372,257.57 Principal plus \$24,111.58 Interest)	(\$1,202,974.50)	(\$1,396,369.15)
Less: sum of Value of all Financed Loans which are not "Eligible Loans"	\$0.00	\$0.00
Aggregate Market Value	\$246,579,380.09	\$246,537,014.53

Liabilities for Asset Ratio:

(i) Principal Amount of all Outstanding Bonds, including Bank Bonds if applicable (\$66.7M Taxable, \$118.3M TE AMT)	\$185,000,000.00	\$185,000,000.00
(ii) Accrued and Unpaid Bond Interest on all Outstanding Bonds, including Bank Bonds if applicable	\$1,153,350.04	\$377,106.73
(iii) Accrued and Unpaid Program Expenses	\$72,299.46	\$68,754.96
(iv) Accrued and unpaid Acquisition Costs	\$0.00	\$0.00
(v) Any Excess Interest	\$0.00	\$0.00
(vi) Any Rebate Amount	\$0.00	\$0.00
(vii) Other Obligations - pledged loans that have not been reimbursed by the Trust	\$156,329.00	\$156,329.00

Total Liabilities \$186,381,978.50 \$185,602,190.69

excess coverage amount \$60,197,401.59 \$60,934,823.84

Asset Ratio 132.30% 132.83%
Minimum Asset Ratio* (update per schedule below) 125.00% 125.00%
Meets Requirement? YES YES

Roll-forward of Loan Balance & Collateral Data

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Roll-forward of Financed Eligible Student Loans:

Principal Amount of Financed Eligible Student Loans, beginning of period	\$148,198,019.53
New Loans	\$0.00
Principal Collections (reimbursement of Forbearance \$112,931.76 in transit)	8,330,729.13
Capitalized Interest	\$6,334.75
Defaulted Loans (60+ days delinquent \$1,372,257.57 plus \$456,895.71 written off)	\$1,829,153.28
Other (please specify if used)	
Principal Amount of Financed Eligible Student Loans, end of period	\$138,044,471.87

Total Number of Borrowers	22,017
Total Number of Loans	37,425
Average Balance per Borrower	\$ 6,269.90
Average Balance per Loan	\$ 3,688.56
Weighted Average Interest Rate	4.85%
Weighted Average Remaining Term (months)	85

Weighted Average spreads over applicable variable interest rate:	Effective as of date:	Minimum required spread (per Eligible Loan definition clauses (r)):
SELF Refi Loans 2.70% - 4.05%	7/1/2017	2%
SELF III, IV and V loans 2.40%	7/1/2017	2%

<u>Loan Program</u>	\$	%
SELF Refi	\$0.00	0.00%
SELF III	\$143,060.56	0.10%
SELF IV	\$58,702,045.25	42.11%
SELF V	\$80,571,623.63	57.79%
TOTAL	\$139,416,729.44	100.00%

<u>Delinquency Status</u>	\$	%
Current	\$135,979,477.10	97.53%
31-60 Days	\$2,123,950.35	1.52%
61-90 Days	\$702,474.88	0.50%
91-120 Days	\$452,940.33	0.32%
121-150 Days	\$132,093.72	0.09%
151-180 Days	\$25,793.06	0.02%
181+ Days	\$0.00	0.00%
TOTAL	\$139,416,729.44	100.00%

<u>Loan Status</u>	\$	%
In School	\$14,227,619.34	10.21%
Grace	\$14,672,060.77	10.52%
Extended Grace	\$3,115,444.66	2.23%
Forbearance	\$213,002.07	0.15%
Claims	\$204,720.08	0.15%
Repayment	\$106,983,882.52	76.74%
TOTAL	\$139,416,729.44	100.00%

<u>School Type/Loan Type</u>	\$	%
4 Year	\$127,497,676.75	91.45%
2 Year	\$8,652,248.50	6.21%
Proprietary	\$3,266,804.19	2.34%
Refi	\$0.00	0.00%
Other	\$0.00	0.00%
TOTAL	\$139,416,729.44	100.00%

Collateral Concentration Tests:

Eligible Student Loans other than four-year, graduate, or Refi loans	\$11,919,052.69
Eligible Student Loans other than four-year, graduate, or Refi loans as a % of all Financed Student Loans	9%
Does this exceed 25%?	NO

Total Financed Eligible Student Loans which are SELF Refi Loans	\$0.00
Total SELF Refi Loans as a percentage of all Financed Eligible Student Loans	0%
Does this exceed 25%?	NO

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Waterfall pursuant to the Indenture

Refer to Trust Indenture Section 5.4(b) for complete waterfall provisions including any applicable restrictions

