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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported): February 7, 2011**

**SLM CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware _____ (State or other jurisdiction of incorporation)	001-13251 _____ (Commission File Number)	52-2013874 _____ (I.R.S. Employer Identification No.)
12061 Bluemont Way, Reston, Virginia _____ (Address of principal executive offices)		20190 _____ (Zip Code)

Registrant's telephone number, including area code: 703 810-3000

Not Applicable  
\_\_\_\_\_

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events**

SLM Corporation frequently provides relevant information to its investors via posting to its corporate website. On February 7, 2011, a presentation entitled "ASF Investor Discussions" was made available on SLM Corporation's website at [https://www1.salliemae.com/about/investors/webcasts/archived\\_presentations.htm](https://www1.salliemae.com/about/investors/webcasts/archived_presentations.htm). In addition, the document is being furnished herewith as Exhibit 99.1.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SLM CORPORATION

By: /s/ Laurent C. Lutz

Name: Laurent C. Lutz

Title: Executive Vice President & General Counsel

Date: February 8, 2011

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**SLM CORPORATION**  
**Form 8-K**  
**CURRENT REPORT**  
**EXHIBIT INDEX**

<u>Exhibit No.</u>	Description
99.1	ASF Investor Discussions



# SLM CORPORATION

## ASF Investor Discussions



*February 2011*

## FORWARD-LOOKING STATEMENTS

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The following information is current as of February 7, 2011 and should be read in connection with SLM Corporation's press release for fourth quarter 2010 earnings, dated January 19, 2011, and more detailed information contained in the Company's 2009 Annual Report on Form 10-K (the "2009 Form 10-K"). Our actual results may differ materially from those included in these forward-looking statements due to a variety of factors including, but not limited to, those described in our 2009 Form 10-K in "Part I — Item 1A. Risk Factors" and in our quarterly reports on Form 10-Q in "Part II — Item 1A. Risk Factors."

This Presentation contains forward-looking statements and information based on management's current expectations as of the date of this presentation. Statements that are not historical facts, including statements about our beliefs or expectations and statements that assume or are dependent upon future events, are forward-looking statements. Forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause actual results to be materially different from those reflected in such forward-looking statements. These factors include, among others, increases in financing costs; limits on liquidity; any adverse outcomes in any significant litigation to which we are a party; our derivative counterparties terminating their positions with the Company if permitted by their contracts and the Company substantially incurring additional costs to replace any terminated positions; and changes in the terms of student loans and the educational credit marketplace (including changes resulting from new laws and the implementation of existing laws). The Company could be affected by: changes in or the termination of various liquidity programs implemented by the federal government; changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students and their families; changes in the composition of our Managed FFELP and Private Education Loan portfolios; changes in the general interest rate environment, including the rate relationships among relevant money-market instruments, and in the securitization markets, which may increase the costs or limit the availability of financings necessary to initiate, purchase or carry education loans; changes in projections of losses from loan defaults; changes in general economic conditions; changes in prepayment rates and credit spreads; and changes in the demand for debt management services. The preparation of our consolidated financial statements also requires management to make certain estimates and assumptions including estimates and assumptions about future events. These estimates or assumptions may prove to be incorrect. All forward-looking statements contained in this Presentation are qualified by these cautionary statements and are made only as of the date of this Presentation. The Company does not undertake any obligation to update or revise these forward-looking statements to conform the statement to actual results or changes in the Company's expectations.

# SLM CORPORATION UPDATE

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## **FFELP**

- FFELP program ended by Congress as of July 1, 2010
  - US Government now originating all new federal student loans
- SLM originated \$11.7 billion in federal student loans in 2010, prior to FFELP termination
- Acquired \$24.9 billion of securitized FFELP loans from Student Loan Corp, a Citibank subsidiary

## **Private Credit**

- Originated \$2.3 billion private education loans in 2010
- Improving credit trends

## **Servicing**

- Largest servicer and collector of student loans, servicing \$235 billion
  - Service \$46 billion for the Department of Education (ED) as of Dec 2010
  - SLM 2010 Fee Income \$795 million

