

Student Loan Backed Reporting
Quarterly Distribution Report

Issuer	Vermont Student Assistance Corporation
Deal Name	2008 C
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 Accrued	Principal Paid	End Princ Bal	Bal after Waterfall	% of Securities	Maturity
2008 C1	92428C FK 5	Exempt	0.170%	\$12,000,000	\$0	\$0	\$0	\$0	\$0	0.00%	12/15/2025
2008 C1	92428C FK 5	Exempt	0.170%	\$20,625,000	\$13,225,000	\$4,292	\$4,000,000	\$9,225,000	\$9,225,000	6.02%	12/15/2032
2008 C1	92428C FK 5	Exempt	0.170%	\$25,000,000	\$25,000,000	\$11,633	\$0	\$25,000,000	\$25,000,000	16.32%	12/15/2034
2008 C1	92428C FK 5	Exempt	0.170%	\$12,500,000	\$12,500,000	\$5,816	\$0	\$12,500,000	\$12,500,000	8.16%	12/15/2036
2008 C1	92428C FK 5	Exempt	0.170%	\$29,875,000	\$29,875,000	\$13,901	\$0	\$29,875,000	\$29,875,000	19.50%	12/15/2040
2008 C2	92428C FL 3	Exempt	0.180%	\$12,000,000	\$0	\$0	\$0	\$0	\$0	0.00%	12/15/2025
2008 C2	92428C FL 3	Exempt	0.180%	\$20,625,000	\$13,225,000	\$4,300	\$4,000,000	\$9,225,000	\$9,225,000	6.02%	12/15/2032
2008 C2	92428C FL 3	Exempt	0.180%	\$25,000,000	\$25,000,000	\$11,653	\$0	\$25,000,000	\$25,000,000	16.32%	12/15/2034
2008 C2	92428C FL 3	Exempt	0.180%	\$12,500,000	\$12,500,000	\$5,827	\$0	\$12,500,000	\$12,500,000	8.16%	12/15/2036
2008 C2	92428C FL 3	Exempt	0.180%	\$29,875,000	\$29,875,000	\$13,925	\$0	\$29,875,000	\$29,875,000	19.50%	12/15/2040
Total				\$200,000,000	\$161,200,000	\$71,347	\$8,000,000	\$153,200,000	\$153,200,000	100.00%	

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

Funds and Accounts - Trust			
	Beg Balance	Activity	End Balance
Debt Service Account	\$1,612,000	\$0	\$1,612,000
Capitalized Interest Account	\$0	\$0	\$0
Reserve Amt Required	\$2,000,000	\$0	\$2,000,000
Capitalized Interest Amt Required	\$0	\$0	\$0
Rehab Default Reserve	\$0	\$0	\$0
Revenue Fund	\$641,400	\$268,815	\$910,215
Loan Acquisition Fund	\$6,361,312	(\$348,185)	\$6,013,127
Total Accounts Balance	\$8,614,712	(\$79,370)	\$8,535,342

(a) Footnotes
(b) Footnotes

Balance Sheet and Parity - Trust			
	Beg Balance	Activity	End Balance
Assets			
Loans Receivable	\$163,683,462	(\$7,827,909)	\$155,855,553
Allowance for Bad Debt	(\$305,923)	\$0	(\$305,923)
Student Loan Accrued Interest and Subsidy	\$1,123,299	(\$107,719)	\$1,015,580
Accrued Interest on Investment	\$773	\$140	\$913
Student Loan Fees	\$0	\$0	\$0
Total Accounts/Funds Balance	\$8,614,712	(\$79,370)	\$8,535,342
Deferred Bond Issuance Costs	\$0	\$0	\$0
Prepaid Expenses	\$0	\$0	\$0
Total Assets	\$173,116,323	(\$8,014,858)	\$165,101,465
Assets to Exclude for Parity			
Non-Guaranteed FFEL Loans (b)	\$3,814	(\$1,033)	\$2,782
Liabilities			
Bonds Payable	\$161,200,000	(\$8,000,000)	\$153,200,000
Accrued Interest on Senior Bonds	\$12,543	\$58,804	\$71,347
Excess SAP due to the Department (a)	\$0	\$0	\$0
Borrower Benefit Rebates Payable	\$0	\$121,689	\$121,689
Accrued Yield and Rebate - US Treasury	\$0	\$0	\$0
Due to US Dept. of Ed	\$0	\$0	\$0
Accounts Payable and Other Liabilities	\$353,223	(\$353,223)	\$0
Due To/From Operations	(\$78,811)	\$69,692	(\$9,120)
Total Liabilities	\$161,486,954	(\$8,103,038)	\$153,383,916
Senior Parity %	107.39%		107.84%
Total Parity %	107.39%		107.84%

