
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):

December 31, 2010

SLM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

12061 Bluemont Way, Reston, Virginia

(Address of principal executive offices)

001-13251

(Commission
File Number)

Not Applicable

Former name or former address, if changed since last report

52-2013874

(I.R.S. Employer
Identification No.)

20190

(Zip Code)

Registrant's telephone number, including area code:

(703) 810-3000

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))
-

[Top of the Form](#)

Item 1.01 Entry into a Material Definitive Agreement.

On December 31, 2010, SLM Corporation ("SLM") and its subsidiaries, SLM Education Credit Finance Corporation ("SLM ECFC"), Sallie Mae, Inc. and Bull Run 1 LLC (collectively, "Sallie Mae") acquired from Student Loan Corporation ("SLC") an interest in substantially all of the FFELP loan assets of SLC pursuant to an Asset Purchase Agreement (the "Asset Purchase Agreement"), dated September 17, 2010 by and among SLM, SLM ECFC, Sallie Mae, Inc., SLC, Citibank, N.A., ("Citibank"), Citibank (South Dakota) National Association, Student Loan Receivables I, Inc. (the "Depositor"), and SLC Conduit I LLC ("SLC Funding Note Issuer"). SLM expects the transaction to be immediately accretive. The aggregate purchase price was approximately \$1.076 billion.

The assets purchased include the residual interest in 13 of SLC's 14 FFELP loan securitizations (the "FFELP trusts") and SLC's interest in SLC Funding Note Issuer, related to the U.S. Department of Education's Straight-A Funding asset-backed commercial paper conduit. In the aggregate, SLM purchased an interest in approximately \$27 billion in FFELP loans. Sallie Mae, Inc. will also become the servicer and subadministrator of the assets in the FFELP trusts and in SLC Funding Note Issuer. Sallie Mae, Inc. contemplates converting all of the underlying loans to its servicing platform within the next 12 months.

The transaction is funded by a 5-year term loan provided by Citibank to Bull Run 1 LLC in an amount equal to the purchase price. The loan is secured by the purchased assets and guaranteed by SLM Corporation. The loan bears interest at a rate of LIBOR plus 4.50%, and is subject to scheduled quarterly payments of the lesser of (i) 2.5% of the original principal amount of the term loan or (ii) the residual cash flow derived from the assets securing the loan.

Contemporaneous with Sallie Mae's purchase, SLC also consummated separate transactions with Citibank and Discover Financial Services. For details concerning those other transactions, please see SLC's press release of January 3, 2011.

On January 3, 2011 Sallie Mae issued a press release announcing that it had consummated the transaction contemplated by the Asset Purchase Agreement and the other transaction documents. A copy of the press release is attached hereto as Exhibit 99.1.

[Top of the Form](#)

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

January 3, 2011

By: */s/ John F. Remondi*

Name: John F. Remondi

Title: Vice Chairman and Chief Financial Officer

Exhibit Index

Exhibit No.	Description
99.1	Press Release

SallieMae NEWS RELEASE

FOR IMMEDIATE RELEASE

Sallie Mae Closes Transactions to Acquire \$27 Billion of Federal Student Loan Assets From The Student Loan Corporation

RESTON, Va., Jan. 3, 2011—SLM Corporation (NYSE: SLM), commonly known as Sallie Mae, announced that on Dec. 31, 2010, it successfully closed its transaction to acquire \$27 billion of securitized federal student loans and related assets from The Student Loan Corporation (NYSE: STU), a subsidiary of Citibank, N.A. Originally announced in September, the transaction adds 1.3 million customers to Sallie Mae's customer base.

"We are pleased to welcome our new customers and to bring them our first-class customer care, college saving, and online banking offerings to help them achieve their education and financial goals," said Albert L. Lord, vice chairman and CEO of Sallie Mae, the nation's only financial services company specializing in education.

The company now manages or services more than \$200 billion in federal student loans and \$36 billion in private student loans. Sallie Mae is the largest provider of private student loans, offering among the lowest interest rates, pioneering consumer protections, and repayment terms that enable students to graduate with less debt. Sallie Mae's Smart Option Student Loan is the private education loan chosen by the National Education Association Member Benefits Corporation and 250 banks and credit unions.

Details of the transaction are included in a Form 8-K filed with the Securities and Exchange Commission.

SLM Corporation (NYSE: SLM), commonly known as Sallie Mae, is the nation's only financial services company specializing in education. Sallie Mae's saving programs, planning resources and financing options have helped more than 31 million people make the investment in higher education. The company manages or services more than \$236 billion in education loans and serves 11 million student and parent customers. Its affiliate Upromise Investments, Inc., manages \$27 billion in 529 college savings plans, and members of Upromise by Sallie Mae have earned more than \$575 million in rewards to help pay for college. Sallie Mae offers services to a range of institutional clients, including colleges and universities, student loan guarantors and state and federal agencies. More information is available at www.SallieMae.com. SLM Corporation and its subsidiaries are not sponsored by or agencies of the United States of America.

CONTACTS:

Media	Martha Holler, (703) 984-5178, martha.holler@SallieMae.com
Investors	Patricia Nash Christel, (703) 984-5382, patricia.christel@SallieMae.com
	Steve McGarry, (703) 984-6746, steven.mcgary@SallieMae.com
	Joe Fisher, (703) 984-5755, joe.fisher@SallieMae.com

###