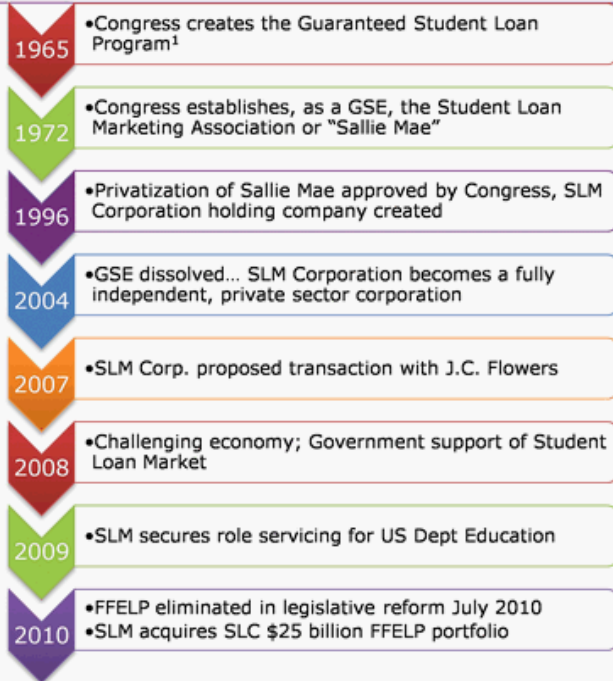
# A BRIEF CORPORATE HISTORY

SLM Corporate Debt Ratings			
	Moody's	S & P	Fitch
Long-Term	Ba1	BBB-	BBB-
Short-Term	Not-Prime	A-3	F3
Outlook	Neg.	Neg.	Stable

As 12/31/2010

Managed Loan Portfolio		
Loan Type	\$B	%
FFELP Loans	\$148.6	81%
Private Education	35.7	19%
Total Portfolio	\$ 184.3	100%

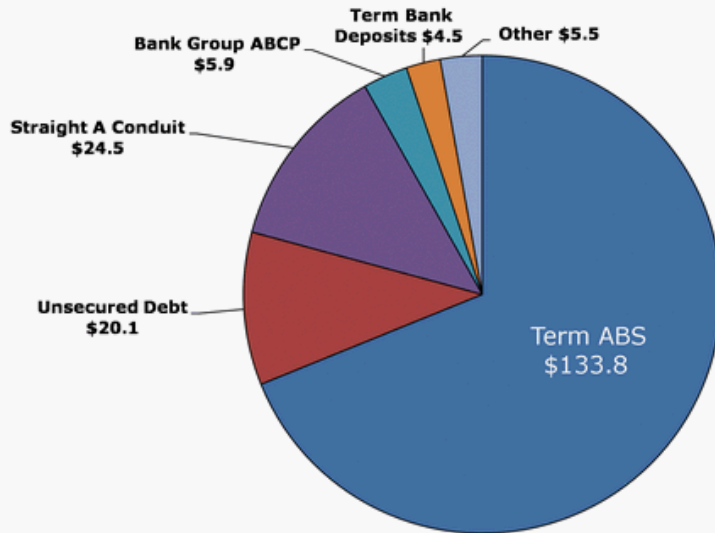
As of 12/31/2010



<sup>1</sup> Currently known as the Federal Family Education Loan Program (FFELP).

# FUNDING DISTRIBUTION

At Dec 31, 2010 total Managed borrowings were \$194.3 billion



\*Other includes FHLB-DM facility borrowings, on-balance sheet indentured trusts, SLC acquisition financing and other Managed borrowings as identified in the Q4 2010 SLM Supplemental Earnings Disclosure.



## 2010 SLM CAPITAL MARKETS SUMMARY

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- Issued \$2 billion of FFELP ABS
- Issued \$4.1 billion of Private Credit ABS
- Issued \$1.5 billion of unsecured notes
- On January 11, 2011 we issued a \$2 billion unsecured corporate bond
- On January 14, 2011 we expanded and extended our ABCP facility
- Bank Group ABCP borrowings reduced to \$5.9 billion

# SLM ASSET-BACKED FUNDING

## SLM ABS Term Issuance Volume

ABS Issuance (\$ in billions)	Q4 10	Q3 10	Q2 10	Q1 10	2009	2008
Non-Consolidation FFELP ABS	\$ -	\$ 0.8	\$ 1.2	\$ -	\$ -	\$ 18.5
Consolidation FFELP ABS	-	-	-	-	5.9	-
Private Credit ABS	-	2.6	-	1.6	7.5	-
<b>Total ABS Issuance</b>	<b>\$ -</b>	<b>\$ 3.4</b>	<b>\$ 1.2</b>	<b>\$ 1.6</b>	<b>\$ 13.4</b>	<b>\$ 18.5</b>

## SLM Secured Funding

Secured Borrowings (\$ in billions)	12/31/10	9/30/10	6/30/10	3/31/10	12/31/09	12/31/08
Net ED Participation Program <sup>(1)</sup>	\$ -	\$ 20.2	\$ 19.9	\$ 15.7	\$ 9.0	\$ 7.4
Straight - A Funding Facility	24.5	15.4	15.9	14.7	14.3	-
ABCP & Other Secured Facilities <sup>(2)</sup>	7.9	6.5	6.8	8.4	8.8	24.8
<b>Total Asset Funding</b>	<b>\$ 32.4</b>	<b>\$ 42.2</b>	<b>\$ 42.6</b>	<b>\$ 38.8</b>	<b>\$ 32.1</b>	<b>\$ 32.2</b>

(1) Reported at quarter closing dates, net of paydowns.

(2) Balances inclusive of FFELP and legacy private ABCP, legacy UBS Phoenix facility, FHLB Des Moines and seller financing for the SLC acquisition.

