In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2010A-1 Bonds is excludable from gross income for federal income tax purposes and interest on the Series 2010A-1 Bonds is not a specific preference item and is not included in adjusted current earnings for purposes of the federal alternative minimum tax. In addition, Bond Counsel is of the opinion that, under existing laws of the State of Vermont, the Series 2010A-1 Bonds and interest thereon are exempt from all taxation, franchise taxes, fees or special assessments of whatever kind imposed by the State of Vermont, except for transfer, inheritance and estate taxes. For a more complete description, see "TAX MATTERS" herein.

NEW ISSUE - Book-Entry Only

Ratings: Fitch: "A+"
S&P: "A"
See "Ratings" herein

$19,000,000
Vermont Student Assistance Corporation

(a non-profit public corporation established by the laws of the State of Vermont)

Education Loan Revenue Bonds
Senior Series 2010A-1 (Tax-Exempt Fixed Rate Bonds)

Dated: Date of Issuance **Price:** As shown on inside cover page **Due:** As shown on inside cover page

The Vermont Student Assistance Corporation (the "Corporation") will issue its Education Loan Revenue Bonds, Senior Series 2010A-1 (Tax-Exempt Fixed Rate Bonds) in the aggregate principal amount of $19,000,000 (the "Series 2010A-1 Bonds") pursuant to the provisions of an Indenture of Trust, dated as of July 1, 2010 (the "Master Indenture"), and a Series 2010A-1 Supplemental Indenture of Trust, dated as of July 1, 2010 (the "Series 2010A-1 Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each between the Corporation and People's United Bank, Burlington, Vermont, as trustee (the "Trustee").

The Series 2010A-1 Bonds are issuable only as fully registered bonds and when issued shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which shall act as securities depository for the Series 2010A-1 Bonds. Purchasers of the Series 2010A-1 Bonds will not receive certificates representing their beneficial ownership interests in the Series 2010A-1 Bonds. Purchases and sales by the Beneficial Owners (as defined herein) of the Series 2010A-1 Bonds shall be made in book-entry form in the principal amount of $5,000 or any integral multiple thereof. Interest on the Series 2010A-1 Bonds is payable semiannually on each June 15 and December 15, commencing December 15, 2010. Payments of principal, redemption price and interest with respect to the Series 2010A-1 Bonds are to be made directly to DTC by the Trustee or its successor, so long as DTC or Cede & Co. is the Registered Owner of the Series 2010A-1 Bonds. Disbursement of such payments to Participants (as defined herein) of DTC is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Participants, as more fully described herein. See "THE SERIES 2010A-1 BONDS - Book-Entry Form" herein.

The Series 2010A-1 Bonds are subject to redemption, prepayment and acceleration including, under certain circumstances, redemption, prepayment or acceleration without premium, prior to maturity as described herein. See "REDEMPTION PROVISIONS" herein. The Series 2010A-1 Bonds are being issued for the purposes of (i) originating and financing Eligible Loans; (ii) funding the Debt Service Reserve Fund and (iii) funding the Capitalized Interest Fund. See "ESTIMATED SOURCES AND USES OF FUNDS" herein. The Series 2010A-1 Bonds, together with any other bonds that may be issued under the Indenture, are payable solely from Revenues and other amounts pledged pursuant to the Indenture and from monies and securities held in certain funds and accounts established therein. See "SECURITY FOR THE SERIES 2010A-1 BONDS" herein. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meanings as assigned in the Indenture. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" herein.

THE CORPORATION HAS NO TAXING POWER. THE SERIES 2010A-1 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CORPORATION. THE CORPORATION SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2010A-1 BONDS EXCEPT FROM THE REVENUES AND ASSETS PLEDGED UNDER THE INDENTURE. THE SERIES 2010A-1 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF VERMONT OR ANY OF ITS POLITICAL SUBDIVISIONS AND NONE OF THE FAITH AND CREDIT, THE TAXING POWER OR THE MORAL OBLIGATION OF THE STATE OF VERMONT OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE SERIES 2010A-1 BONDS. THE SERIES 2010A-1 BONDS ARE PAYABLE, BOTH AS TO PRINCIPAL AND INTEREST, SOLELY AS PROVIDED IN THE INDENTURE.

The Series 2010A-1 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and to the approval of legality by Kutak Rock LLP, Bond Counsel to the Corporation. Certain legal matters will be passed upon for the Corporation by its in-house General Counsel and for the Underwriter by its counsel, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo P.C., Boston, Massachusetts. Government Finance Associates, Inc. serves as Financial Advisor to the Corporation. The Series 2010A-1 Bonds are expected to be available for delivery in New York, New York, through the facilities of DTC on or about August 3, 2010.

BofA Merrill Lynch

Dated: July 20, 2010

$19,000,000

Senior Series 2010A-1 Bonds (Tax-Exempt Fixed Rate Bonds)

MATURITY SCHEDULE

Serial Bonds

Due December 15	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2015	$ 600,000	3.000%	2.35%	103.257%	92428CFQ2
2016	1,500,000	4.000	2.75	107.252	92428CFR0
2017	1,800,000	3.500	3.00	103.280	92428CFS8
2018	2,000,000	5.000	3.21	113.038	92428CFT6
2019	2,000,000	4.000	3.40	104.775	92428CFU3
2020	1,600,000	3.500	3.60	99.138	92428CFV1
2021	1,500,000	4.000	3.75	102.127*	92428CFW9
2022	1,300,000	4.000	3.88	101.012*	92428CFX7
2023	1,200,000	4.000	4.00	100.000	92428CFY5
2024	500,000	4.000	4.10	98.918	92428CFZ2

$2,525,000 4.200% Term Bonds due December 15, 2030 Yield 4.20% Price 100.000% CUSIP† 92428CGA6
$2,475,000 4.125% Term Bonds due December 15, 2030 Yield 4.20% Price 98.975% CUSIP† 92428CGB4

* Priced to first optional call date of December 15, 2020.

†The CUSIP numbers have been assigned by an independent company not affiliated with the Corporation and are included solely for the convenience of the owners of the Series 2010A-1 Bonds. The Corporation is not responsible for the selection or uses of the CUSIP numbers, and no representation is made as to their correctness on the Series 2010A-1 Bonds or as indicated above. The CUSIP numbers are subject to being changed after the issuance of the Series 2010A-1 Bonds as a result of various subsequent actions including, but not limited to, a refunding of a portion of the Series 2010A-1 Bonds.

No dealer, broker, salesman or other person has been authorized by the Corporation or the Underwriter to give any information or to make any representations, other than those 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 2010A-1 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Corporation and other sources which are believed to be reliable, including The Depository Trust Company with respect to the information contained in the subheading "THE SERIES 2010A-1 BONDS-Book-Entry Form" herein, but is not guaranteed as to accuracy or completeness by, and except as to information as to itself, is not to be construed as a representation by, the Corporation. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. 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 parties referred to above or that the other information or opinions are correct as of any time subsequent to the date hereof.

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 other similar expressions are intended to identify forward-looking statements. Such forward-looking statements are subject to change at any time and a number of factors affecting the Series 2010A-1 Bonds and the Program described herein could cause actual results to differ materially from those stated in the forward-looking statements.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2010A-1 BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Upon issuance, the Series 2010A-1 Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange.

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Official Statement. The offering of the Series 2010A-1 Bonds to potential investors is made only by means of this Official Statement. No person is authorized to detach or otherwise deliver or use this Summary Statement without the entire Official Statement. Terms used in this summary and not otherwise defined shall have the respective meanings assigned to them elsewhere in this Official Statement or, if not assigned elsewhere in this Official Statement, the Indenture.

Issuer

Vermont Student Assistance Corporation (the "Corporation") is a non-profit public corporation organized pursuant to the Vermont Statutes Annotated, Title 16, Chapter 87, as amended (the "State Act"). The Corporation operates various student assistance programs authorized by Vermont law, including the acquisition and origination of student loans. See "INTRODUCTION" and "THE CORPORATION" herein.

Servicing

The Corporation will act as Servicer of the Program (as defined herein) and as originator for all loans originated under the Program and pursuant to a Supplemental Indenture ("Eligible Loans"). The Eligible Loans are credit-based, post-secondary, private education loans to eligible borrowers to finance education expenses at eligible colleges and universities and in approved programs. The Indenture permits additional or successor Servicers with respect to the Eligible Loans, subject to certain requirements under the Indenture, including satisfaction of the Rating Agency Condition. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" herein.

The Offering

The Corporation is offering hereby its Education Loan Revenue Bonds, Senior Series 2010A-1 (Tax-Exempt Fixed Rate Bonds) (the "Series 2010A-1 Bonds") as a single series of fixed rate bonds in the aggregate principal amount of $19,000,000.

Series 2010A-1 Bonds

The Series 2010A-1 Bonds shall be dated the date of issuance (the "Date of Issuance"), and shall mature, bear interest and be initially priced as set forth on the inside cover page hereof. The Series 2010A-1 Bonds are expected to be issued pursuant to the State Act and under an Indenture of Trust, dated as of July 1, 2010 (the "Master Indenture"), and a Series 2010A-1 Supplemental Indenture of Trust, dated as of July 1, 2010 (the "Series 2010A-1 Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each between the Corporation and the Trustee.

The Series 2010A-1 Bonds will be the initial series of bonds issued under the Master Indenture and will be the initial series of bonds issued pursuant to the Program. The Indenture permits the issuance of additional bonds subject to certain requirements under the Indenture, including satisfaction of the Rating Agency Condition, that may be secured on a parity basis with the Series 2010A-1 Bonds or that may be secured on a basis subordinate to that of the Series 2010A-1 Bonds ("Additional Bonds" and collectively, with the Series 2010A-1 Bonds, the "Bonds"). The Corporation expects to issue Additional Bonds from time to time under the Indenture to originate and finance additional Eligible Loans. See "SECURITY FOR THE SERIES 2010A-1 BONDS – Additional Bonds" herein. The State Act authorizes the Corporation to act as lender, servicer and guarantor of certain student

loans ("Federal Act Loans") authorized by and in compliance with the provisions of the federal Higher Education Act of 1965, as amended (the "Higher Education Act"), loans ("Heal Loans") insured by the Secretary of the United States Department of Health and Human Services under the Public Health Service Act of 1944, as amended, and private education loans. Pursuant to such authority, the Corporation previously issued numerous series of bonds to finance such loans under trust documents other than the Indenture. The Series 2010A-1 Bonds are not payable from any of the loans or other assets that are pledged under other trust documents to secure such separately secured series of bonds and the Eligible Loans and other assets pledged to secure the payment of the Bonds are not available to pay any such separately secured series of bonds issued under such other trust documents. See "SECURITY FOR THE SERIES 2010A-1 BONDS" herein.

The Program

Eligible Loans originated and financed pursuant to the Corporation's Fixed Rate Loan Program (the "Program") and the Indenture in connection with the issuance of the Series 2010A-1 Bonds will bear one of three fixed interest rates, depending on the repayment option selected by each approved borrower. Each Eligible Loan will include a co-signer meeting minimum credit and FICO credit score requirements. An origination fee, which will vary based on the FICO credit score of the co-signer, will be deducted from the Eligible Loan at each disbursement (or otherwise collected), except in the case of the highest credit scores. Each Eligible Loan is available for paying certified costs and expenses, net of other forms of financial aid, of attending eligible post-secondary institutions and certain other programs. Repayment options for Eligible Loans include immediate repayment of principal and interest, interest only while at least in school half-time, and deferral of all payments while enrolled in school at least half-time. Eligible Loans of $10,000 or more will have a repayment term of fifteen (15) years, while Eligible Loans of less than $10,000 will have a repayment term of ten (10) years. These periods may be extended by forbearance for a cumulative total of up to three (3) years, at the discretion of the Corporation, for situations of documented financial hardship. All Financed Eligible Loans reaching 180 days of delinquency on any payment will be deemed to be in default. Once in default the Corporation may place such defaulted Financed Eligible Loans with a third-party collection agent. See "THE PROGRAM" herein and "APPENDIX B – SUMMARY OF CERTAIN FEATURES OF THE PROGRAM" hereto.

The Corporation currently expects that Eligible Loans financed with proceeds of the Series 2010A-1 Bonds will contain terms and conditions substantially similar to those described above and elsewhere herein. Certain of such terms and conditions are specified under the Series 2010A-1 Supplemental Indenture. The Corporation will regularly review the terms and conditions of the Program and reserves the right, however, to apply proceeds of the Series 2010A-1 Bonds and any Additional Bonds to finance loans with terms and conditions that vary from those described herein, subject, in the case of terms and conditions specified under a Supplemental Indenture, to satisfaction of certain requirements under the Indenture, including satisfaction of the Rating Agency Condition.

The description of the current Program included in this Official Statement does not address every type of loan the Corporation is authorized to originate, but does describe the types of fixed rate, private

	loans that are currently anticipated to be financed with the proceeds of the Series 2010A-1 Bonds. The Corporation has previously issued numerous series of bonds that were, or that are, secured under instruments other than the Indenture to fund education loans. Loans that were originated, or that in the future may be originated, from funds obtained from issuance of such separately secured series of bonds may have terms and conditions that differ from the Program.
Purpose of Issuance	The Series 2010A-1 Bonds will be issued for the purposes of (i) originating and financing Eligible Loans, (ii) funding the Debt Service Reserve Fund and (iii) funding the Capitalized Interest Fund.
Interest Payments on the Series 2010A-1 Bonds	Interest on the Series 2010A-1 Bonds will accrue from the Date of Issuance and be payable on each June 15 and December 15, commencing December 15, 2010 or, if any such day is not a Business Day, the next succeeding Business Day with the same force and effect as if made on the date specified for such payment, without additional interest. Interest on the Series 2010A-1 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.
Priority	The Series 2010A-1 Bonds and any Additional Bonds issued on a parity therewith and Outstanding under the Indenture in the future, (collectively, the "Senior Bonds") are secured equally and ratably by the security provided thereunder and are secured on a superior basis to any Additional Bonds that may be issued in the future, the payment of the principal of and interest on which is subordinated to the payment of principal of and interest on the Senior Bonds (collectively, the "Subordinate Bonds"). Failure of the Corporation to pay principal of or interest on any Subordinate Bonds shall not be an Event of Default under the Indenture if any Senior Bonds are Outstanding. Additional Bonds may be issued under the Master Indenture subject to certain requirements under the Indenture, including satisfaction of the Rating Agency Condition.
Redemption and Acceleration	The Series 2010A-1 Bonds are subject to redemption and acceleration, including without payment of premium prior to maturity, under certain specified circumstances as described herein under the heading "REDEMPTION PROVISIONS" herein. The timing and percentage of the Series 2010A-1 Bonds that may be affected by any such redemption cannot be determined with certainty at this time. See "CERTAIN INVESTMENT CONSIDERATIONS – Redemption of Bonds" and "– Prepayment of Financed Eligible Loans is Subject to Uncertainty" herein.
Security for the Series 2010A-1 Bonds	The Series 2010A-1 Bonds, together with any other Additional Bonds that may be issued in the future, are secured by and payable from the Trust Estate, which includes: 1) The Revenues (other than Revenues deposited in the Rebate Fund or the Operating Fund or otherwise released from the lien of the Trust Estate, as provided in the Indenture), which include all Recoveries of Principal, payments, proceeds, charges and other income received by the Trustee or the Corporation from or on account of any Financed Eligible Loan (including scheduled, delinquent and advance payments of interest);

2) all moneys and investments (including interest earned or gains realized) held in the Funds and Accounts (but excluding the Rebate Fund and the Operating Fund);

3) the Financed Eligible Loans, including any notes and documents evidencing the same and all extensions and renewals thereof; and

4) insofar as the same relate to Financed Eligible Loans, the rights of the Corporation in and to any and all Servicing Agreements.

Debt Service Reserve Fund

A Debt Service Reserve Fund for the Bonds, including the Series 2010A-1 Bonds, has been established under the Indenture. The Indenture requires that the Debt Service Reserve Fund be funded at the time of issuance of any series of Bonds so that the amount on deposit in the Debt Service Reserve Fund shall at least equal the most recently established Debt Service Reserve Fund Requirement. Upon issuance of the Series 2010A-1 Bonds, the Debt Service Reserve Fund Requirement will be 2.0% of the principal amount of the Series 2010A-1 Bonds Outstanding. Thereafter, while any Series 2010A-1 Bonds are Outstanding, the Debt Service Reserve Fund Requirement shall not be less than the greater of (i) 2.0% of the principal amount of the Series 2010A-1 Bonds Outstanding or (ii) $250,000. Such Debt Service Reserve Requirement may be reduced subject to certain requirements of the Indenture, including satisfaction of the Rating Agency Condition. See "ESTIMATED SOURCES AND USES OF FUNDS" and "SECURITY FOR THE SERIES 2010A-1 BONDS – Debt Service Reserve Fund" herein and "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" hereto.

Securities Depository

Individual purchases of the Series 2010A-1 Bonds may be made in book-entry form only and purchasers of the Series 2010A-1 Bonds will not receive physical delivery of bond certificates, except as more fully described herein. The Series 2010A-1 Bonds are to be issued in fully registered form and are initially to be registered in the name of Cede & Co., as nominee for The Depository Trust Company, as securities depository for the Series 2010A-1 Bonds ("DTC"). Purchases and sales by Beneficial Owners (as defined herein) of the Series 2010A-1 Bonds are to be made in book-entry form only and in Authorized Denominations. So long as Cede & Co. is the Registered Owner of the Series 2010A-1 Bonds, all payments of principal of and interest on the Series 2010A-1 Bonds are to be made by the Trustee to Cede & Co., as nominee for DTC. Such payments are to be remitted by DTC to the Participants (as defined herein) for subsequent disbursements to the Beneficial Owners. See "THE SERIES 2010A-1 BONDS — Denomination and Payment" and "—Book-Entry Form" herein.

In reading this Official Statement, it should be understood that while the Series 2010A-1 Bonds are in book-entry form, references in this Official Statement to Registered Owners of the Series 2010A-1 Bonds should be read to include the person for whom the Participant acquires an interest in the Series 2010A-1 Bonds, but (a) all rights of ownership must be exercised through DTC and the book-entry system as described more fully herein; and (b) notices that are to be given to Registered Owners of the Series 2010A-1 Bonds by the Corporation or the Trustee will be given only to DTC.

Initial Collateralization	Upon the issuance of the Series 2010A-1 Bonds and initial application of the proceeds, including a contribution of the Corporation, the cash and investments pledged under the Indenture securing the Series 2010A-1 Bonds will equal approximately 128% of the principal amount of the Series 2010A-1 Bonds.
Certain Investment Considerations	Investment in the Series 2010A-1 Bonds entails certain investment risks, which are summarized in this Official Statement under the heading "CERTAIN INVESTMENT CONSIDERATIONS" herein. These considerations do not constitute the only factors to consider prior to investment. The descriptions included under such caption are intended only to indicate the nature of the considerations identified and are not exhaustive discussions of the potential effects of such considerations.
Special Obligations	THE CORPORATION HAS NO TAXING POWER. THE SERIES 2010A-1 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CORPORATION. THE CORPORATION SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2010A-1 BONDS EXCEPT FROM THE REVENUES AND ASSETS PLEDGED UNDER THE INDENTURE. THE SERIES 2010A-1 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF VERMONT OR ANY OF ITS POLITICAL SUBDIVISIONS AND NONE OF THE FAITH AND CREDIT, THE TAXING POWER OR THE MORAL OBLIGATION OF THE STATE OF VERMONT OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE SERIES 2010A-1 BONDS. THE SERIES 2010A-1 BONDS ARE PAYABLE, BOTH AS TO PRINCIPAL AND INTEREST, SOLELY AS PROVIDED IN THE INDENTURE.
Ratings	The Series 2010A-1 Bonds are rated "A" by Standard & Poor's Credit Ratings Services, a division of the McGraw-Hill Companies, Inc. ("S&P), and "A+" by Fitch Ratings, a subsidiary of Fimalac, S.A. ("Fitch"). Assignment of such ratings is a precondition to issuance of the Series 2010A-1 Bonds. Neither the Corporation nor the Underwriter have undertaken any responsibility either to provide notice of any proposed change in or withdrawal of such ratings or to oppose any such proposed revisions, although certain rating changes are reportable pursuant to the proposed Continuing Disclosure Agreement for the Series 2010A-1 Bonds. See "RATINGS" and "CONTINUING DISCLOSURE" herein and "APPENDIX F –PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

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OFFICIAL STATEMENT

of the

VERMONT STUDENT ASSISTANCE CORPORATION

relating to its

$19,000,000
Education Loan Revenue Bonds
Senior Series 2010A-1 (Tax-Exempt Fixed Rate Bonds)

This Official Statement, which includes the cover page, the Summary Statement and the Appendices hereto, provides information in connection with the issuance by the Vermont Student Assistance Corporation (the "Corporation") of its $19,000,000 Education Loan Revenue Bonds, Senior Series 2010A-1 (Tax-Exempt Fixed Rate Bonds) (the "Series 2010A-1 Bonds"). The Series 2010A-1 Bonds are being issued pursuant to the provisions of the State Act (as defined herein) and under an Indenture of Trust, dated as of July 1, 2010 (the "Master Indenture") and a Series 2010A-1 Supplemental Indenture of Trust, dated as of July 1, 2010 (the "Series 2010A-1 Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each between the Corporation and People's United Bank, a federally chartered savings bank, Burlington, Vermont, as trustee (the "Trustee"). The term "Bonds" as used herein shall refer to the Series 2010A-1 Bonds and any Additional Bonds (as defined herein) that may be issued in the future.

All capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings provided in "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" hereto or, if not provided therein, in the Indenture.

INTRODUCTION

The Corporation is a non-profit public corporation created in 1965 and existing under and by virtue of Chapter 87 of Title 16 of the Vermont Statutes Annotated, as amended (the "State Act"). The State Act provides that the Corporation is to provide opportunities for residents of the State of Vermont and nonresidents attending a post-secondary institution in the State of Vermont to pursue post-secondary education by awarding grants and guaranteeing, making, financing and servicing loans to students qualifying under the State Act.

The Series 2010A-1 Bonds are being issued as fixed rate bonds and will mature on dates and bear interest at the rates shown on the inside cover hereof. The Series 2010A-1 Bonds are subject to redemption, prepayment and acceleration, including under certain circumstances without premium, prior to maturity, as set forth under "REDEMPTION PROVISIONS" herein.

It is presently expected that the proceeds of the Series 2010A-1 Bonds will be used for the purpose of originating and financing credit-based, fixed rate education loans originated under the Program (as defined herein) ("Eligible Loans"). Eligible Loans are made to borrowers who are residents of the State of Vermont and nonresidents attending a post-secondary institution in the State of Vermont to finance post-secondary education at eligible colleges and universities and in approved programs. Financed Eligible Loans will not be reinsured or guaranteed by the Secretary of the United States Department of Education (the "Secretary" or the "Secretary of Education") under the Higher Education Act of 1965, as amended (the "Higher Education Act"), the Corporation or any other person. See "THE PROGRAM" herein and "APPENDIX B – SUMMARY OF CERTAIN FEATURES OF THE PROGRAM" hereto.

The Series 2010A-1 Bonds are the first series of Bonds issued pursuant to the Indenture and the first issue of Bonds for purposes of financing Eligible Loans under the Program. Accordingly, no Program operating history or historical loan origination and performance data is available. However, the Corporation has substantial experience as lender, servicer and guarantor of certain student loans ("Federal Act Loans") authorized by and in compliance with the provisions of the Higher Education Act, loans ("Heal Loans") insured by the Secretary of the United States Department of Health and Human Services and various credit-based and non-credit-based variable rate private education loans which the Corporation has offered prior to the Program. In addition, the Corporation administers a program of grants, scholarships, work study and outreach services; career, education and financial aid

counseling; related information services; and a Section 529 savings plan. The Corporation believes that it is able to estimate the demand for the Program and perform its responsibilities with respect to the Program.

The Series 2010A-1 Bonds will be issued for the purposes of (i) originating and financing Eligible Loans; (ii) funding the Debt Service Reserve Fund and (iii) funding the Capitalized Interest Fund.

THE CORPORATION HAS NO TAXING POWER. THE SERIES 2010A-1 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CORPORATION. THE CORPORATION SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2010A-1 BONDS EXCEPT FROM THE REVENUES AND ASSETS PLEDGED UNDER THE INDENTURE. THE SERIES 2010A-1 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF VERMONT OR ANY OF ITS POLITICAL SUBDIVISIONS AND NONE OF THE FAITH AND CREDIT, THE TAXING POWER OR THE MORAL OBLIGATION OF THE STATE OF VERMONT OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE SERIES 2010A-1 BONDS. THE SERIES 2010A-1 BONDS ARE PAYABLE, BOTH AS TO PRINCIPAL AND INTEREST, SOLELY AS PROVIDED IN THE INDENTURE.

The descriptions of the State Act, the Indenture and the Series 2010A-1 Bonds contained herein do not purport to be definitive or comprehensive. All descriptions of such documents, statutes and any proposed legislation contained herein are qualified in their entirety by reference to such documents, statutes and proposed legislation. Copies of the Indenture may be obtained upon written request to the Vermont Student Assistance Corporation, P.O. Box 2000, 10 East Allen Street, Winooski, Vermont 05404-2601, Attention: President, or to the Corporation's financial advisor, Government Finance Associates, Inc., 590 Madison Avenue, 21st Floor, New York, New York 10022.

THE SERIES 2010A-1 BONDS

The Series 2010A-1 Bonds will be issued in the aggregate amount of $19,000,000 as fixed rate bonds dated the date of issuance (the "Date of Issuance"). The Series 2010A-1 Bonds will mature on the dates and in the amounts, and will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Issuance to maturity (or prior redemption) at the applicable rates, all as set forth on the inside cover page hereto. The Series 2010A-1 Bonds maturing December 15, 2015, December 15, 2016, December 15, 2017, December 15, 2018, December 15, 2019, December 15, 2021 and December 15, 2022 which have been sold with original issue premium (i.e., at prices greater than 100%), are referred to herein as the "Series 2010A-1 Premium Bonds." The Series 2010A-1 Bonds maturing December 15, 2020, December 15, 2024 and December 15, 2030 with an interest rate of 4.125% which have been sold with original issue discount (i.e., at prices less than 100%), are referred to herein as the "Series 2010A-1 Discount Bonds."

Authorization

On June 29, 2010, the Board of Directors of the Corporation adopted a resolution authorizing the execution and delivery of the Master Indenture, the Series 2010A-1 Supplemental Indenture and this Official Statement and the issuance and sale of the Series 2010A-1 Bonds. The Series 2010A-1 Bonds are being issued under the Indenture and in accordance with the State Act.

Book-Entry Form

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Series 2010A-1 Bonds; payment of the principal of and interest on the Series 2010A-1 Bonds to Participants, defined below, or to purchasers of the Series 2010A-1 Bonds (the "Beneficial Owners"); confirmation and transfer of beneficial ownership interests in the Series 2010A-1 Bonds; and other securities related transactions by and between DTC, Participants and Beneficial Owners, is based solely on information furnished by DTC and has not been independently verified by the Corporation, the Underwriter or their respective counsel or Bond Counsel. The inclusion of this information is not, and should not be construed as, a representation by the Corporation or the Underwriter or their respective counsel or Bond Counsel as to its accuracy or completeness or otherwise and references to any websites under this subsection are not incorporated by reference herein.

DTC will act as securities depository for the Series 2010A-1 Bonds. The Series 2010A-1 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 certificate will be issued for each maturity (and interest rate, if applicable) of the Series 2010A-1 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 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, and 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 Standard & Poor's highest rating: "AAA." 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 and www.dtc.org.

Purchases of the Series 2010A-1 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010A-1 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2010A-1 Bond 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 2010A-1 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 2010A-1 Bonds, except in the event that use of the book-entry system for the Series 2010A-1 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010A-1 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 2010A-1 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2010A-1 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010A-1 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 2010A-1 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2010A-1 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 Corporation 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 2010A-1 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2010A-1 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 Corporation or the Trustee, on each payable 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 Corporation, subject to any statutory or regulatory requirements as may be in effect from time-to-time. Payment of redemption proceeds, principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants shall 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 depository with respect to the Series 2010A-1 Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered to the Beneficial Owners.

The Corporation may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to the Beneficial Owners.