(a) Footnotes Effective 3/31/12 Student Loan Accrued Interest and Subsidy is shown net of Excess SAP due to the Dept.
(b) Footnotes Effective 3/31/12 Non-Guaranteed FFEL loans are excluded from Total Assets for Parity

Portfolio Summary - FFELP			
	Beg Balance	Activity	End Balance
Principal Balance	\$163,683,462	(\$7,827,909)	\$155,855,553
Accrued Interest	\$2,402,092	(\$153,475)	\$2,248,617
Total Pool Balance	\$166,085,554	(\$7,981,384)	\$158,104,170
Weighted Average Coupon (WAC)	5.36%		5.35%
Weighted Average Maturity (WAM) (in months)	169.6		169.1
Number of Loans	26,692	(1,267)	25,425
Number of Borrowers	17,973	(852)	17,121
Average Borrower Indebtedness	\$9,241	(\$6)	\$9,235

(a) Footnotes
(b) Footnotes

Student Loans Receivable Activity	
Beginning Balance	\$163,683,462
Interest Caps	\$468,535
Borrower Payments	(\$3,421,729)
Claim Payments	(\$1,241,183)
Consolidation Payments	(\$3,625,635)
Disbursements	\$0
Refunds to Borrower	\$20,848
Borrower Benefit Rebates	\$0
School Refunds	\$0
Write-offs	(\$28,744)
Miscellaneous Adjustments	\$0
Ending Balance	\$155,855,553

Weighted Average Payments Made			
	Principal	% of Pool	W.A. Time until (a)
In School	\$2,897,567	1.9%	(27.0) months
Grace	\$3,022,217	1.9%	(2.4) months
Total Not Converted	\$5,919,783	3.8%	
	Principal	% of Pool	W.A. Time since Conversion to Repayment
Repayment	\$121,557,071	78.0%	72.6 months
Reduced Payment	\$1,474,673	0.9%	73.5 months
Forbearance	\$7,341,876	4.7%	68.9 months
Deferment	\$18,576,952	11.9%	59.7 months
Claim Filed	\$985,198	0.6%	62.7 months
Total Converted	\$149,935,770	96.2%	
Total Portfolio	\$155,855,553	100%	

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

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Portfolio by Loan Status - FFELP

	# of Loans		Principal Balance		% of Balance	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
In School	1,058	925	\$3,377,581	\$2,897,567	2.1%	1.9%
Repayment	19,777	18,923	\$127,098,719	\$121,557,071	77.6%	78.0%
Reduced Payment	234	232	\$1,645,720	\$1,474,673	1.0%	0.9%
In Grace	939	881	\$3,177,000	\$3,022,217	1.9%	1.9%
Forbearance	746	725	\$6,778,123	\$7,341,876	4.1%	4.7%
Deferment	3,762	3,549	\$20,716,055	\$18,576,952	12.7%	11.9%
Claim Filed	176	190	\$890,265	\$985,198	0.5%	0.6%
Total Portfolio	26,692	25,425	\$163,683,462	\$155,855,553	100%	100%

