

**Student Loan Backed Reporting
Quarterly Distribution Report**

Issuer	Vermont Student Assistance Corporation
Deal Name	2008 B
Distribution Date	9/30/2012
Collection Period	7/1/12 - 9/30/12
Contact Email	investorrelations@vsac.org
Website	www.vsac.org

Notes/Bonds											
Class	CUSIP	IRS Status	Rate(a)	Original Balance	Beg Princ Bal	Interest Accrual	Principal Paid	End Princ Bal	Bal after Waterfall	% of Securities	Maturity
2008 B1	92428C FJ 8	Exempt	0.200%	\$120,385,000	\$89,585,000	\$41,546	\$4,400,000	\$85,185,000	\$85,185,000	100.00%	12/15/2039
Total				\$120,385,000	\$89,585,000	\$41,546	\$4,400,000	\$85,185,000	\$85,185,000	100.00%	

(a) Footnotes Most recent auction result
(b) Footnotes

Funds and Accounts - Trust			
	Beg Balance	Activity	End Balance
Debt Service Reserve Account	\$1,897,711	\$0	\$1,897,711
Capitalized Interest Account	\$0	\$0	\$0
Reserve Amt Required	\$1,233,861	\$0	\$1,233,861
Debt Service - Interest Account	\$8,315	\$33,228	\$41,544
Revenue Fund	\$962,796	(\$105,202)	\$857,593
Loan Acquisition Fund	\$2,442,914	\$275,468	\$2,718,381
Total Accounts Balance	\$5,311,736	\$203,494	\$5,515,230

(a) Footnotes
(b) Footnotes

Balance Sheet and Parity - Trust			
	Beg Balance	Activity	End Balance
Assets			
Loans Receivable	\$91,598,503	(\$4,388,321)	\$87,210,182
Allowance for Bad Debt	(\$171,543)	\$0	(\$171,543)
Accrued Interest Receivable on Loans	\$1,171,029	(\$54,777)	\$1,116,252
Accrued Interest on Investment	\$453	\$99	\$551
Accrued Interest Subsidy Payments	(\$575,952)	\$10,729	(\$565,222)
Student Loan Fees	\$0	\$0	\$0
Total Accounts/Funds Balance	\$5,311,736	\$203,494	\$5,515,230
Deferred Bond Issuance Costs	\$0	\$0	\$0
Prepaid Expenses	\$0	\$0	\$0
Total Assets	\$97,334,226	(\$4,228,776)	\$93,105,450
Liabilities			
Bonds Payable	\$89,585,000	(\$4,400,000)	\$85,185,000
Accrued Interest on Senior Bonds	\$7,314	\$34,232	\$41,546
Principal of Sub Bonds Outstanding	\$0	\$0	\$0
Accrued Interest on Sub Bonds Outstanding	\$0	\$0	\$0
Borrower Benefit Rebates Payable	\$0	\$87,552	\$87,552
Accrued Yield and Rebate - US Treasury	\$0	\$0	\$0
Due to US Dept. of Ed	\$0	\$0	\$0
Accounts Payable and Other Liabilities	\$160,317	(\$158,673)	\$1,644
Due To/From Operations	(\$93,195)	\$219,988	\$126,793
Total Liabilities	\$89,659,435	(\$4,216,901)	\$85,442,534
Senior Parity % (a)	108.75%		109.17%
Total Parity % (a)	108.75%		109.17%

(a) Footnotes
(b) Footnotes

Student Loans Receivable Activity	
Beginning Balance	\$91,598,503
Interest Caps	\$245,589
Borrower Payments	(\$1,820,604)
Claim Payments	(\$851,923)
Consolidation Payments	(\$1,946,571)
Disbursements	\$0
Refunds to Borrower	\$6,317
Borrower Benefit Rebates	\$0
School Refunds	(\$91)
Write-offs	(\$21,039)
Miscellaneous Adjustments	\$0
Ending Balance	\$87,210,182

Portfolio Summary - FFELP			
	Beg Balance	Activity	End Balance
Principal Balance	\$91,598,503	(\$4,388,321)	\$87,210,182
Accrued Interest	\$1,171,029	(\$54,777)	\$1,116,252
Total Pool Balance	\$92,769,532	(\$4,443,098)	\$88,326,434
Weighted Average Coupon (WAC)	4.77%		4.79%
Weighted Average Maturity (WAM) (in months)	178.1		177.6
Number of Loans	17,641	(803)	16,838
Number of Borrowers	12,980	(597)	12,383
Average Borrower Indebtedness	\$7,147	(\$14)	\$7,133

