

Student Loan Backed Reporting
Quarterly Distribution Report

Issuer	Vermont Student Assistance Corporation
Deal Name	2008 C
Distribution Date	9/30/2010
Collection Period	7/1/10 - 9/30/10
Contact Email	investorrelations@vsac.org
Website	www.vvac.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 C1	92428C FK 5	Exempt	0.290%	\$12,000,000	\$12,000,000	\$10,159	\$0	\$12,000,000	\$12,000,000	6.00%	12/15/2025	
2008 C1	92428C FK 5	Exempt	0.293%	\$20,625,000	\$20,625,000	\$17,461	\$0	\$20,625,000	\$20,625,000	10.31%	12/15/2032	
2008 C1	92428C FK 5	Exempt	0.290%	\$25,000,000	\$25,000,000	\$21,164	\$0	\$25,000,000	\$25,000,000	12.50%	12/15/2034	
2008 C1	92428C FK 5	Exempt	0.290%	\$12,500,000	\$12,500,000	\$10,582	\$0	\$12,500,000	\$12,500,000	6.25%	12/15/2036	
2008 C1	92428C FK 5	Exempt	0.290%	\$29,875,000	\$29,875,000	\$25,291	\$0	\$29,875,000	\$29,875,000	14.94%	12/15/2040	
2008 C2	92428C FL 3	Exempt	0.310%	\$12,000,000	\$12,000,000	\$10,984	\$0	\$12,000,000	\$12,000,000	6.00%	12/15/2025	
2008 C2	92428C FL 3	Exempt	0.310%	\$20,625,000	\$20,625,000	\$18,879	\$0	\$20,625,000	\$20,625,000	10.31%	12/15/2032	
2008 C2	92428C FL 3	Exempt	0.310%	\$25,000,000	\$25,000,000	\$22,884	\$0	\$25,000,000	\$25,000,000	12.50%	12/15/2034	
2008 C2	92428C FL 3	Exempt	0.310%	\$12,500,000	\$12,500,000	\$11,442	\$0	\$12,500,000	\$12,500,000	6.25%	12/15/2036	
2008 C2	92428C FL 3	Exempt	0.310%	\$29,875,000	\$29,875,000	\$27,346	\$0	\$29,875,000	\$29,875,000	14.94%	12/15/2040	
Total				\$200,000,000	\$200,000,000	\$176,192	\$0	\$200,000,000	\$200,000,000	100.00%		

(a) Footnotes: Last result in period
(b) Footnotes

Funds and Accounts - Trust			
	Beg Balance	Activity	End Balance
Debt Service Account	\$2,000,000	\$0	\$2,000,000
Capitalized Interest Account	\$2,000,000	(\$2,000,000)	\$0
Reserve Amt Required	\$2,000,000	\$0	\$2,000,000
Capitalized Interest Amt Required	\$0	\$0	\$0
Rehab Default Reserve	\$50,000	\$0	\$50,000
Revenue Fund	\$152,397	\$2,651,204	\$2,803,601
Loan Acquisition Fund	\$5,874,587	\$2,842,751	\$8,717,338
Total Accounts Balance	\$10,076,984	\$3,493,954	\$13,570,938