## SLM FFELP STUDENT LOAN ABS



# SLM FFELP ABS ISSUE CHARACTERISTICS

## Typical SLM FFELP ABS Transaction Features

- ▶ Issue size of \$750 M to \$2 B
- ▶ Tranches denominated in US\$ or Euros
- ▶ 'Aaa/AAA/AAA' rated senior tranches make up 97% of issue structure
- ▶ Floating rate tied to 1 mo. LIBOR, with occasional fixed rate issuance
- ▶ Amortizing tranches, with 1 to 15(+) year average lives or single class pass-thru
- ▶ Masterservicer is Sallie Mae, Inc.

## Unique Characteristics of FFELP Loan ABS

- ▶ Explicit U.S. government guarantee of underlying collateral insulates bondholders from virtually any loss of principal (1)
- ▶ Formerly a 20% risk-weighted asset, now a <10% risk-weighted under Basel II's IRB methodology
- ▶ Offer significantly higher spreads than government agency securities with comparable risk profiles
- ▶ Short (1-3 yrs), intermediate (3-7 yrs), long (7-10 yrs) and very long (10-15+ years) term tranches available at new issue and in secondary

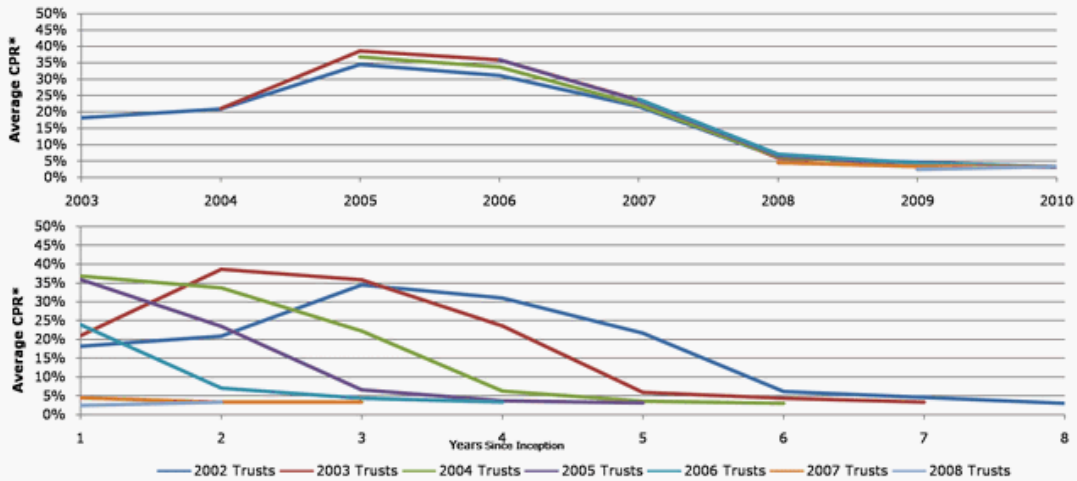
(1) Principal and accrued interest on underlying FFELP loan collateral carry a guarantee of either 98% or 97%. Guarantee is dependent on meeting the servicing requirements of the U.S. Department of Education.

# SLM STAFFORD/PLUS ABS TRUSTS

## PREPAYMENT ANALYSIS

- ▶ Annualized CPRs for SLM Stafford/PLUS ABS Trusts have decreased significantly as incentives for borrowers to consolidate have declined

Historical SLM Stafford/PLUS ABS CPRs



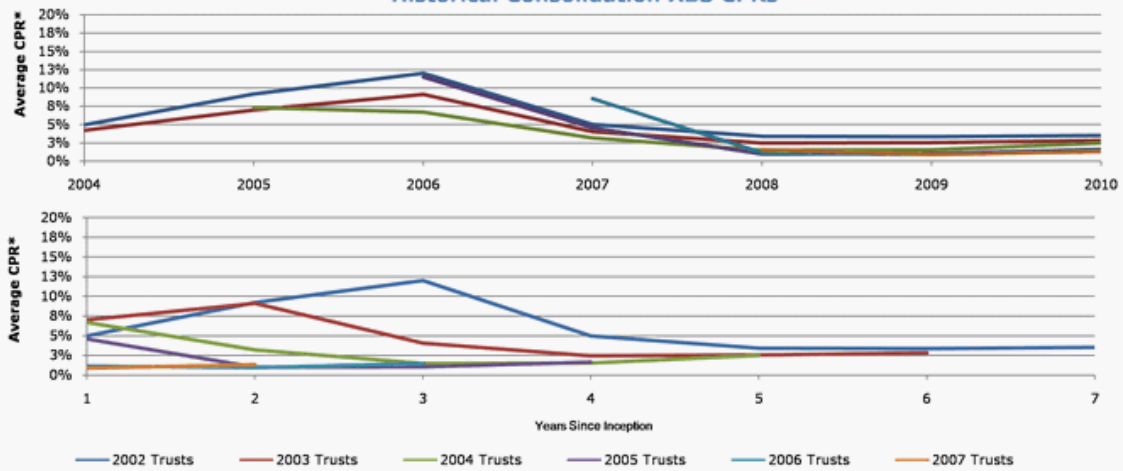
\* Average CPR is the simple (non-weighted) average of four Quarterly CPR calculations for years ended December 31, 2010. Quarterly CPR assumes School and Grace loans are not scheduled to make payments. Deferment, Forbearance and Repayment loans are scheduled to make payments.