(a) Footnotes
(b) Footnotes

Weighted Average Payments Made			
Current Status	Principal	% of Pool	W.A. Time until (a) Conversion to Repayment
In School	\$969,976	1.1%	(24.8) months
Grace	\$1,102,112	1.3%	(2.7) months
Total Not Converted	\$2,072,088	2.4%	
Current Status	Principal	% of Pool	W.A. Time since Conversion to Repayment
Repayment	\$67,946,242	77.9%	67.9 months
Reduced Payment	\$1,046,142	1.2%	71.9 months
Forbearance	\$4,024,004	4.6%	63.6 months
Deferment	\$11,018,819	12.6%	58.9 months
Claim Filed	\$1,102,887	1.3%	70.5 months
Total Converted	\$85,138,093	97.6%	
Total Portfolio	\$87,210,182	100%	

(a) Footnotes W.A. Time until Conversion to Repayment includes Grace period

**Student Loan Backed Reporting
Quarterly Distribution Report**

Issuer	Vermont Student Assistance Corporation
Deal Name	2008 B
Distribution Date	9/30/2012
Collection Period	7/1/12 - 9/30/12
Contact Email	investorrelations@vsac.org
Website	www.vsac.org

Portfolio by Loan Status - FFELP						
	# of Loans		Principal Balance		% of Balance	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
In School	411	343	\$1,211,408	\$969,976	1.3%	1.1%
Repayment	13,197	12,714	\$70,751,206	\$67,946,242	77.2%	77.9%
Reduced Payment	189	170	\$1,121,126	\$1,046,142	1.2%	1.2%
In Grace	322	324	\$1,024,209	\$1,102,112	1.1%	1.3%
Forbearance	537	522	\$4,168,700	\$4,024,004	4.6%	4.6%
Deferment	2,832	2,570	\$12,525,498	\$11,018,819	13.7%	12.6%
Claim Filed	153	195	\$796,355	\$1,102,887	0.9%	1.3%
Total Portfolio	17,641	16,838	\$91,598,503	\$87,210,182	100%	100%

(a) Footnotes
(b) Footnotes

Delinquency Status - FFELP						
	# of Loans		Principal Balance		% of Balance	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current	10,897	10,275	\$56,189,580	\$52,517,685	78.2%	76.1%
1-29 Days Delinquent	1,026	1,141	\$6,657,270	\$7,456,445	9.3%	10.8%
30-59 Days Delinquent	229	230	\$1,975,559	\$2,221,943	2.7%	3.2%
60-89 Days Delinquent	292	330	\$1,365,662	\$1,867,594	1.9%	2.7%
90-119 Days Delinquent	245	242	\$1,355,971	\$1,256,075	1.9%	1.8%
120-149 Days Delinquent	172	174	\$1,008,196	\$769,777	1.4%	1.1%
150-179 Days Delinquent	122	135	\$730,345	\$836,883	1.0%	1.2%
180-209 Days Delinquent	103	138	\$612,006	\$721,699	0.9%	1.0%
210-239 Days Delinquent	109	96	\$1,001,231	\$420,697	1.4%	0.6%
240-269 Days Delinquent	130	70	\$471,882	\$492,545	0.7%	0.7%
270+ Days Delinquent	61	53	\$504,631	\$431,041	0.7%	0.6%
Total Repayment (a)	13,386	12,884	\$71,872,332	\$68,992,384	100%	100%

(a) Footnotes Total Repayment includes Reduced Payment Loans
(b) Footnotes

Portfolio by Loan Type - FFELP						
	# of Loans		Principal Balance		% of Balance	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Unsubsidized Stafford Loans	1,453	1,353	\$5,354,563	\$4,949,776	5.8%	5.7%
Subsidized Stafford Loans	11,168	10,638	\$26,357,197	\$24,630,298	28.8%	28.2%
Grad / PLUS Loans	415	395	\$2,616,287	\$2,446,432	2.9%	2.8%
Consolidation Loans	4,601	4,449	\$57,265,302	\$55,179,959	62.5%	63.3%
Non-Guaranteed FFEL	4	3	\$5,153	\$3,717	0.0%	0.0%
Total Portfolio	17,641	16,838	\$91,598,503	\$87,210,182	100%	100%

