SOUTH CAROLINA STUDENT LOAN CORPORATION

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2010

SOUTH CAROLINA STUDENT LOAN CORPORATION
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YEAR ENDED JUNE 30, 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
South Carolina Student Loan Corporation
Columbia, South Carolina

We have audited the accompanying statement of financial position of South Carolina Student Loan Corporation as of June 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's summarized comparative information has been derived from the 2009 financial statements and, in our report dated September 22, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Carolina Student Loan Corporation as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 30, 2010, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements of South Carolina Student Loan Corporation, taken as a whole. The accompanying supplementary information on pages 22 - 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Derrick, Stubbs + Stith, LLP

Columbia, South Carolina
August 30, 2010

SOUTH CAROLINA STUDENT LOAN CORPORATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010
(WITH COMPARATIVE AMOUNTS FOR 2009)

	2010			2009
	Unrestricted	**Temporarily Restricted**	**Total**	Totals Memorandum Only
ASSETS				
Current Assets				
Cash and cash equivalents	**$ 57,194,505**	**$ 133,604,544**	**$ 190,799,049**	$ 207,010,580
Investments	**4,054,251**	**-**	**4,054,251**	3,676,060
Current portion of student loan receivables	**1,326,668**	**259,991,397**	**261,318,065**	229,612,348
Interest due from borrowers	**622,257**	**101,134,136**	**101,756,393**	86,720,120
Due from SC State Education Assistance Authority	**1,075,542**	**18,772,261**	**19,847,803**	12,543,342
Accrued investment income	**3,781**	**86,954**	**90,735**	119,589
Prepaid expenses	**117,863**	**-**	**117,863**	64,345
Due from (to) other funds	**575,208**	**(575,208)**	**-**	-
Total current assets	**64,970,075**	**513,014,084**	**577,984,159**	539,746,384
Investments and Long-Term Receivables				
Other student loan receivables less current portion and net of allowance for loan loss of $ 11,934,660	**24,498,418**	**3,778,265,527**	**3,802,763,945**	3,437,769,449
Teacher loans receivable - less allowance for teacher loan cancellations of $ 17,373,368 and current portion	**-**	**20,088,442**	**20,088,442**	16,939,788
Deferred cost of issuance of debt	**-**	**5,891,822**	**5,891,822**	5,987,949
Total investments and long-term receivables	**24,498,418**	**3,804,245,791**	**3,828,744,209**	3,460,697,186
Property and Equipment				
Land	**565,000**	**-**	**565,000**	565,000
Building	**2,431,329**	**-**	**2,431,329**	2,431,329
Furniture and equipment	**2,067,977**	**-**	**2,067,977**	2,033,037
Automobiles	**73,563**	**-**	**73,563**	73,563
Less, accumulated depreciation	**(2,351,286)**	**-**	**(2,351,286)**	(2,069,300)
Net property and equipment	**2,786,583**	**-**	**2,786,583**	3,033,629
Total assets	**$ 92,255,076**	**$ 4,317,259,875**	**$ 4,409,514,951**	$ 4,003,477,199

See notes to financial statements.

SOUTH CAROLINA STUDENT LOAN CORPORATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010
(WITH COMPARATIVE AMOUNTS FOR 2009)

	2010			2009 Totals
	Unrestricted	**Temporarily Restricted**	**Total**	Memorandum Only
LIABILITIES AND NET ASSETS				
Current Liabilities				
Current portion of notes payable - finance loans	$ -	$ 56,455,084	$ 56,455,084	$ 50,820,000
Current maturities of bonds payable	-	70,799,616	70,799,616	29,273,526
Lines of credit	-	760,178,189	760,178,189	150,722,739
Interest payable	-	1,955,506	1,955,506	2,072,222
Accounts payable	1,521,997	291,508	1,813,505	433,855
Accrued pension payable	1,572,219	-	1,572,219	617,582
Compensated absences	632,989	29,671	662,660	464,406
Due to SC State Education Assistance Authority	-	-	-	6,845,590
Due to United States Department of Education	26,575	10,691,088	10,717,663	10,121,680
Total current liabilities	3,753,780	900,400,662	904,154,442	251,371,600
Noncurrent Liabilities				
Bonds payable less current maturities	-	1,952,663,107	1,952,663,107	2,069,030,813
Less, bond discounts		5,056,959	5,056,959	5,682,500
Net bonds payable less, current maturities and bond discounts	-	1,947,606,148	1,947,606,148	2,063,348,313
Notes payable - finance loans less current maturities	-	779,294,661	779,294,661	1,018,171,820
Other notes payable	-	368,328,251	368,328,251	289,571,636
Total noncurrent liabilities	-	3,095,229,060	3,095,229,060	3,371,091,769
Total liabilities	3,753,780	3,995,629,722	3,999,383,502	3,622,463,369
Net Assets				
Temporarily restricted				
For bond indentures - current debt service	-	14,067,026	14,067,026	10,569,307
For bond indentures	-	242,376,009	242,376,009	224,882,374
For teacher loans	-	34,143,750	34,143,750	32,054,054
For lines of credit	-	31,043,368	31,043,368	20,933,797
Total temporarily restricted	-	321,630,153	321,630,153	288,439,532
Unrestricted				
Board designated	100,000	-	100,000	2,100,000
Undesignated	88,401,296	-	88,401,296	90,474,298
Total unrestricted	88,501,296	-	88,501,296	92,574,298
Total net assets	88,501,296	321,630,153	410,131,449	381,013,830
Total liabilities and net assets	$ 92,255,076	$ 4,317,259,875	$ 4,409,514,951	$ 4,003,477,199

See notes to financial statements.

SOUTH CAROLINA STUDENT LOAN CORPORATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE AMOUNTS FOR 2009)

	2010			2009 Totals Memorandum Only
	Unrestricted	**Temporarily Restricted**	**Total**	
Revenue				
Income from United States Department of Education				
Student loan interest - subsidized	**$ 78,812**	**$ 45,211,051**	**$ 45,289,863**	$ 40,716,522
Special allowances	**(237,808)**	**(96,232,428)**	**(96,470,236)**	(42,280,743)
Student loan interest - non-subsidized	**956,813**	**161,096,970**	**162,053,783**	147,842,065
Investment income	**175,737**	**550,629**	**726,366**	5,273,921
Unrealized gain (loss) on investments	**451,893**	**121,277**	**573,170**	(450,364)
Late charges	**12,382**	**1,772,985**	**1,785,367**	1,680,742
Miscellaneous payments of student loans	**(1,345)**	**6,455**	**5,110**	(4,344)
Gain on sale of loans	**-**	**109**	**109**	-
Miscellaneous income	**-**	**-**	**-**	2,527,770
State appropriations - Department of Education	**-**	**4,966,143**	**4,966,143**	5,787,043
Remittance from SC State Education Assistance Authority for operating cost	**6,765,203**	**-**	**6,765,203**	5,326,708
Net assets released from restrictions	**84,302,570**	**(84,302,570)**	**-**	-
Other	**199,858**	**-**	**199,858**	216,989
Total revenue	**92,704,115**	**33,190,621**	**125,894,736**	166,419,320
Expenses				
Personnel	**6,972,409**	**-**	**6,972,409**	7,213,533
Contractual services	**1,897,516**	**-**	**1,897,516**	1,111,802
General operating	**2,043,622**	**-**	**2,043,622**	1,840,637
Interest on debt	**28,480,980**	**-**	**28,480,980**	62,717,282
TLP cancellations	**5,099,391**	**-**	**5,099,391**	5,878,296
State recall of funds	**500,000**	**-**	**500,000**	-
Amortization of deferred cost of bond issuance	**1,400,190**	**-**	**1,400,190**	1,281,478
Payments to SC State Education Assistance Authority for student loan income	**15,315,442**	**-**	**15,315,442**	31,231,285
Loan fees	**19,507,841**	**-**	**19,507,841**	20,741,163
Reinsurance expense	**1,555,221**	**-**	**1,555,221**	413,899
Borrower incentives	**5,392,236**	**-**	**5,392,236**	11,734,554
Broker dealer fees	**439,943**	**-**	**439,943**	129,710
Building rental expenses	**350,717**	**-**	**350,717**	345,365
Loan loss expense	**6,896,963**	**-**	**6,896,963**	(1,063,634)
Other	**666,248**	**-**	**666,248**	1,794,847
Total expenses	**96,518,719**	**-**	**96,518,719**	145,370,217
Employee Benefits - Related Changes Other Than Net Periodic Pension Cost	**(258,398)**	**-**	**(258,398)**	(439,999)
Change in net assets	**(4,073,002)**	**33,190,621**	**29,117,619**	20,609,104
Net Assets				
Beginning	**92,574,298**	**288,439,532**	**381,013,830**	360,187,737
Ending	**$ 88,501,296**	**$ 321,630,153**	**$ 410,131,449**	$ 380,796,841

See notes to financial statements.