(a) Footnotes
(b) Footnotes

Balance Sheet and Parity - Trust			
	Beg Balance	Activity	End Balance
Assets			
Loans Receivable	\$199,719,426	(\$2,788,986)	\$196,930,441
Allowance for Bad Debt	(\$362,928)	\$0	(\$362,928)
Student Loan Accrued Interest and Subsidy	\$3,796,396	\$159,255	\$3,955,651
Accrued Interest on Investment	\$2,379	\$370	\$2,750
Student Loan Fees	\$19,112	\$6,342	\$25,454
Total Accounts/Funds Balance	\$10,076,984	\$3,493,954	\$13,570,938
Deferred Bond Issuance Costs	\$1,007,136	(\$9,255)	\$998,880
Prepaid Expenses	\$0	\$0	\$0
Total Assets	\$214,258,505	\$862,680	\$215,121,186
Liabilities			
Bonds Payable	\$200,000,000	\$0	\$200,000,000
Accrued Interest on Senior Bonds	\$28,411	\$147,781	\$176,192
Excess SAP due to the Department	\$2,211,664	(\$5,139)	\$2,206,526
Borrower Benefit Rebates Payable	\$0	\$124,434	\$124,434
Accrued Yield and Rebate - US Treasury	\$0	\$0	\$0
Due to US Dept. of Ed	\$42,050	\$15,614	\$57,664
Accounts Payable and Other Liabilities	\$489,216	\$1,333	\$490,549
Due To/From Operations	(\$535,264)	\$593,295	\$58,031
Total Liabilities	\$202,236,078	\$877,318	\$203,113,395
Senior Parity %	105.59%		105.56%
Total Parity %	105.59%		105.56%

(a) Footnotes
(b) Footnotes

Portfolio Summary - FFELP			
	Beg Balance	Activity	End Balance
Principal Balance	\$199,747,132	(\$2,816,873)	\$196,930,259
Accrued Interest	\$2,586,861	\$172,292	\$2,759,153
Total Pool Balance	\$202,333,993	(\$2,644,581)	\$199,689,412
Weighted Average Coupon (WAC)	5.41%		5.40%
Weighted Average Maturity (WAM) (in months)	170.8		169.9
Number of Loans	30,931	(311)	30,620
Number of Borrowers	21,197	(281)	20,916
Average Borrower Indebtedness	\$9,545	\$2	\$9,547

(a) Footnotes
(b) Footnotes

Weighted Average Payments Made - FFELP		
	% of Pool	Weighted Average Months to Maturity (a)
In School	9.4%	143
Grace	6.0%	122
Deferment	14.3%	175
Forbearance (b)	5.3%	209
Repayment	64.5%	177
Portfolio Weighted Average		172

(a) Footnotes: Includes Grace Period
(b) Footnotes: Includes loans in Reduced Payment Forbearance

Student Loan Backed Reporting
Quarterly Distribution Report

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Deal Name	2008 C
Distribution Date	9/30/2010
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Portfolio by Loan Status - FFELP						
	# of Loans		Principal Balance		% of Balance	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
In School	5,758	5,479	\$19,019,376	\$18,585,525	9.5%	9.4%
Repayment	16,903	16,511	\$129,252,676	\$126,949,782	64.7%	64.5%
Reduced Payment	378	385	\$4,018,704	\$3,495,113	2.0%	1.8%
In Grace	2,945	2,990	\$11,768,702	\$11,804,542	5.9%	6.0%
Forbearance	703	662	\$7,443,186	\$6,879,546	3.7%	3.5%
Deferment	4,109	4,417	\$27,167,455	\$28,128,659	13.6%	14.3%
Claim Filed	135	176	\$1,077,033	\$1,087,093	0.5%	0.6%
Total Portfolio	30,931	30,620	\$199,747,132	\$196,930,259	100%	100%