(a) Footnotes
(b) Footnotes

Portfolio by School Type - FFELP						
	# of Loans		Principal Balance		% of Balance	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
2 Year	2,481	2,360	\$6,227,632	\$5,887,885	6.8%	6.8%
4 Year	12,920	12,307	\$64,564,103	\$61,185,533	70.5%	70.2%
Foreign	128	123	\$842,080	\$821,709	0.9%	0.9%
Proprietary	502	490	\$1,901,518	\$1,845,395	2.1%	2.1%
Vocational	432	421	\$2,786,305	\$2,719,713	3.0%	3.1%
Other / Unknown (a)	1,178	1,137	\$15,276,865	\$14,749,947	16.7%	16.9%
Total Portfolio	17,641	16,838	\$91,598,503	\$87,210,182	100%	100%

(a) Footnotes Includes Consolidation loans for which no School Code is maintained
(b) Footnotes

**Student Loan Backed Reporting Mixed Deal
Monitoring Waterfall and Collections**

Distribution Date	9/30/2012
Collection Period	7/1/12 - 9/30/12

Collection Activity

Collection Account	9/30/2012
Available Funds at Beginning of Period	\$3,405,710
Collection Amount Received	\$4,527,343
Recoveries	\$0
Debt Service Reserve Account	\$1,897,711
Capitalized Interest Account	\$0
Debt Service Interest Account	\$8,315
Payments from Guarantor	\$889,402
Sale Proceeds	\$0
Investment Income	\$1,556
All Fees	\$0
Other Amounts Received in Collection	\$0
Consolidation Rebate Fee paid to Dept. of Ed	(\$147,287)
Excess Interest returned to Dept. of Ed	(\$291,379)
Excess Earnings Rebate paid to IRS	\$0
Total Available Funds	\$10,291,371

(a) Footnotes:
(b) Footnotes

Fees and Program Expenses Due for Current Period	9/30/2012
Indenture Trustee Fees	\$3,600
Remarketing Fees	\$0
Credit Enhancement Fees	\$157,055
Arbitrage Analysis Fees	\$3,750
Servicing Fees	\$210,363
Other Fees	\$0
Total Fees and Program Expenses	\$374,768

Cumulative Default Rate	9/30/2012
Current Period Defaults and Write-offs	\$688,841
Cumulative Defaults and Write-offs	\$12,843,056
Loans for which claims have been filed as of Distribution Date	\$3,181,254
Cumulative Default Rate	10.85%
Cumulative Recoveries (including reimbursements and collections)	
Payments from Guarantor	\$12,557,215
Borrower Recoveries	\$0
Recovery Rate	78.36%
Cumulative Net Loss	\$3,467,096
Cumulative Net Loss	2.35%

(a) Footnotes

Waterfall Activity

Waterfall for Distribution	Amount Due	Amount Remaining
Total Available Funds		\$10,291,371
First: Fees and Program Expenses transferred to Operating Account	\$374,768	\$9,916,603
Second: Semi-Annual Interest Due transferred to Debt Service - Interest Account 2008 B1	\$0	\$9,916,603
Third: For the 12 months preceding a stated maturity, equal installments of maturity amount transferred to Debt Service - Principal Account 2008 B1	\$0	\$9,916,603
Fourth: Payment to Debt Service Reserve Account if necessary to increase to minimum required	\$0	\$9,916,603
Fifth: Transfer to Retirement Account for non-scheduled retirement of bond principal and interest	\$4,401,373	\$5,515,230
Remaining Amount Released to Corporation if parity conditions met		\$5,515,230

(a) Footnotes
(b) Footnotes

Principal and Interest Distributions	As of Date	9/30/2012
Interest Accrued		\$42,919
Interest Due		\$1,373
Interest Paid		\$1,373
Interest Shortfall	N/A	
Accrued Interest Carryover		\$41,546
Interest Carryover Due		\$0
Interest Carryover Paid		\$0
Interest Carryover		\$41,546
Periodic Principal Distribution Amount Due		\$0
Periodic Principal Paid (a)		\$4,400,000
Principal Shortfall	N/A	
Total Distribution Amount		\$4,401,373

(a) Footnotes: Principal Distributions are voluntary early retirements
(b) Footnotes