# SLM CONSOLIDATION ABS TRUSTS

## PREPAYMENT ANALYSIS

- ▶ CPRs for SLM Consolidation ABS Trusts have declined significantly following legislation that prevented in-school and re-consolidation of borrowers' loans

Historical Consolidation ABS CPRs



\* Average CPR is the simple (non-weighted) average of four Quarterly CPR calculations for years ended December 31, 2010. Quarterly CPR assumes School and Grace loans are not scheduled to make payments. Deferment, Forbearance and Repayment loans are scheduled to make payments.

# PROJECTED CASH FLOWS FROM FFELP PORTFOLIO

(\$ in Millions)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Projected FFELP Average Balance	\$139,081	\$125,686	\$112,463	\$100,231	\$89,393	\$79,621	\$70,336
Projected Excess Spread	\$976	\$923	\$835	\$742	\$664	\$729	\$653
Projected Servicing Revenue	\$758	\$691	\$620	\$553	\$491	\$432	\$376
Projected Total Revenue	\$1,734	\$1,614	\$1,455	\$1,295	\$1,155	\$1,161	\$1,029
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Projected FFELP Average Balance	\$53,705	\$46,289	\$39,973	\$34,973	\$30,474	\$26,148	\$21,961
Projected Excess Spread	\$514	\$441	\$355	\$294	\$261	\$235	\$213
Projected Servicing Revenue	\$275	\$230	\$194	\$168	\$146	\$125	\$106
Projected Total Revenue	\$789	\$671	\$549	\$462	\$407	\$360	\$319
	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
Projected FFELP Average Balance	\$14,069	\$10,637	\$7,936	\$5,854	\$4,143	\$2,634	\$1,399
Projected Excess Spread	\$153	\$125	\$99	\$78	\$57	\$40	\$15
Projected Servicing Revenue	\$68	\$52	\$39	\$29	\$20	\$13	\$7
Projected Total Revenue	\$221	\$177	\$138	\$107	\$77	\$53	\$22

- Total Cash Flows from Projected Excess Spread = \$9.2 Billion
- Total Cash Flows from Projected Servicing Revenues = \$5.8 Billion

**Assumptions**

- CPVLIBOR = 10 basis points
- No Floor Income
- CPR/CDR = Stafford & Plus (7.0%), Consolidation (3.0%)

Excel spreadsheet available upon request.

## SLM PRIVATE EDUCATION LOAN ABS



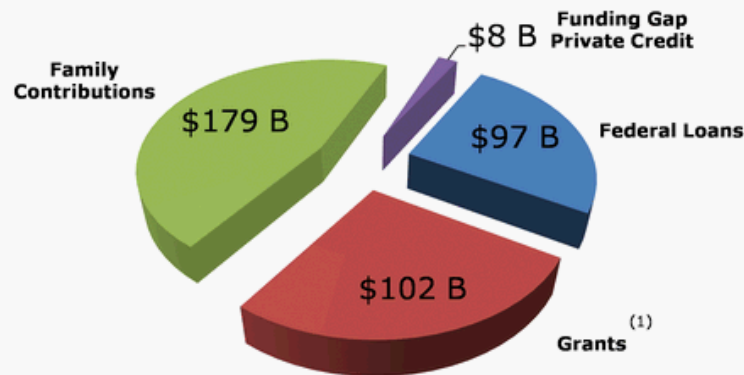


# PRIVATE EDUCATION LOAN MARKET OPPORTUNITY

The total cost of education for Students and Parents is estimated at \$387 billion

## Total Cost of Education

2009/2010 Academic Year



Assuming Federal Loans and Grants remain constant – a 4% increase in the cost of education would result in a \$15 billion incremental funding requirement for Students and Families

<sup>1</sup> Grants include federal, state, institutional, private/employer, education tax benefits and work study  
Source: College Board, U.S. Department of Education & Company analysis

# PRIVATE EDUCATION LOANS

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## ▶ Managed Portfolio Loan Characteristics

- 19% of SLM's managed student loan portfolio, \$35.7 billion at 12/31/10
- High-quality long-duration assets
  - 59% of portfolio has a cosigner, typically a parent
  - Higher education loans typically non-dischargeable in bankruptcy
  - Average life ~ 7.75 years
- Attractive margins and risk adjusted returns
- Dominant franchise and distribution capabilities among students, colleges and universities
  - Strong customer service capabilities
- Fully integrated process
  - Sales, underwriting, originations, servicing and collections

Note: All figures as of Dec 31, 2010.