(a) Footnotes
(b) Footnotes

Delinquency Status - FFELP

	# of Loans		Principal Balance		% of Balance	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current	16,643	15,519	\$104,772,806	\$97,603,320	81.4%	79.3%
1-29 Days Delinquent	1,510	1,749	\$11,137,305	\$13,328,743	8.7%	10.8%
30-59 Days Delinquent	309	322	\$2,974,391	\$2,468,048	2.3%	2.0%
60-89 Days Delinquent	422	459	\$3,188,073	\$2,708,642	2.5%	2.2%
90-119 Days Delinquent	321	278	\$1,710,109	\$1,854,521	1.3%	1.5%
120-149 Days Delinquent	203	168	\$1,434,745	\$1,063,950	1.1%	0.9%
150-179 Days Delinquent	159	181	\$884,459	\$1,260,279	0.7%	1.0%
180-209 Days Delinquent	139	200	\$834,318	\$1,098,297	0.6%	0.9%
210-239 Days Delinquent	144	133	\$708,166	\$870,247	0.6%	0.7%
240-269 Days Delinquent	110	100	\$795,122	\$596,935	0.6%	0.5%
270+ Days Delinquent	51	46	\$304,944	\$178,761	0.2%	0.1%
Total Repayment (a)	20,011	19,155	\$128,744,438	\$123,031,744	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	4,837	4,515	\$16,417,241	\$15,148,211	10.0%	9.7%
Subsidized Stafford Loans	11,659	11,044	\$36,493,007	\$34,137,895	22.3%	21.9%
Grad / PLUS Loans	746	703	\$4,490,784	\$4,131,681	2.7%	2.7%
Consolidation Loans	9,446	9,156	\$106,278,616	\$102,434,985	64.9%	65.7%
Non-Guaranteed FFEL	4	7	\$3,814	\$2,782	0.0%	0.0%
Total Portfolio	26,692	25,425	\$163,683,462	\$155,855,553	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	3,844	3,662	\$14,006,389	\$13,310,564	8.6%	8.5%
4 Year	19,655	18,698	\$120,505,603	\$114,689,798	73.6%	73.6%
Foreign	152	140	\$1,972,355	\$1,762,137	1.2%	1.1%
Proprietary	743	704	\$3,409,538	\$3,226,100	2.1%	2.1%
Vocational	651	637	\$4,565,759	\$4,389,113	2.8%	2.8%
Other / Unknown (a)	1,647	1,584	\$19,223,817	\$18,477,841	11.7%	11.9%
Total Portfolio	26,692	25,425	\$163,683,462	\$155,855,553	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 (a)	\$7,002,712
Collection Amount Received	\$8,573,696
Recoveries	\$0
Reserve Account	\$1,612,000
Capitalized Interest Account	\$0
Payments from Guarantor	\$1,299,450
Sale Proceeds	\$0
Investment Income	\$2,800
Loan Purchases and Originations	\$0
All Fees	\$0
Other Amounts Received in Collection	\$38,148
Consolidation Rebate Fee paid to Dept. of Ed	(\$273,351)
Excess Interest returned to Dept. of Ed	(\$653,708)
Excess Earnings Rebate paid to IRS	\$0
Total Available Funds	\$17,601,748

(a) Footnotes:
(b) Footnotes

Fees and Program Expenses Due for Current Period	9/30/2012
Indenture Trustee Fees	\$3,600
Remarketing Fees	\$47,153
Credit Enhancement Fees	\$692,009
Arbitrage Analysis Fees	\$3,750
Servicing Fees	\$305,646
Other Fees	\$11,500
Total Fees and Program Expenses	\$1,063,658

Cumulative Default Rate	9/30/2012
Current Period Defaults and Write-offs	\$1,302,832
Cumulative Defaults and Write-offs	\$16,299,255
Loans for which claims have been filed as of Distribution Date	\$3,467,234
Cumulative Default Rate	8.03%
Cumulative Recoveries (including reimbursements and collections)	
Payments from Guarantor and Risk Share Reimbursements	\$15,970,946
Borrower Recoveries	\$0
Recovery Rate	80.80%
Cumulative Net Loss	\$3,795,543
Cumulative Net Loss	1.54%

(a) Footnotes

Waterfall Activity

Waterfall for Distribution	Amount Due	Amount Remaining
Total Available Funds		\$17,601,748
First: Fees and Program Expenses transferred to Operating Account	\$1,063,658	\$16,538,089
Second: Semi-Annual Interest Due transferred to Debt Service - Interest Account 2008 C	\$0	\$16,538,089
Third: For the 12 months preceding a stated maturity, equal installments of maturity amount transferred to Debt Service - Principal Account 2008 C	\$0	\$16,538,089
Fourth: Transfer to Debt Service Reserve Account if necessary to increase to minimum required	\$0	\$16,538,089
Fifth: Transfer to Retirement Account for non-scheduled retirement of bond principal and interest	\$8,002,748	\$8,535,342
Remaining Amount Released to Corporation if parity conditions met		\$8,535,342