Denomination and Payment

The Series 2010A-1 Bonds are initially being issued in denominations of $5,000 and any integral multiple thereof ("Authorized Denominations"). Both the principal of and the interest on the Series 2010A-1 Bonds will be payable in any currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Except as provided in the Indenture, payment of the principal of all Series 2010A-1 Bonds is to be made upon the presentation and surrender of such at the Principal Office of the Trustee as the same becomes due and payable.

Other than as provided in the Indenture with respect to the Series 2010A-1 Bonds held in the Book-Entry System, interest shall be paid (i) by federal funds wire transfer by the Trustee to any account within the continental United States upon written instruction of the Registered Owner of at least $1,000,000 in principal amount of the Series 2010A-1 Bonds, (ii) by check or draft mailed on the Interest Payment Date by the Trustee to each Registered Owner at his address as it last appears on the registration records kept by the Trustee at the close of business on the regular Record Date for such Interest Payment Date or (iii) by such other customary banking arrangement acceptable to the Trustee at the request of and at the risk and expense of the Registered Owner.

Interest on any Series 2010A-1 Bond that is payable on any Interest Payment Date and that is punctually paid or duly provided for is payable to the person in whose name such Series 2010A-1 Bond is registered at the close of business on the Record Date (as hereinafter defined) for such interest.

Record Date for Interest Payment

The Record Date for the interest payable on any Interest Payment Date on Series 2010A-1 Bonds means the Business Day immediately preceding the Interest Payment Date. The Trustee will establish a Special Record Date whenever money becomes available for payment of defaulted interest. Notice of the Special Record Date will be given to the Registered Owners of the Series 2010A-1 Bonds not less than 10 days prior thereto by first-class mail to each such Registered Owner as shown on the Trustee's registration records on the date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest, which payment date will be not more than 15 nor less than 10 days after the Special Record Date.

Transfer, Exchange and Registration

In the event the Book-Entry System is discontinued, the Series 2010A-1 Bonds may be transferred and exchanged on the books of the Corporation, which shall be kept for such purpose at the Principal Office of the Trustee, by the Registered Owner only upon presentation and surrender thereof at the Principal Office of the Trustee. Series 2010A-1 Bonds are transferable upon the surrender thereof, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, to

the Trustee. The Corporation is required to execute and the Trustee is required to authenticate and deliver such new fully registered Series 2010A-1 Bonds. See "—Book-Entry Form" above for a description of the system to be utilized initially in regard to ownership and transferability of the Series 2010A-1 Bonds.

The Trustee may charge each Registered Owner requesting a transfer or exchange any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange. The Trustee shall not be required to transfer or exchange any Series 2010A-1 Bond after giving notice that such Series 2010A-1 Bond or portion thereof has been selected for redemption as herein described.

Trustee

People's United Bank will serve as Trustee for the Series 2010A-1 Bonds. People's United Bank may resign or be removed; provided, however the resignation or removal will not be effective until a successor has been appointed and has accepted the appointment. All notices required to be delivered to the Trustee shall be delivered by mail delivery/overnight mail to: People's United Bank, Corporate Trust Department, Two Burlington Square, Burlington, Vermont 05401.

REDEMPTION PROVISIONS

Optional Redemption

The Series 2010A-1 Bonds maturing on and after December 15, 2021 are subject to redemption at the option of the Corporation, in whole or in part, in any Authorized Denominations commencing December 15, 2020, and on any Interest Payment Date thereafter, at a redemption price equal to 100% of the principal amount of the Series 2010A-1 Bonds to be redeemed, plus accrued interest, if any, to the redemption date.

Special Extraordinary Redemption

The Series 2010A-1 Bonds are subject to extraordinary redemption by the Corporation, in whole or in part, on any Interest Payment Date, on a pro rata basis among stated maturities (with such adjustments as the Corporation may determine to enable the Series 2010A-1 Bonds to be redeemed in Authorized Denominations), at a redemption price equal 100% of the principal amount of the Series 2010A-1 Bonds to be redeemed, plus, with respect to the Series 2010A-1 Premium Bonds, any Unamortized Premium (as defined herein) and less, with respect to the Series 2010A-1 Discount Bonds, any Unamortized Discount (as defined herein) on such Series 2010A-1 Bonds being redeemed, plus any interest accrued to the redemption date, from moneys identified to the Trustee by an Authorized Representative of the Corporation, to avoid an Event of Default under the Master Indenture, as evidenced by a Corporation Order given to the Trustee at least forty-five (45) days before the redemption date specified therein.

"Unamortized Premium" means, with respect to the Series 2010A-1 Premium Bonds as of a date of redemption, the unamortized original issue premium for such Series 2010A-1 Premium Bonds, determined on a straight line basis from the Date of Issuance to the earlier of the stated maturity date of such Series 2010A-1 Premium Bond or the earliest optional redemption date for such Series 2010A-1 Premium Bond, using a 360-day year and twelve 30-day months.

"Unamortized Discount" means, with respect to the Series 2010A-1 Discount Bonds as of a date of redemption, the unamortized original issue discount for such Series 2010A-1 Discount Bonds, determined on a straight line basis from the Date of Issuance to the earlier of the stated maturity date of such Series 2010A-1 Discount Bond or the earliest optional redemption date for such Series 2010A-1 Discount Bond, using a 360-day year and twelve 30-day months.

Special Mandatory Redemption from Non-origination

The Series 2010A-1 Bonds are subject to mandatory redemption, in whole or in part, in any Authorized Denomination, at a redemption price equal to 100% of the principal amount of the Series 2010A-1 Bonds to be redeemed, plus, with respect to the Series 2010A-1 Premium Bonds, any Unamortized Premium and less, with respect to the Series 2010A-1 Discount Bonds, any Unamortized Discount on such Series 2010A-1 Bonds being redeemed, plus any accrued interest to the redemption date, on any date as soon as practicable after the end of the Origination Period from available amounts (if any) equal to the initial principal amount of the Series 2010A-1 Bonds less the principal amount of all Eligible Loans originated and financed with initial proceeds of the Series 2010A-1

Bonds or Corporation moneys deposited to the Student Loan Fund on the Date of Issuance measured as of the end of the Origination Period.

The Series 2010A-1 Bonds to be redeemed shall be selected on a pro rata basis among the stated maturities of all of the Series 2010A-1 Bonds Outstanding (with such adjustments as the Corporation may determine to enable the Series 2010A-1 Bonds to be redeemed in Authorized Denominations).

The Origination Period for the Series 2010A-1 Bonds is the period commencing on the Date of Issuance of the Series 2010A-1 Bonds and ending on June 15, 2011. The Origination Period may be extended subject to certain requirements of the Indenture, including satisfaction of the Rating Agency Condition.

The Corporation expects to use all of the amounts deposited to the Student Loan Fund on the Date of Issuance to originate Eligible Loans by June 15, 2011. There can be no assurances, however, that Eligible Loans will be originated in such amount or by such date.

Mandatory Redemption from Excess Revenues

The Series 2010A-1 Bonds maturing on or after December 15, 2021 are subject to mandatory redemption in whole or in part, in any Authorized Denomination, on any Interest Payment Date, at a redemption price equal to 100% of the principal amount of Series 2010A-1 Bonds to be redeemed, plus, with respect to the Series 2010A-1 Premium Bonds, any Unamortized Premium and less, with respect to the Series 2010A-1 Discount Bonds, any Unamortized Discount on such Series 2010A-1 Bonds being redeemed, plus accrued interest thereon to the redemption date, from Excess Revenues available in the Retirement Account; provided, however, the aggregate amount of Series 2010A-1 Bonds subject to such redemption shall not exceed the sum of (i) the aggregate amount of Recoveries of Principal received on the Eligible Loans Financed with the proceeds of the Series 2010A-1 Bonds or amounts deposited by the Corporation to the Student Loan Fund on the Date of Issuance of the Series 2010A-1 Bonds, less all deposits to the Principal Account to pay principal on Series 2010A-1 Bonds and less all deposits to the Student Loan Fund of Recoveries of Principal received on the Eligible Loans Financed with the proceeds of the Series 2010A-1 Bonds to originate additional Eligible Loans (unless later redeposited to the Revenue Fund) plus (ii) an amount equal to the interest received on the Eligible Loans Financed with the proceeds of the Series 2010A-1 Bonds or amounts deposited by the Corporation to the Student Loan Fund on the Date of Issuance of the Series 2010A-1 Bonds less the interest paid on the Series 2010A-1 Bonds and the Servicing and Administrative Fees, Program Expenses and Indenture Expenses allocable to the Eligible Loans Financed with the proceeds of the Series 2010A-1 Bonds since the Date of Issuance of the Series 2010A-1 Bonds plus (iii) any original proceeds of the Series 2010A-1 Bonds or Corporation moneys released from the Student Loan Fund, the Capitalized Interest Fund or the Debt Service Reserve Fund and transferred to the Revenue Fund.

Excess Revenues means (a) during the Recycling Period, any funds remaining in the Revenue Fund after certain monthly mandatory transfers for any federal tax rebate liability, Servicing and Administrative Fees, Program Expenses and Indenture Expenses, installments to provide for debt service on Bonds and amounts required to replenish the Debt Service Reserve Fund which the Corporation determines are not to be transferred to the Student Loan Fund and used to originate additional Eligible Loans pursuant to the Indenture or (b) after termination of the Recycling Period, any funds remaining in the Revenue Fund after such mandatory monthly transfers pursuant to the Indenture. The Corporation is required to transfer all Excess Revenues to the Retirement Account until the Series 2010A-1 bonds maturing on December 15, 2030 are no longer Outstanding and the Senior Parity Percentage is at least 140%, and in any event, on and after December 15, 2021, unless the Rating Agency Condition has been satisfied with respect to a lower percentage or a later date. See "APPENDIX A — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Revenue Fund" hereto.

The Series 2010A-1 Bonds to be redeemed shall be selected, first, from the Series 2010A-1 Bonds maturing on December 15, 2030 (pro rata among the Series 2010A-1 Bonds maturing on such date bearing interest at 4.200% per annum and the Series 2010A-1 Bonds maturing on such date bearing interest at 4.125% per annum), and thereafter from any other maturity of Series 2010A-1 Bonds Outstanding maturing on or after December 15, 2021, as selected by the Corporation. For certain information concerning factors affecting the weighted average life of the Series 2010A-1 Bonds maturing December 15, 2030, see APPENDIX C — FACTORS AFFECTING WEIGHTED AVERAGE LIFE OF THE SERIES 2010A-1 BONDS MATURING DECEMBER 15, 2030" hereto.

Selection of Series 2010A-1 Bonds to be Redeemed

Unless otherwise provided, the Series 2010A-1 Bonds or portions of the Series 2010A-1 Bonds to be redeemed by stated maturity date shall be selected by the Corporation. If less than all of the Series 2010A-1 Bonds of a stated maturity date (and interest rate, if applicable) are to be redeemed, the Series 2010A-1 Bonds shall be selected by lot by the Trustee or in such other manner as the Trustee in its discretion may deem appropriate, if the Trustee has not otherwise been directed by the Corporation.

Notice of Redemption

Notice of redemption with respect to the Series 2010A-1 Bonds is to be given not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption. Notice of redemption of Series 2010A-1 Bonds shall be given to the Registered Owner of each Series 2010A-1 Bond to be redeemed at the address of the Registered Owner as shown on the registration books of the Corporation maintained by the Trustee. Failure to give such notices to any owner of the Series 2010A-1 Bonds, or any defect therein, shall not affect the validity of any proceeding for the redemption of any such Series 2010A-1 Bond with respect to which no such failure or defect has occurred. On the date designated for redemption by notice as provided under the Indenture, the Series 2010A-1 Bonds if so called for redemption, shall become due and payable at the stated redemption price and to the extent moneys are available therefor, interest shall cease to accrue on the Series 2010A-1 Bonds or portions thereof of such stated maturities so called for redemption and such Series 2010A-1 Bonds shall no longer be entitled to any benefit or security under the Indenture. The Series 2010A-1 Bonds to be redeemed in part shall be selected as described herein under the subheading "Selection of Series 2010A-1 Bonds to be Redeemed." With respect to Series 2010A-1 Bonds issued in book-entry form through the facilities of DTC, if the Trustee sends notice to DTC in accordance with DTC's procedures, the Trustee shall not be required to give the notice set forth above. In addition, the Trustee will provide such notice of redemption to the Municipal Securities Boards, Electronic Municipal Market Access (EMMA) Website.

In the case of an optional redemption, the notice may state that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date (a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited.

Upon any declaration of acceleration after an Event of Default under the Indenture, the Trustee shall give notice of such declaration to the Registered Owners of the Series 2010A-1 Bonds Outstanding (provided that the giving of such notice is not a precondition to the Trustee declaring the entire principal amount of the Series 2010A-1 Bonds then Outstanding and the interest thereon immediately due and payable) and interest shall cease to accrue on the Series 2010A-1 Bonds whether or not they are paid on such date.

Purchase of Bonds

Any amounts under the Indenture which are available to redeem the Series 2010A-1 Bonds of a particular stated maturity date (and interest rate, if applicable) may instead be used to purchase Series 2010A-1 Bonds of such stated maturity date (and interest rate, if applicable). Such purchases are permitted at the same times and subject to the same conditions (except as to price) as apply to the redemption of the Series 2010A-1 Bonds of such stated maturity date (and interest rate, if applicable), except that such purchases made with amounts held under the Indenture shall be made only if the purchase price shall be less than the required redemption price.

SECURITY FOR THE SERIES 2010A-1 BONDS

The Series 2010A-1 Bonds, along with any other Additional Bonds that may be issued in the future, will be secured by (i) Revenues (other than Revenues deposited in the Rebate Fund or the Operating Fund or otherwise released from the lien of the Trust Estate as provided in the Indenture), which include all Recoveries of Principal, payments, proceeds, charges and other income received by the Trustee or the Corporation from or on account of any Financed Eligible Loan (including scheduled, delinquent and advance payments of interest); (ii) all moneys and investments (including interest earned or gains realized) held in the Funds and Accounts (but excluding the Rebate Fund and the Operating Fund); (iii) the Financed Eligible Loans, including any notes and documents evidencing the same and all extensions and renewals thereof; and (iv) insofar as the same relate to Financed Eligible Loans, the

rights of the Corporation in and to any and all Servicing Agreements. The Series 2010A-1 Bonds are secured on parity with any future Senior Bonds that may be issued in the future.

Financed Eligible Loans consist of all Eligible Loans (a) financed by the Corporation with balances in the Student Loan Fund or otherwise deposited in or accounted for in the Student Loan Fund or otherwise constituting a part of the Trust Estate and (b) substituted or exchanged for Financed Eligible Loans, but do not include Financed Eligible Loans released from the lien of the Indenture and sold or transferred to the extent permitted by the Indenture.

With respect to the Series 2010A-1 Bonds, the Corporation is authorized to utilize Revenues transferred to the Student Loan Fund to originate or acquire additional Eligible Loans until June 15, 2012 or such later date as may be directed by the Corporation upon satisfaction of the Rating Agency Condition. See "THE PROGRAM" herein and "APPENDIX B – SUMMARY OF CERTAIN FEATURES OF THE PROGRAM."

The security for the Bonds under the Indenture is pledged equally and ratably first, to the payment of the principal of and interest on all the Senior Bonds (including the Series 2010A-1 Bonds) and second, to the payment of the principal of and interest on all the Subordinate Bonds. In addition, the Indenture permits the authorization of additional Senior Bonds and Subordinate Bonds. Failure to pay the principal of or interest on the Subordinate Bonds will not constitute an Event of Default so long as Senior Bonds are Outstanding and no Event of Default shall have occurred with respect thereto. Upon the issuance of the Series 2010A-1 Bonds, the Series 2010A-1 Bonds will be the only Bonds Outstanding under the Indenture.

Upon the issuance of the Series 2010A-1 Bonds and the initial application of the proceeds thereof and the application of a contribution of the Corporation, cash and investments pledged under the Indenture to secure the Series 2010A-1 Bonds will equal approximately 128% of the principal amount of the Series 2010A-1 Bonds.

THE CORPORATION HAS NO TAXING POWER. THE SERIES 2010A-1 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CORPORATION. THE CORPORATION SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2010A-1 BONDS EXCEPT FROM THE REVENUES AND ASSETS PLEDGED UNDER THE INDENTURE. THE SERIES 2010A-1 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF VERMONT OR ANY OF ITS POLITICAL SUBDIVISIONS AND NONE OF THE FAITH AND CREDIT, THE TAXING POWER OR THE MORAL OBLIGATION OF THE STATE OF VERMONT OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE SERIES 2010A-1 BONDS. THE SERIES 2010A-1 BONDS ARE PAYABLE, BOTH AS TO PRINCIPAL AND INTEREST, SOLELY AS PROVIDED IN THE INDENTURE.

Capitalized Interest Fund

The Indenture also provides for the establishment of a Capitalized Interest Fund which will initially hold $2,100,000 available to be applied by the Trustee to pay principal and interest on the Series 2010A-1 Bonds, together with any Additional Bonds that may be issued in the future, during the Origination Period and to the extent required as students may elect to postpone payments on their Eligible Loans while in school and during a six-month grace period after leaving school. Such amounts are also available to pay Servicing and Administrative Fees, Program Expenses and Indenture Expenses. Monies shall be released from the Capitalized Interest Fund from time to time as provided in the Indenture. In the case of the deposit made in connection with the issuance of the Series 2010A-1 Bonds, any amounts in excess of $1,100,000 on deposit in the Capitalized Interest Fund as of December 15, 2013 will be released and any amount on deposit in the Capitalized Interest Fund as of December 15, 2014 will be released.

Debt Service Reserve Fund

Among the various Funds and Accounts established under the Indenture is a Debt Service Reserve Fund established and maintained in an amount equal to at least the Debt Service Reserve Fund Requirement (being the aggregate of the Debt Service Reserve Fund Requirements for all Series of Bonds Outstanding). Upon issuance of the Series 2010A-1 Bonds, the Debt Service Reserve Fund Requirement will be 2.0% of the principal amount of Series 2010A-1 Bonds Outstanding. Thereafter, while any Series 2010A-1 Bonds are Outstanding the Debt Service Reserve Fund Requirement shall not be less than the greater of (i) 2.0% of the principal amount of the Series 2010A-1 Bonds Outstanding under the Indenture or (ii) $250,000. Such amounts are also available to pay Servicing

and Administrative Fees, Program Expenses and Indenture Expenses. The Debt Service Reserve Fund Requirement may be reduced subject to satisfaction of the Rating Agency Condition.

The Corporation may issue Bonds in the future for which the State may appropriate funds for deposit to the Debt Service Reserve Fund. Such Bonds would be secured by a separate account within the Debt Service Reserve Fund and amounts therein would be available solely for the payment of the principal of and interest on such Bonds. Such Bonds would not be payable from any other amounts on deposit in the Debt Service Reserve Fund (or any other Accounts therein). The amounts to be deposited to and the use of such funds in such separate Account would be set forth in a Supplemental Indenture authorizing the issuance of such Bonds. Such an arrangement with the State is sometimes referred to as a "moral obligation" of the State. No such Account within the Debt Service Reserve Fund will be established for the Series 2010A-1 Bonds and the Series 2010A-1 Bonds do not benefit from any moral obligation of the State.

Additional Bonds

Additional Bonds may be issued under the Indenture on a parity with, or subordinated to, the Series 2010A-1 Bonds, if certain conditions are met under the Indenture including satisfaction of the Rating Agency Condition from each Rating Agency requested by the Corporation to rate any Series of Bonds then Outstanding that has issued a current rating thereon, confirming that it will not lower or withdraw such rating on account of the issuance of the Additional Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The Corporation expects to apply the net proceeds of the Series 2010A-1 Bonds and other available moneys as follows:

SOURCES:	
Principal Amount of Series 2010A-1 Bonds……..	$ 19,000,000
Original issue premium (net of original issue discount) ……	544,112
Corporation Contribution…….	4,801,500
Total:……	$24,345,612
USES:	
Student Loan Fund…….	$ 21,865,612
Capitalized Interest Fund……..	2,100,000
Debt Service Reserve Fund……	380,000
Total:……	$24,345,612

Costs of Issuance and Underwriting fees are being paid from other funds of the Corporation not consisting of proceeds of the Series 2010A-1 Bonds.

THE PROGRAM

The Corporation established its initial private loan program in 1994. The program offered alternative sources of funding to supplement federal loan sources primarily for medical and law school students. The program was significantly expanded in 2004 to include loans for other graduate and undergraduate students. All loans made had variable interest rates and the specific credit underwriting criteria for such loans varied over time. Generally the underwriting criteria on these variable rate loans evolved to include the requirement of a co-signer and higher minimum FICO credit scores. Under these private loan programs, since 1994, the Corporation has administered loan origination, disbursement, servicing and collections activities for over $400 million of loans originated. The variable rate loan portfolio currently has over $330 million in loan principal outstanding. See "APPENDIX B – SUMMARY OF CERTAIN FEATURES OF THE PROGRAM" hereto for certain additional information concerning such loan portfolio.

The Eligible Loans to be originated and financed with the Series 2010A-1 Bonds pursuant to the Corporation's Fixed Rate Loan Program (the "Program") and the Indenture incorporate many changes from the Corporation's existing private loans. Eligible Loan interest rates will be one of three fixed interest rates with the actual interest rates depending on the repayment option selected by each approved borrower. Each Eligible Loan will require a co-signer meeting minimum credit criteria and a minimum FICO credit score of 700. An origination fee, which will vary with the FICO credit score of

the co-signer, will be deducted from the Eligible Loan at each disbursement (or otherwise collected), except in the case of the highest FICO credit scores. Each Eligible Loan is available for paying the certified costs and expenses, net of other forms of financial aid, of attending eligible post-secondary institutions and other programs. Repayment options include immediate repayment of principal and interest, interest only while in school at least half-time and deferral of all payments while enrolled in school at least half-time. Eligible Loans of $10,000 or more will have a repayment term of fifteen (15) years, while Eligible Loans of less than $10,000 will have a repayment term of ten (10) years. These periods may be extended by forbearance for a cumulative total of up to three (3) years, at the discretion of the Corporation, for situations of documented financial hardship. All Eligible Loans reaching 180 days of delinquency on any payment will be deemed to be in default. Once in default, the Corporation may place such defaulted Financed Eligible Loan with a third-party collection agent. For more information on the terms and conditions of the Program, see "APPENDIX B – SUMMARY OF CERTAIN FEATURES OF THE PROGRAM" hereto.

The Corporation currently expects that Eligible Loans financed with proceeds of the Series 2010A-1 Bonds will contain terms and conditions substantially similar to those described above. Certain of such terms and conditions are specified under the Series 2010A-1 Supplemental Indenture and may only be changed upon satisfaction of the Rating Agency Condition. The Corporation will regularly review the terms and conditions of the Program and reserves the right to apply proceeds of the Series 2010A-1 Bonds and any Additional Bonds to finance loans with terms and conditions that vary from those described herein, subject, in the case of terms and conditions specified under a Supplemental Indenture, to certain requirements under the Indenture, including satisfaction of the Rating Agency Condition.

The description of the current Program included in this Official Statement does not address every type of Eligible Loan the Corporation may be authorized to originate, but does describe the types of fixed rate Eligible Loans that are anticipated to be financed with the proceeds of the Series 2010A-1 Bonds.

The Corporation has previously issued numerous series of bonds that were, or that are, secured under instruments other than the Indenture to fund education loans. Loans that were originated, or that in the future may be originated, from funds obtained from issuance of such separately secured series of bonds may have terms and conditions that differ from the Program.

CERTAIN INVESTMENT CONSIDERATIONS

The Corporation believes, based on its analyses of cash flow projections which have been based on various assumptions and scenarios, that (a) Revenues to be received pursuant to the Indenture should be sufficient to pay the principal of and interest on the Series 2010A-1 Bonds when due and to pay when due all Program Expenses and Indenture Expenses related to the Series 2010A-1 Bonds until the final maturity of the Series 2010A-1 Bonds, as more fully described below; (b) the liquidity of the pledged assets held under the Indenture should be sufficient under the circumstances as projected to pay principal of and interest on the Series 2010A-1 Bonds when due and also to pay when due all expenses related to the Series 2010A-1 Bonds; and (c) the balances in the various Funds and Accounts should be adequate under the circumstances as projected to pay the principal of and interest on the Series 2010A-1 Bonds when due and also to pay when due all expenses related to the Series 2010A-1 Bonds. The factors discussed below, however, could adversely affect the sufficiency of Revenues to meet debt service payments on the Series 2010A-1 Bonds, Program Expenses and Indenture Expenses.

Factors Affecting Sufficiency and Timing of Receipt of Revenues

The Corporation expects that the Revenues to be received by it pursuant to the Indenture will be sufficient to allow the Corporation to make all payments of principal of and interest on the Series 2010A-1 Bonds when due and also to pay all Program Expenses and Indenture Expenses related thereto and to the Financed Eligible Loans until the final maturity or earlier redemption of the Series 2010A-1 Bonds. This expectation is based upon an analysis of cash flow assumptions, which the Corporation believes are reasonable, regarding the timing of the financing of such Eligible Loans to be held pursuant to the Indenture, the future composition of and yield on the Financed Eligible Loan portfolio, rates of default and delinquency on Financed Eligible Loans, the rate of return on moneys to be invested in various Funds and Accounts under the Indenture, and the occurrence of future events and conditions. There can be no assurance, however, that the Eligible Loans will be acquired or originated as anticipated, that interest and principal payments on the Financed Eligible Loans will be received as anticipated, that the reinvestment rates assumed on the amounts in the various Funds and Accounts will be realized, or that other payments will be received in the amounts and at the times anticipated. Furthermore, future events over which the Corporation has no control may adversely affect the Corporation's actual receipt of Revenues, including Recoveries of Principal, pursuant to the Indenture. This, in turn, may affect the Corporation's ability to make payments of

principal of and interest on the Series 2010A-1 Bonds, and any Additional Bonds that may be issued in the future, when due.

Receipt of principal of and interest on Financed Eligible Loans may be accelerated due to various factors, including, without limitation: (a) actual principal amortization periods which are shorter than those assumed based upon the current analysis of Eligible Loans expected to be originated pursuant to the Indenture with proceeds of the Series 2010A-1 Bonds; (b) the commencement of principal repayment by borrowers on earlier dates than are assumed based upon such analysis; (c) economic conditions that induce borrowers to refinance or repay their Financed Eligible Loans prior to maturity; (d) changes in applicable law that may affect the timing of the receipt of funds by the Corporation; and (e) availability of other financing products at rates lower than that offered by the Program. See "—Redemption of Series 2010A-1 Bonds" herein.

Delay in the receipt of principal of and interest on Financed Eligible Loans may adversely affect payment of the principal of and interest on the Series 2010A-1 Bonds when due. Principal of and interest on Financed Eligible Loans may be delayed due to numerous factors, including, without limitation: (a) default claims or claims due to bankruptcy of the borrowers greater than those assumed; (b) borrowers entering deferment periods due to a return to school or other eligible purposes; (c) forbearance being granted to borrowers; (d) Financed Eligible Loans becoming delinquent for periods longer than assumed; (e) actual loan principal amortization periods which are longer than those assumed based upon the current analysis of the Corporation's student loan portfolio expected to be held pursuant to the Indenture; and (f) the commencement of principal repayment by borrowers at dates later than those assumed based upon the current analysis of the student loan portfolio expected to be held pursuant to the Indenture.

In addition, when a borrower dies or becomes totally and permanently disabled (as documented according to the requirements of the Corporation), the Corporation releases the borrower (and his or her estate) and the co-signer from liability on such Financed Eligible Loan.

The Corporation believes that, in a fluctuating interest rate environment, a factor affecting the prepayment rate on a pool of loans similar to the Eligible Loans is the difference between the interest rates on the loans (giving consideration to the cost of any refinancing) and prevailing interest rates generally. In general, if interest rates fall below the interest rates on the Financed Eligible Loans, the rate of prepayment would be expected to increase. Conversely, if interest rates rise above the interest rates on the Financed Eligible Loans, the rate of prepayment would be expected to decrease. Other factors affecting prepayment of Financed Eligible Loans include changes in the borrower's job, transfers, unemployment, loan forbearances and deferments, and refinancing opportunities which may provide more favorable repayment terms such as those offered under various consolidation loan programs.

