

NEW YORK--([BUSINESS WIRE](#))--Fitch Ratings affirms the Illinois Student Assistance Commission 2010 Indenture, student loan asset-backed notes, series 2010-1 (ISAC 2010-1) at 'AAAsf'. The Rating Outlook remains Stable.

KEY RATING DRIVERS

High Collateral Quality: ISAC 2010-1 collateral consists of 100% Federal Family Education Loan Program (FFELP) loans. The credit quality of the trusts collateral is high, in Fitch's opinion, based on the guarantees provided by the transaction's eligible guarantors and reinsurance provided by the U.S. Department of Education (ED) for at least 97% of principal and accrued interest. Fitch currently rates the U.S.'AAA' with a stable outlook.

Sufficient Credit Enhancement (CE): The ISAC 2010-1 notes benefit from overcollateralization (the excess of trust's asset balance over bond balance) and excess spread. As of March 2014, reported parity is 111.7%. The bonds are currently in turbo, and no cash is being released from the trust.

Adequate Liquidity Support: Liquidity support is provided by a Reserve Fund sized at the greater of 0.25% of the pool balance and \$942,529.

Acceptable Servicing Capabilities: Edfinancial Services, LLC (Edfinancial) and Navient Solutions, Inc. are responsible for the day to day servicing of the student loans and Pennsylvania Higher Education Assistance Agency (PHEAA) is the backup servicer. Fitch believes Edfinancial, Navient Solutions and PHEAA to be acceptable servicers of FFELP student loans.

RATING SENSITIVITIES

Since the FFELP student loan ABS relies on the U.S. government to reimburse defaults, 'AAAsf' FFELP ABS ratings will likely move in tandem with the 'AAA' U.S.

Fitch Affirms Senior Notes of Illinois Student Assistance Commission, 2010 Indenture

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sovereign rating. Aside from the U.S. sovereign rating, defaults and basis risk account for the majority of the risk embedded in FFELP student loan transactions. Additional defaults and basis shock beyond Fitch's published stresses could result in future downgrades. Likewise, a buildup of credit enhancement driven by positive excess spread given favorable basis factor conditions could lead to future upgrades.

Fitch has affirmed the following ratings:

Illinois Student Assistance Commission, 2010 Indenture, student loan asset-backed notes, series 2010-1:

--Class A-2 at 'AAAsf'; Outlook Stable;

--Class A-3 at 'AAAsf'; Outlook Stable.

Additional information is available at 'www.fitchratings.com'.

Applicable Criteria and Related Research:

--'Global Structured Finance Rating Criteria' dated May 20, 2014;

--'Rating U.S. Federal Family Education Loan Program Student Loan ABS Criteria' dated June 23, 2014.

Additional Disclosure

Solicitation Status

http://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=837660

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