(a) Footnotes
(b) Footnotes

Delinquency Status - FFELP						
	# of Loans		Principal Balance		% of Balance	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current	14,427	14,039	\$111,077,916	\$108,919,694	83.5%	83.5%
1-29 Days Delinquent	1,381	1,273	\$12,180,085	\$10,508,423	8.0%	8.1%
30-59 Days Delinquent	291	336	\$2,904,880	\$2,982,394	1.7%	2.3%
60-89 Days Delinquent	317	411	\$1,969,535	\$2,869,269	1.8%	2.2%
90-119 Days Delinquent	250	218	\$1,572,695	\$1,432,561	1.4%	1.1%
120-149 Days Delinquent	205	196	\$1,118,754	\$1,034,848	1.2%	0.8%
150-179 Days Delinquent	33	128	\$317,009	\$726,829	0.2%	0.6%
180-209 Days Delinquent	125	126	\$615,010	\$975,285	0.7%	0.7%
210-239 Days Delinquent	140	68	\$759,417	\$533,372	0.8%	0.4%
240-269 Days Delinquent	70	44	\$601,527	\$208,681	0.4%	0.2%
270+ Days Delinquent	42	57	\$154,552	\$253,538	0.2%	0.2%
Total Repayment (a)	17,281	16,896	\$133,271,379	\$130,444,894	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	5,273	5,236	\$18,915,885	\$18,839,465	9.5%	9.6%
Subsidized Stafford Loans	14,138	14,018	\$49,450,160	\$49,038,615	24.8%	24.9%
Grad / PLUS Loans	930	906	\$5,691,553	\$5,619,062	2.8%	2.9%
Consolidation Loans	10,590	10,458	\$125,689,534	\$123,429,754	62.9%	62.7%
Non-Guaranteed FFEL	-	2	\$0	\$3,363	0.0%	0.0%
Total Portfolio	30,931	30,620	\$199,747,132	\$196,930,259	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	4,337	4,335	\$16,545,931	\$16,742,535	8.3%	8.5%
4 Year	22,976	22,729	\$150,207,467	\$147,203,084	75.2%	74.7%
Foreign	168	168	\$1,989,520	\$2,037,065	1.0%	1.0%
Proprietary	825	822	\$3,989,889	\$4,138,428	2.0%	2.1%
Vocational	741	724	\$5,347,476	\$5,378,178	2.7%	2.7%
Other / Unknown (a)	1,884	1,842	\$21,666,849	\$21,430,969	10.8%	10.9%
Total Portfolio	30,931	30,620	\$199,747,132	\$196,930,259	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	9/30/2010
Collection Period	7/1/10 - 9/30/10

Collection Activity

Collection Account	9/30/2010
Available Funds at Beginning of Period (a)	\$8,076,984
Collection Amount Received	\$6,548,324
Recoveries	\$0
Reserve Account	\$2,000,000
Capitalized Interest Account	\$0
Payments from Guarantor	\$942,495
Sale Proceeds	\$0
Investment Income	\$6,781
Loan Purchases and Originations	(\$2,561,536)
All Fees	\$1,818
Other Amounts Received in Collection	\$0
Consolidation Rebate Fee paid to Dept. of Ed	(\$327,506)
Excess Interest returned to Dept. of Ed	(\$533,711)
Excess Earnings Rebate paid to IRS	\$0
Total Available Funds	\$14,153,650
(a) Footnotes:	
(b) Footnotes:	

Fees and Program Expenses Due for Current Period	9/30/2010
Indenture Trustee Fees	\$3,600
Remarketing Fees	\$0
Credit Enhancement Fees	\$485,217
Arbitrage Analysis Fees	\$0
Servicing Fees	\$93,894
Other Fees	\$0
Total Fees and Program Expenses	\$582,711

Cumulative Default Rate	9/30/2010
Current Period Defaults and Write-offs	\$942,495
Cumulative Defaults and Write-offs	\$6,370,886
Loans for which claims have been filed as of Distribution Date	\$2,684,069
Cumulative Default Rate	3.84%
Cumulative Recoveries (including reimbursements and collections)	
Payments from Guarantor	\$6,224,979
Borrower Recoveries	\$0
Recovery Rate	68.75%
Cumulative Net Loss	\$2,829,977
Cumulative Net Loss	1.20%
(a) Footnotes:	