Vermont Student Assistance Corporation

2008 B Indenture

Balance Sheet

	2008 B1	2008 B1
	6/30/2012	9/30/2012
Assets		
Cash and Equivalents		
Operating	\$0.00	\$0.00
Revenue	\$962,795.84	\$857,593.49
Loan Acquisition	\$2,442,913.77	\$2,718,381.48
Debt Service Reserve	\$1,897,711.32	\$1,897,711.32
Cap Int	\$0.00	\$0.00
Debt Service - Interest	\$8,315.43	\$41,543.73
Total Cash and Equivalents	<u>\$5,311,736.36</u>	<u>\$5,515,230.02</u>
Receivables		
Investment Interest	\$452.64	\$551.18
Student Loans	\$91,598,502.94	\$87,210,182.05
Allowance for Bad Debt	(\$171,543.31)	(\$171,543.31)
Contra SLR - Alt Fees	\$0.00	\$0.00
Deferred Subsidized Fees	\$0.00	\$0.00
Student Loan Interest	\$1,171,028.89	\$1,116,251.82
FIB	\$262,832.33	\$237,189.13
SAP	(\$838,783.93)	(\$802,411.29)
Total Receivables	<u>\$92,022,489.56</u>	<u>\$87,590,219.58</u>
Other Assets		
Def Bond Issuance, Net	\$0.00	\$0.00
Prepaid Expenses	\$0.00	\$0.00
Total Other Assets	<u>\$0.00</u>	<u>\$0.00</u>
Total Assets	<u>\$97,334,225.92</u>	<u>\$93,105,449.60</u>
Liabilities and Net Assets		
Liabilities		
Senior Bonds Payable	\$89,585,000.00	\$85,185,000.00
Bond Interest Payable	\$7,314.06	\$41,545.72
VT Value Rebates Payable	\$0.00	\$87,551.65
Accrued Yield - US Treasury	\$0.00	\$0.00
Accrued Rebates - US Treasury	\$0.00	\$0.00
Due To US Department of Education	\$0.00	\$0.00
Accounts Payable and Other Liabilities	\$160,316.63	\$1,644.06
Due To/From Other Funds	(\$93,195.26)	\$126,792.86
Total Liabilities	<u>\$89,659,435.43</u>	<u>\$85,442,534.29</u>
Net Assets		
Restricted by Bond Resolution	<u>\$7,674,790.49</u>	<u>\$7,662,915.31</u>
Total Net Assets	<u>\$7,674,790.49</u>	<u>\$7,662,915.31</u>
Total Liabilities and Net Assets	<u>\$97,334,225.92</u>	<u>\$93,105,449.60</u>

Vermont Student Assistance Corporation

2008B Trust

Quarterly Income Statement

	2008B Trust
	<u>7/1/2012- 9/30/2012</u>
Bond Direct Contribution	
Revenue	
Federal Interest Benefits	\$110,652.71
Special Allowance Payments	\$9,175.51
Interest on Investments	\$1,654.26
Interest and Fees/Student Loans	\$954,775.76
Other Income	\$0.00
Total Revenue	<u>\$1,076,258.24</u>
Bond Expenses	
Bond/Note Interest	\$35,604.47
Lender Fees and Consolidation Fees	\$147,287.18
SAP Int Returned to DOE	\$400,478.04
VT Value Rebate Expense	\$113,267.26
Fees Paid on Borrower Behalf	\$0.00
Yield Exp - US Treasury	\$0.00
Yield Analysis	\$2,750.00
Rebate Exp - US Treasury	\$0.00
Rebate Analysis	\$1,000.00
Bad Debt Expense	\$21,259.71
Credit Enhancement	\$152,238.76
Auction Agent	\$0.00
Remarketing	\$0.00
Trustee Fees	\$3,600.00
Rating Agency Fees	\$0.00
Total Interest Expenses	<u>\$877,485.42</u>
Total Direct Contribution	<u>\$198,772.82</u>
Administrative Expense	
Salaries and Benefits	\$111,516.00
Other General and Admin	\$115.00
Other Loan Finance Expense	\$0.00
Amortization of Bond Issuance	\$0.00
Subsidy Transfer to Ops	\$99,017.00
Total Administrative	<u>\$210,648.00</u>
Transfers	\$0.00
BEGINNING NET ASSETS	\$7,674,790.49
NET SURPLUS/(DEFICIT)	(\$11,875.18)
ENDING NET ASSETS	<u>\$7,662,915.31</u>