## CREDIT PERFORMANCE

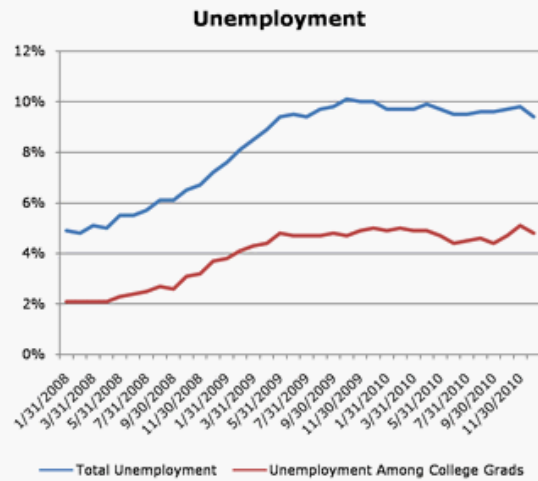
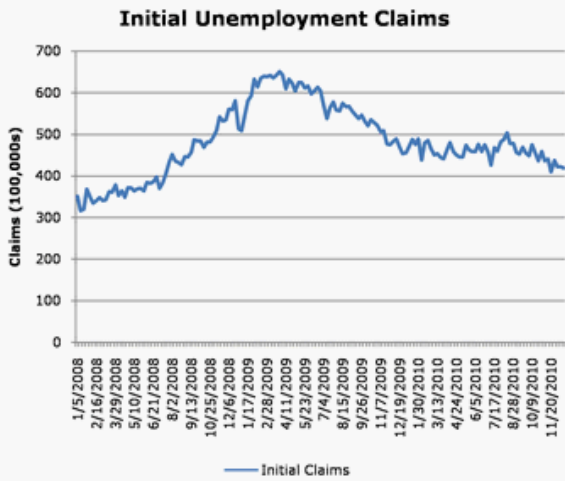
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### Private Education Loans - Credit Performance is Improving

- ▶ Forbearance continues to be down 60% from 2008 levels
  - Non-traditional forbearance is 6.1% as of 12/31/2010
  - Traditional forbearance is 4.4% as of 12/31/10
  
- ▶ Non-Traditional charge-offs are down 20% year over year
  - Charge-offs Q4 2010 14.9% vs. Q3 2009 at 18.6%
  
- ▶ Traditional Charge-offs are down 8% from prior quarter
  - Charge-offs Q4 2010 3.6% vs. Q3 at 3.9%
  
- ▶ FICO scores continue to improve on loans moving into repayment
  - Average FICO's of 724 on 2010 loans moving into repayment versus 709 in 2006
  
- ▶ Portfolio cosigner percentage continues to increase
  - 59% of portfolio has a cosigner, up from 50% historically
  - 69% of loans entering repayment in Q4 2010 have a cosigner up from 51% in 2006
  - 89% of Q4 2010 loan originations had cosigners

# THE ECONOMY IS BEGINNING TO RECOVER

- ▶ There are signs of economic recovery
  - The unemployment rate has begun to improve from peak levels, as have initial jobless claims
  - Consumer spending strengthened
- ▶ The unemployment rate for college graduates remains lower than the overall unemployment rate



## RECENT SLM PRIVATE ED LOAN ABS CHARACTERISTICS

### Typical SLM Private Loan ABS Structures

- ▶ Historical issue size of \$500 M to \$2.0B
- ▶ US\$ denominated
- ▶ Triple-A rated senior notes only; no subordinate tranches
- ▶ 20-30(+) % overcollateralization
- ▶ Pass-thru with 3-5(+) yr average lives, or multiple tranches with 1-10(+) yr average lives
- ▶ Floating rate tied to 1 mo. LIBOR

### Unique Characteristics of SLM Private Loan ABS

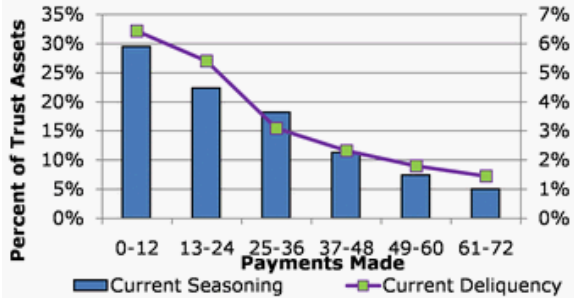
- ▶ Collateralized by loans made to students and parents to fund college tuition, room and board
- ▶ Underwritten using FICO, Custom Scorecard & DTI w/risk-based pricing
- ▶ 60-70(+) % with co-borrowers, typically a parent
- ▶ Typically non-dischargeable in bankruptcy
- ▶ Serviced exclusively by Sallie Mae

