

## KHESLC SMU/FA RFP FY24 and FY25 Questions & Answers

---

### Request for Proposals (“RFP”) to Serve as Senior Managing Underwriter to the Kentucky Higher Education Student Loan Corporation During Fiscal Year 2024 and 2025

1. We understand from the RFP and your publicly-available financial statements that you have a \$75 million revolving line of credit with PNC with a maturity of May 2025. We also understand that the cost of funds on this facility is SOFR-based.
  - a. What is the specific SOFR benchmark (e.g., Daily Simple SOFR)? Additionally, could you please provide the interest margin?

**ANSWER: The spread to Daily Simple SOFR is a very competitive spread, especially for short-term debt. It is below 100.**

2. We understand that all four of your FRN indentures, two of which are Direct Purchase Notes, are currently transitioning from LIBOR to SOFR. The corresponding interest margins are available in publicly-available periodic reports.
  - a. What is the specific SOFR benchmark for each (e.g., in the case of 2020-1 and 2021-1, the offering documents seem to indicate Term SOFR)?
  - b. What is the interest margin adjustment for each (in the case of 2020-1 and 2021-1, the offering documents define the “Benchmark Replacement Adjustment”, which we understand would be 0.11448%)?

**ANSWER: The benchmark is Term SOFR for 2020-1 & 2021-1 and Daily Simple SOFR for the two DPNs. That is a correct understanding of the adjustment. It is the same for all four FRNs.**

### Request for Proposals (“RFP”) to Serve as Financial Advisor to the Kentucky Higher Education Student Loan Corporation During Fiscal Year 2024 and 2025

1. Section III - Description of Services Sought, p 6. item 14. Is there any information available on the Top Risks identified during the 2023 ERM process that would be relevant to responding to the RFP? Or would these items be discussed post RFP process?

**ANSWER: No, these items may be discussed post RFP process.**

## KHESLC SMU/FA RFP FY24 and FY25 Questions & Answers

---

2. Section IV - Required components, II.A.3.b, p.8. Can the phrase "Evolving niche in student loan financing" be expanded upon or clarified?

**ANSWER: No, these items may be discussed post RFP process.**

3. Should Attachment D be completed and returned with the RFP response, or would this be completed at the time of engagement?

**ANSWER: The Affidavit is to be submitted with the RFP.**