SOUTH CAROLINA STUDENT LOAN CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE AMOUNTS FOR 2009)

	2010			2009 Totals Memorandum Only
	Unrestricted	**Temporarily Restricted**	**Total**	
Cash Flows from Operating Activities				
Change in net assets	**$ (4,073,002)**	**$ 33,190,621**	**$ 29,117,619**	$ 20,826,093
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities				
Depreciation	**281,986**	**-**	**281,986**	319,802
Unrealized gain (loss) on investments	**(451,893)**	**(121,277)**	**(573,170)**	450,364
Amortization of premiums and discounts on bonds payable	**-**	**625,541**	**625,541**	(651,423)
Amortization of cost of debt issuance	**-**	**890,779**	**890,779**	1,123,768
Allowance for loan loss	**(174,356)**	**7,071,319**	**6,896,963**	(1,063,633)
Changes in operating assets and liabilities		**-**		
Decrease in due from Department of Education	**11,217**	**584,766**	**595,983**	16,581,655
(Increase) decrease in due from SCSEAA	**(366,356)**	**(6,938,105)**	**(7,304,461)**	6,239,441
(Increase) decrease in interest due from borrowers	**33,943**	**(15,070,216)**	**(15,036,273)**	(11,295,252)
Decrease in accrued investment income	**2,972**	**25,882**	**28,854**	353,738
Decrease in miscellaneous receivables	-	**-**	-	11,771
(Increase) in prepaid expenses	**(53,519)**	**-**	**(53,519)**	(30,233)
(Decrease) in interest payable	**-**	**(116,716)**	**(116,716)**	(1,543,444)
Increase (decrease) in accounts payable	**1,290,230**	**89,421**	**1,379,651**	(180,197)
Increase in accrued pension payable	**954,637**	**-**	**954,637**	380,820
Increase (decrease) in compensated absences	**216,084**	**(17,830)**	**198,254**	100,388
(Decrease) retiree medical insurance payable	**-**	**-**	**-**	(3,291,834)
Increase (decrease) in due to SCSEAA	**(1,241,446)**	**(5,604,144)**	**(6,845,590)**	5,266,391
Due to (from) other funds	**(292,402)**	**292,402**	**-**	-
Net cash provided (used in) by operating activities	**(3,861,905)**	**14,902,443**	**11,040,538**	33,598,215
Cash Flows from Investing Activities				
Purchase of property and equipment	**(34,940)**	**-**	**(34,940)**	(113,379)
Principal payments on student loans	**4,218,060**	**1,219,595,037**	**1,223,813,097**	(1,038,546,836)
Purchase and issuance of student loans	**(6,719,758)**	**(1,628,934,541)**	**(1,635,654,299)**	505,027,814
Teacher loan cancellations	**-**	**5,095,372**	**5,095,372**	5,878,296
Purchase of investments	**-**	**-**	**-**	(4,164,512)
Sale of investments	**73,702**	**121,277**	**194,979**	221,433
Net cash (used in) investing activities	**(2,462,936)**	**(404,122,855)**	**(406,585,791)**	(531,697,184)

See notes to financial statements.

SOUTH CAROLINA STUDENT LOAN CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE AMOUNTS FOR 2009)

	2010			2009 Totals Memorandum Only
	Unrestricted	**Temporarily Restricted**	**Total**	
Cash Flows from Financing Activities				
Proceeds from financing loans	**$ -**	**$ 42,394,865**	**$ 42,394,865**	$ (112,190,891)
Payments on financing loans	**-**	**(275,636,940)**	**(275,636,940)**	170,284,884
Proceeds from lines of credit	**-**	**1,407,160,122**	**1,407,160,122**	500,438,740
Payments on lines of credit	**-**	**(1,087,276,308)**	**(1,087,276,308)**	(229,667,253)
Payments of bonds	**-**	**(74,841,616)**	**(74,841,616)**	(63,695,661)
Proceeds from other notes payable	**-**	**370,442,026**	**370,442,026**	-
Payments on other notes payable	**-**	**(2,113,775)**	**(2,113,775)**	-
Payments of debt issuance costs	**-**	**(794,652)**	**(794,652)**	-
Net cash provided by financing activities	**-**	**379,333,722**	**379,333,722**	265,169,819
Net (decrease) in cash and cash equivalents	**(6,324,841)**	**(9,886,690)**	**(16,211,531)**	(232,929,150)
Cash and Cash equivalents				
Beginning	**63,519,346**	**143,491,234**	**207,010,580**	439,939,730
Ending	**57,194,505**	**133,604,544**	**190,799,049**	207,010,580
Supplemental Disclosures of Cash Flow Information				
Cash payments for interest	**$ -**	**$ 28,597,696**	**$ 28,597,696**	$ 64,260,766

See notes to financial statements.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting entity: The South Carolina Student Loan Corporation ("Corporation" or "SCSLC") was incorporated November 15, 1973, under the Laws of the State of South Carolina. Its corporate goal is to receive, disburse and administer funds exclusively for educational purposes without pecuniary gain or profit to its members and to aid in the fulfillment of the desire and direction of the People of South Carolina in making loans available to students and parents to attend eligible post secondary institutions. Funds from various sources are administered by the Corporation to achieve this goal.

The Corporation administers the operations of the South Carolina State Education Assistance Authority (Authority). The Authority is a body politic and corporate and a public instrumentality of the State of South Carolina. The Authority is part of the State of South Carolina created by Act No. 433 of the Acts and Joint Resolutions of the General Assembly for the year 1971, now codified as Chapter 115, Title 59 of the Code of Laws of South Carolina, 1976 as amended. The Authority is governed by its members, who under the Act are the members of the State Budget and Control Board (Board). The Board consists of five (5) members by virtue of their position in state government. They are the Governor, Treasurer, Comptroller General, Chairman of Senate Finance Committee and Chairman of South Carolina House of Representatives Ways and Means Committee.

The basic, but not the only, criteria for including a component unit in the reporting entity is the governing body's oversight responsibility for such component unit. Financial accountability is the most important element of oversight responsibility. Neither the Authority nor the Corporation is considered a component unit of the other because each is a legally separate organization and not financially accountable to/for the other.

The accompanying financial statements present the financial position, results of operations and cash flows solely of the South Carolina Student Loan Corporation.

Overall operating arrangement: The Authority, as a guaranty agency, has approved the Corporation as an eligible lender to administer the Federal Family Education Loan Program (FFEL). It is the duty of the Corporation to process applications, make student loans and collect principal, interest, fees and penalties on such loans. Loans may or may not be subsidized. Interest is paid on subsidized loans during the enrolled, grace and deferred periods by the United States Department of Education (USDE). Upon entering the repayment period, the interest is paid by the borrower.

The Corporation finances these loans using several sources. One source is the issuance of tax-exempt revenue bonds by the Authority. The Corporation, using the proceeds of these bonds as described in Note 7, makes loans. The Corporation remits proceeds on these loans to the Authority as required by loan agreements.

The operations of the Authority are administered by employees of the Corporation. The Authority reimburses the Corporation upon request for the actual operating costs and expenses plus reasonable capital costs incurred in the administration of the loans financed by the Authority's bonds in accordance with a previously approved budget.

Because of the scarcity of tax-exempt private activity bond allocation from the State and because of the yield limitation for loans financed with tax-exempt bonds, the Corporation issued taxable Education Loan Revenue Bonds for the first time in the year ended June 30, 1997.

During the 1984-85 year, the Corporation began administering the Teacher Loan Program (TLP). The TLP is a part of the Education Improvement Act of 1984 passed by the South Carolina General Assembly. The Corporation was named in the Act as the administrator of this program. The funds for operations and for making loans are provided by state appropriations. The intent of the program is to attract, through financial assistance, talented individuals and to encourage them to enter teaching in areas of critical need within the state. Loans are canceled at the greater of a specified dollar amount or 20% to 33 1/3% per year for each year of teaching in a critical subject and/or location. These loans are repaid by the borrower if the borrower does not teach. TLP loans made for academic years before 1994-95 are guaranteed by the Authority. Loans made for academic years 1994-95 or after are non-guaranteed.