If actual receipt of Revenues under the Indenture or actual expenditures by the Corporation under its loan origination and acquisition programs, including the Program, vary greatly from those projected, the Corporation may be unable to pay the principal of and interest on the Bonds, including the Series 2010A-1 Bonds, and amounts owing on other obligations when due. In the event that Revenues, including Recoveries of Principal, received under the Indenture are insufficient to pay the principal of and interest on the Series 2010A-1 Bonds and amounts owing on other obligations when due, the Indenture authorizes, and under certain circumstances requires, the Trustee to declare an Event of Default, accelerate the payment of the Bonds, including the Series 2010A-1 Bonds, and sell the Financed Eligible Loans and all other property comprising the security for the Bonds, including the Series 2010A-1 Bonds. In such circumstances, it is possible, however, that the Trustee would not be able to sell the Financed Eligible Loans and the other assets held under the Indenture at prices sufficient to pay the principal of and accrued interest on the Bonds, including the Series 2010A-1 Bonds, when due. In fact, the existence of any market for sale of the Eligible Loans is uncertain. Failure to pay amounts owing with respect to Subordinate Bonds, when due, to the extent Revenues are not available for such purpose under and in accordance with the Indenture does not constitute an Event of Default under the Indenture so long as any Senior Bonds, including the Series 2010A-1 Bonds, are Outstanding.

Redemption of Series 2010A-1 Bonds

The Series 2010A-1 Bonds are subject to optional and extraordinary mandatory redemption prior to maturity. The Series 2010A-1 Bonds are also subject to mandatory redemption prior to maturity as a result of non-origination of Eligible Loans. In addition the Series 2010A-1 Bonds are subject to redemption prior to maturity as a result of Excess Revenues allocable to the Eligible Loans financed with proceeds of the Series 2010A-1 Bonds or cash contributed by the Corporation to the Trust Estate at the time of issuance of the Series 2010A-1 Bonds. Such Excess Revenues will be used to redeem; first, the Series 2010A-1 Bonds maturing on December 15, 2030 (pro rata among the Series 2010A-1 Bonds maturing on such date bearing interest at 4.200% per annum and the Series

2010A-1 Bonds maturing on such date bearing interest at 4.125% per annum) and thereafter, any maturity of the Series 2010A-1 Bonds designated by the Corporation from the Series 2010A-1 Bonds maturing on or after December 15, 2021. Excess Revenues may result from Financed Eligible Loan payment performance that exceeds assumptions utilized by the Corporation for purposes of structuring the Series 2010A-1 Bonds. In addition, Financed Eligible Loans are subject to prepayment, without penalty. Numerous sources of such prepayment, including loans from lenders other than the Corporation, are available to borrowers of the Financed Eligible Loans. See "REDEMPTION PROVISIONS," "SECURITY FOR THE SERIES 2010A-1 BONDS" and "—Factors Affecting Sufficiency and Timing of Receipt of Revenues" and "—General Economic Conditions" herein. For information concerning redemption of the Series 2010A-1 Bonds maturing December 15, 2030 from Excess Revenues, see "APPENDIX C — FACTORS AFFECTING WEIGHTED AVERAGE LIFE OF THE SERIES 2010A-1 BONDS MATURING DECEMBER 15, 2030" hereto.

Certain Actions May be Permitted Without Registered Owner Approval

The Indenture provides that the Corporation and the Trustee may take, or refrain from taking, various actions that may materially affect the interests of Registered Owners without Registered Owner approval upon compliance with certain requirements that may include, for specific actions, satisfying the Rating Agency Condition. Such actions include, but are not limited to, the issuance of Additional Bonds, release of assets from the Indenture, changes to required levels of reserves, changes to periods for applying sale proceeds or Revenues to originate Eligible Loans, change of Servicer, changes to the Servicing Agreement, sale or transfer of Financed Eligible Loans, changes to the terms and conditions of Eligible Loans and changes to amounts available for operating costs and expenses. To the extent such actions are taken, investors in the Series 2010A-1 Bonds will be relying on the evaluation by the Corporation and, in certain instances, by one or more of the Rating Agencies of the potential impact of such actions upon the ability of the Trust Estate to provide for the full and timely payment of scheduled principal and interest on the Bonds, including the Series 2010A-1 Bonds, and of Program Expenses and Indenture Expenses. See "APPENDIX A — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" hereto.

Rating Agency Condition for Certain Actions

The Indenture provides that the Corporation and the Trustee may undertake certain actions based upon a letter or press release or other published written release from each Rating Agency then designated as a Rating Agency for any of the Bonds at the request of the Corporation confirming that its Ratings on the Bonds will not be lowered or withdrawn (the "Rating Agency Condition"). Such actions include, among others, the issuance of Additional Bonds, modifications to the Program or Underwriting criteria of Eligible Loans, the release of assets held under the Indenture under certain circumstances, the extension of the Origination Period, the extension of the Recycling Period, certain amendments to the Indenture, the reduction of the Debt Service Reserve Fund Requirement, the acquisition of certain investments, certain sales and transfers of the Financed Eligible Loans and the addition of loan Servicers. To the extent such actions are taken after the issuance of the Series 2010A-1 Bonds, investors in the Series 2010A-1 Bonds will be subject to such actions and their impact on credit quality. Currently, the Rating Agencies rating the Series 2010A-1 Bonds are Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P") and Fitch Ratings, a subsidiary of Fimalac, S.A. ("Fitch"). Information on the ratings assigned to the Series 2010A-1 Bonds can be obtained from S&P at 55 Water Street, 41st Floor, New York, New York 10041 and from Fitch at One State Street Plaza, New York, New York 10004.

Uncertainty as to Available Remedies

In the event that Revenues to be received under the Indenture are insufficient to pay when due the principal and interest on the Bonds, including the Series 2010A-1 Bonds, the Indenture authorizes, and under certain circumstances requires, the Trustee, to declare an Event of Default and accelerate the payment of the Bonds, including the Series 2010A-1 Bonds.

If an Event of Default occurs under the Indenture, subject to the rights of the Registered Owners, the Trustee is authorized to sell the Financed Eligible Loans pledged thereunder. There can be no assurance, however, that the Trustee would be able to find a purchaser for such Financed Eligible Loans in a timely manner or that the proceeds of any such sale, together with amounts then available in the pledged Funds and Accounts, would be sufficient to pay principal of and interest on the Bonds, including the Series 2010A-1 Bonds and accrued interest thereon and to pay Program Expenses and Indenture Expenses. There is currently no market for the Eligible Loans. See "APPENDIX A — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Events of Default" hereto.

The remedies available to owners of the Series 2010A-1 Bonds upon an Event of Default under the Indenture 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 Indenture 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 2010A-1 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.

Absence of Operating History for the Program

While the Corporation has extensive experience in administering education loan, grant and tuition savings programs, including providing a variety of education finance services to students and educational institutions and to lenders and collecting defaulted education loans as a guaranty agency under the Federal Family Education Loan Program ("FFEL") and under its prior private loan programs, it has not previously initiated and administered a private fixed rate, credit-based education loan program with the exact same criteria as the Program. The Program is a new fixed rate private education loan program with no operating history. The first Eligible Loans are expected to be originated in August, 2010. As such, there can be no assurance that projections based upon information derived from the Corporation's prior experience will be realized by the actual origination and payment performance of Eligible Loans. Ongoing responsibilities of the Corporation will include origination of Eligible Loans and servicing of the Financed Eligible Loans.

The credit criteria and terms of the Eligible Loans that are to be initially offered have been determined by the Corporation on the basis of (i) its other credit-based private loan programs, (ii) FFEL borrower performance and collection data that is available to the Corporation as the designated FFEL guaranty agency for the State of Vermont, (iii) the credit criteria and terms of other public and commercial educational loan programs that are currently available to Vermont residents attending eligible colleges and universities and approved programs and (iv) discussions with lenders and colleges.

On the basis of such review, the Corporation expects that demand for Eligible Loans with terms described in this Official Statement that may be originated in accordance with the credit criteria described in this Official Statement will be adequate to permit all available proceeds of the Series 2010A-1 Bonds to be applied to acquire such Eligible Loans prior to the end of the Origination Period. There can be no assurance, however, that all available original proceeds of the Series 2010A-1 Bonds will be so applied by such date. The Indenture requires that certain proceeds of the Series 2010A-1 Bonds and the amounts by the Corporation deposited to the Student Loan Fund that have not been used to originate or finance Eligible Loans as of the end of the Origination Period (as such date may be extended upon compliance with Indenture requirements, including satisfaction of the Rating Agency Condition) be applied to fund the redemption of Series 2010A-1 Bonds on any date as soon as practicable after the end of the Origination Period. See "REDEMPTION PROVISIONS – Special Mandatory Redemption from Non-origination" herein.

The Corporation also expects that the demand for and the payment performance of the Eligible Loans that are expected to be originated during this period will comply with the cash flow assumptions that were relied upon by the Corporation in structuring the financing described herein. The Corporation has based this conclusion, in part, upon discussions with lenders and colleges in prior private loan programs and upon the Corporation's origination, default and collection performance data for its prior private loans and loans the Corporation guarantees as a FFEL guaranty agency. There can be no assurance that the projections based upon such information and the performance of the Financed Eligible Loans will in fact be consistent with that of education loan portfolios for which performance data was reviewed by the Corporation. The Corporation also reviewed FICO credit score distributions of other similar state-based fixed rate private education loan programs. The Corporation believes reliance upon such sources of information to be reasonable for this purpose. Such other education loan portfolios were originated on the basis of credit criteria that differ and bear terms that differ in certain respects from those expected to be applicable to the Financed Eligible Loans. There can be no assurance that such differences will not prove to have a material effect on the origination of and the overall performance of the Financed Eligible Loans. There can be no assurance that the ability of borrowers of Financed Eligible Loans to repay such loans, or their propensity to prepay such loans, may not differ materially from that of borrowers of such other education loan portfolios. See "—Factors Affecting Sufficiency and Timing of Receipt of Revenues," and "— General Economic Conditions" herein.

Composition and Characteristics of the Eligible Loans May Change

The types of Eligible Loans that the Corporation currently intends to originate with the proceeds of the Series 2010A-1 Bonds are described in this Official Statement. Certain amounts received with respect to the

Financed Eligible Loans may be recycled and proceeds of Additional Bonds may be used to finance additional Eligible Loans in the future. The characteristics of the Financed Eligible Loans will change as new Eligible Loans are financed with recycling proceeds and Additional Bond proceeds and as Financed Eligible Loans are repaid, and may also change as a result of changes in the Program. The Corporation reserves the right to alter the terms and conditions of the Program with respect to the Eligible Loans at any time subject to compliance with certain requirements of the Indenture, including, in certain cases, satisfaction of the Rating Agency Condition. See "— Factors Affecting Sufficiency and Timing of Receipt of Revenues," "— Prepayment of Financed Eligible Loans is Subject to Uncertainty," and "— Changes in Relevant Laws" herein.

Program Restrictions

The Program is subject to certain restrictions related to the origination and financing of certain Eligible Loans including limitations on the aggregate principal amount or percentage of Financed Eligible Loans which are (i) deferred as to all payments while the borrower is enrolled in school at least half-time, (ii) deferred as described in clause (i) and made to borrowers who have more than three years before their anticipated separation date from their related educational institution and (iii) made to borrowers attending a Proprietary School. See "APPENDIX B – SUMMARY OF CERTAIN FEATURES OF THE PROGRAM" hereto. The Corporation has taken into account such restrictions in projecting demand for Eligible Loans. There can be no assurance however that such restrictions will not prove to have a material effect on the origination of Eligible Loans. See "APPENDIX B – SUMMARY OF CERTAIN FEATURES OF THE PROGRAM" hereto and "— Absence of Operating History for the Program" and "REDEMPTION PROVISIONS – Special Mandatory Redemption from Non-Origination" herein. The Corporation reserves the right to modify such restrictions upon satisfaction of the Rating Agency Condition.

General Economic Conditions

Certain general economic conditions such as a downturn in the economy resulting in increasing unemployment either regionally or nationally may result in an increase in defaults by borrowers in repaying Financed Eligible Loans. It is impossible to predict the status of the economy or unemployment levels or when, if ever, a downturn in the economy would impair a borrower's ability to repay his or her Financed Eligible Loan. General economic conditions may also be affected by other events including the prospect of increased hostilities abroad. Such events may also have other effects, the impact of which is impossible to project.

Servicemembers Civil Relief Act

The Servicemembers Civil Relief Act of 2003 (the "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 Relief Act provides that persons on active duty in military service who have incurred education loans prior to their period of active duty are entitled, upon request, to have the interest on their loans in excess of 6% per year forgiven, except if a court order to the contrary is obtained after showing that the person's ability to pay such interest is not materially affected by such military service. 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 Corporation on Financed Eligible Loans. There is no basis for predicting the number and aggregate principal balances of Financed Eligible Loans that may be affected by the application of such legislation, the period of time over which such Financed Eligible Loans may be so affected and the resulting affect upon the sufficiency of Revenues and other amounts available under the Indenture to pay when due the principal of and interest on the Bonds, including the Series 2010A-1 Bonds, and to pay Program Expenses and Indenture Expenses.

Prepayment of Financed Eligible Loans is Subject to Uncertainty

Financed Eligible Loans may be prepaid by borrowers at any time prior to their respective final maturity dates. For this purpose, the term "prepayments" includes repayments in full or in part, including recoveries on defaulted loans. The rate of prepayments on the Financed Eligible 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 Corporation cannot predict with certainty the actual average life of the Financed Eligible Loans. In addition, the availability of education loan consolidation financing from other sources may materially increase the rate of prepayment actually experienced by the Corporation with respect to the Financed Eligible Loans. An increase in the rate of Financed

Eligible Loan repayment actually experienced by the Corporation could result in increased redemption of the Series 2010A-1 Bonds prior to maturity and could have a material and adverse affect upon the sufficiency of Revenues and other moneys held under the Indenture to pay when due the principal of and interest on the Bonds, including the Series 2010A-1 Bonds, Program Expenses and Indenture Expenses. See "— Redemption of Bonds," "—General Economic Conditions," and "— Changes in Relevant Laws" herein.

The Corporation reserves the right to finance Eligible Loans or other loans, the proceeds of which are to be applied, in whole or in part, to fund the prepayment of Financed Eligible Loans. The Corporation further reserves the right to fund such Eligible Loans or other loans through the issuance of Additional Bonds or other obligations.

To the extent that Financed Eligible Loans are prepaid, the proceeds of such prepayments may be used to redeem the Series 2010A-1 Bonds prior to maturity pursuant to the redemption provisions of the Indenture. See "REDEMPTION PROVISIONS" herein.

Possible Use of Third-Party Servicers

The Corporation currently acts as originator and Servicer of the Program. The Corporation reserves the right however, to establish different Eligible Loan origination and servicing arrangements in accordance with the Indenture. Appointment of a successor or additional Servicer is subject to satisfaction of certain requirements of the Indenture, including satisfaction of the Rating Agency Condition. The cash flow assumptions used in structuring the financing described herein were based upon assumptions with respect to servicing costs which the Corporation based upon these existing agreements. No assurance can be given that the Corporation will continue to act as Servicer or will be able to enter into agreements with another Servicer acceptable to the Rating Agencies at the assumed level of servicing cost currently existing. Although the Corporation has substantial experience in originating and servicing education loans, the timing of payments to be actually received with respect to Financed Eligible Loans will be dependent upon the ability of the Corporation, or any successor Servicer to adequately originate and service the Eligible Loans. Additionally, the Corporation as Servicer relies, although under the supervision of the Corporation, on third parties for the collection of defaulted loans. In addition, investors will be relying on the Corporation's, or any successor Servicer's, compliance with applicable federal and state laws and regulations applicable to servicing.

In the event of default by any successor Servicer resulting solely from certain events of insolvency or bankruptcy, a court, conservator, receiver or liquidator may have the power to prevent the appointment of either a successor Servicer or originator, as the case may be, and delays in origination or collections in respect of the Eligible Loans may occur. Delays in the receipts of payments with respect to Financed Eligible Loans in excess of the delinquency and default assumptions used for purposes of preparing cash flow projections as a basis for structuring the financing described herein may delay the timely payment of scheduled principal of and interest on the Bonds, including the Series 2010A-1 Bonds, and of Program Expenses and Indenture Expenses.

Anticipated Geographic Concentration of Borrowers and Co-signers

The Program requires that each applicant for Eligible Loans must be a Vermont resident or a nonresident attending a post-secondary institution in Vermont. Accordingly, it is expected that the geographic distribution of borrowers and co-signers of Eligible Loans will be significantly concentrated in the New England region. As a result, the performance of the Financed Eligible Loans may be more influenced by employment trends and other economic factors affecting the New England region than by broader national trends and factors. See "—Factors Affecting Sufficiency and Timing and Receipt of Revenues" and "—General Economic Conditions" herein.

Consumer Protection Lending Laws and Regulations Could Change

Eligible 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. Changes in such requirements may result in unanticipated additional servicing fees that must be paid from Program Expenses as provided by the Indenture and may reduce the number of entities that are qualified to perform origination and servicing services with respect to Eligible Loans and increase ongoing fees for these services. 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 Financed Eligible Loan. In addition, the remedies available to the Trustee or the Registered Owner upon an Event of Default under the Indenture 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 Financed Eligible Loans, or any of the terms of the Financed Eligible Loans, to be unenforceable against the borrowers or co-signers, the Corporation's ability to pay when due the principal of and interest on the Bonds, including the Series 2010A-1 Bonds, Program Expenses and Indenture Expenses could be adversely affected. See "— Changes in Relevant Laws" herein.

Changes in Relevant Laws

The Higher Education Opportunity Act of 2008 (the "2008 Higher Education Reauthorization") expands the availability of a number of federal grant and loan programs to provide financial assistance to current and former students and, in certain instances, amends the terms of such financial assistance and other related federal requirements. In addition, Title X of the 2008 Higher Education Reauthorization imposes certain new marketing practices, documentation, disclosure and other administrative requirements upon lenders making loans expressly to fund post-secondary educational expenses, other than pursuant to certain federal loan programs. The Corporation has reviewed such requirements and does not currently believe that compliance with such requirements would adversely affect its ability to originate sufficient Eligible Loans to fully expend amounts in the Student Loan Fund in accordance with the Indenture or would materially increase the cost of administering such Financed Eligible Loans. No assurance can be given, however, of the long-term effect of the provisions of the 2008 Higher Education Reauthorization, as a whole, upon borrower demand or upon the market value for Eligible Loans.

Legislation titled the Health Care and Education Reconciliation Act of 2010 ("HCERA"), was signed into law on March 30, 2010. HCERA provided for increases in the availability of federal grant aid to post-secondary students under the Pell program, of federal loans to post-secondary students under the Perkins Program and the complete replacement of the FFEL with a federal program of post-secondary education loans that would be financed directly by the federal government. Elimination of the FFEL might, over time, reduce the number of qualified providers of third-party servicing for education loans such as the Eligible Loans or increase the cost of such servicing. The expansion of federal grants and direct federal lending to post-secondary students might reduce demand for Eligible Loans. Changes in the terms of federal loans, including but not limited to interest rates and fees, may reduce borrower demand for Eligible Loans and may also reduce college demand for participating in the Program. There can be no assurance that these factors might not adversely affect the value of the Financed Eligible Loans.

A number of bankruptcy reform proposals that would alter the treatment of student loans similar to the 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, including proposals to liberalize the current general non-dischargeability of such student loans in bankruptcy. No assurance can be given as to whether bankruptcy reform legislative proposals will be enacted at the federal level in a manner that might affect the Corporation's ability to enforce collection of the Financed Eligible Loans.

There can be no assurance that changes to other relevant federal or state laws will not prospectively or retroactively affect the terms and conditions under which Eligible Loans are made, affect Financed Eligible Loan performance, affect the costs of administering Financed Eligible Loans or affect demand for Eligible Loans.

From time to time, legislation is introduced on the federal and state levels that, if enacted into law, could affect the Corporation and its respective operations. Among other matters, such legislation could increase the principal amount of indebtedness which the Corporation can issue. The Corporation is not able to represent whether such bills will be introduced in the future or become law. In addition, the State of Vermont undertakes periodic studies of public authorities and agencies and public benefit corporations in the State of Vermont (including the Corporation) and their financing programs. Any of such periodic studies could result in proposed legislation that, if adopted, could affect the Corporation and its respective operations.

Priority of Payment

Additional Bonds may be issued under the Indenture on parity with, or subordinated to, the Series 2010A-1 Bonds, if certain conditions are met under the Indenture including satisfaction of the Rating Agency Condition.

THE CORPORATION

General

The Corporation is a public nonprofit corporation created as an instrumentality of the State of Vermont in 1965 and exists under the State Act for the purpose of ensuring that Vermont students and parents have the necessary information and financial resources to pursue their education goals beyond high school. The Corporation has carried out its mandate by guaranteeing, making, acquiring, financing and servicing loans to borrowers qualifying under the State Act and, where applicable, the Higher Education Act and the Public Health Service Act of 1944, as amended. The Corporation also administers financial aid services, a program of grants and scholarships, a Section 529 savings plan (designated as the Vermont Higher Education Investment Plan) and work study, informational and career counseling services to students seeking further education, and related services to parents of such students.

To finance the conduct of certain of its affairs, the Corporation receives appropriations from the Vermont General Assembly and is authorized to incur liabilities, to borrow money, and to issue and have outstanding its notes, bonds or other obligations having such maturities, bearing such rate or rates of interest and secured by such lawful means as may in each case be determined by the Corporation. Obligations issued to finance the Corporation's loan programs, including the Series 2010A-1 Bonds, are not effective until the actions of the Corporation's Board of Directors authorizing the issuance of such obligations are approved in writing by the Governor of the State of Vermont. The actions of the Corporation's Board of Directors authorizing the issuance of the Series 2010A-1 Bonds were approved by the Governor on July 1, 2010.

An eleven-member Board of Directors governs the Corporation. Board membership is comprised of the following persons: five appointed by the Governor, one State Senator, one State Representative, the State Treasurer, ex officio, and three members elected by the Board. The present Directors' names and principal occupations or affiliations are as follows:

DIRECTORS	PRINCIPAL OCCUPATIONS OR AFFILIATIONS
Dorothy R. Mitchell Chair	Higher Education and Community Volunteer Worcester, Vermont
Representative Martha P. Heath Vice-Chair	Vermont House of Representatives Westford, Vermont
David Larsen Secretary	Middle School Educator (Retired) Wilmington, Vermont
Chris A. Robbins	Former Member, State of Vermont Board of Education Danville, Vermont
T. Spencer Wright	Financial Services Consultant; former Vice President of Finance and Marketing, Canus Vermont LLC Fayston, Vermont
Senator Ann E. Cummings	Vermont State Senator Montpelier, Vermont
Jeb Spaulding *ex officio*	Treasurer, State of Vermont Montpelier, Vermont
G. Dennis O'Brien	President Emeritus, University of Rochester Middlebury, Vermont
Pamela A. Chisholm	Director of Financial Aid Community College of Vermont Montpelier, Vermont
Virginia Cole-Levesque	Director of Student Services, Vergennes Union High School Vergennes, Vermont
David Coates	Retired Managing Partner of the Burlington, Vermont KPMG office Colchester, Vermont

The Corporation's telephone number is 802-654-3770, and its address is 10 East Allen Street, P.O. Box 2000, Winooski, Vermont 05404. The Corporation's web site address is www.vsac.org; provided, however, web site information is not being incorporated herein by reference.

The following persons are the officers of the Corporation and its Board of Directors:

NAME	POSITION
Dorothy R. Mitchell	Chair
Martha P. Heath	Vice Chair
David Larsen	Secretary
Donald R. Vickers	President/CEO
Michael R. Stuart	Vice President and CFO and Assistant Secretary
Patrick J. Kaiser	Vice President of Student Services and Information Technology, and Assistant Secretary
Scott A. Giles	Vice President of Policy, Research and Planning and Assistant Secretary
Thomas A. Little	Vice President, General Counsel and Assistant Secretary

Mrs. Dorothy R. Mitchell, Chair of the Board of Directors, has served as a Board member since 2001.

Ms. Martha P. Heath, Vice Chair of the Board of Directors, has served as a Board member since 1997.

Mr. David Larsen, Secretary of the Board of Directors, has served as a Board member since 2003.

Management

The following is a brief description of the senior management of the Corporation.

Mr. Donald R. Vickers, President - CEO of the Corporation, has served the Corporation since 1971. Mr. Vickers was appointed President and CEO of the Corporation in 1990. Mr. Vickers previously served as Director of Financial Aid and Placement at Johnson State College, Johnson, Vermont. Mr. Vickers is a member of a number of regional and national higher education organizations, including the Vermont Higher Education Council, the Vermont Commission on Higher Education Funding, the Education Finance Council (EFC) - Board member 2000-2003, the National Council of Higher Education Loan Programs (NCHELP) - Chairman 2003 – 2004, and the National Student Loan Clearing House – Board member 2006 - present. From 1999 to 2002, Mr. Vickers served on the Advisory Committee on Student Financial Assistance, which makes recommendations to Congress on federal student aid programs.

Mr. Michael R. Stuart, Vice President and CFO and Assistant Secretary of the Corporation, joined the Corporation in 1994. Mr. Stuart held positions in Default Collections and Loan Compliance before moving to Finance and Treasury in 1999. Mr. Stuart holds a BA degree in History from St. Lawrence University, 1988, a Master of Science in Administration from St. Michael's College, 1999, and a Professional Certificate in Financial Accounting from Champlain College, 2006.

Mr. Scott A. Giles, Vice President of Policy, Research and Planning and Assistant Secretary of the Corporation joined the Corporation in 2003. Mr. Giles was previously Deputy Chief of Staff of the Committee on Science of the U.S. House of Representatives.

Mr. Patrick J. Kaiser, Vice President of Student Services and Assistant Secretary of the Corporation, joined the Corporation in 1986. Mr. Kaiser previously served in financial management positions in the Cambridge, Massachusetts public school system.

Mr. Thomas A. Little, Vice President, General Counsel and Assistant Secretary of the Corporation, joined the Corporation in January 2003. Mr. Little served as the Corporation's outside legal counsel from 1983 to 2003 as a member of the law firm Little, Cicchetti & Conard, P.C., Burlington, Vermont. Mr. Little was a member of the Vermont House of Representatives from 1992 to 2002 and currently serves as Town Meeting Moderator for Shelburne, Vermont. He is past Chair of the Lawyer's Caucus of the National Council of Higher Education Loan Programs.

Origination and Acquisition of Loans

Through loan originating and purchasing, the Corporation endeavors to increase the availability of funds to assist students in obtaining further education. For more than fifteen years, the Corporation's loan acquisitions have occurred and, for the foreseeable future, are expected to occur almost exclusively through loan origination directly

by the Corporation. The Corporation retains the authority and ability to enter into loan origination agreements or purchase agreements with financial institutions and, pursuant to such agreements, originate and purchase loans. The Trustee may be a party to loan purchase agreements and loan origination agreements with the Corporation. Although the Corporation continues to originate loans, its origination of Federal Act Loans ceased on July 1, 2010, as provided in HCERA and the Department of Health and Human Services discontinued Heal Loans to student borrowers as of September 30, 1998.

Servicing of Education Loans

The Corporation provides the personnel necessary to perform all origination and servicing of education loans (including all Federal Act Loans, HEAL Loans and Eligible Loans). The Corporation uses third-parties to assist it in the servicing of certain education loans. In November 1996, the Corporation entered into a license agreement with Idaho Financial Associates, Inc., of Boise, Idaho ("IFA"), for the licensing and use of certain education loan servicing software systems. IFA is a wholly-owned subsidiary of Nelnet, Inc. The Corporation converted its loan servicing operations to the IFA system on July 1, 1997. The Corporation has entered into a separate servicing software maintenance agreement with IFA for the IFA software systems. The Corporation currently originates education loans with software developed by the Corporation.

The Corporation may outsource certain loan servicing functions in the future to achieve efficiencies and improvements in its loan servicing activities.

Role in Federal Programs

Upon original enactment of the State Act, the Corporation was authorized to establish a student loan insurance program that would guarantee loans for qualified borrowers and would meet the federal and state statutory requirements for state loan insurance programs. In 1965, the Corporation established its guarantee program under the Guaranteed Student Loan Program (now referred to as the "Federal Family Education Loan Program" or "FFEL") to help students borrow money for their education beyond the high school level. Acting in this capacity, the Corporation is referred to herein as the "State Guarantor."