# SLM PRIVATE EDUCATION LOAN ABS TRUSTS

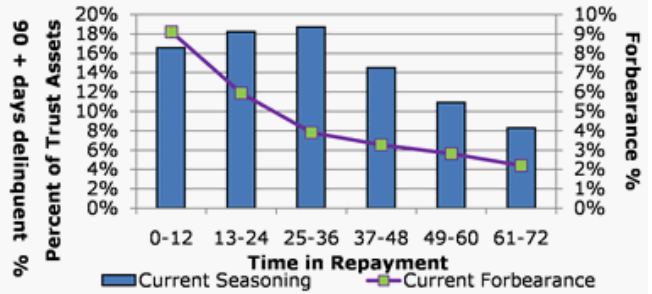
## IMPACT OF SEASONING ON DELINQUENCY AND FORBEARANCE

- ▶ Delinquency and forbearance are highest when loans enter repayment, and diminish as loans season
- ▶ As the trust loans season, delinquency and forbearance are expected to decline

**90 + Day Delinquencies, % of Loans in Repayment  
SLM Private Credit Trusts**



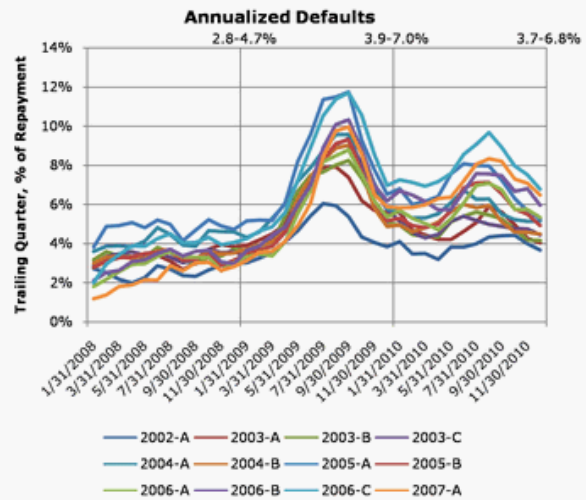
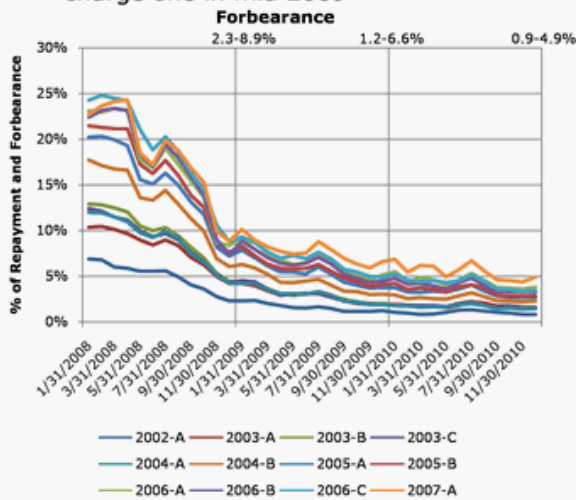
**Forbearance, % of Loans in Repayment and Forbearance  
SLM Private Credit Trusts**



Note: Based on historical data through September 30, 2010. Does not include data for 2010 trusts which have not had time to become 90 days delinquent

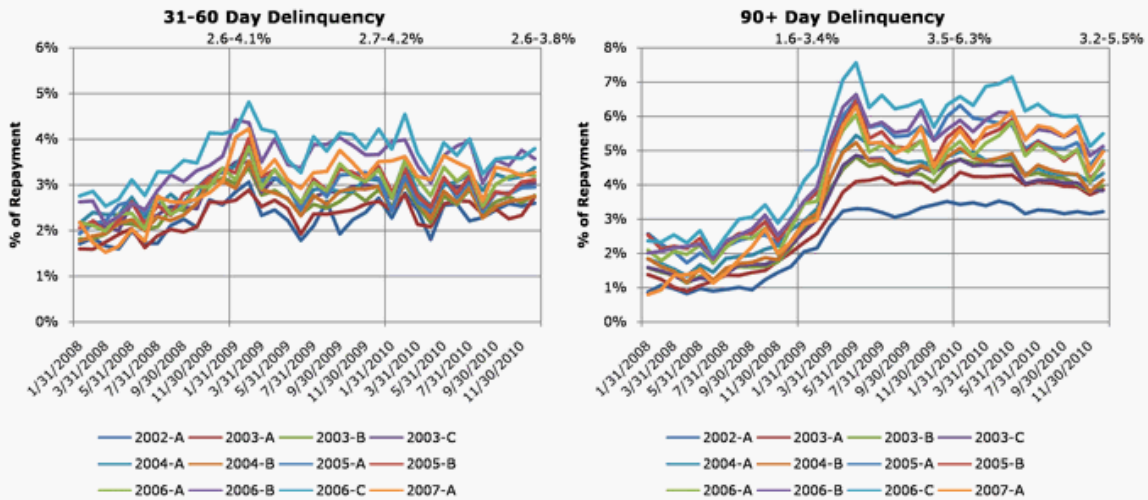
# REDUCED RELIANCE ON FORBEARANCE

- ▶ Beginning in the second half of 2008, we made a series of changes to our forbearance policy
  - Fall 2008 – Reduced duration of forbearance from 6 months to 3 months
  - February-March 2009 – Restricted use of forbearance based on risk
- ▶ Many of the borrowers who were denied forbearance defaulted in a one-time wave of charge offs in mid 2009