	Series 2017 Bonds
Available funds on deposit in the Revenue Account (Date of Waterfall 12/25/19)	\$97,969,470.05
1. (i) Amounts deposited to the Rebate Account	\$0.00
(ii) Amounts deposited to the Excess Interest Account	\$0.00
2. Amounts to pay the Trustee Fees and Servicing Fees to the extent not otherwise paid	\$0.00
3. To pay the following items due with respect to the Class I Bonds:	\$0.00
(i) Amounts to pay Remarketing Agent Fees and Credit Enhancement Fees to the extent not otherwise paid	\$0.00
(ii) Accrued interest paid on the Bonds.	\$1,589,592.85
(iii) Principal paid on the Bonds together with any unreimbursed obligations relating to any draws under the LOC to pay principal of any the Bonds.	\$0.00
(iv) Amounts due under an Interest Rate Hedge Agreement relating to the Bonds and any other amounts payable to the Bank	\$0.00
4. To pay amounts due with respect to the Class II Bonds (not applicable)	\$0.00
5. To pay amounts due with respect to the Class III Bonds (not applicable)	\$0.00
6. To pay amounts due with respect to the Class IV Bonds (not applicable)	\$0.00
7. To pay amounts due with respect to the Class V Bonds (not applicable)	\$0.00
8. Amounts deposited to the Debt Service Reserve Account to increase the amount on deposit to the Debt Service Reserve Requirement	\$0.00
9. Any other amounts due to the Bank (other than any Contingent Amount or Contingent Default Amount) and any other amount due to the Trustee, to the extent such funds have not otherwise been paid	\$0.00
10. Amounts to pay any Contingent Amount or Contingent Default Amount to the extent such funds have not otherwise been paid	\$0.00
11. Amounts to pay: (i) termination fees due under any Interest Rate Hedge Agreements, and (ii) any other Program Expenses, not otherwise paid	\$0.00
12. Any portion of the remaining funds shall be used for refinancing or making of Student Loans, at the written direction of the Issuer, subject to limitations following the occurrence of an Event of Default, when Bank Bonds are outstanding or when the Origination Statute and Rules have been changed such that the loans being originated are materially different than the loans originated prior to such change.	\$0.00
13. Amount transferred to the Surplus Fund. Note: no cash release is permitted after the occurrence of an Event of Default, when Bank Bonds are outstanding or if the Asset Ratio would be less than 125% after giving effect to such release.	\$0.00
TOTAL FUNDS USED	\$1,589,592.85

Fees and expenses paid from unpledged funds of the Loan Capital Fund applicable to the 2017 Bonds

Prior reporting period cumulative balance of all fees and expenses paid from the Loan Capital Fund	\$2,405,270.26
Total fees and expenses paid during the current reporting period from the Loan Capital Fund:	\$0.00
[PROVIDE BREAKDOWN OF VARIOUS FEES AND EXPENSES PAID]	\$0.00
Firstmark servicing	\$210,230.55
Trustee, legal and U.S. Bank fees	\$0.00
Cumulative balance of fees and expenses paid from the Loan Capital Fund	\$2,615,500.81

Repurchase of Defaulted Student Loans with unpledged funds from the Loan Capital Fund (per 6.01(x))

Defaulted Student Loans previously repurchased from the trust estate	\$4,264,074.56
Defaulted Student Loans repurchased in current reporting period from the trust estate	\$ 456,895.71
Cumulative balance of Defaulted Student Loans repurchased from the trust estate (shall not exceed \$35,390,000)	\$ 4,720,970.27
Cumulative balance of Eligible Student Loans pledged to the trust estate through Recycling Cut-off Date of 12/15/2021	\$ 232,771,259.98
Default rate based on cumulative Defaulted Student Loans	2.0%

Cash Release Test (per 6.02(h)):

		Requirement for Cash Release
Has an Event of Default occurred?	NO	NO
Are there Bank Bonds outstanding?	NO	NO
Is the Asset Ratio at least 125.0%?	YES	YES

