

**MATERIAL EVENTS NOTICE**  
**DEFEASANCE OF BONDS; RELEASE OF CERTAIN PLEDGED ASSETS**  
**1995 GENERAL RESOLUTION**

The State Education Assistance Authority (the "Authority") is filing this material events notice pursuant to its continuing disclosure obligation to provide notice of (i) defeasance of bonds and (ii) the release or substitution of collateral. The bonds listed below were issued under "A GENERAL RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STATE EDUCATION ASSISTANCE AUTHORITY GUARANTEED STUDENT LOAN REVENUE BONDS AND OTHER MATTERS RELATING THERETO" adopted September 14, 1995, as amended (the "1995 General Resolution"). Certain defined terms not defined herein shall have the meanings ascribed to them in the 1995 General Resolution.

The 1995 General Resolution Auction Rate Bonds listed below were defeased on March 8, 2011. The 1995 General Resolution Auction Rate Bonds defeased under the 1995 General Resolution are now secured by a defeasance escrow ("Escrow") which is invested in Defeasance Obligations, and the bonds will be redeemed at par on the Redemption Dates set forth below. As a result of the defeasance the only Series of Bonds Outstanding under the 1995 General Resolution is the 2005 Series P Bonds issued as LIBOR Indexed Bonds in the original principal amount of \$300,000,000 (CUSIP 658262DV9).

**1995 General Resolution Auction Rate Bonds**

<u>Bond Tranche</u>	<u>CUSIP</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
2002 Series K-1	658262DG2	4/21/2011	\$60,000,000
2002 Series K-2	658262DH0	4/14/2011	\$65,000,000
2003 Series M-1	658262DL1	4/27/2011	\$65,000,000
2003 Series M-2	658262DM9	5/04/2011	\$65,000,000
2003 Series M-3	658262DN7	5/05/2011	\$70,000,000
2004 Series O-4	658262DT4	4/08/2011	\$29,600,000
2004 Series O-5	658262DU1	4/15/2011	\$18,650,000

On March 8, 2011, the Authority issued its 2011-1 Series Notes which are secured by a different trust estate than the trust estate securing the 1995 General Resolution Auction Rate Bonds and the 2005 Series P Bonds. A large portion of the proceeds from the sale of the 2011-1 Notes, together with approximately \$14,589,486 on deposit in various funds and accounts in the 1995 General Resolution, were deposited pursuant to the Escrow to defease the 1995 General Resolution Auction Rate Bonds. As a result of the deposits to the Escrow and the defeasance of the 1995 General Resolution Auction Rate Bonds, the Trustee under the 1995 General Resolution released its security interest in (i) Guaranteed Loans having an aggregate principal balance of approximately \$459,682,491 as of January 31, 2011, together with loan receipts received after such date; and (ii) the aforementioned balance on deposit in various funds and accounts under the 1995 General Resolution.

Each of the Rating Agencies has been provided the information contained herein and has provided the Authority with confirmation of the ratings on the 2005 Series P Bonds.

Dated: March 8, 2011

By: State Education Assistance Authority, a political subdivision of the State of North Carolina