During the 1995-96 year, the Corporation began making and servicing alternative loans through the Palmetto Assistance Loan Program (PAL). PAL offered supplemental loans for students and parents of students enrolled at least half-time in an eligible school and for fourth year medical students seeking their residency and relocating. These loans were funded from Corporation accumulated unrestricted net assets and bond funds. The Corporation discontinued offering this PAL loan program in December 2008 due to lack of funds.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Overall operating arrangement (continued): During the 2009-2010 year, the Corporation restructured PAL and began marketing the restructured program. The new PAL restricts the offering of loans only to students, parents, or legal guardians of students. The student must be enrolled on at least a half-time basis in a certificate or degree granting program and attending an eligible school in the state of South Carolina, or be a resident of South Carolina and attending an eligible college or university within the United States. These loans are funded by an $ 85,000,000 bond offering issued by the South Carolina State Education Assistance Authority dated October 2, 2009.

The Corporation has entered into other financing agreements to provide additional funding for student loans (See Note 9).

Basis of accounting: These statements are prepared on the accrual method of accounting recognizing income when earned regardless of when received and expenses when incurred regardless of when paid.

Accounting changes: The Financial Accounting Standards Board (FASB) issued FASB Accounting Standards Codification (ASC) effective for financial statements issued for interim and annual periods after September 15, 2009. The ASC is an aggregation of previously issued authoritative U.S. generally accepted accounting principles (GAAP) in one comprehensive set of guidance organized by subject area. In accordance with the ASC, references to previously issued accounting standards have been replaced by ASC references. Subsequent revisions to GAAP will be incorporated in the ASC through Accounting Standards Updates (ASU).

Display of net assets by class: The Corporation adheres to the disclosures and display requirements of ASC 958 Not-For-Profit-Entities. ASC 958 establishes standards for external financial reporting by non-profit organizations and requires that resources be classified for accounting and reporting purposes as follows:

Unrestricted net assets: Net assets that are not subject to restrictions. These net assets, including Board designated, are legally unrestricted and can be used in any Corporation activity.

Temporarily restricted net assets: Net assets subject to restrictions that will be met either by actions of the Corporation and/or the passage of time. These net assets are made up of guaranteed student loans and cash from various funding sources.

Permanently restricted net assets: Net assets subject to stipulations that must be maintained permanently by the Corporation. The Corporation does not have any such net assets.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: For purposes of reporting cash flows, the Corporation considers all certificates of deposit, regardless of maturity, and Treasury Bills, commercial paper and money market funds with a maturity of three months or less, including those that are classified as restricted assets, to be cash equivalents.

Concentration risk: The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. At June 30, 2010, all of the Corporation's cash was held in demand deposit accounts covered by federal depository insurance or by collateral held by the Corporation's agent in the Corporation's name.

Investments: Investments are valued at market value. Realized and unrealized gains and losses on sale of investments are determined based on the cost of investments.

Allowance for teacher loan cancellations: The allowance for cancellations on teacher loans represents the Corporation's estimate of teachers who will teach in critical need areas in South Carolina and meet the criteria for annual cancellation of the greater of a specified dollar amount or 20% to 33 1/3% of their loan balances. In making the estimate, the Corporation considers the trend in the loan portfolio and current operating information. The allowance is based on total teacher loans times the expected cancellation rate. The evaluation is inherently subjective and the allowance could significantly change in the future. The allowance was $ 17,373,368 at June 30, 2010.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Provision for losses on student loans: The provision for losses on student loans represents the Corporation's estimate of the costs related to the 2% to 3% risk sharing on FFEL loans and losses related to servicing of guaranteed loans by the Corporation. The provision also includes an estimate for non-guaranteed loans. In making the estimate, the Corporation considers the trend in default rates in the loan guarantee portfolio, past and anticipated loss experience, current operating information, and changes in economic conditions. The evaluation is inherently subjective and the provisions may significantly change in the future. Additionally, the Corporation maintains a 100% allowance for all PAL loans past due 180 days or greater. The allowance for loan losses was $ 11,934,660 at June 30, 2010 (see Note 5 on Federal Reinsurance of FFEL loans).

Property and equipment: Property and equipment costing over $ 10,000 is capitalized at cost when purchased. Depreciation has been provided using the straight-line method over useful lives of three to ten years for furniture and equipment, three years for automobiles and computers and thirty-nine years for the building.

Amortization of deferred cost of issuance of bonds and bond premiums and accretion of bond discounts: Cost of issuance of bonds and bond premiums and discounts are being amortized/accreted over the lives of the bond issues on a straight-line basis and are included in operating expenses.

Compensated absences: Annual leave is earned at the rate of 12 to 25 days per year depending on length of employment. Employees are expected to use at least one week (5 consecutive days) each year. Earned, but unused, annual leave will be paid when an employee terminates his/her employment except when this termination is involuntary or inadequate notice is given. Sick leave is earned at the rate of 10 days per year. Employees are not paid for earned, but unused, sick days upon termination of employment.

Income Taxes: The Corporation is exempt from federal and state incomes taxes under Section 503(c)(3) of the Internal Revenue Code. Management has evaluated the Corporation's tax positions and concluded that the Corporation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Comparative amounts: The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2009, from which the summarized information was derived.

Note 2. Cash and Cash Equivalents

As of June 30, 2010, cash and cash equivalents include demand deposits and short-term investments with a maturity of three months or less as follows:

	Cost	Market Value
Unrestricted		
Demand deposits	$ 152,086	$ 152,086
South Carolina State Treasurer pool	61,332	61,332
Collateralized demand deposits	56,981,087	56,981,087
Total unrestricted	57,194,505	57,194,505
Temporarily Restricted		
Money market	13,149,649	13,149,649
Repurchase agreements	6,430,821	6,430,821
Collateralized demand deposit	9,315,227	9,212,766
South Carolina State Treasurer pool	8,994,840	9,345,952
Guaranteed investment contracts	95,465,356	95,465,356
Total temporarily restricted	$ 133,355,893	$ 133,604,544

Cash and Cash Equivalents included in the Teacher Loan Program include the South Carolina State Treasurer Pool totaling $ 9,345,952.

Notes to Financial Statements

Note 3. Investments

Market value of investments is determined by quoted market values and consists of the following as of June 30, 2010:

	Cost	Market Value
Unrestricted		
Bond and equity funds	$ 4,567,658	$ 4,054,251

Note 4. Amounts Due from/to the Corporation

The Authority owes the Corporation funds collected on their behalf of $ 19,847,803. These funds collected on behalf of the Corporation are required to be paid to the Corporation by the tenth of each month.

Note 5. Federal Family Education Loans (FFEL) and Federal Reinsurance of FFEL Loans

In 2010 and 2009, these loans were bearing interest at fixed rates ranging from 2.875 to 12.000 percent or an annual variable rate of 1.88 percent to 3.73 percent. The annual variable rate is reset each July 1 using the bond equivalent rate of the 91-day or 52-week Treasury Bill, determined at the final auction held prior to the immediately preceding June 1, plus 1.7 percent to 3.25 percent with a cap on the rate of 8.25 percent to 12 percent. The repayment period for these loans is five (5) to thirty (30) years with a minimum payment of $ 360 or $ 600 per year. Repayment of principal may be scheduled to begin within sixty (60) days of final disbursement or six (6) to ten (10) months after the student graduates or ceases to be enrolled on at least a half-time basis in an eligible institution.

Loans are insured against death, disability and default by the Authority at 97% to 100% and are reinsured by the U.S. Department of Education up to 100% for loans made prior to October 1, 1993; up to 98% for loans made on or after October 1, 1993 but on or before June 30, 2006; and 97% for loans made on or after July 1, 2006. Total loans insured by the Authority at June 30, 2010, are $ 3,813,286,475. The Federal Default Fee required by the Higher Education Act on guaranteed loans made on or after July 1, 2006 is paid by the Authority on the borrower's behalf.

Loans may or may not be subsidized. Interest is paid on subsidized loans during the enrolled, grace and deferred periods by the U. S. Department of Education. Upon entering the repayment period, the interest is paid by the borrower.

The origination fee for Stafford loans was 3% for loans first disbursed on or before June 30, 2006. It decreased to 2% on July 1, 2006; to 1.50% on July 1, 2007; 1% on July 1, 2008; and 0.50% on July 1, 2009. The origination fee for Stafford Loans was eliminated as of July 1, 2010. The origination fee for PLUS loans remained at 3% through June 30, 2010.

The Health Care and Education Reconciliation Act of 2010 (HCRA) was signed into law on March 30, 2010, and, among other things, requires all new federal student loans be originated through the Federal Direct Loan program effective July 1, 2010. The Corporation's ability to originate FFEL loans terminated on June 30, 2010. Such termination is likely to reduce the Corporation's servicing revenues and increase its unit servicing costs as the aggregate loan portfolio being serviced by the Corporation diminishes over time. Additionally, since the FFEL loan program was the major component of the Corporations lending activity, it is expected that the future asset growth and related earnings on that portion of the asset growth will be impacted. The Corporation is currently evaluating the potential impact to its future revenue stream and is also currently exploring alternative revenue sources. Since the legislation is in its infancy, the potential impact cannot yet be reasonably predicted.