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Roll-forward of accounts

Sub-accounts for each Series	Aggregate	Series 2017A Sub-accounts	Series 2017B Sub-account	Series 2017C Sub-account
Debt Service Reserve Fund				
Beginning Balance	\$1,913,014.83	\$689,719.39	\$620,437.24	\$602,858.20
Draws	\$0.00	\$0.00	\$0.00	\$0.00
Deposits	\$0.00	\$0.00	\$0.00	\$0.00
Interest Earnings deposited to account	\$7,826.62	\$2,821.82	\$2,538.36	\$2,466.44
Ending Balance	\$1,920,841.45	\$692,541.21	\$622,975.60	\$605,324.64
Required Balance (1.0% of outstanding Bonds, subject to a minimum of \$500,000)	\$1,850,000.00	\$667,000.00	\$600,000.00	\$583,000.00
Student Loan Fund				
Beginning Balance	\$148,198,019.53	\$48,920,057.89	\$43,824,798.46	\$55,453,163.18
New loans	\$0.00	\$0.00	\$0.00	\$0.00
Collections (reimbursement of Forbearance \$112,931.76 in transit)	\$8,330,729.13	\$3,939,139.41	\$1,371,945.67	\$3,019,644.05
Defaults less capitalized interest	\$450,560.96	\$146,704.68	\$80,439.26	\$223,417.02
Ending Balance	\$139,416,729.44	\$44,834,213.80	\$42,372,413.53	\$52,210,102.11
Revenue Fund				
Beginning Balance	\$89,921,837.83	\$41,196,949.71	\$13,159,467.95	\$35,565,420.17
Draws	\$1,915,799.39	\$481,363.30	\$703,733.33	\$730,702.76
Deposits (includes 'in transit' funds from the Loan Servicer \$344,583.35)	\$10,459,823.53	\$4,544,852.72	\$2,172,995.75	\$3,741,975.06
Interest Earnings deposited to account	\$372,151.93	\$169,991.99	\$55,228.56	\$146,931.38
Ending Balance	\$98,838,013.90	\$45,430,431.12	\$14,683,958.93	\$38,723,623.85
Acquisition Fund				
Beginning Balance	\$7,274,895.11	\$7,034.74	\$7,233,121.24	\$34,739.13
Draws	\$0.00	\$0.00	\$0.00	\$0.00
Deposits	\$0.00	\$0.00	\$0.00	\$0.00
Interest Earnings deposited to account	\$29,763.42	\$28.78	\$29,592.51	\$142.13
Ending Balance	\$7,304,658.53	\$7,063.52	\$7,262,713.75	\$34,881.26
Required Balance per Section 6.01(i) (for subsequent disbursements for partially disbursed loans)	\$0.00	\$0.00	\$0.00	\$0.00
Surplus Fund				
Beginning Balance	\$0.00	\$0.00	\$0.00	\$0.00
Draws	\$0.00	\$0.00	\$0.00	\$0.00
Deposits	\$0.00	\$0.00	\$0.00	\$0.00
Interest Earnings deposited to account	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance	\$0.00	\$0.00	\$0.00	\$0.00
Required Balance	\$0.00	\$0.00	\$0.00	\$0.00
Operating Account				
Beginning Balance	\$0.00	\$0.00	\$0.00	\$0.00
Draws	\$0.00	\$0.00	\$0.00	\$0.00
Deposits	\$0.00	\$0.00	\$0.00	\$0.00
Interest Earnings deposited to account	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance	\$0.00	\$0.00	\$0.00	\$0.00
Required Balance	\$0.00	\$0.00	\$0.00	\$0.00
Beginning Balance	\$0.00	\$0.00	\$0.00	\$0.00
Draws	\$0.00	\$0.00	\$0.00	\$0.00
Deposits	\$0.00	\$0.00	\$0.00	\$0.00
Interest Earnings deposited to account	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance	\$0.00	\$0.00	\$0.00	\$0.00
Required Balance	\$0.00	\$0.00	\$0.00	\$0.00
Excess Interest Fund				
Beginning Balance	\$0.00	\$0.00	\$0.00	\$0.00
Draws	\$0.00	\$0.00	\$0.00	\$0.00
Deposits	\$0.00	\$0.00	\$0.00	\$0.00
Interest Earnings deposited to account	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance	\$0.00	\$0.00	\$0.00	\$0.00
Required Balance	\$0.00	\$0.00	\$0.00	\$0.00

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Financial Covenants

A. Tangible Net Worth:		
1. Net Worth	\$530,743,229.15	
2. Minus: Book value of intangible assets	\$0.00	
3. Tangible Net Worth	\$530,743,229.15	
B. Aggregate Principal Amount of Loans to the State of Minnesota	\$0.00	
C. Tangible Net Worth Calculation as of:	12/31/2019	\$530,743,229.15
D. Tangible Net Worth Requirement (per 6.02(w) of the Agreement) as of:	6/30/2019	\$625,000,000.00 <i>insert applicable required level per table in 6.02(w)(i) of the Agreement</i>
D.(1) Has any money been withdrawn from the Loan Capital Fund other than the purpose permitted under this Agreement?		NO
E. Is Tangible Net Worth at least \$420,000,000?		YES
F. Debt of the Issuer as of:	12/31/2019	\$506,091,985.08
G. Ratio of Debt to Tangible Net Worth less any loans to the State		95.36%
H. Is the ratio of Debt to Tangible Net Worth no greater than 250%?		YES
I. Net Unrestricted Loan Capital Fund Assets		\$366,754,794.22
J. Aggregate principal balance of all Student Loans (all SELF loans of the Issuer)		\$491,596,603.64
K. Unpledged Cash and Investments		\$237,603,355.26
L. Is the Net Unrestricted Loan Capital Fund Assets at least \$150,000,000?		YES
M. Is the Net Unrestricted Loan Capital Fund Assets at least equal to 10% of the aggregate principal balance of all Student Loans		YES
N. Does the amount of cash and Investment Obligations constituting Unpledged Cash and Investments equal at least 5% of the outstanding Student Loans?		YES

Reference is made to the Continuing Covenant Agreement between the Minnesota Office of Higher Education (the "Office") and U.S. Bank National Association dated as of July 18, 2017 (as amended, restated supplemented, or otherwise modified, the "Agreement"). Capitalized terms used herein shall have the meanings assigned to them in the Agreement.

The Office hereby certifies that (i) the information contained in this Collateral Requirement Certificate is true and accurate, (ii) that no Default or Event of Default under the Agreement has occurred, (iii) no Amendment Event under the Agreement has occurred, and (iv) no default or event of default has occurred under any Related Document.

Minnesota Office of Higher Education

By: 
Authorized Officer

Date: 02/20/2020