# IMPROVING PERFORMANCE

- ▶ Early stage delinquencies rose as the forbearance policy changed and have improved despite the economic environment
- ▶ Late stage delinquencies have decreased since the peak associated with the forbearance changes

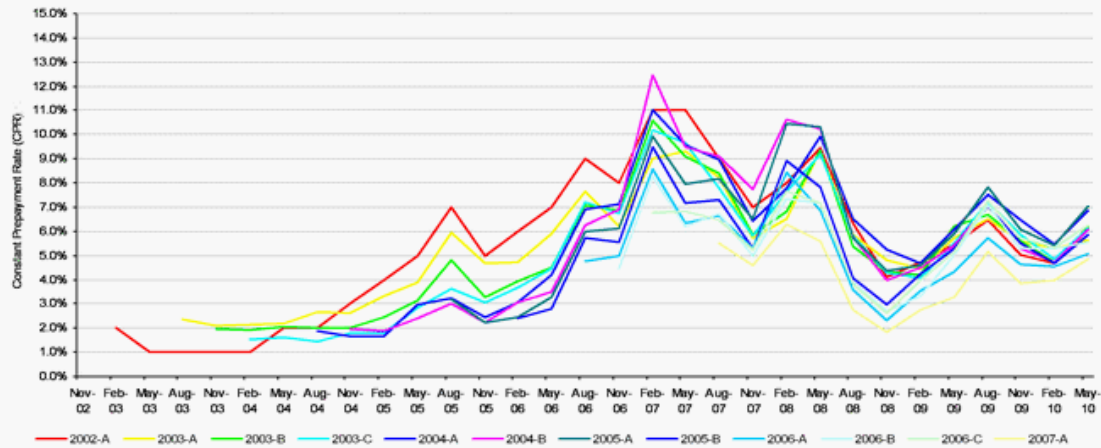




## 2007-A AND PRIOR SLM PRIVATE LOAN ABS PREPAYMENT ANALYSIS

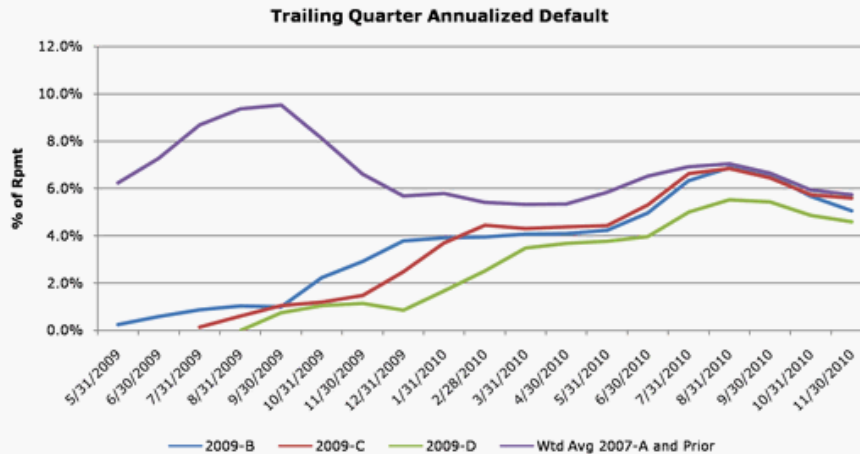
- ▶ Constant prepayment rates increased in 2007 due to the introduction of Private Credit Consolidation loans, but then declined accordingly following SLM's decision to suspend its consolidation loan program