Note 6. Bonds Payable

The Corporation issued bonds for the first time in the year ended June 30, 1997. All of the Corporation's bonds and notes are secured only by loans funded by bond proceeds or otherwise pledged, related revenue from such loans, investments and earnings on investments in related accounts and by a debt service reserve funded from bond proceeds. The Corporation's bonds and notes are each secured by assets held by a trustee in one of three trust estates governed by the applicable general resolution and other bond documents. The bond documents require the Corporation to accumulate collections from borrowers to pay principal and interest on bonds. The bonds and notes do not constitute a debt, liability or obligation of the State of South Carolina or any agency thereof but are limited obligations of the Corporation.

The debt service funds in the applicable general resolution contain assets equal to the interest and principal accumulated to make the next payments of principal and interest due. As of June 30, 2010, the Corporation held funds on deposit in the debt service funds of $ 1,654,924.

Notes to Financial Statements

Note 6. Bonds Payable (Continued)

The bonds outstanding as of June 30, 2010 are as follows:

Issued	Original Amount	Maturity Date	Balance Outstanding 06/30/09	Issued (Retired) During FY 10	Balance Outstanding 06/30/10
11/10/04	$ 180,000,000	6/1/2034	$ 167,050,000	$ (10,000,000)	$ 157,050,000
7/19/05	700,000,000	12/3/18 - 12/1/23	700,000,000	-	700,000,000
7/11/06	500,000,000	12/2/19 - 12/1/22	500,000,000	-	500,000,000
10/25/06	182,000,000	9/4/2046	168,950,000	(10,850,000)	158,100,000
6/25/08	600,000,000	9/2/14 - 9/3/24	562,304,339	(53,991,616)	508,312,723
			$ 2,098,304,339	$ (74,841,616)	$ 2,023,462,723

LIBOR Indexed Bonds Secured by 1996 General Resolution

The Corporation's LIBOR Indexed Bonds in the 1996 General Resolution totaled $ 1,200,000,000 as of June 30, 2010, and have variable interest rates equal to three-month LIBOR plus 0.09% to 0.14%, as adjusted quarterly. Throughout the year ended June 30, 2010, none of the rates exceeded 0.8075%. Future interest payment projections are based upon the six-year weighted average rate at June 30, 2010, which was 2.864%.

The LIBOR Indexed Bonds are subject to pro rata principal reduction payments prior to maturity based on targeted amortization schedules. Failure by the Corporation to make any such payment contemplated by an applicable Targeted Amortization Schedule for the LIBOR Indexed Bonds under the 1996 General Resolution does not constitute a payment default. The Corporation intends to follow these payment schedules with respect to these bonds.

Auction Rate Securities Secured by 2004 General Resolution

The Corporation’s auction rate securities (ARS) totaled $ 315,150,000 as of June 30, 2010, and have variable interest rates determined by auctions every 28 days. These ARS first failed in February 2008, and have been in a failed mode since that time. Payment of the principal and interest on the ARS when due is insured by Ambac Assurance Corporation. The interest rates are subject to a maximum of the lesser of (i) a nominal cap of 17% or 20%, depending on the series, or (ii) one-month LIBOR plus 1.50% to LIBOR plus 2.50%, depending on the then-current rating of the ARS. The ARS are subject to redemption in whole or in part at par plus accrued interest on the first day of any auction period.

Due to adverse market conditions, most auctions associated with ARS across a variety of sectors and asset classes have experienced widespread failure since February 11, 2008. All of the Corporation's auctions have failed since this date, and the interest rates have been set at the applicable maximum rates. This has had the effect of increasing the Corporation’s relative cost of funds. Although the Corporation has no requirement to refinance its ARS, the Corporation was able to successfully refinance $ 275,000,000 of ARS as part of the 2008-1 Series transaction. The Corporation is considering several refinancing options for the remainder of its outstanding ARS.

LIBOR Notes Secured by 2008-1 General Resolution

On June 25, 2008, the Corporation issued $ 600,000,000 of Student Loan Backed Notes, 2008-1 Series, with variable interest rates ranging from three-month LIBOR plus 0.50% to LIBOR plus 1%. Proceeds of the issue were used to (i) finance student loans, (ii) refinance certain prior bonds, (iii) fund the Debt Service Reserve Fund, (iv) fund the Operating Fund, (v) fund the Department Reserve Fund and (vi) pay cost of issuance.

Principal and interest on the LIBOR Notes are to be paid on each Distribution Date (the first business day of each March, June, September, and December beginning September 2008). Principal will be paid first on the A-1 Notes until paid in full, second on the A-2 Notes until paid in full, third on the A-3 Notes until paid in full and fourth on the A-4 Notes until paid in full. The LIBOR Notes issued under the 2008-1 General Resolution are subject to optional redemption on the Distribution Date immediately following the date when the Pool Balance is 10% or less of the Initial Pool Balance. The LIBOR Notes Secured by 2008-1 General Resolution balance as of June 30, 2010, was $ 508,312,723.

Notes to Financial Statements

Note 6. Bonds Payable (Continued)

Projected Debt Service

As of June 30, 2010, the scheduled debt service to retire the bonds and notes of the Corporation is as follows:

	Principal	Interest	Totals
2011	$ -	$ 59,356,653	$ 59,356,653
2012	168,435,000	57,839,290	226,274,290
2013	254,516,000	51,620,919	306,136,919
2014	204,385,000	44,686,057	249,071,057
2015	268,889,000	37,073,075	305,962,075
2016	148,153,000	31,549,877	179,702,877
2017	120,491,000	27,601,387	148,092,387
2018	371,477,000	22,320,549	393,797,549
2019	29,654,000	14,060,007	43,714,007
2020	116,000,000	12,922,493	128,922,493
2021	-	10,389,721	10,389,721
2022	-	10,389,721	10,389,721
2023	-	10,389,721	10,389,721
2024	-	10,389,721	10,389,721
2025	26,312,723	9,815,203	36,127,926
2026	-	9,623,696	9,623,696
2027	-	9,623,696	9,623,696
2028	-	9,623,696	9,623,696
2029	-	9,623,696	9,623,696
2030	-	9,623,696	9,623,696
2031	-	9,623,696	9,623,696
2032	-	9,623,696	9,623,696
2033	-	9,623,696	9,623,696
2034	157,050,000	9,623,696	166,673,696
2035	-	4,827,880	4,827,880
2036	-	4,827,880	4,827,880
2037	-	4,827,880	4,827,880
2038	-	4,827,880	4,827,880
2039	-	4,827,880	4,827,880
2040	-	4,827,880	4,827,880
2041	-	4,827,880	4,827,880
2042	-	4,827,880	4,827,880
2043	-	4,827,880	4,827,880
2044	-	4,827,880	4,827,880
2045	-	4,827,880	4,827,880
2046	-	4,827,880	4,827,880
2047	158,100,000	1,206,972	159,306,972
Totals	$ 2,023,462,723	$ 556,159,190	$ 2,579,621,913

The weighted average interest rate used for future interest payment projections was 2.864%. An additional 0.150% was added to this rate when calculating the 2004 Resolution, in order to account for Broker Dealer Fees. This estimate is inherently subjective and the rate may change significantly in the future.

As outlined in the 2004 General Resolution and the 2008-1 General Resolution, the Corporation is making optional redemption payments to pay down the bonds when they receive excess funds from the student loan receivables. At June 30, 2010, the Corporation estimated they would make optional redemption payments for the next year in the amount of $ 70,799,616.

Notes to Financial Statements

Note 7. Notes Payable - Finance Loans

Each bond resolution of the Authority requires that all funds advanced to SCSLC by the Authority for the purpose of making student loans be evidenced by a loan agreement, assignment of collateral and assignment of revenues between the two parties, with the student loans providing security to the bond trustee. Advances to SCSLC from the Authority's 2002 General Resolution are made pursuant to a loan agreement dated June 12, 2002 and advances to the Corporation from the Authority's 2009 PAL General Resolution are made pursuant to a loan agreement dated October 29, 2009. Since the Bonds for the 2009 PAL were issued after the peak Student Loan Funding period, the Corporation was only able to finance new student loans of approximately $ 40,000,000, while the bonds outstanding were $ 85,000,000. Due to market conditions during the 2009-2010 fiscal year and restrictions on types of investment instruments available to the Authority, interest earned on its investments from the excess funds received from the bond issuance, was less than the interest expense of the bonds. The terms of the note agreement between SCSLC and the Authority, as a result of the 2009 PAL General Resolution, require the Corporation reimburse the Authority for the difference between the interest earned and the interest expense. The Corporation was aware of this situation at the time of issuance of the bonds, but expected loan activity during the 2010-2011 school year will be sufficient to allow it to recover from this situation in the near term. As a result of the Corporation reimbursing the Authority for the negative spread on interest during fiscal 2010, the Corporation realized a loss for the year in the 2009 PAL Resolution and ended the year with a negative Fund Balance. Each loan is calculated as set forth in the respective loan agreements.