Acting as the State Guarantor, the Corporation currently receives funding from several sources, including reimbursement from the Secretary in the form of Default Aversion Assistance pursuant to Section 428(i)(2) of the Higher Education Act, federal advances and other federal payments, including the Administrative Maintenance Fee and the Issuance Fee authorized pursuant to Section 458(b) of the Higher Education Act. The Higher Education Act, as amended by the Omnibus Budget Reconciliation Act of 1987 (the "1987 Amendment"), requires that any guaranty agency, including the State Guarantor, return certain advances and not accumulate cash reserves in excess of an amount determined by the Secretary.

The Eligible Loans will not be guaranteed by the Corporation as State Guarantor or otherwise, the Secretary of Education, or any other person.

Provisions of HCERA provide that (1) eligible nonprofit organizations may apply to the Department of Education for authority to service post-July 1, 2010 Federal Act Loans originated by the Department under the Higher Education Act program commonly known as the "Direct Loan Program" (the "Direct Loans"), and (2) eligible nonprofit organizations with the ability to service such Direct Loans are to be given a minimum of 100,000 Direct Loan accounts to service. As an eligible nonprofit, the Corporation has determined to seek such authority, in order to participate in the Direct Loan Program as a servicer of Direct Loans and to earn and receive the revenues associated with such servicing. In this regard, the Corporation has taken the initial steps to obtain that authority by filing evidence of its nonprofit status as requested by the Department of Education. The Corporation understands that the Department of Education will issue additional eligibility criteria and requests for qualifications later in 2010, and expects to be prepared to demonstrate its eligibility under those criteria and qualifications. There can be no assurance that the Corporation will obtain authority to service such Direct Loans or, if such authority is obtained, what impact the associated revenues will have on the Corporation's financial condition. Likewise, the financial impact on the Corporation of failure to obtain such authority is not possible to ascertain at this time.

Outstanding Debt of the Corporation

The Corporation has previously issued revenue indebtedness in the form of bonds and notes in order to finance its existing student loan programs, and also has issued its general obligation bonds to finance its headquarters and principal office.

The revenue debt presently outstanding, proceeds of which have been issued to finance student loans, has been issued under and is secured by four separate trust instruments. All such indebtedness constitutes special, limited obligations of the Corporation payable solely from revenues derived from the student loans financed under such instruments and other assets specifically pledged therefor, and do not constitute a general obligation of the Corporation. The total amount of such indebtedness currently outstanding is approximately $2.1 billion. The Bonds, including the Series 2010A-1 Bonds, are not payable from any of the loans or other assets that are pledged under such separate trust documents and the Eligible Loans and other assets pledged under the Indenture to secure the Bonds, including the Series 2010A-1 Bonds, are not available to pay any such separately secured indebtedness.

In 2003, the Corporation issued its General Obligation Bonds, Series 2003 to finance the building which serves as its headquarters and principal office. Such Series 2003 Bonds are currently outstanding in the principal amount of $18,375,000. The Series 2003 Bonds are payable from any moneys of the Corporation held in any unencumbered or unrestricted fund or any other funds otherwise legally available for the payment thereof, but not from any other funds of the Corporation, including without limitation any part of the Trust Estate under the Indenture, nor by a lien on the building financed.

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2010A-1 Bonds is excludable from gross income for federal income tax purposes. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the Corporation with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Series 2010A-1 Bonds. Failure to comply with such requirements could cause interest on the Series 2010A-1 Bonds to be included in gross income for federal income tax purposes retroactive to the Date of Issuance of the Series 2010A-1 Bonds. The Corporation has covenanted to comply with such requirements. Bond Counsel is further of the opinion that interest on the Series 2010A-1 Bonds is not a specific preference item and is not included in adjusted current earnings for purposes of the federal alternative minimum tax.

Bond Counsel is also of the opinion that, under existing laws of the State of Vermont, the Series 2010A-1 Bonds and interest thereon are exempt from all taxation, franchise taxes, fees or special assessments of whatever kind imposed by the State of Vermont, except for transfer, inheritance and estate taxes.

Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2010A-1 Bonds.

Tax Matters Related to the Series 2010A-1 Bonds

The accrual or receipt of interest on the Series 20101A-1 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2010A-1 Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2010A-1 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts, or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2010A-1 Bonds.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2010A-1 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made after March 31, 2007 to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The new reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2010A-1 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series 2010A-1 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2010A-1 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2010A-1 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2010A-1 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the Date of Issuance and delivery of the Series 2010A-1 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Original Issue Discount. Certain of the Series 2010A-1 Bonds are Series 2010A-1 Discount Bonds. The difference between the initial public offering prices of the Series 2010A-1 Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount which is treated as having accrued with respect to a Series 2010A-1 Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Series 2010A-1 Discount Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such a Series 2010A-1 Discount Bond which is attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Series 2010A-1 Discount Bond, on days which are determined by reference to the maturity date of such Series 2010A-1 Discount Bond. The amount treated as original issue discount on such Series 2010A-1 Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Series 2010A-1 Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Series 2010A-1 Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Series 2010A-1 Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Series 2010A-1 Discount Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Series 2010A-1 Discount Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Purchasers of Series 2010A-1 Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Series 2010A-1 Discount Bond.

Original Issue Premium. Certain of the Series 2010A-1 Bonds are Series 2010A-1 Premium Bonds. An amount equal to the excess of the issue price of a Series 2010A-1 Premium Bond over its stated redemption price at maturity constitutes premium on such Series 2010A-1 Premium Bond. An initial purchaser of a Series 2010A-1 Premium Bond must amortize any premium over such Series 2010A-1 Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Series 2010A-1 Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Series 2010A-1 Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Series 2010A-1 Premium Bonds prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Series 2010A-1 Premium Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Series 2010A-1 Premium Bond.

LITIGATION AND OTHER MATTERS

There is no controversy or litigation of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution, or delivery of the Series 2010A-1 Bonds, or in any way contesting or affecting the validity of the Series 2010A-1 Bonds, any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the Series 2010A-1 Bonds or the due existence or powers of the Corporation.

In 2008, the Internal Revenue Service announced that it was beginning a program of randomly examining tax-exempt student loan bond transactions. Pursuant to this program, the Corporation's Education Loan Revenue Bonds, Senior Series 1998K through 1998N and Subordinate Series 1998O were selected for examination. In connection with its examination, the Internal Revenue Service delivered to the Corporation its Form 5701-TEB, Notice of Proposed Issue. In that Notice, the Internal Revenue Service questions the Corporation's accounting treatment for student loans originated pursuant to FFEL and the Corporation's treatment of a certain federal consolidation loan rebate fee. The Eligible Loans to be acquired with the proceeds of the Series 2010A-1 Bonds and under the Indenture are not originated pursuant to FFEL, nor are federal consolidation loan rebate fees due with respect to such Eligible Loans. The Corporation is vigorously contesting the Internal Revenue Service assertions; however, no assurance can be given as to the outcome or the effect any resolution of these issues may have, if any, on the financial condition of the Corporation or the timing of any such resolution.

APPROVAL OF LEGALITY

The legality of the authorization, issuance and sale of the Series 2010A-1 Bonds is subject to the approving legal opinion of Kutak Rock LLP, Bond Counsel to the Corporation. Certain legal matters will be passed upon for the Corporation by its in-house General Counsel and for the Underwriter by its counsel, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts. The unqualified approving opinion of Bond Counsel to the Corporation is to be delivered with the Series 2010A-1 Bonds substantially in the form attached to this Official Statement as APPENDIX E hereto.

AGREEMENT BY THE STATE

Under the State Act, the State of Vermont pledges and agrees with the holders of the bonds, notes and obligations of the Corporation, including the Series 2010A-1 Bonds, that the State of Vermont will not limit or restrict the rights thereby vested in the Corporation to perform its obligations and to fulfill the terms of any agreement made with the holders of its bonds, notes and obligations, including the Series 2010A-1 Bonds. Neither will the State of Vermont in any way impair the rights nor remedies of the holders until the bonds, notes and other obligations of the Corporation, including the Series 2010A-1 Bonds, together with interest on them and interest on any unpaid installments of interest, are fully met, paid and discharged. The State Act permits the Corporation to include such pledge and agreement of the State of Vermont in the Corporation’s contracts with the holders of its bonds, notes and obligations and the Corporation has included such pledge and agreement in the Indenture for the benefit of the Registered Owners of the Bonds, including the Series 2010A-1 Bonds.

LEGAL INVESTMENT

The State Act provides that, notwithstanding any other law, the State of Vermont and all public officers, governmental units and agencies of the State of Vermont, all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, all credit unions, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control, in obligations of the Corporation issued under the State Act (including the Series 2010A-1 Bonds) and such obligations (including the Series 2010A-1 Bonds) are authorized security for any and all public deposits.

UNDERWRITING

The Series 2010A-1 Bonds are to be purchased by Merrill Lynch, Pierce, Fenner & Smith, Incorporated (the “Underwriter”) pursuant to the Contract of Purchase with the Corporation. The Underwriter has agreed to

purchase the Series 2010A-1 Bonds at a price of par less any original issue discount and plus any original issue premium and will be paid an underwriting fee by the Corporation in an amount equal to $223,823. The obligation of the Underwriter to purchase the Series 2010A-1 Bonds is subject to certain terms and conditions set forth in the Contract of Purchase. The initial public offering prices of the Series 2010A-1 Bonds may be changed by the Underwriter from time to time without notice.

The Underwriter may offer and sell the Series 2010A-1 Bonds to certain dealers (including dealers depositing such bonds into investment trusts) and others at prices lower than the initial public offering prices of the Series 2010A-1 Bonds. After the initial public offering, the offering prices of the Series 2010A-1 Bonds may be changed from time to time by the Underwriter.

RATINGS

S&P and Fitch have assigned ratings of “A” and “A+” respectively to the Series 2010A-1 Bonds. Such ratings reflect only the view of S&P and Fitch and an explanation of the significance of such ratings can only be obtained from S&P or Fitch, as applicable. There is no assurance that such ratings will be continued for any given period of time or that they will not be revised downward or withdrawn entirely by S&P or Fitch if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect upon the market price or the marketability of the Series 2010A-1 Bonds.

CONTINUING DISCLOSURE

The Corporation will agree, for the benefit of the owners of such Series 2010A-1 Bonds, to provide certain financial information and operating data relating to the Corporation by not later than 180 days following the end of the Corporation's fiscal year (which currently is June 30), commencing with the report for the Fiscal Year ending June 30, 2010 (the "Annual Financial Information"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Financial Information has been and is to be filed by the Corporation with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access (“EMMA”) system. The notices of material events are to be filed by the Corporation with the Municipal Securities Rulemaking Board ("MSRB"). The specific nature of the information to be contained in the Annual Financial Information or the notices of material events is summarized below in “APPENDIX F — PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto. These covenants were made in order to assist the Underwriter in complying with Securities Exchange Commission ("SEC") Rule 15c2-12(b)(5). The Corporation has never failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12(b)(5) to provide annual reports or notices of material events.

The Corporation will also agree to make periodic Financed Eligible Loan information publicly available on at least a quarterly basis. Such information includes operating data substantially of the type indicated in “APPENDIX D — INITIAL FORM OF PERIODIC LOAN PORTFOLIO INFORMATION TO BE MADE AVAILABLE" attached hereto.

FINANCIAL ADVISOR

Government Finance Associates, Inc. (the “Financial Advisor”) serves as independent financial advisor to the Corporation on matters relating to debt management. The Financial Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiated instruments. The Financial Advisor has provided advice as to the plan of financing and the structuring of the Series 2010A-1 Bonds and has reviewed and commented on certain legal documentation, including this Official Statement. The advice on the plan of financing and the structuring of the Series 2010A-1 Bonds was based on materials provided by the Corporation and other sources of information believed to be reliable. The Financial Advisor has not audited, authenticated or otherwise verified the information provided by the Corporation or the information set forth in this Official Statement or any other information available to the Corporation with respect to the appropriateness, accuracy or completeness of disclosure of such information or other information and no guarantee, warranty or other representation is made by the Financial Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

FURTHER INFORMATION

Copies, in reasonable quantity, of the Indenture and other documents herein described may be obtained upon written request from the Issuer, Vermont Student Assistance Corporation, 10 East Allen Street, P.O. Box 2000, Winooski, Vermont 05404, Attention: President or the Financial Advisor, Government Finance Associates, Inc., 590 Madison Avenue, 21st Floor, New York, New York 10022.

MISCELLANEOUS

All quotations from, and summaries and explanations of the State Act and the Indenture and any other documents or statutes contained herein do not purport to be complete and reference is made to such documents and statutes for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Corporation and the purchasers or owners of any of the Series 2010A-1 Bonds.

The Indenture provides that any agreements, covenants, or representations of the Corporation contained in the Indenture or contained in the Series 2010A-1 Bonds do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the incorporators, officers, employees, agents or directors of the Corporation and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the Corporation shall arise therefrom.

Use of this Official Statement in connection with the sale of the Series 2010A-1 Bonds has been authorized by the Corporation.

VERMONT STUDENT ASSISTANCE CORPORATION

By: /s/ *Donald R. Vickers*
Donald R. Vickers, President/CEO

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture of Trust, dated as of July 1, 2010 (the "Master Indenture"), by and between the Vermont Student Assistance Corporation (the "Corporation") and People's United Bank (the "Trustee") and the Series 2010A-1 Supplemental Indenture of Trust, dated as of July 1, 2010 (the "Series 2010A-1 Supplemental Indenture" and together with the Master Indenture, the "Indenture"), by and between the Corporation and the Trustee and is not to be considered as a full statement of the provisions of the Master Indenture or the Series 2010A-1 Supplemental Indenture. The summary is qualified by reference to, and is subject to, the complete Master Indenture and the Series 2010A-1 Supplemental Indenture, copies of which, in reasonable quantity, may be obtained during the offering period upon request directed to the Corporation or to Government Finance Associates, Inc. at the respective addresses set forth in "FURTHER INFORMATION."

Certain Definitions

"*Account*" means any of the accounts created and established within any Fund pursuant to the Indenture.

"*Aggregate Value*" means, on any calculation date, the sum of the Values of all assets of the Trust Estate, and excluding purpose and non-purpose arbitrage liability amounts which, as of any date of calculation, have not been deposited into the Rebate Fund.

"*Authorized Denominations*" means with respect to the Series 2010A-1 Bonds, $5,000 and any integral multiple thereof.

"*Authorized Officer*" means, when used with reference to the Corporation, its Chair, Vice Chair, President-CEO, any Vice President, the Secretary or any Assistant Secretary and, in the case of any act to be performed or duty to be discharged, any other member, officer, or employee of the Corporation then authorized to perform such act or discharge of such duty.

"*Authorized Representative*" means, when used with reference to the Corporation, (a) an Authorized Officer, or (b) an individual designated in writing by an Authorized Officer of the Corporation to act on the Corporation's behalf under the Indenture.

"*Authorizing Act*" means the Vermont Statutes Annotated, Title 16, Chapter 87, as the same may be amended from time to time.

"*Beneficial Owner*" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2010A-1 Bond.

"*Board of Directors*" means the Board of Directors of the Corporation.

"*Bond"* or "*Bonds*" means any bonds, notes or other debt obligations issued pursuant to the Indenture.

"*Bond Counsel*" means counsel of nationally recognized standing in the field of law relating to municipal, state and public agency financing selected by the Corporation.

"*Bond Payment Date*" means, for any Bond, any Interest Payment Date, its Stated Maturity or the date of any debt service payment with respect thereto designated in a Supplemental Indenture.

"*Bond Yield*" means, with respect to any Bonds issued as Tax-Exempt Bonds, the yield on such Tax-Exempt Bonds computed in accordance with the Code.

"*Book-Entry System*" means the book-entry system of registering ownership described in the Master Indenture.

"*Business Day*" means, with respect to the Series 2010A-1 Bonds, any day on which banks located in the city in which the principal corporate trust office of the Trustee is located are generally open for business.

"*Calculation Agent*" means any Person appointed as calculation agent with respect to Bonds pursuant to the terms of any Supplemental Indenture.

"*Capitalized Interest Fund*" means the Fund by that name created pursuant to and further described in the Master Indenture, including any Accounts and Subaccounts created therein.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code will be deemed to include the United States Treasury Regulations, including applicable temporary and proposed regulations, relating to such sections which are applicable to the Tax-Exempt Bonds or the use of the proceeds thereof. A reference to any specific section of the Code will be deemed also to be a reference to the comparable provisions of any enactment which supersedes or replaces the Code thereunder from time to time.

"*Computation Date*" means each date described as such in any Tax Document.

"*Continuing Disclosure Agreement*" means any Continuing Disclosure Agreement or Continuing Disclosure Certificate entered into or executed by the Corporation pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as such rule may be amended from time to time. With respect to the Series 2010A-1 Bonds, Continuing Disclosure Agreement means that certain Continuing Disclosure Agreement between the Corporation and the Trustee dated the date of issuance and delivery of the Series 2010A-1 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"*Contract of Purchase*" means the Contract of Purchase, dated July 20, 2010 by and between the Corporation and the Purchaser as described in the Series 2010A-1 Supplemental Indenture.

"*Corporation*" means the Vermont Student Assistance Corporation, a nonprofit public corporation created and established pursuant to, and existing under, the laws of the State of Vermont, or any body, agency, or instrumentality of the State of Vermont or other entity which will hereafter succeed to the powers, duties and functions of the Corporation.

"*Corporation Order*" means a written order signed in the name of the Corporation by an Authorized Representative.

"*Date of Issuance*" means, with respect to the Series 2010A-1 Bonds, August 3, 2010.

"*Debt Service Fund*" means the Fund by that name created pursuant to and further described in the Indenture, including any Accounts and Subaccounts created therein.

"*Debt Service Reserve Fund*" means the Fund by that name created pursuant to and further described in the Indenture, including any Accounts and Subaccounts created therein.

"*Debt Service Reserve Fund Requirement*" means an amount, if any, required to be on deposit in the Debt Service Reserve Fund as specified for any Series of Bonds in the related Supplemental Indenture. With respect to the Series 2010A-1 Bonds, the Debt Service Reserve Fund Requirement means initially an amount equal to 2.0% of the principal amount of the Series 2010A-1 Bonds on the Date of Issuance; provided, however, that, thereafter while any Series 2010A-1 Bonds are Outstanding, the Debt Service Reserve Fund Requirement will be not less than the greater of (i) 2.0% of the principal amount of the Outstanding Series 2010A-1 Bonds or (ii) $250,000. The percentage in clauses (i) above or the dollar figure in clause (ii) above, however, may be reduced so long as such reduction satisfies the Rating Agency Condition.

"*Defaulted Loan*" means, except as otherwise provided in a Supplemental Indenture, an Eligible Loan originated pursuant to the Program which has reached 180 days of delinquency and has been classified in the Corporation's loan file as a Defaulted Loan.

"*Eligible Account*" will mean an account that is either (a) maintained with a federal or state-chartered depository institution or trust company that has a short-term debt rating of at least "A-2" from S&P (or, if no short-term debt rating, a long term debt rating of "BBB+" from S&P); or (b) maintained with the corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit, which, in either case, has corporate trust powers and is acting in its fiduciary capacity.

"*Eligible Loan*" means any loan made to finance post-secondary education that is (a) made by the Corporation pursuant to the Program Documentation and any Supplemental Indenture or (b) subject to satisfaction of the Rating Agency Condition, otherwise permitted to be acquired by or originated by the Corporation pursuant to its Program as authorized under the Authorizing Act.

"*Event of Bankruptcy*" means (a) the Corporation will have commenced a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property, or will have made a general assignment for the benefit of creditors, or will have declared a moratorium with respect to its debts, or will have failed generally to pay its debts, as they become due, or will have taken any action to authorize any of the foregoing; or (b) an involuntary case or other proceeding will have been commenced against the Corporation seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property provided such action or proceeding is not dismissed within 60 days.

"*Event of Default*" has the meaning specified in the Indenture and is described herein under the caption "Defaults and Remedies—Events of Default Defined."

"*Excess Earnings*" means, with respect to Financed Eligible Loans held in the Student Loan Fund and financed with the proceeds of Tax-Exempt Bonds, the "excess earnings," as defined in Section 1.148-107 of the Treasury Regulations with respect thereto.

"*Excess Revenue*" means (a) during the Recycling Period, any funds remaining in the Revenue Fund which the Corporation determines are not to be transferred to the Student Loan Fund pursuant to the Master Indenture and used to originate additional Eligible Loans; provided that all prior transfers from the Revenue Fund required by the Master Indenture have been made or (b) after termination of the Recycling Period, any funds remaining in the Revenue Fund; provided that all prior transfers from the Revenue Fund required by the Master Indenture have been made.

"*Favorable Opinion*" means an opinion of Bond Counsel addressed to the Corporation and the Trustee to the effect that the action proposed to be taken is authorized or permitted by the Indenture and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on Tax-Exempt Bonds.

"*Financed*" or "*Financing*" means or refers to, when used with respect to Eligible Loans, (a) Eligible Loans financed by the Corporation with balances in the Student Loan Fund or otherwise deposited in or accounted for in the Student Loan Fund or otherwise constituting a part of the Trust Estate; and (b) Eligible Loans substituted or exchanged for Financed Eligible Loans, but does not include Eligible Loans released from the lien of the Indenture and sold or transferred, to the extent permitted by the Indenture.

"*Fiscal Year*" means the fiscal year of the Corporation as established from time to time; currently, the Fiscal Year of the Corporation commences each July 1 and ends on the following June 30.

"*Fitch*" means Fitch, Inc., Fitch Ratings Ltd., its subsidiaries and its successors and assigns.

"*Funds*" means each of the Funds created pursuant to the Indenture.

"*Highest Priority Bonds*" means, (a) at any time when Senior Bonds are Outstanding, the Senior Bonds; and; (b) at any time when no Senior Bonds are Outstanding, the Subordinate Bonds.

"*Indenture*" means, together the Master Indenture and the Series 2010A-1 Supplemental Indenture, including all supplements and amendments thereto.

"*Indenture Expenses*" means (a) the fees and expenses of the Trustee; (b) the fees and expenses of any Calculation Agent and any broker-dealer then acting under a Supplemental Indenture; (c) the fees and expenses of any remarketing agent then acting under a Supplemental Indenture with respect to variable rate Bonds; (d) any fees and expenses related to ongoing surveillance of any Series of Bonds by one or more of the Rating Agencies and (e) any other fees and expenses of third-party service providers related to any Series of Bonds. Indenture Expenses allocable to the Series 2010A-1 Bonds are limited to $25,000 per annum.

"*Interest Payment Date*" means each date on which interest is to be paid on a Series 2010A-1 Bond and is each June 15 and December 15, commencing December 15, 2010.

"*Investment Securities*" means:

(a) direct obligations of, or obligations on which the timely payment of the principal and interest components are unconditionally and fully guaranteed by, the United States of America;

(b) interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with a maturity of 12 months or less with banks, including those of the Trustee and its affiliates, which are members of the Federal Deposit Insurance Corporation; provided, that at the time of deposit or purchase, such depository institution has commercial paper which is rated "A-1+" by S&P and "F1+" by Fitch (if then rated by Fitch);

(c) bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following agencies: Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation; the Federal National Mortgage Association; the Farmers Home Administration; Federal Home Loan Banks provided such obligation is rated "AAA" by S&P and "AAA" by Fitch; or any agency or instrumentality of the United States of America which will be established for the purposes of acquiring the obligations of any of the foregoing or otherwise providing financing therefor;

(d) repurchase agreements and reverse repurchase agreements, other than overnight repurchase agreements and overnight reverse repurchase agreements, with banks, including the Trustee and any of its affiliates, which are members of the Federal Deposit Insurance Corporation, in each case whose outstanding short-term debt obligations are rated no lower than "A-1+" by S&P and "F1+" by Fitch (if then rated by Fitch);

(e) investment agreements or guaranteed investment contracts for which the Corporation has satisfied the Rating Agency Condition;

(f) "tax-exempt bonds" as defined in Section 150(a)(6) of the Code, other than "specified private activity bonds" as defined in Section 57(a)(5)(C) of the Code, that are rated in the highest category by S&P and Fitch (if then rated by Fitch) for long-term or short-term debt or shares of a so called money market or mutual fund rated "AAAm/AAAm-G" or higher by S&P, and "AAA/F1+" by Fitch, that do not constitute "investment property" within the meaning of Section 148(b)(2) of the Code; provided that the fund has all of its assets invested in obligations of such rating quality;

(g) commercial paper, including that of the Trustee and any of its affiliates, which is rated in the single highest classification, "A-1+" by S&P and "F1+" by Fitch and (if then rated by Fitch) and which matures not more than 270 days after the date of purchase;

(h) investments in a money market fund rated at least AAAm" or "AAAm-G" by S&P and "AAA/V1+" by Fitch (if then rated by Fitch), including funds for which the Trustee or an affiliate thereof acts as an investment advisor or provides other similar services for a fee; and

(i) any other investment for which the Corporation has satisfied the Rating Agency Condition.

"*Master Indenture*" means the Indenture of Trust, dated as of July 1, 2010, by and between the Corporation and the Trustee.

"*Nexus Loan*" means an Eligible Loan made for or on behalf of a student who is or was at the time the Eligible Loan was made a resident of the State of Vermont and/or who is or was, at the time the Eligible Loan was made, enrolled at an educational institution located in the State of Vermont.

"*Operating Fund*" means the fund by that name described in the Indenture.

"*Origination Period*" shall mean, for each Series of Bonds, the period beginning on the Date of Issuance for such Series of Bonds and ending on the date set forth in the related Supplemental Indenture for such Series of Bonds. With respect to the Series 2010A-1 Bonds, the Origination Period means the period commencing on the

Date of Issuance and ending on June 15, 2011; except that such period may be extended as set forth in a Corporation Order subject to the satisfaction of the Rating Agency Condition.

"*Outstanding*" means, when used in connection with any Bond, a Bond which has been executed and delivered pursuant to the Indenture which at such time remains unpaid as to principal or interest, unless in all cases provision has been made for such payment pursuant to the Indenture, excluding Bonds which have been exchanged for or replaced pursuant to the Indenture.

"*Parity Percentage*" means the ratio, expressed as a percentage, of (i) the Aggregate Market Value to (ii) the aggregate principal amount of and accrued interest on all Bonds then Outstanding, plus any accrued but unpaid Servicing and Administrative Fees, Program Expenses and Indenture Expenses, if any, as of the date of such calculation.

"*Participant*" means a broker-dealer, bank, or other financial institution from time to time for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

"*Person*" means an individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or agency or political subdivision thereof.

"*Portfolio Yield*" means, with respect to Financed Eligible Loans allocable to Tax-Exempt Bonds, the composite yield on the date of calculation of the portfolio of such Financed Eligible Loans computed in accordance with the Code, assuming no additional Eligible Loans are financed and allocable to such Tax-Exempt Bonds.

"*Principal Office*" means the office of the party indicated, as set forth in the Indenture.

"*Principal Reduction Payment Date*" means, for any Bond, any date described in a Supplemental Indenture for the payment of Principal Reduction Payments.

"*Principal Reduction Payments*" means principal payments on Bonds, other than mandatory sinking fund payments, made prior to a Stated Maturity, as set forth in a Supplemental Indenture.

"*Program*" means the Corporation's program for the origination and acquisition of Eligible Loans pursuant to the Indenture and the Program Documentation, as the same may be modified from time to time.

"*Program Documentation*" means the administrative rules of the Corporation relating to the Program, and all documentation adopted or used by the Corporation for the Program, and the Corporation's established origination and servicing standards for the Program as in effect on the date of execution the Master Indenture and as revised, amended, altered, or supplemented from time to time.

"*Program Expenses*" means expenses incurred for the Corporation's maintenance and operation of its Program, including, without limitation, the reasonable fees and expenses of attorneys, agents, financial advisors, rebate analysts, consultants, accountants, and other professionals, attributable to such maintenance and operation; marketing expenses for the Program and financial aid counseling; and a prorated portion of the rent, personnel costs, office supplies and equipment, and travel expenses. Program Expenses may also include amounts for establishing and maintaining reserves to pay operating costs and reasonable reserves for losses and expenses estimated to be incurred by the Corporation, required write-downs and/or reductions in principal of Financed Eligible Loans and amounts appropriate to reimburse the Corporation for Program Expenses paid from other sources not paid from the proceeds of the Bonds or Revenues. Program Expenses are limited each month to $1/12^{th}$ of 0.60% of the principal amount of the Financed Eligible Loans as of the end of the prior calendar month and are only payable to the extent the Parity Percentage is greater than 123%.