(a) Footnotes
(b) Footnotes

Principal and Interest Distributions	As of Date	9/30/2012
Interest Accrued		\$74,094
Interest Due		\$2,748
Interest Paid		\$2,748
Interest Shortfall	N/A	
Accrued Interest Carryover		\$71,347
Interest Carryover Due		\$0
Interest Carryover Paid		\$0
Interest Carryover		\$71,347
Periodic Principal Distribution Amount Due		\$0
Periodic Principal Paid (a)		\$8,000,000
Principal Shortfall	N/A	
Total Distribution Amount		\$8,002,748

(a) Footnotes
(b) Footnotes

Principal Distributions are voluntary early retirements

Vermont Student Assistance Corporation

2008 C Indenture

Balance Sheet

	2008 C	2008 C
	6/30/2012	9/30/2012
Assets		
Cash and Equivalents		
Operating	\$0.00	\$0.00
Revenue	\$641,400.17	\$910,214.82
Loan Acquisition	\$6,361,311.78	\$6,013,126.83
Debt Service Reserve	\$1,612,000.00	\$1,612,000.00
Cap Int	\$0.00	\$0.00
Rehab Default Reserve	\$0.00	\$0.00
Total Cash and Equivalents	\$8,614,711.95	\$8,535,341.65
Receivables		
Investment Interest	\$772.95	\$912.73
Student Loans	\$163,683,461.86	\$155,855,553.30
Allowance for Bad Debt	(\$305,922.97)	(\$305,922.97)
Contra SLR - Alt Fees	\$0.00	\$0.00
Deferred Subsidized Fees	\$0.00	\$0.00
Student Loan Interest	\$2,402,092.30	\$2,248,617.10
FIB	\$622,249.40	\$556,323.29
SAP	(\$1,901,042.77)	(\$1,789,360.35)
Total Receivables	\$164,501,610.77	\$156,566,123.10
Other Assets		
Def Bond Issuance, Net	\$0.00	\$0.00
Prepaid Expenses	\$0.00	\$0.00
Total Other Assets	\$0.00	\$0.00
Total Assets	\$173,116,322.72	\$165,101,464.75
Liabilities and Net Assets		
Liabilities		
Senior Bonds Payable	\$161,200,000.00	\$153,200,000.00
Bond Interest Payable	\$12,542.68	\$71,346.83
VT Value Rebates Payable	\$0.00	\$121,688.80
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	\$353,222.78	\$0.00
Due To/From Other Funds	(\$78,811.15)	(\$9,119.53)
Total Liabilities	\$161,486,954.31	\$153,383,916.10
Net Assets		
Restricted by Bond Resolution	\$11,629,368.41	\$11,717,548.65
Total Net Assets	\$11,629,368.41	\$11,717,548.65
Total Liabilities and Net Assets	\$173,116,322.72	\$165,101,464.75

Vermont Student Assistance Corporation

2008C Trust

Quarterly Income Statement

		2008C Trust
		<u>7/1/2012- 9/30/2012</u>
Bond Direct Contribution		
Revenue		
	Federal Interest Benefits	\$255,788.16
	Special Allowance Payments	\$3,160.65
	Interest on Investments	\$2,939.75
	Interest and Fees/Student Loans	\$1,882,516.93
	Other Income	\$0.00
	Total Revenue	<u>\$2,144,405.49</u>
Bond Expenses		
	Bond/Note Interest	\$61,551.78
	Lender Fees and Consolidation Fees	\$273,350.91
	SAP Int Returned to DOE	\$866,900.61
	VT Value Rebate Expense	\$172,642.25
	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	(\$8,672.65)
	Credit Enhancement	\$338,786.56
	Auction Agent	\$0.00
	Remarketing	\$47,152.79
	Trustee Fees	\$3,600.00
	Rating Agency Fees	\$11,500.00
	Total Interest Expenses	<u>\$1,770,562.25</u>
	Total Direct Contribution	<u>\$373,843.24</u>
Administrative Expense		
	Salaries and Benefits	\$205,671.00
	Other General and Admin	\$213.00
	Other Loan Finance Expense	\$0.00
	Amortization of Bond Issuance	\$0.00
	Subsidy Transfer to Ops	\$79,779.00
	Total Administrative	<u>\$285,663.00</u>
	Transfers	\$0.00
	BEGINNING NET ASSETS	\$11,629,368.41
	NET SURPLUS/(DEFICIT)	\$88,180.24
	ENDING NET ASSETS	<u>\$11,717,548.65</u>