The finance loans as of June 30, 2010, and 2009 are as follows:

Bond Resolution	**Balance 6/30/2010**	Balance 6/30/2009
1993	**$ -**	$ 222,191,459
2002	**795,625,032**	846,800,361
2009	**40,124,713**	-
Totals	**$ 835,749,745**	$ 1,068,991,820

Note 8. Line of Credit Financing

Initially on March 22, 2005, the Corporation entered into a one year line of credit agreement providing for advances to the Corporation funded by asset-backed commercial paper and secured by student loan receivables. The borrowing period was renegotiated annually under similar terms to end March 22, 2010. During the 2010 fiscal year, the line was extended under essentially the same terms with an expiration date of March 22, 2011. An extension is not guaranteed, but may be extended by written agreement among the borrower, the servicer, the lender, the alternative lender and the facility agent, with notice to the trustee. If the financing agreement is not extended, the Corporation must immediately find a new financing source and repay the line of credit. Interest is paid monthly at the commercial paper rate plus a spread. The interest rate ranged from 0.20% to .42% during fiscal year 2010. The agreement calls for certain covenants which include maintaining at least a $ 100 million net asset balance and a debt reserve account of 0.5% of the outstanding loan balance. The Corporation was in compliance with all covenants at June 30, 2010. The outstanding balance of the facility was $ 119,822,000 at June 30, 2010. The maximum amount allowed on the line of credit is $ 124,000,000

On December 18, 2008, the Corporation entered into a line of credit agreement to facilitate the transfer of certain student loans from a nonrecourse trust and provide funding for future and existing student loans. This agreement is secured by existing student loans that are reinsured under the Federal Family Education Loan Program. Monthly interest payments are due on the last business day of each month beginning in December 2008 at a per annum rate equal to the adjusted LIBOR rate or a 2.0% minimum rate. Interest rates were 2.0% for fiscal year 2010. The line of credit matures on August 31, 2010, and all outstanding principal and interest are due at such time. As of June 30, 2010, the Corporation had an outstanding balance of $ 1,285,385. The maximum amount allowed on the credit line is $ 50,000,000.

On February 5, 2009, the Corporation entered into a revolving line of credit agreement to facilitate the transfer of certain student loans from a nonrecourse trust and funding existing and future student loans. The line of credit is secured by the student loan receivables. Monthly interest payments are due on the last business day of each month beginning in February 2009 at a per annum rate equal to the adjusted LIBOR rate or a 4.0% minimum rate. Interest rates were 4.0% for fiscal year 2010. The line of credit matures on August 31, 2010 and all outstanding principal and interest are due at such time. As of June 30, 2010, the Corporation had an outstanding balance of $137,183. The maximum amount allowed under the line is $ 10,000,000.

Note 8. Line of Credit Financing (Continued)

On December 12, 2008, the Corporation entered into the 2008-2009 Federal Family Education Loan Purchase Participation Program (LPP) under a Master Participation Agreement (MPA) with the USDE as a financing facility to fund eligible student loans. The 2008-2009 LPP terminated on September 30, 2009. The Corporation notified the USDE of its intent to participate in the Loan Purchase Commitment Program for eligible FFEL Student Loans (commonly known as Conduit, or Straight-A Funding), and on July 7, 2009, entered into an agreement and finalized the agreement with the Department on July 30, 2009, to finance the 2008-2009 LPP loans outstanding balance and redeem $ 155.6 million of outstanding bonds issued under the 1993 Resolution (see Note 9 for further details). The USDE extended the LPP program for loans made during the 2009-2010 school year, with a termination date of October 15, 2010. The Corporation is required to notify the USDE in no later than 45 days prior to October of its intent to either redeem the outstanding student loans financed under this agreement or exercise the Put Option, as defined in the MPA, to the USDE for those student loans by October 15, 2010 (see Note 17). As of June 30, 2010, the Corporation had an outstanding Participation Interest balance of $ 638,933,621 under the 2009-2010 LPP program. On August 2, 2010, the Corporation notified the USDE of its intent to exercise the Put Option for approximately $ 467,000,000 of this outstanding loan balance with the USDE on September 20, 2010. In addition, the Corporation has notified the USDE of its intent to exercise the Put Option for the remaining loan outstanding balance in the 2009-2010 LPP program on October 15, 2010. Upon settlement of the Puts, the USDE will reimburse the seller the one percent (1%) Lender fee initially paid by the seller at loan origination, plus $ 75 for each loan included in the Put. As a result, the Corporation expects to realize approximately $ 14.2 million in fees for the Put scheduled for September 20, 2010, and approximately $ 2.8 million in fees for the Put scheduled for October 15, 2010. The interest rates varied from .71% to .91% during the year ended June 30, 2010.

Note 9. Other Notes Payable – Straight-A Funding

On July 7, 2009, the Corporation entered into an agreement with USDE under the Loan Purchase Commitment Program, (commonly known as Conduit, or Straight-A funding) to finance all of the outstanding loans in the 2008-2009 LPP program in addition to $ 155.6 million of outstanding loans issued under the 1993 Resolution for an aggregate amount of $ 372.4 million. The agreement was finalized on July 30, 2009. The Conduit, or Straight-A funding, facility provides liquidity support to eligible student lenders for FFEL Program Stafford and PLUS loans first disbursed by September 2009. In addition to providing financing cost based on market rate, a significant benefit to lenders is that eligible loans are permitted to have borrower benefits. Funding from the Conduit is provided indirectly by the capital markets through the sale to private investors of government back-stopped asset-backed commercial paper. The Corporation received funding equal to 97% of the principal and interest of the pledged student loans through the issuance of a funding note which was purchased by the Conduit. The funding note matures on June 30, 2015. The commercial paper issued by the Conduit has short-term maturities generally ranging up to 90 days. In the event the commercial paper issued by the Conduit cannot be reissued at maturity and the Conduit does not have sufficient cash to repay investors, the Federal Financing Bank (FFB) has committed to provide short-term liquidity to the Conduit. If the Conduit is not able to issue sufficient commercial paper to repay its investors or liquidity advances from the FFB, the Corporation can either secure alternative financing and repay the Conduit borrowings or sell the pledged student loans to USDE at a predetermined price based on first disbursement date and certain other loan criteria. If the Corporation were to sell the pledged loans to USDE, it would likely result in a significant loss to the Corporation. As of June 30, 2010, the outstanding balance of this financial instrument was $ 368,328,251. There are no scheduled payments associated with this note, however, the outstanding balance of the note must agree with the supporting outstanding loans each month. As a result, any payments received, or any changes in loan balances must be remitted to the Conduit provider on a monthly basis. The weighted average rate paid on this instrument for the fiscal year 2010 was 0.2972% and 0.3685% for the calendar quarter ending June 30, 2010.

Note 10. Special Allowance Income or Expense

As an inducement to the lender to make guaranteed student loans, the USDE pays the Corporation a special allowance on the unpaid principal of the Federal loans which is based on a variable percentage rate. It was instituted to assure the interest rate and other limitations of the Higher Education Act, in the context of the market conditions, would not adversely affect access to student loans or cause the rate of return on student loans to be less than equitable.

For loans disbursed prior to April 1, 2006, lenders are entitled to retain interest income in excess of the special allowance support level in instances when the loan rate exceeds the special allowance support level. However, lenders are not allowed to retain interest income in excess of the special allowance support level on loans disbursed on or after April 1, 2006, and are required to rebate any such excess interest to the federal government on a quarterly basis. This modification effectively limits lenders' returns to the special allowance support level. For the year ended June 30, 2010, the Corporation remitted $ 96,470,236 of interest income in excess of the special allowance support level to the USDE.