"*Proprietary School*" means a for-profit vocational school, including a proprietary institution.

"*Purchaser*" means Merrill Lynch, Pierce, Fenner & Smith, Incorporated.

"*Rating*" means one of the rating categories of a Rating Agency.

"*Rating Agency*" means any one or more nationally recognized statistical rating organizations or other comparable Persons, designated by the Corporation to assign Ratings to any of the Bonds. With respect to the Series 2010A-1 Bonds, Rating Agency will include Fitch and S&P.

"*Rating Agency Condition*" means a letter or press release or other published written release from each Rating Agency then designated as a Rating Agency for any of the Bonds at the request of the Corporation confirming that its Ratings on the Bonds will not be lowered or withdrawn as a result of the action proposed to be taken by the Corporation.

"*Rebate Amount*" means the amount computed as of a Computation Date in accordance with the Code.

"*Rebate Fund*" means the Fund by that name created and further described in the Indenture, including any Accounts and Subaccounts created therein.

"*Record Date*" means, with respect to the Series 2010A-1 Bonds, the Business Day immediately preceding an Interest Payment Date.

"*Recoveries of Principal*" means all amounts received by the Trustee from or on account of any Financed Eligible Loan as a recovery of the principal amount thereof, including scheduled, delinquent and advance payments; payouts or prepayments; and proceeds from the sale, assignment, transfer, reallocation, or other disposition of a Financed Eligible Loan.

"*Recycling Period*" means, with respect to the Series 2010A-1 Bonds, the period commencing on the Date of Issuance to June 15, 2012, or such later date as may be set forth in a Corporation Order subject to the satisfaction of the Rating Agency Condition.

"*Redemption Date*" means, when used with respect to any Bonds to be redeemed, the date fixed for such redemption, other than mandatory sinking fund redemption, by or pursuant to the Indenture (including the applicable Supplemental Indenture).

"*Redemption Price*" means the total of principal, premium (if any) and interest due on any Bond redeemed pursuant to any applicable redemption provision of the Indenture and any Supplemental Indenture.

"*Registered Owner*" means the Person in whose name a Bond is registered on the Bond registration records maintained by the Trustee, unless the context otherwise requires.

"*Revenue*" or "*Revenues*" means all Recoveries of Principal, payments, proceeds, charges, and other income received by the Trustee or the Corporation from or on account of any Financed Eligible Loan (including scheduled, delinquent and advance payments of interest) and all interest earned or gain realized from the investment of amounts in any Fund or Account (other than the Rebate Fund and the Operating Fund).

"*Revenue Fund*" means the Fund by that name created and further described in the Indenture, including any Accounts and Subaccounts created therein.

"*S&P*" means Standard and Poor's Rating Services, a Division of the McGraw-Hill Companies, Inc., and its successors and assigns.

"*Securities Depository*" means The Depository Trust Company, New York, New York, and its successors and assigns or any additional or other securities depository designated in a Supplemental Indenture; the then Securities Depository if The Depository Trust Company resigns from its functions as depository of the Bonds; or, if the Corporation discontinues use of the Securities Depository, pursuant to the Indenture, then any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Corporation with the consent of the Trustee.

"*Senior Bonds*" mean all Bonds secured on a senior priority to the Subordinate Bonds.

"*Senior Parity Percentage*" means the ratio, expressed as a percentage, of (i) the Aggregate Value to (ii) the aggregate principal amount of and accrued interest on all Senior Bonds then Outstanding, plus any allocable accrued but unpaid Servicing and Administrative Fees, Program Expenses and Indenture Expenses, if any, as of the date of such Calculation.

"*Series*" means all Bonds authenticated and delivered pursuant to a Supplemental Indenture and designated therein as a Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for (but not to refund) such Bonds pursuant thereto and to the Indenture.

"*Series 2010A-1 Bonds*" means the $19,000,000 Vermont Student Assistance Corporation Education Loan Revenue Bonds, Senior Series 2010A-1 (Tax-Exempt Fixed Rate Bonds) issued pursuant to the Series 2010A-1 Supplemental Indenture.

"*Series 2010A-1 Discount Bonds*" means the Series 2010A-1 Bonds maturing December 15, 2020, December 15, 2024 and December 15, 2030 with an interest rate of 4.125% which have been sold by the Purchaser as set forth in the Contract of Purchase with original issue discount (i.e. at prices less than 100%).

"*Series 2010A-1 Premium Bonds*" means the Series 2010A-1 Bonds maturing December 15, 2015, December 15, 2016, December 15, 2017, December 15, 2018, December 15, 2019, December 15, 2021 and December 15, 2022 which have been sold by the Purchaser as set forth in the Contract of Purchase with original issue premium (i.e. at prices greater than 100%).

"*Series 2010A-1 Supplemental Indenture*" means the Series 2010A-1 Supplemental Indenture of Trust, dated as of July 1, 2010, by and between the Corporation and the Trustee authorizing the Series 2010A-1 Bonds.

"*Servicer*" means the Corporation or an affiliate of the Corporation and any additional Person with which the Corporation has entered into a Servicing Agreement with respect to Financed Eligible Loans and for which the Corporation has satisfied the Rating Agency Condition.

"*Servicing and Administrative Fees*" means (a) the fees of the Corporation as Servicer and the fees of any Servicer under any Servicing Agreements and (b) the fees and expenses of the Corporation incurred in connection with the preparation of legal opinions and other authorized reports or statements attributable to the Bonds or the Financed Eligible Loans, including, without limitation, the reasonable fees and expenses of attorneys, agents, financial advisors, rebate analysts, consultants, accountants, and other professionals, attributable to such maintenance and operation; and a prorated portion of the rent, personnel costs, office supplies and equipment, and travel expenses. Servicing and Administrative Fees may also include amounts appropriate to reimburse the Corporation for Servicing and Administrative Fees paid from other sources not paid from the proceeds of the Bonds or Revenues. Servicing and Administrative Fees are limited each month to $1/12^{th}$ of 0.80% of the principal amount of the Financed Eligible Loans as of the end of the prior calendar month.

"*Servicing Agreement*" means the servicing agreements, if any, with any Servicer relating to Financed Eligible Loans, as amended from time to time.

"*Special Record Date*" means the Special Record Date established for any Bonds pursuant to the Supplemental Indenture relating to such Bonds.

"*Stated Maturity*" means, with respect to any Bonds, the date specified in the Supplemental Indenture relating to such Bonds as the fixed date on which principal of such Bonds is due and payable.

"*Student Loan Fund*" means the Fund by that name created in and further described in the Master Indenture, including any Accounts and Subaccounts created therein.

"*Subaccount*" means any of the subaccounts which may be created and established within any Account by the Indenture.

"*Subordinate Bonds*" mean any Bonds secured on a priority subordinate to the Senior Bonds.

"*Supplemental Indenture*" means an agreement supplemental to the Master Indenture and executed thereto. The Series 2010A-1 Supplemental Indenture constitutes a Supplemental Indenture.

"*Tax Documents*" means, collectively, the tax certificates and agreements of the Corporation and instructions to the Corporation and the Trustee, all dated the applicable Date of Issuance, relating to the use of proceeds of Tax-Exempt Bonds and which set forth the grounds for the Corporation's belief that such Tax-Exempt Bonds are not "arbitrage bonds" within the meaning of the Code, including the exhibits and schedules attached thereto.

"*Taxable Bonds*" means any Bonds issued and delivered pursuant to the Indenture, the interest on which does not purport to be excluded from the federal gross income of the Registered Owners thereof.

"*Tax-Exempt Bonds*" means any Bonds which do not constitute Taxable Bonds.

"*Trust Estate*" means the property described as such in the granting clauses in the Master Indenture.

"*Trustee*" means People's United Bank, Burlington, Vermont, a federally chartered savings bank, acting in its capacity as Trustee under the Indenture, or any successor Trustee designated pursuant to the Indenture.

"*Unamortized Discount*" means, with respect to the Series 2010A-1 Premium Bonds as of a date of redemption, the unamortized original issue discount for such Series 2010A-1 Discount Bonds, determined on a straight-line basis from the Date of Issuance to the earlier of the Stated Maturity of such Series 2010A-1 Discount Bond or the earliest optional redemption date for such Series 2010A-1 Discount Bond, using a 360-day year and twelve 30-day months.

"*Unamortized Premium*" means, with respect to the Series 2010A-1 Premium Bonds as of a date of redemption, the unamortized original issue premium for such Series 2010A-1 Premium Bonds, determined on a straight-line basis from the Date of Issuance to the earlier of the Stated Maturity of such Series 2010A-1 Premium Bond or the earliest optional redemption date for such Series 2010A-1 Premium Bond, using a 360-day year and twelve 30-day months.

"*Underwriter*" means the underwriter or underwriters of any of the Bonds. With respect to the Series 2010A-1 Bonds, the Underwriter will be the Purchaser.

"*Value*" on any calculation date when required under the Indenture means the value of the Trust Estate calculated by the Corporation as to clause (a) below and by the Trustee as to clauses (b) through (e), inclusive, below, as follows:

(a) with respect to any Eligible Loan, the unpaid principal amount thereof plus any accrued but unpaid interest; provided, however, a Defaulted Loan will have a Value of zero;

(b) with respect to any funds of the Corporation held under the Indenture and on deposit in any commercial bank or as to any banker's acceptance or repurchase agreement or investment contract, the amount thereof plus accrued but unpaid interest;

(c) with respect to any Investment Securities of an investment company, the bid price of the shares as reported by the investment company plus accrued but unpaid interest;

(d) as to investment agreements, par plus accrued interest; and

(e) as to other investments: (i) the lower of the bid prices at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Corporation in its absolute discretion) at the time making a market in such investments, or (ii) the bid price published by a nationally recognized pricing service.

Any reference to time herein will be presumed to be to New York City time and to Burlington, Vermont time; in the event of a conflict between New York City time and Burlington, Vermont time, the earlier of the two times will prevail.

Issuance of Bonds

The Corporation has the authority, upon complying with the provisions of the Indenture, to authenticate and deliver from time to time Bonds secured by the Trust Estate on a parity with the Senior Bonds or the Subordinate Bonds, if any, secured under the Indenture as will be determined by the Corporation.

No Bonds will be authenticated and delivered pursuant to the Indenture unless: the Corporation and the Trustee have entered into a Supplemental Indenture; the Rating Agency Condition has been satisfied with respect to the issuance of such Series of Bonds; and upon the issuance of the proposed Series of Bonds, an amount equal to the Debt Service Reserve Fund Requirement with respect to such Series of Bonds, if any, has been deposited in the Debt Service Reserve Fund.

Bonds Are Special, Limited Obligations of the Corporation and Not a Debt of the State of Vermont; State Covenant

Bonds Are Special, Limited Obligations of the Corporation and Not a Debt of the State of Vermont. The Series 2010A-1 Bonds and the obligations of the Corporation contained in the Indenture will not be deemed to constitute a debt or liability or obligation of the State of Vermont or any political subdivision of the State of Vermont, nor will the Series 2010A-1 Bonds and the obligations of the Corporation contained in the Indenture be deemed to constitute a pledge of the faith and credit of the State of Vermont or of any political subdivision of the State of Vermont. The Series 2010A-1 Bonds and the obligations of the Corporation contained in the Indenture will not constitute a general obligation of the Corporation, but will be special, limited obligations of the Corporation, secured by and payable solely from the Trust Estate. Each Series 2010A-1 Bond or other obligation issued by the Corporation will contain on its face a statement to the effect that the Corporation will not be obligated to pay the same or the interest thereon from any other source and that neither the faith and credit nor the taxing power of the State of Vermont or of any political subdivision of the State of Vermont is pledged to the payment of the principal of or the interest on such obligations.

State Covenant. The Authorizing Act provides that the Corporation may execute the following pledge and agreement of the State of Vermont, in any agreement with the owners of the Corporation's notes, bonds, or other obligations, and the Corporation has included such pledge and agreement for the benefit of the Registered Owners of the Bonds (including the Series 2010A-1 Bonds) in the Indenture to the extent permitted by law:

"The State of Vermont does hereby pledge to and agree with the holders of the notes, bonds and other obligations issued under Chapter Eighty-Seven of the Vermont Statutes Annotated, Title 16 that the State of Vermont will not limit or restrict the rights thereunder vested in the Corporation to perform its obligations and to fulfill the terms of any agreement made with the holders of its bonds or notes or other obligations, including the Bonds. Neither will the State of Vermont in any way impair the rights and remedies of the holders until the notes and bonds and other obligations, including the Bonds, together with interest on them and interest on any unpaid installments of interest, are fully met, paid and discharged."

Certain Representations and Warranties of the Corporation

Covenant To Perform Obligations Under The Indenture. The Corporation has covenanted in the Indenture that it will faithfully perform at all times and at all places all covenants, undertakings, stipulations, provisions and agreements contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture and in all proceedings of the Corporation pertaining thereto. The Corporation has covenanted in the Indenture that it is duly authorized to issue the Bonds issued under the Indenture and to enter into the Indenture and that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture has been duly and effectively taken; and that such Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the Corporation according to the tenor and import thereof. In consideration of the purchase and acceptance of the Bonds by those who will hold the same from time to time, the provisions of the Indenture will be a part of the contract of the Corporation with the Registered Owners of the Bonds and will be deemed to be and will constitute a contract among the Corporation, the Trustee and the Registered Owners from time to time.

Further Instruments and Actions. The Corporation has covenanted in the Indenture that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental to the Master Indenture and such further acts, instruments and transfers as the Trustee may reasonably require for the better pledging all and singular of the Trust Estate pledged under the Indenture to the payment of the principal of, premium, if any, and the interest on the Bonds and other amounts owed to the Registered Owners.

Administration of the Program. The Corporation has covenanted in the Indenture that it will administer, operate and maintain the Program in such manner as to ensure that the Financed Eligible Loans will conform to the requirements of the Program Documentation and any Supplemental Indenture.

Financing, Collection and Assignment of Eligible Loans. The Corporation will originate and finance only Eligible Loans with moneys in the Student Loan Fund and will diligently cause to be collected all principal and interest payments (subject to the Indenture) on all the Financed Eligible Loans and all defaulted payments which relate to such Financed Eligible Loans. The Corporation will comply with all United States and state statutes, rules and regulations which apply to the Program and to such Financed Eligible Loans.

Enforcement of Financed Eligible Loans. The Corporation will, subject to the Indenture, cause to be diligently enforced, and take all steps, actions and proceedings reasonably necessary for the enforcement of, all terms, covenants and conditions of all Financed Eligible Loans, the Program Documentation and agreements in connection therewith, including the prompt payment of all principal and interest payments and all other amounts due the Corporation thereunder. The Corporation will not, except as permitted by the Indenture, permit the release of the obligations of any borrower under any Financed Eligible Loan and will, subject to the Indenture, at all times, to the extent permitted by law, cause to be defended, enforced, preserved and protected the rights and privileges of the Corporation, and the Trustee under the Indenture or with respect to each Financed Eligible Loan and agreement in connection therewith. The Corporation will not, subject to the Indenture, consent or agree to or permit any amendment or modification of any Financed Eligible Loan or agreement in connection therewith which will in any manner materially adversely affect the rights or security of the Registered Owners under the Indenture. Nothing in the Indenture will be construed to prevent the Corporation from (a) granting a reasonable forbearance to a borrower (unless such forbearance will, in the reasonable judgment of the Corporation, have a material adverse impact on the Corporation's ability to meet its obligations under the Indenture); (b) settling a default or curing a delinquency on any Financed Eligible Loan on such terms as will be permitted by law and as permitted by the Program Documentation; (c) forgiving the repayment of any Financed Eligible Loan upon the death or permanent disability of a borrower; (d) so long as such action will not adversely affect the Ratings on any of the Bonds (as established by the satisfaction of a Rating Agency Condition), charging interest at a lower rate than is required by the Program Documentation or any Supplemental Indenture; or (e) so long as such action will not adversely affect the Ratings on any of the Bonds (as established by the satisfaction of a Rating Agency Condition), establishing discounts or granting forgiveness of principal of or interest on Financed Eligible Loans (including, paying for such discounts or forgiveness with cash released from the Trust Estate).

Notwithstanding the foregoing, the Corporation may also forgive the indebtedness on all or a portion of the Financed Eligible Loans to the extent necessary to prevent interest on any Tax-Exempt Bonds from being includable in the gross income of the owners thereof for federal income tax purposes, or take such other action as may be provided in the written opinion of Bond Counsel (including, but not limited to, the payment of "yield reduction payments" under Section 1.148-5(c) of the Treasury Regulations), and may forgive the remaining indebtedness on any Financed Eligible Loan if, in the reasonable judgment of the Corporation evidenced by a certificate delivered to the Trustee, the cost of collection of the remaining indebtedness of such Financed Eligible Loan would exceed such remaining indebtedness.

Servicing. The Corporation will at all times appoint, retain and employ competent personnel for the purpose of carrying out the Program under the Authorizing Act and the Program Documentation and will establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel. All persons employed by the Corporation will be qualified for their respective positions. The Corporation will duly and properly service (or cause to be duly and properly serviced) all Financed Eligible Loans and enforce the payment and collection of all payments of principal and interest payments, which relate to any Financed Eligible Loans, or, will cause such servicing to be done by a Servicer evidencing, in the judgment of the Corporation, the capability and experience necessary to adequately service such Financed Eligible Loans. The Corporation agrees that, and will cause each Servicer other than the Corporation to enter into a Servicing Agreement providing that, the Servicer will administer and collect all Financed Eligible Loans in the manner consistent with the Indenture and perform any duties, obligations and functions imposed upon the Servicer by the Corporation.

The Corporation will not remove any Servicer under a Servicing Agreement unless (a)(i) the Corporation has appointed a successor Servicer, (ii) the successor Servicer has accepted its duties under the Indenture in writing, and (iii) the Corporation has satisfied the Rating Agency Condition or (b) the Corporation has assumed and accepted in writing the duties of the resigning Servicer (unless the Corporation has been previously removed as Servicer.

Each Servicing Agreement with any Servicer, other than the Corporation, will provide that (1) the Servicer may resign and be discharged from its duties under the Servicing Agreement by giving to the Corporation not less than 90 days written notice; provided, such resignation will only take effect if (a)(i) the Corporation will have appointed a successor Servicer, (ii) the successor Servicer has accepted its duties under the Indenture in writing, and (iii) the Corporation has satisfied the Rating Agency Condition or (b) the Corporation has assumed and accepted in writing the duties of the resigning Servicer (unless the Corporation has been previously removed as Servicer) and (2) the Servicer may be removed and be discharged from its duties under such Servicing Agreement upon not more than 30 days written notice and otherwise as provided in the Indenture.

Administration and Collection of Financed Eligible Loans. All Financed Eligible Loans which are part of the Trust Estate will be administered and collected either by the Corporation or by a Servicer selected by the

Corporation in a competent, diligent and orderly fashion and in accordance with all applicable requirements of the Indenture, any Supplemental Indenture and the Program Documentation.

Tax Covenants. The Corporation will at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Tax-Exempt Bonds will, for purposes of federal income taxation, be excludable from the gross income of the recipients thereof, including, but not limited to, such actions as are required to be taken pursuant to any Tax Documents and the Indenture. The Corporation will not permit at any time or times any of the proceeds of the Bonds or any other funds of the Corporation to be used directly or indirectly to finance any securities or obligations, the acquisition of which would cause any Tax-Exempt Bond to be or become an "arbitrage bond" as defined in Section 148 of the Code. The Corporation will take such action as may be necessary to assure that the Portfolio Yield as of the date of final payment of related Tax-Exempt Bonds does not exceed the related Bond Yield by an amount greater than may be consistent with any Tax Documents, including the forgiveness and discharge of borrower payment obligations with respect to the outstanding principal amounts of and any interest due upon any or all of such Financed Eligible Loans upon any such payment date. The Program documents will include the requirement that no borrower on a Financed Eligible Loan nor any "related person," as defined in Section 144(a)(3) of the Code, will pursuant to any arrangement, formal or informal, purchase the Corporation's obligations in an amount related to the amount of such borrower's Financed Eligible Loans. The foregoing covenants will remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to the Indenture or any other provision hereof, and notwithstanding any provision hereof, the Corporation will observe its covenants and agreements contained in the Tax Documents, to the extent that, and for so long as, such covenants and agreements are required by law.

Funds

General. The Indenture creates and establishes the following Funds to be held and maintained by the Trustee for the benefit of the Registered Owners:

(a) Student Loan Fund;

(b) Revenue Fund;

(c) Capitalized Interest Fund;

(d) Debt Service Fund, including a Principal Account, an Interest Account, and a Retirement Account; and

(e) Debt Service Reserve Fund.

The Indenture creates and establishes the Rebate Fund, to be held and maintained by the Trustee, in which neither the Corporation nor the Registered Owners have any right, title or interest.

The Operating Fund does not constitute a Fund within the meaning of the Indenture and is held by the Corporation as described in the Indenture. The Registered Owners have no right, title or interest in the Operating Fund.

The Trustee is authorized for the purpose of facilitating the administration of the Trust Estate and for the administration of any Bonds issued under the Indenture to create further Accounts or Subaccounts in any of the various Funds and Accounts established under the Indenture which are deemed necessary or desirable.

The Funds created pursuant to the Indenture (other than the Operating Fund) will be maintained by the Trustee so as to constitute Eligible Accounts; in the event that a Fund no longer constitutes an Eligible Account, the Trustee will promptly (and, in any case, within not more than 30 calendar days) move such Fund to another financial institution such that the Fund will again constitute an Eligible Account.

Student Loan Fund. There will be deposited into the Student Loan Fund moneys from proceeds of any Bonds to be deposited therein pursuant to a Supplemental Indenture, moneys transferred thereto from the Revenue Fund, the Capitalized Interest Fund, and the Debt Service Reserve Fund pursuant to the Indenture. Financed Eligible Loans will be pledged to the Trust Estate and accounted for as a part of the Student Loan Fund.

Moneys on deposit in the Student Loan Fund will be used, upon Corporation Order and subject to any applicable Supplemental Indenture, solely to pay costs of issuance of the Bonds and during any Origination Period and any Recycling Period as set forth in a Supplemental Indenture, to originate and finance Eligible Loans. Any such Corporation Order will state that such proposed use of moneys in the Student Loan Fund is in compliance with the provisions of the Indenture. Any origination fees charged with respect to any Financed Eligible Loans will be deducted from the disbursements made from the Student Loan Fund or, if paid by or on behalf of the borrower, deposited to the Student Loan Fund. If the Corporation determines that all or any portion of such moneys cannot be so used, then an Authorized Representative of the Corporation may by Corporation Order direct the Trustee that such moneys will be transferred to the Retirement Account of the Debt Service Fund and used to redeem Bonds in accordance with any Supplemental Indenture.

Each Corporation Order providing for the origination of, or future disbursement on, Eligible Loans will specifically identify each Eligible Loan and the amount of the disbursements to be made thereon, and state that the Corporation is in possession of the promissory note(s) relating to such Eligible Loans. No Eligible Loan may be originated by the Corporation with amounts on deposit in the Student Loan Fund unless (i) a promissory note has been executed by the borrower and any required co-signer to evidence the Eligible Loan, (ii) the Eligible Loan is a legal, valid and binding obligation of the borrower and any required co-signer, 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, (iii) the Corporation has complied with the requirements of applicable federal and State law in originating the Eligible Loan, (iv) the disbursement to be made is a proper charge against the Student Loan Fund, (v) the Eligible Loan constitutes an Eligible Loan within the meaning of the Indenture and the Authorizing Act, (vi) such Eligible Loan is made to a borrower or a required co-signer who meets, if applicable, the credit requirements established by the Corporation as specified in the Program Documentation and (vi) no Event of Default has occurred and is continuing under the Indenture. Amounts transferred out of the Student Loan Fund for the origination of an Eligible Loan will be disbursed pursuant to the Program Documentation. If the Corporation originates an Eligible Loans that requires a future disbursement, the Corporation must reserve an amount equal to such future disbursement in the Student Loan Fund. All Eligible Loans originated with amounts on deposit in the Student Loan Fund will be accounted for in the Student Loan Fund. Original proceeds of the Series 2010A-1 Bonds and Corporation moneys on deposited in the Student Loan Fund shall be used to originate and finance Eligible Loans prior to the use of any amounts transferred from the Revenue Fund to the Student Loan Fund pursuant to the Master Indenture.

The Corporation has covenanted in the Indenture that no amount credited to the Student Loan Fund from the proceeds of a Series of Tax-Exempt Bonds will be used to finance any Eligible Loans which are not Nexus Loans unless the percentage of the proceeds of the applicable Series of Tax-Exempt Bonds used to finance Nexus Loans equals or exceeds the percentage required by the Tax Documents related to such Series of Tax-Exempt Bonds, without regard to amounts deposited in the Debt Service Reserve Fund.

Notwithstanding the foregoing, and after certain transfers required by the Indenture, if on any Bond Payment Date there are not sufficient moneys on deposit in the Interest Account or the Principal Account to make the payments due on any Bonds on such Bond Payment Date, then an amount equal to any such deficiency will be transferred directly from the Student Loan Fund, first, to the Interest Account and, second, to the Principal Account, as necessary.

Original proceeds of a Series of Bonds and Corporation moneys remaining in the Student Loan Fund at the end of its related Origination Period (excluding any amounts deducted from a Financed Eligible Loans as an origination fee) and required to redeem Bonds of such Series pursuant to the corresponding Supplemental Indenture shall be transferred to the Revenue Fund or the Retirement Account of the Debt Service Fund, as appropriate, and used to redeem the Bonds of such Series pursuant to the corresponding Supplemental Indenture. All remaining amounts on deposit in the Student Loan Fund corresponding to a Series of Bonds upon the termination of the Recycling Period for such Series shall be transferred to the Revenue Fund.

Financed Eligible Loans may be sold, transferred or otherwise disposed of (including transfers or sales to other trust estates) by the Trustee free from the lien of the Indenture at any time pursuant to a Corporation Order and if the Trustee is provided with the following:

(a) a Corporation Order stating the sale price and directing that Financed Eligible Loans be sold, transferred or otherwise disposed of and delivered:

(i) to any Person, whose name will be specified; or

(ii) to the trustee under another indenture securing bonds issued by the Corporation or another higher education authority whose name will be specified in such Corporation Order and;

(b) a certificate, which may be incorporated in the Corporation Order referred to above, signed by an Authorized Representative of the Corporation to the effect that:

(i) the disposition price is equal to or in excess of the greater of the principal amount thereof (plus accrued interest); or

(A) the disposition price is lower than the principal amount thereof (plus accrued interest), and

(1) the Corporation reasonably believes that the Revenues expected to be received (after giving effect to such disposition) would be at least equal to the Revenues expected to be received assuming no such sale, transfer or other disposition occurred;

(2) the Corporation will remain able to pay debt service on the Bonds on a timely basis (after giving effect to such sale, transfer or other disposition) whereas it would not have been able to do so on a timely basis if it had not sold, transferred or disposed of the Financed Eligible Loans at such discounted amount; or

(3) the Parity Percentage (after giving effect to such sale, transfer or other disposition) will be at least equal to 140% unless the Corporation has satisfied the Rating Agency Condition with respect to a lower percentage; and

(ii) the Corporation has determined that adequate provision has been made assuring that such sale, transfer or other disposition does not impair the Corporation's capacity to comply with its obligation relative to the restriction upon Portfolio Yield as such obligation would be calculated upon the date of such sale, transfer or other disposition in accordance with any Tax Documents.

The provisions of paragraphs (a) and (b) above are also subject to the limitation that the Corporation will not sell or transfer Financed Eligible Loans at any one time or in a series of transactions in an aggregate principal amount (giving effect to all such sales or transfers commencing on the Date of Issuance) in excess of 10% of the principal amount of Financed Eligible Loans held under this Indenture at the time of any such sale or transfer except upon the satisfaction of the Rating Agency Condition.