Historical SLM Private Credit ABS CPRs



## FAVORABLE EARLY DEFAULT PERFORMANCE FOR 2009 ISSUANCE

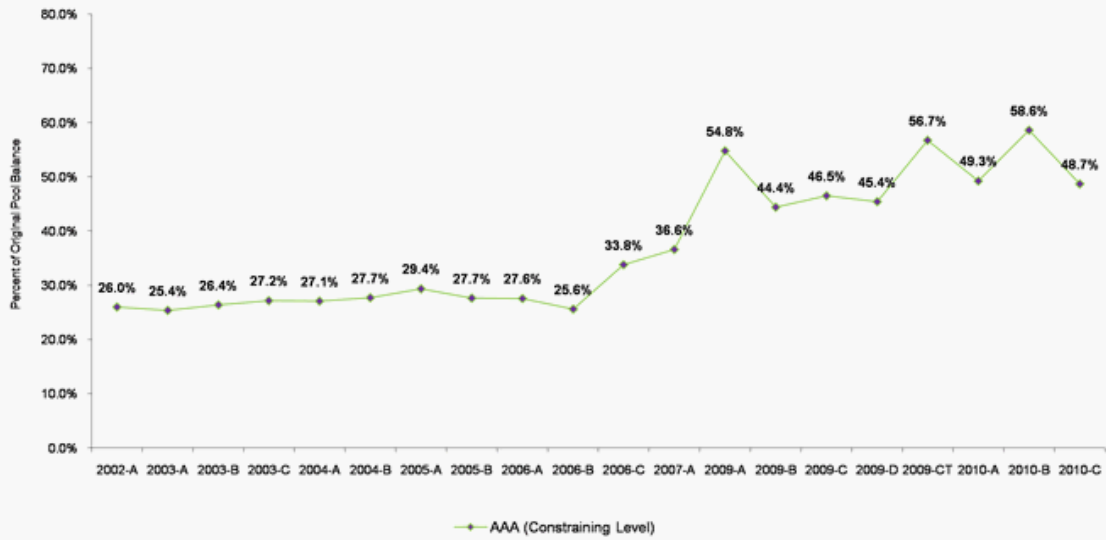
- ▶ Despite the higher proportion of loans in early repayment, defaults for the 2009 transactions are in line with many seasoned transactions due to the positive credit mix of the pools
  - Higher cosigner rates
  - Favorable school mix
  - No nontraditional loans
  - Higher average original and recent FICO scores



# SLM PRIVATE CREDIT GROSS DEFAULTS

## CONSTRAINING RATING AGENCY STRESS LEVELS AT ISSUANCE

Constraining Rating Agency Stress Levels at Issuance for 'AAA'

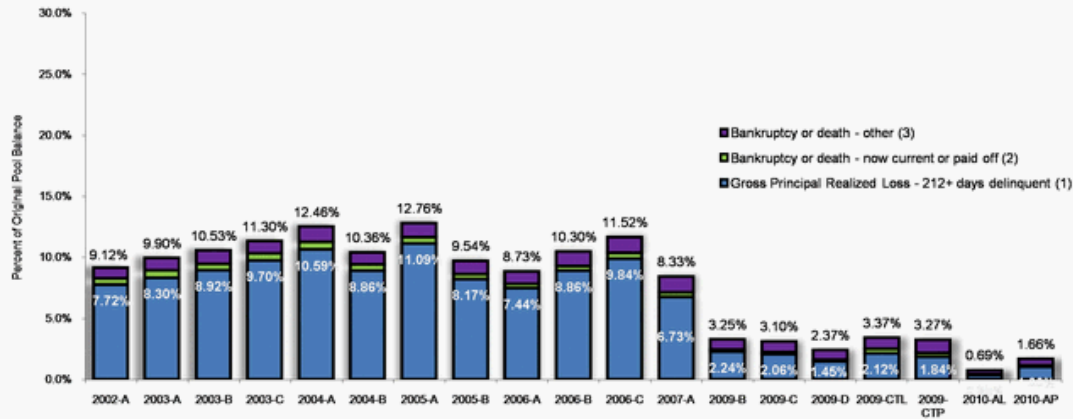


As of September 30, 2010

# SLM PRIVATE EDUCATION LOAN GROSS DEFAULTS

## ACTUAL-TO-DATE

Actual-to-Date Cumulative Gross Defaults,  
including Bankruptcy Information  
All Trust Loans



For SLM Private Education Loan Trusts issued prior to 2005-B, the servicer has the option, but not the obligation, to repurchase loans that (i) become 180+ days delinquent and/or (ii) have a borrower who filed for bankruptcy or died. Prior to November 1, 2008, the servicer exercised this repurchase option and actual charge-offs in these trusts equaled zero. Beginning November 1, 2008, the servicer ceased purchasing from the trust loans that are more than 180 days delinquent. For the purposes of comparison across all deals, this chart reflects trust charge-offs for SLM Private Education Loan Trusts issued prior to 2005-B as if the servicer had never exercised its repurchase option.

- (1) Charge-offs per the servicer's portfolio definition which is generally 212+ days delinquent. Includes loans for which a borrower has filed bankruptcy which have subsequently become 212+ days delinquent.
- (2) Charge-offs due to a borrower's bankruptcy filing for which the loan is now current or paid off.
- (3) Charge-offs due to a borrower's bankruptcy filing or death for which the loan is not current or paid off but has not become 212+ days delinquent. These loans are in various statuses including: bankruptcy stay, deferment, forbearance or delinquency.

As of December 31, 2010

# ADDITIONAL INFORMATION AVAILABLE AT [WWW.SALLIEMAE.COM](http://WWW.SALLIEMAE.COM)

