
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):

September 17, 2010

SLM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

001-13251

52-2013874

(State or other jurisdiction
of incorporation)

(Commission
File Number)

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

12061 Bluemont Way, Reston, Virginia

20190

(Address of principal executive offices)

(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 1.01 Entry into a Material Definitive Agreement.

Item 1.01. Entry into a Material Definitive Agreement

On September 17, 2010, SLM Corporation and its subsidiaries, Sallie Mae, Inc. and Bull Run 1, LLC (collectively, "Sallie Mae") entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Student Loan Corporation ("SLC"), Citibank, N.A., ("Citibank"), Citibank N.A., South Dakota, Student Loan Receivables I, Inc. (the "Depositor"), and SLC Conduit I LLC ("SLC Funding Note Issuer") pursuant to which Sallie Mae has agreed to acquire from SLC substantially all of the FFELP loan assets of SLC. SLM Corporation expects the transaction to be immediately accretive. The aggregate purchase price is approximately \$1.2 billion and will be payable in cash at the closing of the transaction. Sallie Mae anticipates the closing to occur by year-end 2010 subject to receipt of necessary approvals.

The assets to be purchased include the residual interest in 13 of SLC's 14 FFELP loan securitizations and its 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, approximately \$28 billion in FFELP loans are involved. The transaction also involves the right to service these assets and administer the securitization trusts.

The transaction will be funded by a 5-year term loan provided by Citibank in an amount equal to the purchase price. The loan will be secured by the purchased assets and guaranteed by SLM Corporation. The loan will bear interest at a rate of LIBOR plus 4.50%, and be 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.

The Asset Purchase Agreement includes customary representations, warranties and covenants. Additional covenants require that each of the parties use commercially reasonable efforts to cause the closing of the transactions to be completed including with regard to receiving SLC shareholder, Department of Education and other requisite approvals and restricting SLC's ability to solicit alternative acquisition proposals or provide information or engage in discussions with third parties related thereto. Citibank has also agreed to facilitate the transaction by providing specific indemnifications to Sallie Mae.

As part of the transaction, Sallie Mae, Inc. will enter into agreements with each of the securitization trusts to become the servicer and administrator for these trusts. Sallie Mae contemplates converting all of the underlying loans to its servicing platform shortly after closing.

Contemporaneous with Sallie Mae entering into the Asset Purchase Agreement, Citibank and SLC entered into a separate asset purchase agreement. SLC, Citibank and Discover Financial Services also entered into a merger agreement. Closing under the Asset Purchase Agreement is contingent on the other transactions closing. For details concerning those other agreements, please see SLC's press release of September 17, 2010.

On September 17, 2010 Sallie Mae issued a press release announcing that it had entered into the Asset Purchase Agreement and the other transaction documents. A copy of the press release is attached hereto as Exhibit 99.1.

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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.

September 17, 2010

SLM CORPORATION

By: /s/ Mark L. Heleen

Name: Mark L. Heleen

Title: Executive Vice President and General Counsel

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release

SallieMae NEWS RELEASE

FOR IMMEDIATE RELEASE Media Contacts: Investor Contacts: Martha Holler Steve McGarry 703-984-5178 703-984-6746
Patricia Nash Christel Joe Fisher

703-984-5382 703-984-5755

SALLIE MAE TO PURCHASE \$28 BILLION OF FEDERAL STUDENT LOANS, ASSETS FROM THE STUDENT LOAN CORPORATION??

RESTON, Va., Sept. 17, 2010—SLM Corporation (NYSE: SLM), commonly known as Sallie Mae, today announced that it has reached an agreement to purchase \$28 billion of securitized federal student loans and related assets from The Student Loan Corporation (NYSE: STU), a subsidiary of Citibank, N.A.

Sallie Mae is the largest servicer of federally guaranteed student loans and the largest originator and servicer of private student loans. The transaction is expected to close by year-end 2010 following regulatory approvals and other customary closing conditions.

“This opportunity fits well with our servicing scale and expertise,” said Albert L. Lord, vice chairman and CEO, Sallie Mae. “We welcome our 1.3 million new customers and commit to assist them in meeting their education loan obligations.”

In surveys by the federal government, Sallie Mae is ranked the top servicer by student loan customers. Upon closing the transaction, Sallie Mae will manage or service approximately \$200 billion in federal student loans.

In addition, the company manages or services \$36 billion in private student loans, including the new Smart Option Student Loan, which helps students graduate with less debt and pay off their loans faster. With market-leading interest rates, no origination fees, shorter repayment terms and in-school options to make interest payments or pay \$25 monthly, degree-seeking students can save 30 to 50 percent in interest charges compared to deferred-payment private loans with a standard 15-year term.

Sallie Mae offers a range of saving, planning and paying for college solutions, and has helped 31 million families make the investment in education. More information is available at SallieMae.com.

As required by securities rules, Sallie Mae will file a report on Form 8-K with the Securities and Exchange Commission describing the details of the transaction.

SLM Corporation (NYSE: SLM), commonly known as Sallie Mae, is the nation’s leading saving, planning and paying for education company. Sallie Mae’s saving programs, planning resources and financing options have helped more than 31 million people make the investment in higher education. Through its subsidiaries, the company manages \$184 billion in education loans and serves 10 million student and parent customers. In addition, the company’s Upromise program has enabled 12 million members to earn more than \$550 million in rewards to help pay for college, and its affiliate Upromise Investments, Inc., manages more than \$26 billion in 529 college-savings plans. 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.

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