Further, Financed Eligible Loans will also be sold, transferred or otherwise disposed of by the Trustee pursuant to a Corporation Order in which the Corporation determines that such disposition of Financed Eligible Loans from the Trust Estate is necessary in order to avoid the occurrence of an Event of Default under the Indenture in such amount and at such times and prices as may be specified in such Corporation Order. The Trustee, following receipt of the foregoing and of a certificate of the Corporation indicating that such purchaser or transferee is one of the entities described in clause (a) above, if applicable, will deliver such Financed Eligible Loans free from the lien of the Indenture upon the receipt of the purchase price or consideration specified in the Corporation Order, in compliance with the foregoing. The proceeds to be received upon any disposition may consist of cash, Investment Securities and/or Eligible Loans. The Trustee will deposit the proceeds of any such sale, transfer or other disposition into the Account with respect to which such Financed Eligible Loans were attributable, if applicable.

Revenue Fund.

(a) The Trustee will deposit into the Revenue Fund all Revenues derived from Financed Eligible Loans financed by the Corporation from moneys on deposit in the Student Loan Fund, and all other Revenue derived from moneys or assets on deposit in the Student Loan Fund, the Debt Service Reserve Fund, the Capitalized Interest Fund and the Revenue Account and any other amounts deposited thereto upon receipt of a Corporation Order.

(b) On the last Business Day of each calendar month, or more frequently or on other dates if required by a Supplemental Indenture or if directed by the Corporation pursuant to a Corporation Order,

money in the Revenue Fund will be used and transferred to other Funds, Accounts, Subaccounts or Persons in the following order of priority (any money not so transferred or paid to remain in the Revenue Fund until subsequently applied pursuant to this section):

(i) to the Rebate Fund, upon receipt of a Corporation Order and if necessary to comply with any Tax Document with respect to rebate or Excess Earnings;

(ii) (A) to the Corporation for the payment of Servicing and Administrative Fees to the extent and in the manner provided in any Supplemental Indenture and (B) to the Operating Fund for the payment of Indenture Expenses to the extent and in the manner provided in the Indenture, upon in the case of clause (B) above, receipt of a Corporation Order directing the same, and to the extent amounts are insufficient therefore, such payments to be made ratably as between clauses (A) and (B) based on amounts to be transferred;

(iii) to the credit of the Interest Account of the Debt Service Fund to the extent and in the manner provided in the Indenture, to provide for the payment of interest on Senior Bonds;

(iv) to the credit of the Principal Account of the Debt Service Fund to the extent and in the manner provided in the Indenture, to provide for the payment of principal of Senior Bonds at their Stated Maturity or on a sinking fund payment date;

(v) to the Debt Service Reserve Fund the amount, if any, required to restore the Debt Service Reserve Fund, with any separate Account established therein receiving its pro rata share of such replenishment, if necessary, based upon the amount disbursed from such Account to pay Servicing and Administrative Fees, Program Expenses, Indenture Expenses or principal or interest on Bonds, to the Debt Service Reserve Fund Requirement with respect thereto;

(vi) to the credit of the Interest Account of the Debt Service Fund to the extent and in the manner provided in the Indenture, to provide for the payment of interest on Subordinate Bonds;

(vii) to the credit of the Principal Account of the Debt Service Fund to the extent and in the manner provided in the Indenture, to provide for the payment of principal of Subordinate Bonds at their Stated Maturity or on a sinking fund payment date;

(viii) to the Corporation for the payment of Program Expenses to the extent and in the manner provided in any Supplemental Indentures;

(ix) during any applicable Recycling Period, at the option of the Corporation and upon receipt by the Trustee of a Corporation Order, to the Student Loan Fund;

(x) at the option of the Corporation and upon receipt by the Trustee of a Corporation Order or as required by a Supplemental Indenture, to the Retirement Account of the Debt Service Fund for the redemption of, or distribution of principal with respect to, Bonds which by their terms are subject to redemption or principal distribution from Revenues received under the Indenture (such amounts to be applied to the payment of Bonds of a particular Series based upon the priorities established in the Supplemental Indentures pursuant to which such Bonds were issued, or if not so provided, at the direction of the Corporation by Corporation Order); and

(xi) at the option of the Corporation and upon receipt by the Trustee of a Corporation Order, to the Corporation to the extent permitted by the Indenture.

Capitalized Interest Fund. The Trustee will deposit to the Capitalized Interest Fund the amount, if any, specified in each Supplemental Indenture. On each Bond Payment Date with respect to the Bonds, to the extent there are insufficient moneys in the Interest Account or the Principal Account to make the interest or principal payments due on any Bonds on such Bond Payment Date, an amount equal to any such deficiency will be transferred directly from the Capitalized Interest Fund, first, to the Interest Account and second, to the Principal Account. In addition, if on the last Business Day of any Calendar Month, there are insufficient moneys in the Revenue Fund to make the transfers required by the Indenture, an amount equal to any such deficiency will be transferred directly from the Capitalized Interest Fund to the Revenue Fund to make such transfers.

If a Supplemental Indenture specifies an amount to be deposited into the Capitalized Interest Fund, such Supplemental Indenture may also (i) specify a time period for such amount to be used as described above; (ii) specify other uses for such amount (including, without limitation, making deposits to the Student Loan Fund, the Operating Fund or Revenue Fund or transfers to the Corporation); and (iii) establish Accounts within the Capitalized Interest Fund in which such amount will be deposited.

Debt Service Fund. The Debt Service Fund will be used only for the payment of principal, premium, if any, and interest on the Bonds.

(a) *Interest Account*. The Trustee will credit to the Interest Account the amount, if any, specified in a Supplemental Indenture providing for the issuance of a series of Bonds. The Trustee will also deposit in the Interest Account (i) that portion of the proceeds from the sale of the Corporation's refunding bonds, if any, to be used to pay interest on the Bonds; and (ii) all amounts required to be transferred thereto from the Funds and Accounts specified in the Indenture.

With respect to each Series of Bonds on which interest is paid at least monthly, the Trustee will deposit to the credit of the Interest Account on the last Business Day of each calendar month an amount equal to the interest that will become payable on such Bonds during the following calendar month. With respect to each Series of Bonds on which interest is paid at intervals less frequently than monthly, the Trustee will make monthly deposits to the credit of the Interest Account on the last Business Day of each calendar month preceding each Interest Payment Date for such Series of Bonds equal to one hundred and twenty percent of the interest to accrue (or, with respect to Bonds bearing interest at a variable rate, anticipated to accrue) on such Bonds during the succeeding calendar month plus, to the extent any previous monthly deposit was less than the provided amount for such month, the amount of such deficiency until the full amount due on the next succeeding Interest Payment Date is deposited to the Interest Account for such Series of Bonds. With respect to Bonds bearing interest at a variable rate for which any such amount cannot be determined on the last Business Day of each calendar month, the Trustee will make such deposit based upon assumptions set forth in the Supplemental Indenture authorizing such Bonds.

In making the deposits required to be deposited and credited to the Interest Account, all other deposits and credits otherwise made or required to be made to the Interest Account will, to the extent available for such purpose, be taken into consideration and allowed for. If on any Bond Payment Date relating to Bonds there are insufficient amounts on deposit in the Interest Account to make the payment of interest due on the Bonds on such date, the Trustee will transfer the deficiency from the applicable account of the following Funds, in the following order of priority: the Capitalized Interest Fund, the Debt Service Reserve Fund and the Student Loan Fund.

Amounts transferred to the Interest Account pursuant to certain sections of the Indenture will be used solely for the payment of interest on Senior Bonds. Amounts transferred to the Interest Account pursuant to certain sections of the Indenture will be used solely for the payment of interest on Subordinate Bonds.

(b) *Principal Account*. The Trustee will deposit to the credit of the Principal Account: (i) that portion of the proceeds from the sale of the Corporation's bonds, if any, to be used to pay principal of the Bonds; and (ii) all amounts required to be transferred from the Funds and Accounts specified in the Indenture.

To provide for the payment of each installment of principal of the Bonds due at the Stated Maturity thereof or on a sinking fund payment date therefor, the Trustee shall make substantially equal monthly deposits to the credit of the Principal Account on the last Business Day of the first 10 of the 12 calendar months preceding such Stated Maturity or sinking fund payment date, to aggregate the full amount of such installment within such 10 calendar month period (except that if there are fewer than 12 calendar months between the delivery of the Bonds of a Series to the initial purchasers thereof and the first sinking fund payment date with respect to such Series of Bonds, or from the last sinking fund payment date to the next sinking fund payment date with respect to such Series of Bonds, then the Trustee shall make equal monthly deposits to the credit of the Principal Account on the last Business Day of each calendar month beginning with the calendar month following the month in which such Series of Bonds is delivered to the initial purchasers or from the last sinking fund payment date, as the case may be, to aggregate the full amount of such installment at least two months prior to such Stated Maturity or sinking fund payment date). In making the deposits required to be deposited and credited to the Principal Account, all other

deposits and credits otherwise made or required to be made to the Principal Account will, to the extent available for such purpose, be taken into consideration and allowed for.

If on any Stated Maturity or sinking fund payment date there are insufficient amounts on deposit in the Principal Account to make payments of principal due on the Bonds on such date, the Trustee will transfer the deficiency from the applicable account of the following Funds, in the following order of priority (after transfers from any such Funds to the Interest Account required on such date): the Capitalized Interest Fund, the Debt Service Reserve Fund and the Student Loan Fund.

The moneys in the Principal Account required for the payment of the principal of Bonds at the Stated Maturity thereof or on a sinking fund payment date therefor will be applied by the Trustee to such payment when due without further authorization or direction.

Amounts transferred to the Principal Account pursuant to certain sections of the Indenture will be used solely for the payment of principal at Stated Maturity or on a sinking fund payment date on Senior Bonds. Amounts transferred to the Principal Account pursuant to certain sections of the Indenture will be used solely for the payment of principal at Stated Maturity or on a sinking fund payment date on Subordinate Bonds.

(c) *Retirement Account*. The Trustee will deposit to the credit of the Retirement Account any amounts transferred thereto or deposited therein to provide for the redemption of, or the distribution of principal with respect to, the Bonds. All redemptions of and distribution of principal with respect to Bonds (other than at a Stated Maturity or on a sinking fund payment date), will be made with moneys deposited to the credit of the Retirement Account. In the event that Bonds are to be prepaid from the Retirement Account on a date other than a regularly scheduled Interest Payment Date, accrued interest on such Bonds will be paid from the Interest Account. The moneys in the Retirement Account required for the redemption of, or the distribution of principal with respect to, Bonds will be applied by the Trustee to such payment as set forth in any Supplemental Indenture providing for such redemption or distribution of principal without further authorization or direction.

Debt Service Reserve Fund. The Trustee will deposit to the Debt Service Reserve Fund the amount, if any, specified in each Supplemental Indenture. On each Bond Payment Date, to the extent there are insufficient moneys in the Interest Account, the Principal Account and the Capitalized Interest Fund to make the payments due on the Bonds on such Bond Payment Date, then the amount of such deficiency will be paid directly from the Debt Service Reserve Fund, first, to the Interest Account, and second, to the Principal Account, as necessary. In addition, if on the last Business Day of any Calendar Month, there are insufficient moneys in the Revenue Fund after transfers from the Capitalized Interest Fund to make the transfers required by the Indenture, an amount equal to any such deficiency will be transferred directly from the Debt Service Reserve Fund to the Revenue Fund to make such transfers.

If the Debt Service Reserve Fund is used for the purposes described above, the Trustee will restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement with respect thereto by transfers from the Revenue Fund pursuant to the Indenture. If the full amount required to restore the Debt Service Reserve Fund to the applicable Debt Service Reserve Fund Requirement is not available in the Revenue Fund on the day of any required transfer pursuant to the Indenture, the Trustee will continue to transfer funds from the Revenue Fund as they become available and in accordance with the Indenture until the deficiency in the Debt Service Reserve Fund has been eliminated.

On any day that the amount in the Debt Service Reserve Fund, if any, exceeds the Debt Service Reserve Fund Requirement with respect thereto for any reason, the Trustee, at the direction of the Corporation, will transfer the excess to the Student Loan Fund.

If the Corporation issues a Series of Bonds for which the State of Vermont may appropriate funds for deposit to the Debt Service Reserve Fund with respect to a Series of Bonds pursuant to Section 2867 of the Authorizing Act, the Trustee will establish a separate Account within the Debt Service Reserve Fund for such Series of Bonds, and such Account within the Debt Service Reserve Fund will be solely available for the payment of the principal of and interest on such Series of Bonds. If such a separate Account within the Debt Service Reserve Fund is established specifically for a Series of Bond, such Series of Bonds shall not be payable from any other amounts on deposit in the Debt Service Reserve Fund (or any other Accounts therein). The amounts to be deposited to such separate Account and the use of funds within such separate Account shall be set forth in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Rebate Fund. The Trustee will, upon receipt of a Corporation Order and in accordance with the Indenture, withdraw from the Revenue Fund and deposit to the Rebate Fund an amount such that the balance held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the Computation Date. Computation of the amounts on deposit in each Fund and of the Rebate Amount will be furnished to the Trustee by or on behalf of the Corporation in accordance with any Tax Document, as the same may be amended or supplemented in accordance with their terms. The Trustee, upon receipt of a Corporation Order in accordance with any Tax Document, will pay to the United States of America from the Rebate Fund the Rebate Amount as of the end of any applicable Computation Date. The Trustee will, upon receipt of a Corporation Order and in accordance with the Indenture, withdraw from the Revenue Fund and deposit to the Rebate Fund such amount as will be required to be paid to the federal government as Excess Earnings. The Trustee will, upon receipt of a Corporation Order, pay such Excess Earnings to the United States of America. Alternatively, the Corporation may from time to time forgive Financed Eligible Loans to satisfy such requirement, in accordance with any Tax Document. In the event that on any Computation Date the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon receipt of written instructions from an Authorized Representative specifying the amount of the excess, will withdraw such excess amount and deposit it in the Revenue Fund.

Notwithstanding anything in the Indenture to the contrary, in the event the Corporation and the Trustee will receive a Favorable Opinion to the effect that it is not necessary under either existing statutes and court decisions or under any then federal legislation to pay any portion of earnings on Funds held under the Indenture or Excess Earnings to the United States of America in order to assure the exclusion from gross income for federal income tax purposes of interest on any Tax-Exempt Bonds, then the provisions described above need not be complied with and will no longer be effective and all or a portion of such amounts on deposit in the Rebate Fund will be transferred to the Revenue Fund.

Operating Fund. The Trustee will transfer to the Corporation for deposit to the Operating Fund the amount, if any, specified in each Supplemental Indenture. The Trustee will also transfer to the Corporation for deposit to the Operating Fund the amounts transferred from the Revenue Fund pursuant to the Indenture. The Operating Fund will be held by the Corporation, and no Registered Owner will have any right, title or interest in the Operating Fund. Amounts deposited in the Operating Fund will be used to pay Indenture Expenses.

The amount deposited in the Operating Fund and the schedule of deposits will be determined by the Corporation or set forth in a Supplemental Indenture, and the requisition, in the form of a Corporation Order provided by the Corporation to the Trustee, further will include a statement that the amount requisitioned, when combined with the amount requisitioned previously in the Fiscal Year, does not exceed the limitations set forth in the Indenture or any Supplemental Indenture, and will direct to which depository bank such transfer or deposit, or any designated portion thereof, will be transferred or deposited. The Corporation has covenanted that the amount so transferred in any one Fiscal Year will not exceed the amount budgeted by the Corporation as Indenture Expenses for such Fiscal Year with respect to the Bonds and as may be limited by a Supplemental Indenture, unless the Corporation has satisfied the Rating Agency Condition with respect to such greater amounts.

Transfers to The Corporation. No transfers from the Revenue Fund to the Corporation may be made pursuant to the Indenture if there is not on deposit in the Debt Service Reserve Fund an amount equal to at least the Debt Service Reserve Fund Requirement, and unless all conditions contained in any Supplemental Indenture are complied with and the Trustee has received (a) a certificate of an Authorized Representative of the Corporation to the effect that all rebate liability as calculated pursuant to any Tax Document through the date of such transfer has been paid or deposited in the Rebate Fund; and (b) either (i) a certificate of an Authorized Officer of the Corporation stating that, immediately following such release, the Parity Percentage will equal or exceed 140%; or (ii) the Corporation has satisfied the Rating Agency Condition.

Subject to compliance with the Indenture, the amounts so transferred to the Corporation free and clear of the lien of the Indenture and may be used for any proper purpose of the Corporation.

Investment of Funds Held by Trustee. The Trustee will invest money held for the credit of any Fund or Account or Subaccount held by the Trustee hereunder as directed in writing (or orally, confirmed in writing) by an Authorized Representative of the Corporation, to the fullest extent practicable and reasonable, in Investment Securities which will mature or be redeemed at the option of the holder prior to the respective dates when the money held for the credit of such Fund, Account or Subaccount will be required for the purposes intended. In the absence of any such direction and to the extent practicable, the Trustee will invest amounts held under the Indenture in those Investment Securities described in clause (h) of the definition of Investment Securities. The Trustee and the Corporation agree that unless an Event of Default will have occurred under the Indenture, the Corporation acting by and through an Authorized Representative will be entitled to, and will, provide written direction or oral direction

confirmed in writing to the Trustee with respect to any discretionary acts required or permitted of the Trustee under any Investment Securities, and the Trustee will not take such discretionary acts without such written direction.

The Investment Securities purchased will be held by the Trustee and will be deemed at all times to be part of such Fund or Account or Subaccounts or combination thereof, and the Trustee will inform the Corporation of the details of all such investments. Earnings with respect to, and any net gain on the disposition of, any such investments, except on investments contained in the Rebate Fund and the Operating Fund, will be deposited into the Revenue Fund as provided in the Indenture. Earnings on amounts contained in the Rebate Fund will remain in the Rebate Fund. Earnings on amounts contained in the Operating Fund will remain in the Operating Fund. Upon direction in writing (or orally, confirmed in writing) from an Authorized Representative of the Corporation, the Trustee will use its best efforts to sell at the best price obtainable, or present for redemption, any Investment Securities purchased by it as an investment whenever it is necessary to provide money to meet any payment from the applicable Fund. The Trustee will advise the Corporation in writing, on or before the fifteenth day of each calendar month (or such later date as reasonably consented to by the Corporation), of all investments held for the credit of each Fund in its custody under the provisions of the Indenture as of the end of the preceding month and the value thereof, and will list any investments which were sold or liquidated for less than their value at the time thereof.

Subject to any limitations in the Tax Documents, money in any Fund constituting a part of the Trust Estate may be pooled for the purpose of making investments and may be used to pay accrued interest on Investment Securities purchased. Subject to any limitations in the Tax Documents, the Trustee and its affiliates may act as principal or agent in the acquisition or disposition of any Investment Securities.

Notwithstanding the foregoing, the Trustee will not be responsible or liable for any losses on investments made by it under the Indenture or for keeping all Funds held by it fully invested at all times, its only responsibility being to comply with the investment instructions of the Corporation or its designee in compliance with the Trustee's standard of care described in the Indenture.

The Corporation acknowledges that to the extent the regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Corporation the right to receive brokerage confirmations of security transactions, the Corporation waives receipt of such confirmations.

The Corporation will retain the authority to institute, participate in and join in any plan of reorganization, readjustment, merger or consolidation with respect to the issuer of any Investment Securities held under the Indenture, and, in general, to exercise each and every other power or right with respect to such Investment Securities as individuals generally have and enjoy with respect to their own assets and investments, including power to vote upon any matter relating to holders of such Investment Securities.

Release. The Trustee will, upon Corporation Order and subject to the provisions of the Indenture, take all actions reasonably necessary to effect the release of any Financed Eligible Loans from the lien of the Indenture to the extent the terms thereof permit the sale, disposition or transfer of such Financed Eligible Loans.

Purchase of Bonds. Pursuant to the Indenture, any amounts held under the Indenture which are available to redeem Bonds of a particular Stated Maturity (and interest rate, if applicable) may instead be used to purchase Bonds of such Stated Maturity (and interest rate, if applicable) at the same times and subject to the same conditions (except as to price) as apply to the Bonds of such Stated Maturity (and interest rate, if applicable), except that such purchases made with amounts held under the Indenture will be made only if the purchase price is less than the required Redemption Price.

Defaults and Remedies

Events of Default Defined. For the purpose of the Indenture, the following events are defined as, and are declared to be, "Events of Default":

(a) default in the due and punctual payment of the principal of or interest on any of the Senior Bonds when due (other than the failure to make Principal Reduction Payments);

(b) if no Senior Bonds are Outstanding under the Indenture, default in the due and punctual payment of the principal of or interest on any of the Subordinate Bonds when due (other than the failure to make Principal Reduction Payments);

(c) default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Corporation to be kept, observed and performed contained in the Indenture or in the Bonds, and, if such default is capable of being cured, the continuation of such default for a period of 90 days after written notice thereof by the Trustee to the Corporation; and

(d) the occurrence of an Event of Bankruptcy.

Except as provided in the Indenture, the Trustee will not be required to take notice, or be deemed to have knowledge, of any default or Event of Default.

Any notice provided in the Indenture to be given to the Corporation with respect to any default will be deemed sufficiently given if sent by first-class mail with postage prepaid to the Person to be notified, addressed to such Person at the post office address as shown in the Indenture or such other address as may be given as the principal office of the Corporation in writing to the Trustee by an Authorized Officer of the Corporation. The Trustee may give any such notice in its discretion and will give such notice if requested to do so in writing by the Registered Owners of at least a majority of the collective aggregate principal amount of the Highest Priority Bonds at the time Outstanding.

Remedy on Default; Possession of Trust Estate. Subject to the provisions of the Indenture governing accelerated maturity, upon the happening and continuance of any Event of Default, the Trustee personally or by its attorneys or agents may enter into and upon and take possession of such portion of the Trust Estate as will be in the custody of others, and all property comprising the Trust Estate, and each and every part thereof, and exclude the Corporation and its agents, servants and employees wholly therefrom, and have, hold, use, operate, manage, and control the same and each and every part thereof, and in the name of the Corporation or otherwise, as they deem best, conduct the business thereof and exercise the privileges pertaining thereto and all the rights and powers of the Corporation and use all of the then existing Trust Estate for that purpose, and collect and receive all charges, income and Revenue of the same and of every part thereof, and after deducting therefrom all expenses incurred under the Indenture and all other proper outlays authorized under the Indenture, and all payments which may be made as just and reasonable compensation for its own services, and for the services of its attorneys, agents and assistants, the Trustee will apply the rest and residue of the money received by the Trustee as follows:

(a) if the principal of none of the Bonds has become due: *first*, to the Rebate Fund if necessary to comply with any Tax Document with respect to rebate or Excess Earnings; *second*, to the payment of Servicing and Administrative Fees and Indenture Expenses due and owning, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; *third*, to the payment of the interest in default on the Senior Bonds, in order of the maturity of the installments thereof, with interest on the overdue installments thereof at the same rates, respectively, as were borne by the Senior Bonds on which such interest is in default, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; *fourth*, to the payment of the interest in default on the Subordinate Bonds, in order of the maturity of the installments of such interest, with interest on the overdue installments thereof at the same rates, respectively, as were borne by the Subordinate Bonds on which such interest is in default, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference and, *fifth* to the payment of Program Expenses due and owing.

(b) if the principal of any of the Bonds has become due by declaration of acceleration or otherwise: *first*, to the Rebate Fund if necessary to comply with any Tax Document with respect to rebate or Excess Earnings; *second*, the payment of Servicing and Administrative Fees and Indenture Expenses due and owing, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; *third*, to the payment of the interest in default on the Senior Bonds, in the order of the maturity of the installments thereof, with interest on overdue installments thereof at the same rates, respectively, as were borne by the Senior Bonds on which such interest is in default; *fourth*, to the payment of the principal of all Senior Bonds then due, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference; *fifth*, to the payment of the interest in default on the Subordinate Bonds, in the order of the maturity of the installments thereof with interest on overdue installments thereof at the same rates, respectively, as were borne by the Subordinate Bonds on which such interest is in default, as the case may be; *sixth*, to the payment of the principal of all Subordinate Bonds then due, such payments to be made ratably based on amounts then due to the parties entitled thereto without discrimination or preference and, *seventh*, to the payment of Program Expenses due and owing.

Remedies on Default; Sale of Trust Estate. Upon the happening of any Event of Default and if the principal of all of the Outstanding Bonds has been declared due and payable, then and in every such case, and irrespective of whether other remedies authorized have been pursued in whole or in part, the Trustee may sell, with or without entry, to the highest bidder the Trust Estate, and all right, title, interest, claim and demand thereto and the right of redemption thereof, at any such place or places, and at such time or times and upon such notice and terms as may be required by law; provided, however, that no such sale will be made unless (a) the Trustee has received an opinion of Bond Counsel stating that adequate provision has been made to assure that such transfer will not impair the Corporation's capacity to comply with its obligations relative to the restrictions upon Portfolio Yield and to the rebate of certain amounts to the federal government as such obligations would be calculated upon the date of such opinion in accordance with any Tax Document and that such transfer will not affect adversely the exclusion from federal income taxation of interest on the Bonds afforded by Section 103 of the Code and (b) the Trustee has determined that such sale will result in the recovery of sufficient moneys, together with other amounts held under the Indenture, to pay the Bonds Outstanding in full, including all principal of and accrued interest on the Bonds Outstanding. Upon such sale the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale will be a perpetual bar both at law and in equity against the Corporation and all Persons claiming such properties. No purchaser at any sale will be bound to see to the application of the purchase money or to inquire as to the authorization, necessity, expediency or regularity of any such sale. The Trustee is hereby irrevocably appointed the true and lawful attorney-in-fact of the Corporation, in its name and stead, to make and execute all bills of sale, instruments of assignment and transfer and such other documents of transfer as may be necessary or advisable in connection with a sale of all or part of the Trust Estate, but the Corporation, if so requested by the Trustee, will ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary, or in the judgment of the Trustee, proper for the purpose which may be designated in such request. In addition, the Trustee may proceed to protect and enforce the rights of the Trustee and the Registered Owners of the Bonds in such manner as counsel for the Trustee may advise, whether for the specific performance of any covenant, condition, agreement or undertaking contained in the Indenture, or in aid of the execution of any power granted in the Indenture, or for the enforcement of such other appropriate legal or equitable remedies as may in the opinion of such counsel, be more effectual to protect and enforce the rights aforesaid. The Trustee will take any such action or actions if requested to do so in writing by the Registered Owners of a majority of the collective aggregate principal amount of the Highest Priority Bonds at the time Outstanding.

Appointment of Receiver. In case an Event of Default occurs, and if all of the Outstanding Bonds have been declared due and payable and in case any judicial proceedings are commenced to enforce any right of the Trustee or of the Registered Owners under the Indenture or otherwise, then as a matter of right, the Trustee will be entitled to the appointment of a receiver of the Trust Estate and of the earnings, income or Revenue, rents, issues and profits thereof with such powers as the court making such appointments may confer.

Restoration of Position. In case the Trustee will have proceeded to enforce any rights under the Indenture by sale or otherwise, and such proceedings will have been discontinued, or will have been determined adversely to the Trustee, then and in every such case to the extent not inconsistent with such adverse decree, the Corporation, the Trustee, and the Registered Owners, will be restored to their former respective positions and the rights under the Indenture in respect to the Trust Estate, and all rights, remedies, and powers of the Corporation, the Trustee and the Registered Owners will continue as though no such proceeding had been taken.

Accelerated Maturity. If an Event of Default has occurred and is continuing, the Trustee may declare, or upon the written direction by the Registered Owners of a majority of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding or due to the occurrence of an Event of Default pursuant to clause (d) of the definition thereof will, by notice in writing delivered to the Corporation not later than the next Business Day succeeding such direction, declare the principal of all Bonds then Outstanding and the interest thereon immediately due and payable, anything in the Bonds or the Indenture to the contrary notwithstanding, subject, however, to the provisions of the Indenture governing waivers of Events of Default; provided, however, that a declaration of acceleration upon a default pursuant to clause (c) of the definition of Event of Default will require the consent of 100% of the Registered Owners of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding.

The Trustee will give notice of a declaration of acceleration by first class mail, postage prepaid, to all Registered Owners of Outstanding Bonds; provided, however, that the giving of such notice will not be considered a precondition to the Trustee declaring the entire principal amount of the Bonds then Outstanding and the interest accrued thereon immediately due and payable. The Bonds will cease to accrue interest on the date of declaration of acceleration whether or not they are paid on such date.

