

**Student Loan Backed Reporting**  
**Quarterly Distribution Report**

<b>Issuer</b>	Vermont Student Assistance Corporation
<b>Deal Name</b>	2008 C
<b>Distribution Date</b>	9/30/2011
<b>Collection Period</b>	7/1/11 - 9/30/11
<b>Contact Email</b>	<a href="mailto:investorrelations@vsac.org">investorrelations@vsac.org</a>
<b>Website</b>	<a href="http://www.vsac.org">www.vsac.org</a>

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	0.150%	\$12,000,000	\$5,000,000	\$836	\$3,000,000	\$2,000,000	\$2,000,000	1.11%	12/15/2025	
2008 C1	92428C FK 5	Exempt	0.150%	\$20,625,000	\$20,625,000	\$8,623	\$0	\$20,625,000	\$20,625,000	11.46%	12/15/2032	
2008 C1	92428C FK 5	Exempt	0.150%	\$25,000,000	\$25,000,000	\$10,452	\$0	\$25,000,000	\$25,000,000	13.89%	12/15/2034	
2008 C1	92428C FK 5	Exempt	0.150%	\$12,500,000	\$12,500,000	\$5,226	\$0	\$12,500,000	\$12,500,000	6.94%	12/15/2036	
2008 C1	92428C FK 5	Exempt	0.150%	\$29,875,000	\$29,875,000	\$12,490	\$0	\$29,875,000	\$29,875,000	16.60%	12/15/2040	
2008 C2	92428C FL 3	Exempt	0.170%	\$12,000,000	\$5,000,000	\$878	\$3,000,000	\$2,000,000	\$2,000,000	1.11%	12/15/2025	
2008 C2	92428C FL 3	Exempt	0.170%	\$20,625,000	\$20,625,000	\$9,052	\$0	\$20,625,000	\$20,625,000	11.46%	12/15/2032	
2008 C2	92428C FL 3	Exempt	0.170%	\$25,000,000	\$25,000,000	\$10,973	\$0	\$25,000,000	\$25,000,000	13.89%	12/15/2034	
2008 C2	92428C FL 3	Exempt	0.170%	\$12,500,000	\$12,500,000	\$5,486	\$0	\$12,500,000	\$12,500,000	6.94%	12/15/2036	
2008 C2	92428C FL 3	Exempt	0.170%	\$29,875,000	\$29,875,000	\$13,112	\$0	\$29,875,000	\$29,875,000	16.60%	12/15/2040	
<b>Total</b>				<b>\$200,000,000</b>	<b>\$186,000,000</b>	<b>\$77,129</b>	<b>\$6,000,000</b>	<b>\$180,000,000</b>	<b>\$180,000,000</b>	<b>100.00%</b>		

(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	\$0	\$0	\$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	\$1,015,671	(\$155,990)	\$859,681
Loan Acquisition Fund	\$3,470,134	\$199,980	\$3,670,113
<b>Total Accounts Balance</b>	<b>\$6,535,805</b>	<b>\$43,989</b>	<b>\$6,579,794</b>

(a) Footnotes  
(b) Footnotes

Balance Sheet and Parity - Trust			
	Beg Balance	Activity	End Balance
<b>Assets</b>			
Loans Receivable	\$190,088,495	(\$5,747,700)	\$184,340,795
Allowance for Bad Debt	(\$356,412)	\$0	(\$356,412)
Student Loan Accrued Interest and Subsidy	\$3,680,969	(\$47,048)	\$3,633,921
Accrued Interest on Investment	\$1,193	(\$727)	\$466
Student Loan Fees	\$20,389	(\$1,523)	\$18,867
Total Accounts/Funds Balance	\$6,535,805	\$43,989	\$6,579,794
Deferred Bond Issuance Costs	\$905,927	(\$8,255)	\$897,672
Prepaid Expenses	\$0	\$0	\$0
<b>Total Assets</b>	<b>\$200,876,366</b>	<b>(\$5,761,264)</b>	<b>\$195,115,102</b>
<b>Liabilities</b>			
Bonds Payable	\$186,000,000	(\$6,000,000)	\$180,000,000
Accrued Interest on Senior Bonds	\$9,761	\$67,368	\$77,129
Excess SAP due to the Department	\$2,217,067	(\$48,604)	\$2,168,463
Borrower Benefit Rebates Payable	\$0	\$137,864	\$137,864
Accrued Yield and Rebate - US Treasury	\$0	\$0	\$0
Due to US Dept. of Ed	(\$38)	\$38	\$0
Accounts Payable and Other Liabilities	\$482,604	(\$31,566)	\$451,039
Due To/From Operations	\$23,893	(\$77,820)	(\$53,927)
<b>Total Liabilities</b>	<b>\$188,733,287</b>	<b>(\$5,952,720)</b>	<b>\$182,780,567</b>
Senior Parity %	106.11%		106.41%
Total Parity %	106.11%		106.41%