Notes to Financial Statements

Note 11. Employee Benefit Plans

Money Purchase Pension Plan:

The Corporation provides retirement benefits through the South Carolina Student Loan Corporation Money Purchase Pension Plan (MPPP) for all employees who have completed one year of service and attained age 21. The MPPP was originally established on July 1, 1975. BB&T is the Trustee of the Plan. This is a defined contribution plan in which the employer contributes 5.6% of the participant's total annual compensation plus 5.6% of compensation exceeding the social security wage base. Contributions are paid monthly. A participant is 20% vested after two years service and 100% vested after six years of service. A participant receives normal retirement at age sixty-five. At termination of employment or reaching normal retirement age, the participant has the right to elect to receive all or any portion of his vested benefit derived from employer contributions. Voluntary contributions are not permitted. Forfeitures under the plan reduce the employer's contribution in the year following the plan year in which the forfeiture occurs. The total retirement expense for 2010 is $ 292,000 and is fully funded.

403(b) Defined Contribution Plan:

The South Carolina Student Loan Corporation 403(b) Defined Contribution Plan was established on November 5, 2002, and subsequently amended on January 1, 2009. The plan provides for a 5% contribution by the Corporation based on the participant's total annual compensation. The total amount contributed under the plan in 2009 was $ 311,150, of which the Authority reimbursed $ 102,680 for its employees. All employees who have completed one year of service and attainment of age 21 are eligible to receive employer contributions. Contributions are 100% vested when made. Employees are eligible to make voluntary contributions to the Plan.

Tax Deferred Annuity:

The Corporation established the South Carolina Student Loan Corporation TDA (Tax Deferred Annuity) GSRA (Group Supplemental Retirement Annuity) on January 1, 1995, which was subsequently amended on January 1, 2009. All employees are eligible to participate in the Tax Deferred Annuity upon hire. Employee participation in this plan is voluntary and funded only through employee contributions. Employee contributions are 100% vested immediately with investment of the contributions within the plan being employee self-directed.

457(b) Deferred Compensation Plan:

On November 15, 2002 the Corporation established the South Carolina Student Loan Corporation 457(b) Deferred Compensation Plan. Key management employees are eligible to participate in this plan. Employee participation in this plan is voluntary and funded only through employee contributions. Employee contributions are 100% vested immediately with investment of the contributions within the plan being employee self-directed.

Defined Benefit Pension Plan:

The Corporation established the South Carolina Student Loan Defined Benefit Plan (DBP) on July 1, 1998. The defined benefit pension plan covers substantially all employees with a minimum one year of service and 21 years of age. The DBP provides benefits based on the average of a participant's highest five consecutive years of pay. The benefit formula uses one percent of this average pay times years of service not to exceed 30 years. The Corporation pension funding policy is to make at least the minimum annual contribution that is actuarially computed by the projected unit credit method required by the Plan. The following sets forth the benefit obligation, the fair value of plan assets, and the funded status of the Corporation's plan, as well as the amounts recognized in the Corporation's financial statements at June 30, 2010:

	Defined Benefit Plan
Change in benefit obligation:	
Benefit obligation at end of prior plan year	$ (8,144,639)
Service cost	(318,224)
Interest cost	(494,019)
Actuarial gain/(loss)	(1,065,395)
Actual distributions	256,156
Benefit obligation at end of year	(9,766,121)

Note 11. Employee Benefit Plans (Continued)

Defined Benefit Pension Plan (Continued):

	Defined Benefit Plan
Change in plan assets:	
Plan assets at fair value at beginning of year	$ 7,527,057
Actual return on plan assets	906,001
Actual employer contributions	600,000
Actual distributions/benefits paid	(256,156)
Plan assets at fair value at end of year	8,776,902
Funded status at end of year	(989,219)
Amounts recognized in the balance sheets consists of:	
Current liabilities	(989,219)
Amounts recognized in unrestricted net assets consists of the following:	
Unrecognized net actuarial (gain)/loss	3,913,700
Unrecognized prior service cost	(149,101)
Net amount recognized	$ 3,764,599

The following are weighted average assumptions used to determine benefits, obligations and net periodic benefit cost as of June 30, 2010. The measurement date of the projected benefits obligation and Plan assets was June 30, 2010.

	Defined Benefit Plan
Assumptions Used	
Weighted-average assumptions used in computing ending obligations	
Discount rate	5.37%
Rate of compensation increase	4.00%
Weighted-average assumptions used in computing net cost	
Discount rate	5.37%
Rate of compensation increase	4.00%
Expected return on plan assets	7.50%

The Corporation's expected long-term return on plan assets assumption is based on a periodic review and modeling of the plans' asset allocation and liability structure over a long-term period. Expectations of returns for each asset class are the most important of the assumptions used in the review and modeling and are based on comprehensive reviews of historical data and economic/financial market theory. The expected long-term rate of return on assets was selected from within the reasonable range of rates determined by (1) historical real returns, net of inflation, for the asset classes covered by the investment policy and (2) projections in inflation over the long-term period during which benefits are payable to plan participants.

Notes to Financial Statements

Note 11. Employee Benefit Plans (Continued)

Components of net periodic benefit cost and employee benefit-related changes other than net periodic pension cost are as follows:

	Defined Benefit Plan
Net Periodic Benefit Cost	
Service cost	$ 318,224
Interest cost	494,019
Expected return on plan assets	(560,524)
Amortization of prior service cost	(26,483)
Amortization of net (gain)/loss	356,660
Net periodic benefit cost	581,896
Administrative expenses	48,695
Net periodic benefit cost	630,591
Corporation's share	418,082
Authority's share	212,509
	630,591
Employee Benefit - Related Changes Other Than Net Periodic Pension Cost	
Net (gain)/loss	719,918
Amortization of prior service cost	26,483
Amortization of net (gain)/loss	(356,660)
Employee benefit-related changes other than net periodic benefit cost	389,741
Corporation's share	258,398
Authority's share	131,343
Total	389,741
Total net periodic benefit cost and employee benefit-related changes other than net periodic benefit cost	$ 1,020,332

The net pension expense for this Defined Benefit Pension Plan totaled $ 971,637, plus $ 48,695 of administrative expenses, totaling $ 1,020,332 for the year ended June 30, 2010. The Authority contributed $ 346,480 and the Corporation contributed $ 673,852 to the expense for this Plan for its employees for the year ended June 30, 2010. No participant contributions are permitted by the pension plan.

The estimated net loss and prior service cost for the defined benefit pension plan that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year are $ 391,104 and $ (26,483), respectively.

The accumulated benefit obligation for the defined benefit pension plan was $ 8,738,126 at June 30, 2010.

Defined Benefit Pension Plan assets include life insurance policies and mutual funds. See target asset allocation below.

The Corporation's target asset allocation as of June 30, 2010, by asset category, is as follows:

Asset Category	
Equity securities	55%
Debt securities	40%
Real estate	5%
Total	100%

Note 11. Employee Benefit Plans (Continued)

The Corporation's investment policy includes various guidelines and procedures designed to ensure assets are invested in a manner necessary to meet expected future benefits earned by participants. The investment guidelines consider a broad range of economic conditions. Central to the policy are target allocation ranges (shown above) by major asset categories.

The objectives of the target allocations are to maintain investment portfolios that diversify risk through prudent asset allocation parameters, achieve asset returns that meet or exceed the plan's actuarial assumptions and achieve asset returns that are competitive with like institutions employing similar investment strategies.

The investment policy is reviewed quarterly by the Corporation and a designated third-party fiduciary for investment matters. The policy is established and administered in a manner that is compliant at all times with applicable government regulations.

Subsequent to year-end, the credit and liquidity crisis in the United States and throughout the global financial system has resulted in substantial volatility in the financial markets and the banking system. These and other economic events have had a significant adverse impact on investment portfolios. As a result, the Corporation cannot predict the future impact to the fund value of the investment portfolios.

The Corporation expects to contribute $ 600,000 to its Defined Benefit Plan during 2010-2011.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Pension Benefits
2011	$ 340,600
2012	359,100
2013	399,400
2014	421,300
2015	488,400
Year 2016-2020	2,937,400

Note 12. Rental Property and Operating Leases

The Corporation owns an office building and occupies approximately 68% of the building. The Corporation leased office space to five (5) tenants as of June 30, 2010 with lease agreements of varying duration. Certain lease expense is allocated to the Authority based on space occupied. Building rental income included in other revenue for fiscal 2010 and 2009 was $ 177,085 and $ 216,989, respectively. Future minimum lease payments are by year as follows: $ 158,641 in 2011; $ 26,605 in 2012. No current lease agreements extend beyond 2012.

Note 13. Disclosures about Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Corporation uses various methods including market, income and cost approaches. Based on these approaches, the Corporation often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Corporation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observables of the inputs used in the valuation techniques, the Corporation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 — Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 — Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Notes to Financial Statements

Note 13. Disclosures about Fair Value of Financial Instruments (Continued)

Level 3 Valuations for assets and liabilities that are derived from other valuation methodologies, including option-pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuation incorporate certain assumption and projections in determining the fair value assigned to such assets or liabilities.