Remedies Not Exclusive. The remedies in the Indenture conferred upon or reserved to the Trustee or the Registered Owners of Bonds are not intended to be exclusive of any other remedy, but each remedy provided in the Indenture will be cumulative and will be in addition to every other remedy given under the Indenture or now or hereafter existing, and every power and remedy given to the Trustee or the Registered Owners of Bonds, or any supplement thereto, may be exercised from time to time as often as may be deemed expedient. No delay or omission of the Trustee or any Registered Owner of Bonds to exercise any power or right arising from any default under the Indenture will impair any such right or power nor will be construed to be a waiver of any such default or to be acquiescence therein.

Direction of Trustee. Upon the happening of any Event of Default, the Registered Owners of a majority of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding will have the right by an instrument or instruments in writing delivered to the Trustee to direct and control the Trustee as to the method of taking any and all proceedings for any sale of any or all of the Trust Estate, or for the appointment of a receiver, if permitted by law, and may at any time cause any proceedings authorized by the terms of the Indenture to be so taken or to be discontinued or delayed; provided, however, that such Registered Owners will not be entitled to cause the Trustee to take any proceedings which in the Trustee's opinion would be unjustly prejudicial to non-assenting Registered Owners of Bonds, but the Trustee will be entitled to assume that the action requested by the Registered Owners of a majority of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding will not be prejudicial to any non-assenting Registered Owners unless the Registered Owners of a majority of the collective aggregate principal amount of the non-assenting Registered Owners of such Highest Priority Bonds, in writing, show the Trustee how they will be prejudiced. These provisions are expressly subject to the provisions of the Indenture.

Waivers of Events of Default. The Trustee may, in its discretion, waive any Event of Default under the Indenture and its consequences and rescind any declaration of acceleration of Bonds, and will do so upon the written request of the Registered Owners of a majority of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding; provided, however, that there will not be waived (a) any Event of Default in the payment of the principal of or premium on any Outstanding Bonds at the date of maturity or redemption thereof, or any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest or all arrears of payments of principal and premium, if any, and all fees and expenses of the Trustee, in connection with such default or otherwise incurred under the Indenture have been paid or provided for; or (b) any default in the payment of amounts relating to the Corporation's tax covenants contained in the Indenture. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such default will have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Corporation, the Trustee and the Registered Owners of Bonds will be restored to their former positions and rights under the Indenture respectively, but no such waiver or rescission will extend to or affect any subsequent or other default, or impair any rights or remedies consequent thereon.

The Trustee

The Trustee accepts the trusts imposed upon it by the Indenture, and agrees to perform said trusts, but only upon and subject to the following terms and conditions:

Except during the continuance of an Event of Default:

(a) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenants or obligations may be read into the Indenture against the Trustee; and

(b) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions which by any provisions of the Indenture are specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not they conform as to form with the requirements of the Indenture.

In case an Event of Default has occurred and is continuing, the Trustee, in exercising the rights and powers vested in it by the Indenture, will use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Before taking any action under the Indenture or refraining from taking any action under the Indenture, the Trustee may require that it be furnished an indemnity bond or other indemnity and security satisfactory to it by the Corporation or the Registered Owners, as

applicable, for the reimbursement of all expenses to which it may be put and to protect it against all liability including costs incurred in defending itself against any and all charges, claims, complaints, allegations, assertions or demands of any nature whatsoever arising from or related to its role as Trustee, except liability which results from the negligence or willful misconduct of the Trustee, including without limitation negligence or willful misconduct with respect to moneys deposited and applied pursuant to the Indenture.

Indemnification of Trustee. Other than with respect to its duties to make payment on the Bonds when due and its duty to pursue the remedy of acceleration as provided in the Indenture, for each of which no additional security, indemnity or consent may be required, the Trustee will be under no obligation or duty to take any action or refrain from taking any action under the Indenture or to perform any act at the request of Registered Owners or to institute or defend any suit in respect thereof unless properly indemnified and provided with security to its satisfaction as provided in the Indenture. The Trustee will not be required to take notice, or be deemed to have knowledge, of any default or Event of Default of the Corporation under the Indenture and may conclusively assume that there has been no such default or Event of Default (other than an Event of Default described in clause (a) or (b) of "Events of Default" defined above) unless and until it will have been specifically notified in writing at the address in the Indenture of such default or Event of Default by (a) the Registered Owners of the required percentages in principal amount of the Bonds then Outstanding specified above; (b) 100% of the Registered Owners of any Series of Bonds then Outstanding; and (c) an Authorized Representative of the Corporation. However, the Trustee may begin suit, or appear in and defend suit, execute any of the trusts created in the Indenture, enforce any of its rights or powers thereunder, or do anything else in its judgment proper to be done by it as Trustee, without assurance of reimbursement or indemnity, and in such case the Trustee will be reimbursed or indemnified by the Registered Owners requesting such action, if any, for all fees, costs and expenses, liabilities, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith, unless such costs and expenses, liabilities, outlays and attorneys' fees and other reasonable disbursements properly incurred in connection therewith are adjudicated to have resulted from the negligence or willful misconduct of the Trustee. In furtherance and not in limitation of this section, the Trustee will not be liable for, and will be held harmless by the Corporation from, following any Corporation Orders, instructions or other directions upon which the Trustee is authorized to rely pursuant to the Indenture or any other agreement to which it is a party. If the Corporation or the Registered Owners, as appropriate, fail to make such reimbursement or indemnification, the Trustee may reimburse itself from any money in its possession under the provisions of the Indenture, (i) except during the continuance of an Event of Default, subject only to the prior lien of the Bonds for the payment of the principal thereof, premium, if any, and interest thereon from the Revenue Fund; and (ii) during the continuance of an Event of Default in accordance with the remedy on default of the possession of the trust estate as described in the Indenture. None of the provisions contained in the Indenture or any other agreement to which it is a party will require the Trustee to act or to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if the Registered Owners will not have offered security and indemnity acceptable to it or if it will have reasonable grounds for believing that prompt repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Trustee's Right to Reliance. The Trustee will be protected in acting upon any notice, resolution, request, consent, order, certificate, report, appraisal, opinion, report or document of the Corporation or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties; and the Trustee will be under no duty to make any investigation as to any statement contained in any such instrument, paper or document, but may accept the same as conclusive evidence of the truth and accuracy of such statement. Before acting or refraining from acting in the administration of the Indenture, the Trustee may consult with experts and with counsel (who may be counsel for the Corporation), and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered, and in respect of any determination made by it under the Indenture in good faith and in accordance with the opinion of such counsel.

Should the Trustee deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action under the Indenture, the Trustee (unless other evidence be specifically prescribed in the Indenture) may require and, in the absence of bad faith on its part, may rely upon a certificate signed by an Authorized Representative of the Corporation. Whenever in the administration of the Indenture the Trustee is directed to comply with a Corporation Order, the Trustee will be entitled to act in reliance on such Corporation Order; provided, however, that the Trustee will not comply with any Corporation Order which does not comply with the express terms and provisions of the Indenture or which directs the Trustee to take any action that is not expressly permitted by the terms and provisions of the Indenture.

The Trustee will not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Corporation but the Trustee may require of the Corporation full

information and advice as to the performance of any covenants, conditions or agreements pertaining to Financed Eligible Loans.

The Trustee will not be liable for any action taken, suffered, or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture or error of judgment made in good faith; provided, however, that the Trustee will be liable for its negligence or willful misconduct. The permissive right of the Trustee to take action under or otherwise do things enumerated in the Indenture will not be construed as a duty.

The Trustee is authorized, under the Indenture, subject to certain provisions thereof, including tax covenants of the Corporation, to sell, assign, transfer or convey Financed Eligible Loans in accordance with a Corporation Order. The Trustee is further authorized to enter into agreements with other Persons, in its capacity as Trustee, in order to carry out or implement the terms and provisions of the Indenture.

The Trustee will not be liable for any action taken or omitted by it in good faith on the direction of the Registered Owners of a majority of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding as to the time, method, and place of conducting any proceedings for any remedy available to the Trustee or the exercising of any power conferred by the Indenture.

Compensation of Trustee. Except as otherwise expressly provided in the Indenture, all advances, counsel fees (including without limitation allocated fees of in-house counsel) and other expenses reasonably made or incurred by the Trustee in and about the execution and administration of the trust thereby created and reasonable compensation to the Trustee for its services in the premises will be paid by the Corporation. The compensation of the Trustee will not be limited to or by any provision of law in regard to the compensation of Trustees of an express trust. Except during the continuance of an Event of Default, the fees of the Trustee will be limited to those set forth in the most resent engagement letter executed by the Trustee and an Authorized Officer of the Corporation. If not paid by the Corporation, the Trustee will have a lien against all money held pursuant to the Indenture (other than the moneys and investments held in the Rebate Fund), (a) except during the continuance of an Event of Default, subject only to the prior lien of the Bonds against the money and investments in the Revenue Fund for the payment of the principal thereof, premium, if any, and interest thereon, for such reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts created by the Indenture and the exercise and performance of the powers and duties of the Trustee thereunder and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful misconduct of the Trustee); and (b) during the continuance of an Event of Default in accordance with the remedy on default of the possession of the Trust Estate as described in the Indenture.

Resignation of Trustee. The Trustee and any successor to the Trustee may resign and be discharged from the trust created by the Indenture by giving to the Corporation notice in writing which notice will specify the date on which such resignation is to take effect; provided, however, that such resignation will only take effect on the day specified in such notice if a successor Trustee will have been appointed pursuant to the Indenture (and is qualified to be the Trustee under the requirements of the Indenture) and said successor Trustee will have accepted such appointment in writing. If no successor Trustee has been appointed by the later of the date specified or 30 days after the receipt of the notice by the Corporation, the Trustee may (a) appoint a temporary successor Trustee having the qualifications required by the Indenture; or (b) request a court of competent jurisdiction to (i) require the Corporation to appoint a successor, as provided in the Indenture, within three days of the receipt of citation or notice by the court, or (ii) appoint a Trustee having the qualifications set forth in the Indenture. In no event may the resignation of the Trustee be effective until a qualified successor Trustee will have been selected and appointed and said successor Trustee will have accepted such appointment in writing. In the event a temporary successor Trustee is appointed pursuant to clause (a) above, the Corporation may remove such temporary successor Trustee and appoint a successor thereto pursuant to the Indenture.

Removal of Trustee. The Trustee or any successor Trustee may be removed (a) at any time by the Registered Owners of a majority of the collective aggregate principal amount of the Highest Priority Bonds then Outstanding; (b) by the Corporation for cause or upon the sale or other disposition of the Trustee or its trust functions; or (c) by the Corporation without cause so long as no Event of Default exists or has existed within the last 30 days, upon payment to the Trustee so removed of all money then due to it under the Indenture and appointment of a successor thereto by the Corporation and acceptance thereof by said successor. One copy of any such order of removal will be filed with the Corporation and the other with the Trustee so removed.

In the event a Trustee (or successor Trustee) is removed, by any Person or for any reason permitted under the Indenture, such removal will not become effective until (a) in the case of removal by the Registered Owners,

such Registered Owners by instrument or concurrent instruments in writing (signed and acknowledged by such Registered Owners or their attorneys-in-fact) filed with the Trustee removed have appointed a successor Trustee or otherwise the Corporation will have appointed a successor; and (b) the successor Trustee has accepted appointment as such.

Successor Trustee. In case at any time the Trustee or any successor Trustee will resign, be dissolved, or otherwise will be disqualified to act or be incapable of acting, or in case control of the Trustee or of any successor Trustee or of its officers will be taken over by any public officer or officers, a successor Trustee may be appointed by the Corporation by an instrument in writing duly authorized by resolution. In the case of any such appointment by the Corporation of a successor to the Trustee, the Corporation will forthwith cause notice thereof to be mailed to the Registered Owners of the Bonds at the address of each Registered Owner appearing on the bond registration books maintained by the Registrar.

Every successor Trustee appointed by the Registered Owners, by a court of competent jurisdiction, or by the Corporation will be a bank or trust company in good standing, organized and doing business under the laws of the United States or of a state therein, which has a reported capital and surplus of not less than $50,000,000, be authorized under the law to exercise corporate trust powers, including maintaining the Funds and Accounts created pursuant to the Indenture (other than the Operating Fund) as Eligible Accounts and be subject to supervision or examination by a federal or state authority.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Registered Owners. The Corporation and the Trustee may, without the consent of or notice to any of the Registered Owners enter into any indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in the Indenture;

(b) to grant to or confer upon the Trustee for the benefit of the Registered Owners any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Registered Owners or the Trustee;

(c) to subject to the Indenture additional revenues, properties or collateral;

(d) to modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification of the Indenture and any indenture supplemental thereto under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(e) to evidence the appointment of a separate or co-Trustee or a co-registrar or transfer agent or the succession of a new Trustee under the Indenture;

(f) to add such provisions to or to amend such provisions of the Indenture as may be necessary or desirable to assure implementation of the Program if, together with such Supplemental Indenture there is filed a an opinion of counsel (which may be counsel to the Corporation) addressed to the Corporation and the Trustee to the effect that the addition or amendment of such provisions will not impair the existing security of the Registered Owners of any Outstanding Bonds;

(g) to make any change as will be necessary in order to obtain and maintain for any of the Bonds an investment grade Rating from a nationally recognized rating service, if along with such Supplemental Indenture there is filed a Bond Counsel's opinion addressed to the Trustee to the effect that such changes will in no way impair the existing security of the Registered Owners of any Outstanding Bonds;

(h) to make any changes necessary to comply with the Code and the regulations promulgated thereunder;

(i) to provide for the issuance of Bonds pursuant to the provisions of the Indenture, including the creation of appropriate Funds, Accounts and Subaccounts with respect to such Bonds;

(j) to create any additional Funds or Accounts or Subaccounts under the Indenture deemed by the Trustee to be necessary or desirable;

(k) except with respect to any Account within the Debt Service Reserve Fund established for a Series of Bonds for which the State of Vermont may appropriate funds for deposit to the Debt Service Reserve Fund with respect to a Series of Bonds pursuant to Section 2867 of the Authorizing Act, to amend the Indenture to provide for use of a surety bond or other financial guaranty instrument in lieu of cash and/or Investment Securities in all or any portion of the Debt Service Reserve Fund upon satisfaction of the Rating Agency Condition;

(l) to modify any of the provisions of the Indenture in any respect whatever; provided, however, that (i) such modification will be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the execution by the Corporation of such Supplemental Indenture will cease to be Outstanding; and (ii) such Supplemental Indenture will be specifically referred to in text of all Bonds of any Series authenticated and delivered after the date of the execution by the Corporation of such Supplemental Indenture and of Bonds issued in exchange therefore or in place thereof; or

(m) to make any other change (other than changes with respect to any matter requiring satisfaction of the Rating Agency Condition unless the Bonds are not rated at the time) which, in the judgment of the Trustee is not materially adverse to the Registered Owners of any Bonds;

provided, however, that nothing above will permit, or be construed as permitting, any modification of the trusts, powers, rights, duties, remedies, immunities and privileges of the Trustee without the prior written approval of the Trustee.

Supplemental Indentures Requiring Consent of Registered Owners. Exclusive of Supplemental Indentures covered by the previous section and subject to the terms and provisions described in this section, and not otherwise, the Registered Owners of not less than a majority of the collective aggregate principal amount of the Bonds then Outstanding will have the right, from time to time, to consent to and approve the execution by the Corporation and the Trustee of such other indenture or indentures supplemental to the Indenture as will be deemed necessary and desirable by the Corporation for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that nothing in this section will permit, or will be construed as permitting (a) without the consent of the Registered Owners of all then Outstanding Bonds affected thereby, (i) an extension of the maturity date of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds except as otherwise provided in the Indenture; (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture; or (v) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding under the Indenture except as otherwise provided in the Indenture; or (b) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the prior written approval of the Trustee.

If at any time the Corporation will request the Trustee to enter into any such Supplemental Indenture for any of the purposes described in this section, the Trustee will, upon being satisfactorily secured with respect to expenses cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each Registered Owner of a Bond at the address shown on the registration records. Such notice will briefly set forth the nature of the proposed Supplemental Indenture and will state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Registered Owners. If, within 60 days, or such longer period as will be prescribed by the Corporation, following the mailing of such notice, the Registered Owners of not less than a majority of the collective aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture will have consented in writing to and approved the execution thereof as provided in the Indenture, no Registered Owner of any Bond will have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Corporation from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as permitted and provided in this section, the Indenture will be and be deemed to be modified and amended in accordance therewith.

Additional Limitation on Modification of Indenture. No amendment to the Indenture or to the indentures supplemental thereto will be effective unless the Trustee receives an opinion of Bond Counsel to the effect that such amendment was adopted in conformance with the Indenture and will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

Satisfaction of Indenture

If the Corporation will pay, or cause to be paid, or there will otherwise be paid (a) to the Registered Owners of the Bonds, the principal of and interest on the Bonds, at the times and in the manner stipulated in the Indenture and (b) to the United States of America, the amount required to be rebated in satisfaction of its obligations as described in any Tax Document, then the pledge of the Trust Estate, except the Rebate Fund, which is not pledged under the Indenture, and all covenants, agreements, and other obligations of the Corporation to the Registered Owners of Bonds other than as provided in the Corporation's tax covenants as described in the Indenture will thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee will execute and deliver to the Corporation all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee will pay over or deliver all money held by it under the Indenture to the party entitled to receive the same under the Indenture. If the Corporation will pay or cause to be paid, or there will otherwise be paid, to the Registered Owners of any Outstanding Bonds the principal of and interest on such Bonds, such Bonds will cease to be entitled to any lien, benefit, or security under the Indenture, and all covenants, agreements, and obligations of the Corporation to the Registered Owners thereof will thereupon cease, terminate, and become void and be discharged and satisfied.

Bonds or interest installments will be deemed to have been paid within the meaning of the previous paragraph if money for the payment or redemption thereof has been set aside and is being held in trust by the Trustee at the Stated Maturity or earlier redemption date thereof. Any Outstanding Bond will, prior to the Stated Maturity or earlier redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in the previous paragraph if (i) such Bond is to be redeemed on any date prior to its Stated Maturity; and (ii) the Corporation will have given notice of redemption as provided in the Indenture on said date and there will have been deposited with the Trustee either money (fully insured by the Federal Deposit Insurance Corporation or fully collateralized by Governmental Obligations) in an amount which will be sufficient, or Governmental Obligations (including any Governmental Obligations issued or held in book-entry form on the books of the Department of Treasury of the United States of America) the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, will be sufficient, to pay when due the principal of and interest to become due on such Bond on and prior to the redemption date or Stated Maturity thereof, as the case may be, provided that with respect to the defeasance of Bonds in a variable-rate mode (the "Variable Rate Bonds") for which the interest rate cannot be determined at the time of defeasance, the Corporation will have deposited funds with the Trustee sufficient to pay interest at the maximum rate allowable on the Variable Rate Bonds for the defeasance period. Notwithstanding anything in the Indenture to the contrary, however, no such deposit will have the effect specified in this paragraph: (A) if made during the existence of an Event of Default, unless made with respect to all of the Bonds then Outstanding; (B) unless on the date of such deposit there will be provided to the Trustee a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay in full the Outstanding Bonds to be redeemed or to be deemed paid pursuant to this paragraph; and (C) unless there will be delivered to the Trustee an opinion of Bond Counsel to the effect that such deposit will not, in and of itself, adversely affect any exclusion from gross income for federal income tax purposes of interest on any Bond. Neither Governmental Obligations nor money deposited with the Trustee pursuant to this paragraph nor principal or interest payments on any such Governmental Obligations will be withdrawn or used for any purpose other than, and will be held irrevocably in trust in an escrow account for, the payment of the principal of and interest on such Bonds. Any cash received from such principal of and interest on such Governmental Obligations deposited with the Trustee, if not needed for such purpose, will, to the extent practicable, be reinvested in Governmental Obligations maturing at times and in amounts sufficient to pay when due the principal of and interest on such Bonds on and prior to such redemption date or Stated Maturity thereof, as the case may be, and interest earned from such reinvestments will be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien, or pledge. Any payment for Governmental Obligations purchased for the purpose of reinvesting cash as aforesaid will be made only against delivery of such Governmental Obligations. For the purposes of this paragraph, "Governmental Obligations" will mean and include only non-callable direct obligations of the Department of the Treasury of the United States of America or portions thereof (including interest or principal portions thereof). Such Governmental Obligations will be of such amounts, maturities, and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make the payments required in the Indenture, and which obligations have been deposited in an escrow account which is irrevocably pledged as

security for the Bonds. Such term will not include mutual funds and unit investment trusts. The provisions of this section are applicable to the Bonds.

Cancellation of Paid Bonds. Any Bonds which have been paid or purchased by the Corporation, Bonds exchanged for new Bonds, mutilated Bonds replaced by new Bonds, and any temporary Bond for which definitive Bonds have been delivered will (unless otherwise directed by the Corporation by Corporation Order) forthwith be cancelled by the Trustee and, except for temporary Bonds, returned to the Corporation.

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APPENDIX B

SUMMARY OF CERTAIN FEATURES OF THE PROGRAM

The Corporation will originate private education loans with the proceeds of the Series 2010A-1 Bonds, and other monies available for such purposes. The Corporation makes its private education loans in accordance with the provisions of the Corporation's Program Documentation. All of the provisions of the Program Documentation may be modified by the Corporation from time to time or waived on a case-by-case basis, subject to any limitations contained in a Supplemental Indenture.

This Appendix B contains a brief description of the eligible borrowers, the eligible loan terms, the eligible educational institutions, the loan origination process, including borrower eligibility and credit analysis, and the loan servicing process under the Program.

VSAC FIXED RATE LOAN PROGRAM

General

Under the VSAC Fixed Rate Loan Program (the "Program"), the Corporation originates non-guaranteed, private, fixed rate, education loans (the "Eligible Loans") to creditworthy borrowers attending educational institutions that are eligible to receive Title IV funds as well as programs authorized or approved by a U.S. public entity or state agency, or accredited by a U.S. accrediting agency recognized by the U.S. Department of Education or by a professional accrediting body (an "Eligible Institution").

Eligible Borrowers

Under the Program the student is required to be a borrower (the "Student Borrower"). In addition, a parent, legal guardian, or any other individual meeting the credit standards established by the Corporation for the Program is required to be a co-signer. The Student Borrower must be a Vermont resident or be attending a Vermont based school. Each of the Student Borrower and the co-signer must be a U.S. citizen or eligible non-citizen of the United States (as defined by FFEL). In all cases, the Student Borrower must be currently enrolled or admitted to an Eligible Institution on at least a half-time basis. The Corporation has established the underwriting criteria described herein for the Program.

A co-signer may be released from his or her obligation on a Financed Eligible Loan after 48 payments have been made on such Financed Eligible Loan. For a co-signer to be released, the Student Borrower must request the release, meet the minimum 700 FICO credit score requirement in effect at the time the Financed Eligible Loan was made, and have no adverse credit history.

Eligible Loan Terms

The Corporation anticipates Eligible Loans financed with the proceeds of the Series 2010A-1 Bonds and other available funds to have the following terms:

a) bear a fixed rate of interest which the Corporation anticipates will be competitive with federal and other non-federal student loan programs; the actual interest rate will be 6.90% per annum if the Student Borrower chooses to begin immediate repayment, 7.35% per annum if the Student Borrower chooses to defer interest while the Student Borrower is in school or 7.75% per annum if the Student Borrower chooses to defer principal and interest while the Student Borrower is in school ;

b) a substantial portion of the Financed Eligible Loans will not go into repayment until after the Student Borrower leaves school; although some Student Borrowers may elect to begin repayment within forty-five (45) days of final disbursement of their Financed Eligible Loan (certain limitations on the amount of Financed Eligible Loans which can have deferred interest and/or principal are summarized below);

c) an origination fee of 0%, 3% or 5% is to be deducted from the Student Borrower's loan amount, depending upon the creditworthiness of the Student Borrower and co-signer;

d) Financed Eligible Loans may be extended by forbearance for a cumulative total of up to three (3) years, at the discretion of the Corporation, for situations of documented financial hardship;

e) Eligible Loans of $10,000 or more will provide for repayment in level monthly installments over a maximum of 15 years while Eligible Loans of less than $10,000 will amortize in such manner over a maximum of ten (10) years; subject to extension by forbearance.

f) all Financed Eligible Loans may be prepaid in full or in part at any time without penalty; and

g) the amount of the Financed Eligible Loan cannot exceed the certified cost of education as determined by the Eligible Institution, less other financial aid (loan amounts are expected to range from $200 to approximately $50,000).

Based on the Corporation's past experience and discussions with Eligible Institutions, the Corporation expects an aggregate demand for Eligible Loans during the Origination Period at least sufficient to expend the amount deposited to the Student Loan Fund in connection with the issuance of the Series 2010A-1 Bonds.

The Corporation shall not originate or finance an Eligible Loan if, subsequent to the origination or financing of such Eligible Loan:

a) both the principal and interest on such Eligible Loan is to initially be deferred by the Student Borrower and the aggregate principal amount of all Financed Eligible Loans for which both the principal and interest are deferred shall exceed 70% of the aggregate principal amount of all Financed Eligible Loans; provided however that, notwithstanding the foregoing, the Corporation may originate and finance $15,305,929 of such Eligible Loans described in this paragraph (a) prior to June 15, 2011.

b) both the principal and interest on such Eligible Loan is to initially be deferred by the Student Borrower, such Eligible Loan is being made to a Student Borrower who has more than three years before his or her anticipated separation date from the related Eligible Institution and the aggregate principal amount of all Financed Eligible Loans made to Student Borrowers who have more than three years before their anticipated separation date from their related Eligible Institution and for which both principal and interest are deferred shall exceed 60% of the aggregate principal amount of all Financed Eligible Loans for which both principal and interest are deferred; provided however that, notwithstanding the foregoing, the Corporation may originate and finance $9,183,557 of such Eligible Loans described in this paragraph (b) prior to June 15, 2011; and

c) such Eligible Loan is being made to a Student Borrower attending a Proprietary School and the aggregate principal amount of all Financed Eligible Loans made to borrowers attending Proprietary Schools shall exceed 10% of the aggregate principal amount of all Financed Eligible Loans; provided however that, notwithstanding the foregoing, the Corporation may originate and finance $2,186,561 of such Eligible Loans described in this paragraph (c) prior to June 15, 2011.

Any amounts or percentages contained above may be modified upon satisfaction of the Rating Agency Condition.

Under the Soldiers' and Sailors' Civil Relief Act of 1940 loans entered into by persons on active duty in military service prior to their period of active duty may bear interest at no more than 6% per year for the period of such person's active service. Accordingly, payments received by the Corporation on Financed Eligible Loans from a Student Borrower who qualifies for such relief may be subject to such limitation during the Student Borrower's period of active military duty.

In addition to the Program there are several other financing sources available to students attending institutions of higher education and authorized programs or the parents of such students. Such other sources include, without limitation, federal programs such as the Federal Direct Loan Program; state-sponsored and private supplemental loan programs and home equity loans. The terms and availability of financing under such programs

vary, and the terms and availability of individual programs are subject to change from time to time. Although the Corporation believes that the Eligible Loans it expects to make available under the Program should be competitive in the currently prevailing market for such loans, the availability for such other lending sources in general and the federal programs in particular, may impact adversely the number and amount of Eligible Loans originated under the Program.

The Corporation has not originated any Eligible Loans under the Program to date.

Credit Evaluation by the Corporation

Applications for the Program are submitted to the Corporation which conducts the loan application review activities described below. The Corporation performs a credit evaluation of all Eligible Loan applications. The credit evaluation includes, but is not limited to, FICO credit scoring and a credit report history for the co-signer. The Student Borrower must not have any defaulted education loans with the Corporation. All Student Borrowers are required to have a co-signer. The minimum FICO credit score permitted under the Program is 700.

The Corporation may also deny an application for other reasons, provided that the Corporation's denial is in accordance with applicable law.

The Corporation requests one or more credit bureau reports on the Student Borrower's co-signer. Credit reports more than one-hundred twenty (120) days old are not to be used for underwriting purposes.

The Corporation retains the right to change its underwriting methodology, subject to any limitations contained in a Supplemental Indenture, and in some cases, satisfaction of the Rating Agency Condition.

The following table sets forth the FICO credit scoring on loan disbursements under the Corporation's existing "Advantage" variable rate loan program (the "Advantage Loan Program") during the prior and present academic years. Such table is set forth for informational purposes and is not necessarily representative of the FICO credit scores of future borrowers whose loans may be financed under the Program with proceeds of the Series 2010A-1 Bonds and other amounts pledged under the Indenture.