(a) Footnotes  
(b) Footnotes

Portfolio Summary - FFELP			
	Beg Balance	Activity	End Balance
Principal Balance	\$190,088,495	(\$5,747,700)	\$184,340,795
Accrued Interest	\$2,756,025	\$13,722	\$2,769,747
<b>Total Pool Balance</b>	<b>\$192,844,520</b>	<b>(\$5,733,978)</b>	<b>\$187,110,542</b>
Weighted Average Coupon (WAC)	5.39%		5.38%
Weighted Average Maturity (WAM) (in months)	169.5		168.9
Number of Loans	30,258	(682)	29,576
Number of Borrowers	20,320	(447)	19,873
Average Borrower Indebtedness	\$9,490	(\$75)	\$9,415

(a) Footnotes  
(b) Footnotes

Weighted Average Payments Made			
	Principal	% of Pool	W.A. Time until (a) Conversion to Repayment
In School	\$7,704,263	4.2%	(25.1) months
Grace	\$7,781,192	4.2%	(2.3) months
<b>Total Not Converted</b>	<b>\$15,485,455</b>	<b>8.4%</b>	
	Principal	% of Pool	W.A. Time since Conversion to Repayment
Repayment	\$132,503,191	71.9%	63.4 months
Reduced Payment	\$2,756,884	1.5%	63.0 months
Forbearance	\$7,518,020	4.1%	53.2 months
Deferment	\$25,104,651	13.6%	50.9 months
Claim Filled	\$972,594	0.5%	56.7 months
<b>Total Converted</b>	<b>\$168,855,340</b>	<b>91.6%</b>	
<b>Total Portfolio</b>	<b>\$184,340,795</b>	<b>100%</b>	

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

**Student Loan Backed Reporting**  
**Quarterly Distribution Report**

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<b>Deal Name</b>	2008 C
<b>Distribution Date</b>	9/30/2011
<b>Collection Period</b>	7/1/11 - 9/30/11
<b>Contact Email</b>	<a href="mailto:investorrelations@vsac.org">investorrelations@vsac.org</a>
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Portfolio by Loan Status - FFELP						
	# of Loans		Principal Balance		% of Balance	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
In School	2,662	2,384	\$8,799,845	\$7,704,263	4.6%	4.2%
Repayment	19,892	19,296	\$136,415,076	\$132,503,191	71.8%	71.9%
Reduced Payment	334	352	\$2,768,397	\$2,756,884	1.5%	1.5%
In Grace	2,114	2,225	\$7,421,856	\$7,781,192	3.9%	4.2%
Forbearance	761	835	\$7,101,358	\$7,518,020	3.7%	4.1%
Deferment	4,304	4,305	\$26,398,279	\$25,104,651	13.9%	13.6%
Claim Filed	191	179	\$1,183,684	\$972,594	0.6%	0.5%
<b>Total Portfolio</b>	<b>30,258</b>	<b>29,576</b>	<b>\$190,088,495</b>	<b>\$184,340,795</b>	<b>100%</b>	<b>100%</b>

(a) Footnotes  
(b) Footnotes

Delinquency Status - FFELP						
	# of Loans		Principal Balance		% of Balance	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current	16,843	16,158	\$114,163,644	\$109,446,748	82.0%	80.9%
1-29 Days Delinquent	1,610	1,407	\$13,149,141	\$11,141,680	9.4%	8.2%
30-59 Days Delinquent	280	388	\$2,301,142	\$3,758,996	1.7%	2.8%
60-89 Days Delinquent	456	489	\$3,585,112	\$3,145,612	2.6%	2.3%
90-119 Days Delinquent	279	391	\$1,534,147	\$2,520,679	1.1%	1.9%
120-149 Days Delinquent	267	192	\$1,498,796	\$1,387,175	1.1%	1.0%
150-179 Days Delinquent	89	212	\$724,386	\$1,600,093	0.5%	1.2%
180-209 Days Delinquent	121	138	\$689,117	\$719,585	0.5%	0.5%
210-239 Days Delinquent	131	122	\$830,603	\$815,500	0.6%	0.6%
240-269 Days Delinquent	103	93	\$500,008	\$485,533	0.4%	0.4%
270+ Days Delinquent	47	58	\$207,377	\$238,475	0.1%	0.2%
<b>Total Repayment (a)</b>	<b>20,226</b>	<b>19,648</b>	<b>\$139,183,473</b>	<b>\$135,260,076</b>	<b>100%</b>	<b>100%</b>