Management uses the following methods and assumption to estimate the fair value of the Corporation's financial instrument.

Cash and cash equivalents' carrying amounts approximate fair value because of the short maturity of those instruments. The fair value of the investments is based on quoted market rates. Student loan receivables' carrying value approximates fair value based on like sale of student loans within the industry. Debt instruments carrying value also approximates fair value based on the prices for the same of similar debt issues and on current rates offered to the Corporation for debt of the same remaining maturities with similar collateral requirements.

	Carrying Value	Estimated Fair Value
Financial Assets		
Cash and cash equivalents	$ 190,799,049	$ 190,799,049
Investments	4,054,251	4,054,251
Student loan receivables	4,113,478,480	4,113,478,480
Financial Liabilities		
Notes payable	$ 1,204,077,996	$ 1,204,077,996
Bonds payable	2,018,405,764	2,018,405,764
Line of credit	760,178,189	760,178,189

		Fair Value Measurements at Reporting Date Using		
Description	6/30/2010	Quoted Prices in Active Markets for Indentical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets				
Cash and cash equivalents	$ 190,799,049	$ 190,799,049	$ -	$ -
Investments	4,054,251	4,054,251	-	-
Student loan receivables	4,113,478,480	-	4,113,478,480	-
Total financial assets	$ 4,308,331,780	$ 194,853,300	$ 4,113,478,480	$ -
Financial Liabilities				
Notes payable	$ 1,204,077,996	$ -	$ 1,204,077,996	$ -
Bonds payable	2,018,405,764	-	2,018,405,764	-
Line of credit	760,178,189	-	760,178,189	-
Total financial liabilities	$ 3,982,661,949	$ -	$ 3,982,661,949	$ -

Notes to Financial Statements

Note 14. Assets Released from Restrictions

Net assets during the year ended June 30, 2010, were released from restrictions by incurring expenses satisfying the restricted purposes and by occurrence of other events specified as follows:

Personnel	$ 282,940
Contractual services	443,552
General operating	53,609
Interest on debt	28,480,980
TLP cancellations	5,099,391
Amortization of deferred cost of bond issuance	1,400,190
State recall of funds	500,000
Payment to SC State Education Assistance Authority for student loan income	15,315,442
Loan fees	19,497,097
Reinsurance expense	515,860
Borrowers incentives	5,373,248
Broker dealer fees	439,943
Loan loss expense	7,071,319
Other	665,106
Total expenses	85,138,677
Transfers to the 08 Resolution for operations	(2,444)
Transfers to tax exempt bonds for operations	(3,238)
Transfer to Warehouse financing for operations	409,395
Transfers from taxable bonds for loan servicing	(1,239,820)
Total	$ 84,302,570

Note 15. Reclassifications

Certain reclassifications of fiscal year 2009 amounts were made on the statement of financial position and the statement of activities for comparability to fiscal year 2010 with no effect on the change in net assets.

Note 16. Board Designated Net Assets

During fiscal year 2006, the Board designated $ 100,000 to establish the Mackie Scholarship Fund to award scholarships to employees or family members of employees. In fiscal year 2007, the Board designated $ 2,000,000 for scholarships for South Carolina residents attending one of the State's public colleges or Universities; however, during fiscal year 2010, the Board released the $ 2,000,000 back to the unrestricted fund balance. As of June 30, 2010, no scholarships have been awarded for either of these programs.

Note 17. Contingencies

On September 8, 2009, in connection with its review of the process for determining whether borrowers qualify for a FFEL Loan under the Lender-of-Last-Resort Program (the "*LLR Program*") of the Authority established under the Higher Education Act and the Authority's internal controls relating to FFEL, the Department of Education made findings in a Final Program Review Determination (the "*FPRD*") stating that (i) since 1993, the Corporation has made FFEL loans under the LLR Program ("*LLR Loans*") without a request from the borrower to do so in violation of the Higher Education Act, (ii) since 1994, the Corporation has denied conventional FFEL loans to borrowers based solely on the fact that the borrowers had filed for bankruptcy and on the basis of such denial made LLR Loans to such borrowers in violation of the Bankruptcy Reform Act of 1994 (the "*Bankruptcy Act*") and guidance relating thereto issued by the USDE, and (iii) the Corporation has performed default aversion activities on behalf of the Authority in violation of the conflict of interest prohibitions contained in the Code of Federal Regulations promulgated under the Higher Education Act.

As a result of these findings the USDE determined in the FPRD that the Authority (i) must update its policies and procedures relating to the LLR Program, reclassify all LLR Loans made since 1993, calculate the amount of overpaid reinsurance relating to such LLR Loans, and refund such overpayment to the USDE, (ii) must require the Corporation to identify the specific loans designated as LLR loans as a result of the Corporation's denial of a conventional loan because of a bankruptcy filing and reverse that designation, instruct the Corporation to update its lending policies and procedures to comply with the Bankruptcy Act and associated guidance provided by the USDE, and (iii) must obtain an independent servicer, other than the Corporation, to perform default aversion activities on its behalf or begin to perform those activities with its own employees.

Notes to Financial Statements

Note 17. Contingencies (Continued)

In the FPRD, the USDE has calculated the amount to be paid as a result of the incorrect classification of loans as LLR Loans and the resulting overpayment of reinsurance on LLR Loans is approximately $ 4.1 million plus interest of approximately $ 654,000 by the Authority and approximately $ 1 million by the Corporation. As of June 30, 2010, the Corporation recorded a liability of approximately $ 1 million and the Authority recorded a liability of approximately $ 4.8 million to recognize the potential exposure to these findings. However, both the Corporation and the Authority continue to appeal these findings.

On October 23, 2009, the Authority appealed the first finding of the FPRD on the grounds that, among other things, the USDE's position was not supported by the statute and regulations on which it relied. On May 20, 2010, the Department of Education issued a ruling sustaining this finding of the FPRD. On July 6, 2010, the Authority appealed the decision to the Secretary of Education.

With respect to the second finding, the Authority provided additional information to the USDE via a letter dated January 16, 2010, which stated that the Authority had caused the Corporation to discontinue the challenged practice and calculated the total associated liability of the Authority and Corporation to be approximately $ 35,000. On February 22, 2010, the USDE informed the Authority that the calculation provided in the January 16, 2010, letter was acceptable, and on March 18, 2010, the Corporation and Authority confirmed to the USDE that they had made the necessary payments to resolve the issue.

With respect to the third finding, on January 16, 2010, the Authority formally requested a meeting with the USDE to discuss alternatives for implementing changes to its default aversion activities that would be satisfactory to the USDE and least disruptive to the Authority. On February 22, 2010, the USDE informed the Authority that it would respond to this request at some point in the future. To date, no response has been received.

Note 18. Subsequent Events

The Corporation evaluated subsequent events through August 30, 2010, the date these financial statements were available to be issued. There were no material events that required recognition or additional disclosure in these financial statements except as follows:

During August 2010, the Corporation engaged RBC Capital Markets (RBC) to initiate a Bond Offering of approximately $ 920 million to finance existing student loans under the 2002 Resolution of $ 800 million, and existing student loans under a Royal Bank of Canada Line of Credit Warehouse facility of $ 121 million. This offering is expected to be finalized during October 2010 and will be issued as a Taxable Floating Rate Bond indexed with three months Libor +. The proceeds of this offering will in part be used to pay off the note owed to the Authority by the Corporation for student loans funded under the 2002 Resolution. The Authority will in turn, redeem all outstanding bonds issued under the 2002 Resolution, which are currently in a failed auction rate mode, and effectively reduce its assets by approximately $ 1.1 billion consisting of a $ 800 million note receivable from SCSLC for funds advanced to originate or purchase student loans under the 2002 Resolution, and $ 3 million to fully eliminate the existing outstanding balance of the Deferred Cost of Issuance asset related to the 2002 Bond issuance. In addition, the Authority will reduce its liabilities by approximately $ 800 million as it will redeem all outstanding bonds issued under the 2002 Resolution and will also reduce its fund balance by approximately $ 3 million to fully recognize cost of issuance expenses incurred as a result of early termination of the 2002 Bond issuance.