Waterfall Activity

Waterfall for Distribution	Amount Due	Amount Remaining
Total Available Funds		\$14,153,650
First: Fees and Program Expenses transferred to Operating Account	\$582,711	\$13,570,938
Second: Equal Installments of Semi-Annual Interest Due transferred to Debt Service - Interest Account 2008 C	\$0	\$13,570,938
Third: For the 12 months preceding a stated maturity, equal installments of maturity amount transferred to Debt Service - Principal Account 2008 C	\$0	\$13,570,938
Fourth: Transfer to Debt Service Reserve Account if necessary to increase to minimum required	\$0	\$13,570,938
Fifth: Transfer to Retirement Account for non-scheduled retirement of bond principal and interest	\$0	\$13,570,938
Remaining Amount Released to Corporation if parity conditions met		\$13,570,938
(a) Footnotes:		
(b) Footnotes:		

Principal and Interest Distributions	As of Date	9/30/2010
Interest Accrued		\$176,192
Interest Due		\$0
Interest Paid		\$0
Interest Shortfall	N/A	
Accrued Interest Carryover		\$176,192
Interest Carryover Due		\$0
Interest Carryover Paid		\$0
Interest Carryover		\$176,192
Total Distribution Amount		\$0

Vermont Student Assistance Corporation

2008 C Indenture

Balance Sheet

	2008 C 6/30/2010	2008 C 9/30/2010
Assets		
Cash and Equivalents		
Operating	\$0.00	\$0.00
Revenue	\$152,396.96	\$2,803,600.72
Loan Acquisition	\$5,874,587.23	\$8,717,337.76
Debt Service Reserve	\$2,000,000.00	\$2,000,000.00
Cap Int	\$2,000,000.00	\$0.00
Rehab Default Reserve	\$50,000.00	\$50,000.00
Total Cash and Equivalents	<u>\$10,076,984.19</u>	<u>\$13,570,938.48</u>
Receivables		
Investment Interest	\$2,379.40	\$2,749.63
Student Loans	\$199,719,426.37	\$196,930,440.50
Allowance for Bad Debt	(\$362,928.11)	(\$362,928.11)
Contra SLR - Alt Fees	\$0.00	\$0.00
Deferred Subsidized Fees	\$19,112.49	\$25,454.02
Student Loan Interest	\$2,586,860.73	\$2,759,152.81
FIB	\$1,209,534.88	\$1,196,497.92
SAP	(\$2,211,664.49)	(\$2,206,525.65)
Total Receivables	<u>\$200,962,721.27</u>	<u>\$198,344,841.12</u>
Other Assets		
Def Bond Issuance, Net	\$1,007,135.52	\$998,880.33
Prepaid Expenses	\$0.00	\$0.00
Total Other Assets	<u>\$1,007,135.52</u>	<u>\$998,880.33</u>
Total Assets	<u>\$212,046,840.98</u>	<u>\$212,914,659.93</u>
Liabilities and Net Assets		
Liabilities		
Senior Bonds Payable	\$200,000,000.00	\$200,000,000.00
Bond Interest Payable	\$28,410.96	\$176,191.78
VT Value Rebates Payable	\$0.00	\$124,434.26
Accrued Yield - US Treasury	\$0.00	\$0.00
Accrued Rebates - US Treasury	\$0.00	\$0.00
Due To US Department of Education	\$42,050.24	\$57,663.91
Accounts Payable and Other Liabilities	\$489,215.99	\$490,548.99
Due To/From Other Funds	(\$535,263.96)	\$58,030.68
Total Liabilities	<u>\$200,024,413.23</u>	<u>\$200,906,869.62</u>
Net Assets		
Restricted by Bond Resolution	\$12,022,427.75	\$12,007,790.31
Total Net Assets	<u>\$12,022,427.75</u>	<u>\$12,007,790.31</u>
Total Liabilities and Net Assets	<u>\$212,046,840.98</u>	<u>\$212,914,659.93</u>
Total Liabilities and Net Assets	<u>\$1,639,417,432.94</u>	<u>\$1,604,265,227.68</u>
Overall Parity Ratio	5.04%	123.92%
Senior Parity Ratio	5.04%	123.92%