Advantage Loans Approved between July 1, 2009 and May 31, 2010

FICO Range	Origination Volume	% of Originations	% Cosigned
> = 800	$ 5,134,533	24.2%	100.0%
750-799	9,613,815	45.2	100.0
700-749	6,498,457	30.6	100.0
< =699	-	0.0	0.0
TOTAL	$21,246,805	100.0%	100.0%

Advantage Loans Approved between July 1, 2008 and June 30, 2009

FICO Range	Origination Volume	% of Originations	% Cosigned
> = 800	$ 5,369,821	17.0%	99.6%
750-799	14,141,998	44.8	96.1
700-749	9,701,450	30.7	75.9
< =699	2,351,014	7.4	100.0
TOTAL	$31,564,283	100.0%	90.8%

Certification by the Eligible Institution

After credit evaluation, the Corporation then notifies the appropriate Eligible Institution that an applicant has been approved or denied, and in the case of approvals requires that the Eligible Institution certify that the Student Borrower is currently enrolled and that the loan amount, before fees, does not exceed cost of attendance less other financial aid (including other student loans).

Eligible Institutions

Any Title IV eligible institution in the United States or an authorized program may participate in the Program. Authorized programs are authorized or approved by a U.S. public entity or state agency, or are accredited

by a U.S. accrediting agency recognized by the Department of Education or by a professional accrediting body. The following Vermont institutions have been participating in the Advantage Loan Program:

Bennington College
Burlington College
Castleton State College
Champlain College
College of St. Joseph
Community College of Vermont
Fanny Allen Memorial School of Practical Nursing
Fletcher Allen Health Care School of Cytotechnology
Goddard College
Green Mountain College
Johnson State College
Landmark College
Lyndon State College
Marlboro College
Middlebury College
New England Culinary Institute
Norwich University
O'Brien's Aveda Training Institute
Putnam Memorial School of Nursing
Rutland Hospital of X-ray Technology
Saint Michael's College
School for International Training
Southern Vermont College
Sterling College
The Salon Professional Academy
Thompson School for Practical Nursing
Trinity College
University of Vermont and State Agricultural College
Vermont Law School
Vermont Technical College
Woodbury College

The following table sets forth the institutional distribution of Corporation's Advantage Loan Program disbursements during the 2009-2010 Academic Year to date:

Distribution of Advantage Loan Program Loans by School Type for Loans Disbursed in the 2009-2010 Academic Year through May 31, 2010

School Type	Amounts Disbursed[1]	Percent of Loans By Disbursement Amount	# of Loans
Four-Year School	$15,411,144	75.8%	1,607
Proprietary	1,343,731	6.6	111
Two-Year School	3,584,624	17.6	367
TOTAL	$20,339,499	100.0%	2,085

Distribution of Advantage Loan Program Loans by School Type for Loans Disbursed in the 2008-2009 Academic Year through June 30, 2009

School Type	Amounts Disbursed[1]	Percent of Loans By Disbursement Amount	# of Loans
Four-Year School	$22,143,833	74.5%	2,468
Proprietary	4,974,218	16.7	538
Two-Year School	2,602,151	8.8	173
TOTAL	$29,720,202	100.0%	3,179

Loan Disbursement

Loan Disbursements are sent to Eligible Institutions via electronic funds transfer (EFT) in 2 equal installments. Eligible Institutions not utilizing EFT receive two equal installments via check made co-payable (to the Student Borrower and the Eligible Institution). Single disbursement loans for one semester are also permitted.

Servicing

Financed Eligible Loans will be serviced after origination by the Corporation. However, the Corporation reserves the right to use other servicers with appropriate approvals.

Defaults

The Program. When a Financed Eligible Loan is 180 days past due, it is deemed to be "defaulted." The Corporation retains responsibility for enforcement and settlement decisions related to defaulted accounts, including the commencement of legal action against the Primary Borrower or the co-signer to collect the Financed Eligible Loan. The Corporation has in the past engaged outside third party collection agencies to collect on all defaulted Financed Eligible Loans and currently expects to continue such practice.

When a student borrower dies or becomes totally and permanently disabled (as documented according to the requirements of the Corporation), the Corporation releases the borrower (and his or her estate) and co-signer from liability on such Financed Eligible Loan.

Prior Private Education Loan Programs. The Corporation has administered several private loan programs since 1994. The student population served from 1994 through 2004 was primarily law and medical students. These loans were made directly to the students, without co-signers, recognizing the student as credit-ready based on their likely earnings potential from the chosen profession.

In 2004, the Corporation designed a private loan targeted primarily at undergraduate students, the Advantage Loan. While continuing to offer loans to law and medical students, the loan volume from the new undergraduate program increased dramatically. These undergraduate students chose whether to obtain a co-signer or to pay higher origination fees and/or interest rates when borrowing without a co-signer.

In 2007, VSAC significantly increased the credit underwriting criteria for the Advantage Loan. This resulted in a major shift from an average of approximately 20% of co-signed loans each year to over 83% co-signed loans in 2007. The weighted average FICO credit score of the portfolio increased from 585 in 2006 to 765 in 2007 and has stayed above 760 every year since then. In 2009, 100% of the Advantage Loans were required to have co-signers.

As the Advantage Loan Program has evolved to include enhanced credit underwriting criteria and the requirement of a co-signer, the default experience has improved through the periods described above. For the entire Advantage Loan Program dating from 2004 through 2010, which included variable rate loans made prior to the imposition of such enhanced credit underwriting criteria and the shortening of the standard of default from 360-days past due to 180-days past due, total gross default experience was approximately 12.2% as of April 30, 2010 for all loans originated under the Advantage Loan Program that have entered repayment within that period. However, while the years of repayment data are limited, the Advantage Loan Program 2006 cohort (FICO credit score of 699 or higher) of $1.9 million loans in repayment showed a cumulative gross default rate of 3.2% as of May 31, 2010 and the Advantage Loan Program 2007 cohort (FICO credit scores of 699 or higher) of $5.2 million loans in repayment showed a cumulative gross default rate of 3.0% as of May 31, 2010. While the experience of these more recent cohorts is limited and no assurances can be given, the Corporation expects that, given additional enhanced credit underwriting standards, the default experience under the Program will further improve.

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APPENDIX C

FACTORS AFFECTING WEIGHTED AVERAGE LIFE OF THE SERIES 2010A-1 BONDS MATURING DECEMBER 15, 2030

This APPENDIX C contains certain forward-looking statements representing projections offered by the Corporation. The Program being financed under the Indenture differs from the loan programs the Corporation has financed in the past. There is no directly applicable operating history to rely on in establishing the assumptions affecting the weighted average life discussed in this APPENDIX C. There can be no assurance that actual results will not vary substantially from the assumptions presented in this APPENDIX C.

Prepayments on pools of Financed Eligible Loans can be calculated based on a variety of prepayment models. The model used herein to calculate prepayments is the constant prepayment rate and is referred to herein as the "CPR" model. The CPR model is based on prepayments assumed to occur at a constant percentage rate. CPR is stated as an annualized rate and is calculated as the percentage of the loan amount outstanding at the beginning of a period (including accrued interest to be capitalized), after applying scheduled payments, that prepays during that period.

The CPR model assumes that Financed Eligible Loans will prepay in each month according to the following formula:

$$\text{Monthly Prepayments} = (\text{Pool Balance after scheduled payments}) \times (1-(1-\text{CPR})^{1/12})$$

The CPR model does not purport to describe historical prepayment experience or to predict the prepayment rate of any actual student loan pool. The Financed Eligible Loans pledged under the Indenture will not prepay according to the CPR, nor will all of the Financed Eligible Loans pledged under the Indenture prepay at the same rate. Potential investors must make an independent decision regarding the appropriate principal prepayment scenarios to use in making any investment decision.

In addition to prepayments, there are several other factors that affect the weighted average life of the Series 2010A-1 Bonds maturing on December 15, 2030 (the "2030 Bonds"). These factors include, but are not limited to:

- the percentage of the loans originated based on loan product type;
- for deferred and interest-only loan products, the number of months for the loan to move from in-school status to repayment status;
- the percentage of the loans that may enter into forbearance status as well as the length of time such loans would remain in that status; and
- the default rate (and timing thereof) experienced by the Financed Eligible Loans as well as the recovery rate (and timing thereof) on defaulted loans.

For the sole purpose of calculating the information presented in the table below, the Corporation has assumed, without limitation, the following:

- the aggregate amount of Financed Eligible Loans is based upon the bond proceeds and other funds anticipated to be on deposit in the Student Loan Fund as of the Date of Issuance, as well as Revenues used for recycling prior to June 15, 2012;
- $21,865,612 of the Financed Eligible Loans are originated on June 15, 2011 with 30% of the Financed Eligible Loans being made to borrowers in their "freshmen" year, 30% of the Financed Eligible Loans being made to borrowers in their "sophomore" year, 20% of the Financed Eligible Loans being made to borrowers in their "junior" year, and 20% of the Financed Eligible Loans being made to borrowers in their "senior" year, and with each Financed Eligible Loan being subject to an average origination fee of 2.95%;

- all recycling Revenues are assumed to be spent on the last day of the recycling period and used to originate deferred loans evenly among borrowers that are freshmen, sophomore, junior and seniors;
- the Date of Issuance is August 3, 2010;
- the pool of Financed Eligible Loans consists of 28 representative loans ("rep lines"), which have been created for modeling purposes from a pool of student loans anticipated to be originated; student loan characteristics include, but are not limited to, term to repayment status, interest rate, loan type and remaining term;
- the financed student loans (as grouped in "rep lines") that are in in-school status are assumed to remain in in-school status until their status end date before entering repayment. All other rep lines are assumed to be in repayment;
- prepayments on the loans begin immediately on all rep lines, including rep lines in in-school status;
- no delinquencies occur on any of the Financed Eligible Loans and all borrower payments are collected in full;
- a default rate of 1.0% per annum is applied to the outstanding balance of Financed Eligible Loans in repayment each year and a 25% recovery rate is assumed to occur in equal installments over a 2-year period after a loan defaults;
- bond redemptions from Excess Revenues begin on December 15, 2010, and such redemptions are made semi-annually on the 15th day of every June and December thereafter, whether or not the 15th day is a business day;
- the 2030 Bonds bearing a fixed rate of 4.200% as shown on the inside cover page of this Official Statement (the "4.200% 2030 Bonds") and the 2030 Bonds bearing a fixed rate of 4.125% as shown on the inside cover page of this Official Statement (the "4.125% 2030 Bonds") will be redeemed from Excess Revenues on a pro rata basis;
- Indenture Expenses equal to $25,000 per annum are paid quarterly beginning December 15, 2010;
- Servicing and Administrative Fees of 0.80% and Program Expenses of 0.60% per annum are paid monthly on the aggregate principal balance of the Financed Eligible Loans beginning on December 1, 2010;
- the Debt Service Reserve Fund pledged under the Indenture has an initial balance equal to 2.0% of the aggregate principal amount of the Series 2010A-1 Bonds and thereafter has a balance equal to the greater of (a) 2.0% of the principal amount of Outstanding Series 2010A-1 Bonds or (b) $250,000;
- the Capitalized Interest Fund pledged under the Indenture has an initial balance equal to $2,100,000. The Capitalized Interest Fund will step down to $1,100,000 on December 15, 2013, and to $0 on the December 15, 2014;
- all payments are assumed to be made at the end of the month and amounts on deposit in the Student Loan Fund, the Revenue Fund and the Debt Service Reserve Fund pledged under the Indenture, including reinvestment income earned in the previous month, are reinvested in eligible investments at the assumed reinvestment rate of 0.15% per annum; reinvestment earnings from the prior semi-annual period are available for bond redemptions;
- no Excess Revenues are released to the Corporation unless the parity of the Trust Estate equals or exceeds 140% and the 2030 Bonds are paid in full and the date of the release is prior to December 15, 2021;
- no clean-up call or purchase of the Financed Eligible Loans under the Indenture occurs; and
- no event of default has occurred or is continuing to occur under the Indenture.

The table below has been prepared based on the assumptions described above (including the assumptions regarding the characteristics and performance of the rep lines, which will differ from the characteristics and performance of the actual pool of Financed Eligible Loans) and should be read in conjunction therewith. In addition, the diverse characteristics, remaining terms to scheduled maturity and loan ages of the Financed Eligible Loans could produce slower or faster principal payments than implied by the information in this table, even if the

dispersions of weighted average characteristics, remaining terms to scheduled maturity and loan ages are the same as the characteristics, remaining terms to scheduled maturity and loan ages assumed. See "CERTAIN INVESTMENT CONSIDERATIONS – Prepayment of Financed Eligible Loans is Subject to Uncertainty" in this Official Statement.

Each set of projected weighted average lives reflects a projected average of the periods of time for which the 2030 Bonds are outstanding. Such projected weighted average lives do not reflect the period of time which any one 2030 Bond will remain outstanding. At each prepayment speed, some of the 2030 Bonds will remain outstanding for periods of time shorter than the applicable projected weighted average life, while some will remain outstanding for longer periods of time.

Weighted Average Life
of the 2030 Bonds at Various Percentages of the CPR

	0% CPR	2% CPR	4% CPR	6% CPR
		Weighted Average Life (Years)[1]		
4.200% 2030 Bonds	5.07	4.29	3.91	3.71
4.125% 2030 Bonds	5.08	4.29	3.91	3.70

[1] The weighted average life of the 2030 Bonds (assuming a 360-day year consisting of twelve 30-day months) is determined by: (a) multiplying the amount of each principal payment on the 2030 Bonds by the number of years from the Date of Issuance to the related payment date, (b) adding the results, and (c) dividing that sum by the aggregate principal amount of the 2030 Bonds as of the Date of Issuance.

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APPENDIX D

INITIAL FORM OF PERIODIC LOAN PORTFOLIO INFORMATION TO BE MADE AVAILABLE

The Corporation has covenanted in the Indenture to make periodic Financed Eligible Loan information publicly available at least quarterly. Such information will include operating data substantially of the type indicated in this APPENDIX D. The Corporation reserves the right, 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 web site. All references to FICO Scores are to FICO credit scores used in connection with the Eligible Loan origination process.

Composition of the Financed Eligible Loans

Total Accrued Interest[1]	$	
Aggregate Outstanding Principal Balance	$	
Number of Borrowers		
Average Outstanding Principal Balance per Borrower	$	
Number of Loans		
Average Outstanding Principal Balance per Loan	$	
Weighted Average Annual Interest Rate		%
Weighted Average Remaining Term (Months)[2]		
Weighted Average FICO Score (Co-signer)		

[1] Includes accrued interest to be capitalized.

[2] Exclusive of Financed Eligible Loans in In-School Status that have not entered repayment.

Distribution of the Financed Eligible Loans by FICO Score

FICO Score	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
_____ to _____		$	%
_____ to _____			
_____ to _____			
_____ to _____			
_____ to _____			
Total		$	%

Distribution of the Financed Eligible Loans by Interest Rate

Interest Rate	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
_____% to _____%		$	%
_____% to _____%			
_____% to _____%			
_____% to _____%			
Total		$	%

Distribution of the Financed Eligible Loans by Borrower Payment Status

Loan Payment Status	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
In School		$	%
Repayment			
Forbearance			
Total		$	%

Distribution of In-School Financed Eligible Loans by Repayment Option

Repayment Option	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
Full Repayment		$	%
Interest Only			
Deferred			
Total		$	%

Distribution of the Financed Eligible Loans by School Type

School Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
4 Year Undergraduate		$	%
2 Year Undergraduate			
Proprietary			
Other			
Total		$	%

Distribution of the Financed Eligible Loans by Number of Days Delinquent[1]

Days Delinquent	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
0-30		$	%
31-60			
61-90			
91-120			
121-150			
151-180			
Total		$	%

[1] For Financed Eligible Loans in Repayment Status Only.

Distribution of the Financed Eligible Loans by Top Ten Schools – Private and Public
(As of _____)

School Name (1)	Number of Loans	Principal Balance	Percent by Principal
		$	%
			%
			%
			%
			%
			%
			%
	____	_____	%
Total	____	$_____	___%

(1) Listed Schools represent approximately ___% of Principal Balance Outstanding

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APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

August __, 2010

$19,000,000
Vermont Student Assistance Corporation
Education Loan Revenue Bonds
Senior Series 2010A-1

We have acted as Bond Counsel to the Vermont Student Assistance Corporation (the "Corporation"), a nonprofit public corporation organized pursuant to the laws of the State of Vermont, in connection with the issuance by the Corporation on the date hereof of $19,000,000 aggregate principal amount of its Education Loan Revenue Bonds, Senior Series 2010A-1 (the "Series 2010A-1 Bonds").

The Series 2010A-1 Bonds have been authorized and issued pursuant to (i) Title 16, Chapter 87 of the Vermont Statutes Annotated, as amended (the "Authorizing Act), (ii) the Indenture of Trust, dated as of July 1, 2010 (the "Master Indenture"), by and between the Corporation and People's United Bank, as trustee (the "Trustee"), as supplemented by the Series 2010A-1 Supplemental Indenture of Trust dated as of July 1, 2010 (the "Series 2010A-1 Supplemental Indenture" and together with the Master Indenture, the "Indenture"), by and between the Corporation and the Trustee and (iii) an authorizing resolution adopted by the Corporation's Board of Directors on June 29, 2010 (the "Resolution"). The Indenture provides that the Series 2010A-1 Bonds are to be issued to provide funds to the Corporation to (a) finance Eligible Loans, (b) fund the Debt Service Reserve Fund, and (c) fund the Capitalized Interest Fund. Any capitalized term used herein and not defined herein shall have the same meaning ascribed thereto in the Indenture unless the context shall clearly otherwise require.

The Series 2010A-1 Bonds are dated, mature on the dates and in the principal amounts, bear interest at the rates, are payable and are subject to optional, extraordinary mandatory and mandatory redemption as provided in the Indenture.

In our capacity as Bond Counsel, we have examined the Indenture; a certified transcript of proceedings relating to the authorization, sale, issuance and delivery of the Series 2010A-1 Bonds, including the Resolution; a certified copy of the Bylaws of the Corporation; certificates of public officials; and such other documents and instruments as we have deemed necessary for the purpose of rendering this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings, including the representations therein, and other certifications of officials furnished to us, without undertaking to verify the same by independent investigation. We have also examined the Authorizing Act and such other statutes, regulations and law as we have deemed necessary under the circumstances.

Based upon the foregoing, and on laws, regulations, rulings and judicial decisions existing as of the date hereof, we are of the opinion that:

1. The Corporation is duly organized and existing as a nonprofit public corporation under the Authorizing Act, with full power and authority to issue the Series 2010A-1 Bonds and execute and deliver the Indenture.

2. The Indenture has been duly authorized, executed, and delivered by the Corporation and constitutes the legal, valid and binding obligation of the Corporation enforceable in accordance with its terms. The Indenture creates a valid pledge, to secure payment of the principal of and interest on the Series 2010A-1 Bonds, of the Trust Estate, which is subject to provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

3. The Series 2010A-1 Bonds have been duly authorized, executed and delivered by the Corporation and are valid and binding special, limited obligations of the Corporation, payable solely from the Trust Estate, and entitled to the protections, benefits and security of the Indenture. The Series 2010A-1 Bonds

are not a lien or charge upon the funds or property of the Corporation except to the extent of the aforementioned pledge of the Trust Estate. Neither the faith and credit nor the taxing power of the State of Vermont or any political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2010A-1 Bonds.

4. Under existing laws, regulations, rulings and judicial decisions, interest on the Series 2010A-1 Bonds is excluded from gross income of the recipients thereof for federal income tax purposes. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the Corporation with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Series 2010A-1 Bonds. Failure to comply with such requirements could cause interest on the Series 2010A-1 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2010A-1 Bonds. The Corporation has covenanted to comply with such requirements. We are further of the opinion that interest on the Series 2010A-1 Bonds is not a specific preference item or included in adjusted current earnings for purposes of the alternative minimum tax. We express no opinion regarding other federal tax consequences arising with respect to the Series 2010A-1 Bonds.

The accrual or receipt of interest on the Series 2010A-1 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2010A-1 Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

5. Under existing laws of the State of Vermont, the Series 2010A-1 Bonds and the interest thereon are exempt from all taxation, franchise taxes, fees or special assessments of whatever kind imposed by the State of Vermont, except for transfer, inheritance and estate taxes.

Our opinions in paragraphs 2 and 3 above are qualified to the extent that (a) the enforceability of the Series 2010A-1 Bonds and the Indenture and the rights of the registered owners of the Series 2010A-1 Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally heretofore or hereafter enacted, (b) the enforceability thereof may be limited by the application of general principles of equity and (c) the enforcement of such rights may also be subject to the exercise of judicial discretion in appropriate cases.

The scope of our engagement has not extended beyond the examinations and the rendering of the opinions expressed herein. The opinions expressed herein are based on existing law as of the date hereof and we express no opinion herein as of any subsequent date or with respect to any pending legislation or as to any other matters.

Very truly yours,

APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by and between the Vermont Student Assistance Corporation (the "Issuer") and People's United Bank, as trustee (the "Trustee"), in connection with the issuance of the Issuer's Education Loan Revenue Bonds, Senior Series 2010A-1 (Tax-Exempt Fixed Rate Bonds) in the aggregate principal amount of $19,000,000 (the "Series 2010A-1 Bonds"). The Series 2010A-1 Bonds are being issued pursuant to an Indenture of Trust, dated as of July 1, 2010 (the "Master Indenture"), and a Series 2010A-1 Supplemental Indenture of Trust, dated as of July 1, 2010 (the "Series 2010A-1 Supplemental Indenture" and, together with the Master Indenture, the "Indenture") each between the Issuer and the Trustee. In consideration of the purchase of the Series 2010A-1 Bonds by the owners and Beneficial Owners thereof initially and thereafter from time to time, the Issuer undertakes and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the owners and Beneficial Owners of the Series 2010A-1 Bonds and in order to assist the Underwriter in complying with the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Act" shall mean the Securities Exchange Act of 1934, as amended.

"Annual Financial Information" shall mean any Annual Financial Information with respect to the Issuer as described in Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any individual beneficial owner of the Series 2010A-1 Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the Act or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized federal securities law counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"Dissemination Agent" shall mean any Dissemination Agent designated by the Issuer.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Act or any successor thereto designated by the SEC to perform or carry out the functions of the MSRB as contemplated by this Disclosure Agreement.

"Official Statement" shall mean the Official Statement of the Issuer, dated July 20, 2010, relating to the Series 2010A-1 Bonds.

"Repository" shall mean the MSRB's Electronic Municipal Market Access ("EMMA") service, or any successor thereto designated by the MSRB to perform the functions contemplated by this Disclosure Agreement.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Act, as such rule may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"State" shall mean the State of Vermont.

"Underwriter" or "Participating Underwriter" shall mean Merrill Lynch, Pierce, Fenner & Smith, Incorporated.

SECTION 3. Provision of Annual Financial Information. The Issuer shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of each fiscal year of the Issuer (currently the twelve months ended June 30), commencing with the report for the 2010 fiscal year, provide to the Repository the Annual Financial Information for the Issuer for the preceding fiscal year. The Annual Financial Information may be submitted as a single document or as separate documents comprising a package; provided that, if the financial statements of the Issuer are audited, the audited financial statements of the Issuer must be submitted but may be submitted separately from the balance of the Annual Financial Information and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the fiscal year of the Issuer changes, the Issuer shall give written notice of such change in the same manner as for a Listed Event. If the financial statements of the Issuer specified in Section 4(i) hereof are audited but are not available by the time the Annual Financial Information must be provided, unaudited financial statements of the Issuer will be provided by the Issuer as part of the Annual Financial Information and such audited financial statements of the Issuer, when available, will be provided by the Issuer to the Repository.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an obligated person (as defined by the Rule), which have been filed with the Repository. The Issuer shall clearly identify each such other document so included by reference.

SECTION 4. Content of Annual Financial Information. The Annual Financial Information of the Issuer shall consist of the following:

(i) Annual financial statements for the Issuer prepared in accordance with generally accepted accounting principles;

(ii) Periodic Loan Portfolio Information of the type identified in APPENDIX D to the Official Statement, provided the Issuer reserves the right to: (i) alter the format in which such periodic information is presented; and (ii) if then permitted by the Rule, to incorporate such periodic information by reference to any publicly accessible website;

(iii) summary presentation, including the principal amount, type and amounts of any and all Bond redemptions occurring during the prior year; and

(iv) any amendments or changes to the Program or the Indenture, including, without limitation, any changes requiring satisfaction of the Rating Agency Condition.

SECTION 5. Reporting of Significant Event.

(a) The Issuer shall give, or cause to be given on behalf of the Issuer, in a timely manner, notice of the occurrence of any of the following events with respect to the Series 2010A-1 Bonds, if material, to the Repository:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties*;
5. Substitution of credit or liquidity providers, or their failure to perform*;
6. Adverse tax opinions or events affecting the tax-exempt status of the Series 2010A-1 Bonds;
7. Modifications to rights of owners of the Series 2010A-1 Bonds;
8. Series 2010A-1 Bond calls;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Series 2010A-1 Bonds; and

11. Rating changes.

(b) Each notice given pursuant to this Section 5 shall prominently state the date, title and CUSIP of the Series 2010A-1 Bonds subject to such notice.

SECTION 6. Termination of Reporting Obligation. The obligations under this Disclosure Agreement shall terminate upon the legal defeasance or payment in full of all of the Series 2010A-1 Bonds. If such termination occurs prior to the final maturity of the Series 2010A-1 Bonds, the Issuer shall give or cause to be given notice of such event in the same manner as for a Listed Event.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may unilaterally amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, but only upon the delivery by the Issuer to the Trustee of the proposed amendment or waiver and an opinion of nationally recognized bond counsel to the effect that such amendment or waiver, and giving effect thereto, will not adversely affect the compliance of this Disclosure Agreement and the Issuer with the Rule, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3, 4, 5 or 10 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer or any other obligated person (as defined in the Rule) or the type of business conducted;

(b) this Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the rule at the time of the offering of the Series 2010A-1 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver does not materially impair the interests of the owners or Beneficial Owners of the Series 2010A-1 Bonds, as determined either by parties unaffiliated with the Issuer or any other obligated person (as defined in the Rule) (e.g., either the trustee for the Series 2010A-1 Bonds or nationally recognized bond counsel), or by approving vote of holders of the Series 2010A-1 Bonds pursuant to the terms of the Indenture at the time of the amendment.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Financial Information, and shall include a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being provided by or in respect of the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event and (ii) the Annual Financial Information relating to the Issuer for the 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. The comparison shall include a qualitative 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, in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison also shall be quantitative.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth herein or any other means of communication, or including any other information in any Annual Financial Information or

notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation hereunder to update such information or include it in any future Annual Financial Information or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any owner or Beneficial Owner of the Series 2010A-1 Bonds may seek, and may only seek, specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement, it being agreed by the parties that money damages would be inadequate recompense and/or difficult to ascertain. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy hereunder in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel specific performance. If the Issuer fails to provide the Annual Financial Information to the Repository by the date required by and in accordance with Section 3 of this Disclosure Agreement, the Issuer shall promptly provide notice of such failure to the Repository.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, the Underwriter, and owners and Beneficial Owners from time to time of the Series 2010A-1 Bonds, and shall create no rights in any other person or entity.

SECTION 12. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State, provided that, to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 13. Counterparts. This Disclosure Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14. Severability. In case any part of this Disclosure Agreement is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Agreement. This Disclosure Agreement shall be construed and enforced as if such illegal or invalid portion was not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Agreement affect any legal and valid application.

SECTION 15. Further Assurances. The Issuer agrees that it shall take such further action, and agrees to such further undertakings, as may be necessary in the opinion of nationally recognized bond counsel, which opinion and counsel shall be reasonably satisfactory to the Issuer and the Underwriter, in order for the Underwriter to comply with the Rule.

IN WITNESS WHEREOF, the parties have caused this CONTINUING DISCLOSURE AGREEMENT to be executed on their behalf as of this ___ day of August, 2010, by the persons whose signatures appear below.

Vermont Student Assistance Corporation

By:_____
Name: Donald R. Vickers
Title: President/CEO

Accepted on behalf of the owners and
Beneficial Owners of the Series 2010A-1
Bonds by People's United Bank, as Trustee

By:_____
Name:_____
Title:_____

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