(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	5,590	5,459	\$19,704,530	\$19,016,267	10.4%	10.3%
Subsidized Stafford Loans	13,435	13,098	\$44,556,317	\$43,025,429	23.4%	23.3%
Grad / PLUS Loans	904	879	\$5,668,995	\$5,418,518	3.0%	2.9%
Consolidation Loans	10,319	10,130	\$120,128,382	\$116,848,589	63.2%	63.4%
Non-Guaranteed FFEL	10	10	\$30,271	\$31,992	0.0%	0.0%
<b>Total Portfolio</b>	<b>30,258</b>	<b>29,576</b>	<b>\$190,088,495</b>	<b>\$184,340,795</b>	<b>100%</b>	<b>100%</b>

(a) Footnotes  
(b) Footnotes

Portfolio by School Type - FFELP						
	# of Loans		Principal Balance		% of Balance	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
2 Year	4,397	4,269	\$16,431,342	\$15,828,256	8.6%	8.6%
4 Year	22,251	21,787	\$140,112,858	\$135,983,659	73.7%	73.8%
Foreign	164	162	\$2,068,159	\$2,057,495	1.1%	1.1%
Proprietary	850	828	\$4,126,702	\$3,922,458	2.2%	2.1%
Vocational	740	725	\$5,342,773	\$5,179,978	2.8%	2.8%
Other / Unknown (a)	1,856	1,805	\$22,006,662	\$21,368,949	11.6%	11.6%
<b>Total Portfolio</b>	<b>30,258</b>	<b>29,576</b>	<b>\$190,088,495</b>	<b>\$184,340,795</b>	<b>100%</b>	<b>100%</b>

(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	9/30/2011
Collection Period	7/1/11 - 9/30/11

**Collection Activity**

Collection Account	9/30/2011
<b>Available Funds at Beginning of Period (a)</b>	\$4,535,805
Collection Amount Received	\$6,399,696
Recoveries	\$0
Reserve Account	\$2,000,000
Capitalized Interest Account	\$0
Payments from Guarantor	\$1,354,612
Sale Proceeds	\$0
Investment Income	\$2,020
Loan Purchases and Originations	\$0
All Fees	\$0
Other Amounts Received in Collection	\$0
Consolidation Rebate Fee paid to Dept. of Ed	(\$208,730)
Excess Interest returned to Dept. of Ed	(\$643,108)
Excess Earnings Rebate paid to IRS	\$0
<b>Total Available Funds</b>	<b>\$13,440,296</b>

(a) Footnotes:  
(b) Footnotes

Fees and Program Expenses Due for Current Period	9/30/2011
Indenture Trustee Fees	\$3,600
Remarketing Fees	\$43,810
Credit Enhancement Fees	\$482,604
Arbitrage Analysis Fees	\$3,750
Servicing Fees	\$320,111
Other Fees	\$5,000
<b>Total Fees and Program Expenses</b>	<b>\$858,875</b>

Cumulative Default Rate	9/30/2011
Current Period Defaults and Write-offs	\$1,357,339
Cumulative Defaults and Write-offs	\$10,757,880
Loans for which claims have been filed as of Distribution Date	\$3,268,924
<b>Cumulative Default Rate</b>	<b>5.69%</b>
Cumulative Recoveries (including reimbursements and collections)	
Payments from Guarantor	\$10,531,402
Borrower Recoveries	\$0
<b>Recovery Rate</b>	<b>75.08%</b>
Cumulative Net Loss	\$3,495,403
<b>Cumulative Net Loss</b>	<b>1.42%</b>

(a) Footnotes

**Waterfall Activity**

Waterfall for Distribution	Amount Due	Amount Remaining
<b>Total Available Funds</b>		\$13,440,296
<b>First:</b> Fees and Program Expenses transferred to Operating Account	\$858,875	\$12,581,421
<b>Second:</b> Semi-Annual Interest Due transferred to Debt Service - Interest Account 2008 C	\$0	\$12,581,421
<b>Third:</b> For the 12 months preceding a stated maturity, equal installments of maturity amount transferred to Debt Service - Principal Account 2008 C	\$0	\$12,581,421
<b>Fourth:</b> Transfer to Debt Service Reserve Account if necessary to increase to minimum required	\$0	\$12,581,421
<b>Fifth:</b> Transfer to Retirement Account for non-scheduled retirement of bond principal and interest	\$6,001,627	\$6,579,794
<b>Remaining Amount Released to Corporation if parity conditions met</b>		\$6,579,794

(a) Footnotes  
(b) Footnotes

Principal and Interest Distributions	As of Date	9/30/2011
Interest Accrued		\$78,756
Interest Due		\$1,627
Interest Paid		\$1,627
Interest Shortfall	N/A	
Accrued Interest Carryover		\$77,129
Interest Carryover Due		\$0
Interest Carryover Paid		\$0
Interest Carryover		\$77,129
Periodic Principal Distribution Amount Due		\$0
Periodic Principal Paid (a)		\$6,000,000
Principal Shortfall	N/A	
<b>Total Distribution Amount</b>		<b>\$6,001,627</b>

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

# Vermont Student Assistance Corporation

## 2008 C Indenture

### Balance Sheet

	2008 C 6/30/2011	2008 C 9/30/2011
Assets		
Cash and Equivalents		
Operating	\$0.70	\$0.00
Revenue	\$1,015,670.99	\$859,680.52
Loan Acquisition	\$3,470,133.54	\$3,670,113.39
Debt Service Reserve	\$2,000,000.00	\$2,000,000.00
Cap Int	\$0.00	\$0.00
Rehab Default Reserve	\$50,000.00	\$50,000.00
Total Cash and Equivalents	<u>\$6,535,805.23</u>	<u>\$6,579,793.91</u>
Receivables		
Investment Interest	\$1,193.32	\$466.09
Student Loans	\$190,088,495.07	\$184,340,794.75
Allowance for Bad Debt	(\$356,412.09)	(\$356,412.09)
Contra SLR - Alt Fees	\$0.00	\$0.00
Deferred Subsidized Fees	\$20,389.30	\$18,866.75
Student Loan Interest	\$2,756,025.32	\$2,769,747.38
FIB	\$924,943.71	\$864,173.57
SAP	(\$2,217,066.60)	(\$2,168,462.69)
Total Receivables	<u>\$191,217,568.03</u>	<u>\$185,469,173.76</u>
Other Assets		
Def Bond Issuance, Net	\$905,926.76	\$897,671.57
Prepaid Expenses	\$0.00	\$0.00
Total Other Assets	<u>\$905,926.76</u>	<u>\$897,671.57</u>
Total Assets	<u>\$198,659,300.02</u>	<u>\$192,946,639.24</u>
Liabilities and Net Assets		
Liabilities		
Senior Bonds Payable	\$186,000,000.00	\$180,000,000.00
Bond Interest Payable	\$9,761.18	\$77,128.77
VT Value Rebates Payable	\$0.00	\$137,863.79
Accrued Yield - US Treasury	\$0.00	\$0.00
Accrued Rebates - US Treasury	\$0.00	\$0.00
Due To US Department of Education	(\$38.22)	\$0.00
Accounts Payable and Other Liabilities	\$482,604.28	\$451,038.53
Due To/From Other Funds	\$23,893.07	(\$53,927.03)
Total Liabilities	<u>\$186,516,220.31</u>	<u>\$180,612,104.06</u>
Net Assets		
Restricted by Bond Resolution	\$12,143,079.71	\$12,334,535.18
Total Net Assets	<u>\$12,143,079.71</u>	<u>\$12,334,535.18</u>
Total Liabilities and Net Assets	<u>\$198,659,300.02</u>	<u>\$192,946,639.24</u>

# Vermont Student Assistance Corporation

## 2008C Trust

### Quarterly Income Statement

	<b>2008C Trust</b>
	<b><u>7/1/2011- 9/30/2011</u></b>
Bond Direct Contribution	
Revenue	
Federal Interest Benefits	\$410,637.92
Special Allowance Payments	\$3,284.37
Interest on Investments	\$1,292.38
Interest and Fees/Student Loans	\$2,124,399.53
Other Income	\$0.00
Total Revenue	<u>\$2,539,614.20</u>
Bond Expenses	
Bond/Note Interest	\$68,994.70
Lender Fees and Consolidation Fees	\$208,729.72
SAP Int Returned to DOE	\$1,069,234.57
VT Value Rebate Expense	\$196,290.38
Fees Paid on Borrower Behalf	\$1,522.55
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	\$30,665.50
Credit Enhancement	\$451,038.53
Auction Agent	\$0.00
Remarketing	\$43,809.59
Trustee Fees	\$3,600.00
Rating Agency Fees	\$5,000.00
Total Interest Expenses	<u>\$2,082,635.54</u>
Total Direct Contribution	<u>\$456,978.66</u>
Administrative Expense	
Salaries and Benefits	\$186,987.00
Other General and Admin	\$412.00
Other Loan Finance Expense	\$0.00
Amortization of Bond Issuance	\$8,255.19
Subsidy Transfer to Ops	\$69,869.00
Total Administrative	<u>\$265,523.19</u>
Transfers	\$0.00
<b>BEGINNING NET ASSETS</b>	<b>\$12,143,079.71</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$191,455.47</b>
<b>ENDING NET ASSETS</b>	<b><u><u>\$12,334,535.18</u></u></b>