SOUTH CAROLINA STUDENT LOAN CORPORATION
SCHEDULE OF FINANCIAL POSITION BY FUND
JUNE 30, 2010

	Unrestricted	Temporarily Restricted								Tax Exempt			
	Operating/SLC	Teacher Loans	Warehouse Financing	96 Resolution	04 Resolution	08 Resolution	Federal Loan Participation Program	Credit Lines	Straight A Conduit	09 PAL Resolution	93 Resolution	02 Resolution	Total
ASSETS													
Current Assets													
Cash and cash equivalents	$ 57,194,505	$ 9,345,952	$ 2,287,618	$ 60,051,999	$ 21,279,103	$ 16,713,416	$ 2,344,827	$ 13,577,093	$ 6,500,813	$ 1,503,723	$ -	$ -	$ 190,799,049
Investments	4,054,251	-	-	-	-	-	-	-	-	-	-	-	4,054,251
Current portion of student loan receivables	1,326,668	1,891,521	6,150,759	69,263,859	16,942,106	51,922,564	32,513,405	12,327	24,839,772	803,597	-	55,651,487	261,318,065
Interest due from borrowers	622,257	2,692,573	1,517,745	19,286,987	11,015,551	12,269,635	13,797,404	582	15,509,292	230,401	-	24,813,966	101,756,393
Due from SC State Education Assistance Authority	1,075,542	135,558	175,939	9,403,277	94,644	814,949	720,697	-	297,298	1,594,377	-	5,535,522	19,847,803
Accrued investment income	3,781	53,519	343	22,846	4,817	5,429	-	-	-	-	-	-	90,735
Prepaid expenses	117,863	-	-	-	-	-	-	-	-	-	-	-	117,863
Due from (to) other funds	575,208	(32,932)	(31,451)	38,996	(134,700)	(193,672)	-	-	(221,979)	530	-	-	-
Total current assets	64,970,075	14,086,191	10,100,953	158,067,964	49,201,521	81,532,321	49,376,333	13,590,002	46,925,196	4,132,628	-	86,000,975	577,984,159
Investments and Long-Term Receivables													
Other student loan receivables less, current portion and allowance for loan loss	24,498,418	-	119,614,267	1,194,260,771	295,497,783	468,166,668	604,142,603	63,175	339,328,329	34,562,961	-	722,628,970	3,802,763,945
Teacher loans receivable - less allowance for teacher loan cancellations and current portion	-	20,088,442	-	-	-	-	-	-	-	-	-	-	20,088,442
Deferred cost of issuance of debt	-	-	-	1,530,242	1,368,196	2,198,732	-	-	794,652	-	-	-	5,891,822
Total investments and long-term receivables	24,498,418	20,088,442	119,614,267	1,195,791,013	296,865,979	470,365,400	604,142,603	63,175	340,122,981	34,562,961	-	722,628,970	3,828,744,209
Property and Equipment													
Land	565,000	-	-	-	-	-	-	-	-	-	-	-	565,000
Building	2,431,329	-	-	-	-	-	-	-	-	-	-	-	2,431,329
Furniture and equipment	2,067,977	-	-	-	-	-	-	-	-	-	-	-	2,067,977
Automobiles	73,563	-	-	-	-	-	-	-	-	-	-	-	73,563
Less, accumulated depreciation	(2,351,286)	-	-	-	-	-	-	-	-	-	-	-	(2,351,286)
Net property and equipment	2,786,583	-	-	-	-	-	-	-	-	-	-	-	2,786,583
Total assets	$ 92,255,076	$ 34,174,633	$ 129,715,220	$ 1,353,858,977	$ 346,067,500	$ 551,897,721	$ 653,518,936	$ 13,653,177	$ 387,048,177	$ 38,695,589	$ -	$ 808,629,945	$ 4,409,514,951

SOUTH CAROLINA STUDENT LOAN CORPORATION
SCHEDULE OF FINANCIAL POSITION BY FUND
JUNE 30, 2010

	Unrestricted	Temporarily Restricted											
										Tax Exempt			
	Operating/SLC	Teacher Loans	Warehouse Financing	96 Resolution	04 Resolution	08 Resolution	Federal Loan Participation Program	Credit Lines	Straight A Conduit	09 PAL Resolution	93 Resolution	02 Resolution	Total
LIABILITIES AND NET ASSETS													
Current Liabilities													
Current portion of notes payable - finance loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 803,597	$ -	$ 55,651,487	$ 56,455,084
Current maturities of bonds payable	-	-	-	-	16,808,000	53,991,616	-	-	-	-	-	-	70,799,616
Lines of credit	-	-	119,822,000	-	-	-	638,933,621	1,422,568	-	-	-	-	760,178,189
Interest payable	-	-	-	649,806	412,307	524,335	364,840	4,218	-	-	-	-	1,955,506
Accounts payable	1,521,997	1,324	155,943	-	14,411	-	-	-	63,140	56,690	-	-	1,813,505
Accrued pension payable	1,572,219	-	-	-	-	-	-	-	-	-	-	-	1,572,219
Compensated absences	632,989	29,671	-	-	-	-	-	-	-	-	-	-	662,660
Due to SC State Education Assistance Authority	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to United States Department of Education	26,575	(112)	615,428	1,440,127	58,536	1,283,404	3,980,083	545,264	2,768,358	-	-	-	10,717,663
Total current liabilities	3,753,780	30,883	120,593,371	2,089,933	17,293,254	55,799,355	643,278,544	1,972,050	2,831,498	860,287	-	55,651,487	904,154,442
Noncurrent liabilities													
Bonds payable less, current maturities and bond	-	-	-	1,200,000,000	298,342,000	454,321,107	-	-	-	-	-	-	1,952,663,107
Less, bond discounts	-	-	-	4,505,340	-	551,619	-	-	-	-	-	-	5,056,959
Net bonds payable less, current maturities and bond discounts	-	-	-	1,195,494,660	298,342,000	453,769,488	-	-	-	-	-	-	1,947,606,148
Notes payable - finance loans less, current maturities	-	-	-	-	-	-	-	-	-	39,321,116	-	739,973,545	779,294,661
Other notes payable	-	-	-	-	-	-	-	-	368,328,251	-	-	-	368,328,251
Total noncurrent liabilities	-	-	-	1,195,494,660	298,342,000	453,769,488	-	-	368,328,251	39,321,116	-	739,973,545	3,095,229,060
Total liabilities	3,753,780	30,883	120,593,371	1,197,584,593	315,635,254	509,568,843	643,278,544	1,972,050	371,159,749	40,181,403	-	795,625,032	3,999,383,502
Net Assets													
Temporarily restricted for bond indentures current debt service	-	-	-	649,806	1,005,117	-	-	-	-	-	-	13,004,913	14,659,836
Temporarily restricted for bond indentures	-	-	-	155,624,578	29,427,129	42,328,878	-	-	15,888,428	(1,485,814)	-	-	241,783,199
Temporarily restricted for teacher loans	-	34,143,750	-	-	-	-	-	-	-	-	-	-	34,143,750
Temporarily restricted for lines of credit	-	-	9,121,849	-	-	-	10,240,392	11,681,127	-	-	-	-	31,043,368
Board designated for scholarships	100,000	-	-	-	-	-	-	-	-	-	-	-	100,000
Unrestricted	88,401,296	-	-	-	-	-	-	-	-	-	-	-	88,401,296
Total net assets	88,501,296	34,143,750	9,121,849	156,274,384	30,432,246	42,328,878	10,240,392	11,681,127	15,888,428	(1,485,814)	-	13,004,913	410,131,449
Total liabilities and net assets	$ 92,255,076	$ 34,174,633	$ 129,715,220	$ 1,353,858,977	$ 346,067,500	$ 551,897,721	$ 653,518,936	$ 13,653,177	$ 387,048,177	$ 38,695,589	$ -	$ 808,629,945	$ 4,409,514,951

SOUTH CAROLINA STUDENT LOAN CORPORATION
SCHEDULE OF ACTIVITIES BY FUND
YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted											
										Tax Exempt			
	Operating/SLC	Teacher Loans	Warehouse Financing	96 Resolution	04 Resolution	08 Resolution	Federal Loan Participation Program	Credit Lines	Straight A Conduit	09 PAL Resolution	93 Resolution	02 Resolution	Total
Revenue													
Income from United States Department of Education													
student loan interest - subsidized	$ 78,812	$ 801	$ 974,330	$ 8,664,050	$ 99,963	$ 6,638,539	$ 9,670,228	$ 292,523	$ 6,754,380	$ 65,657	$ -	$ 12,050,580	$ 45,289,863
Special allowances	(237,808)	(14)	(3,572,848)	(14,378,080)	(351,451)	(12,127,373)	(20,572,502)	(736,658)	(17,227,036)	(239,741)	-	(27,026,725)	(96,470,236)
Student loan interest - non-subsidized	956,813	2,788,234	6,711,439	51,045,749	11,309,746	18,095,554	17,808,412	673,016	16,570,346	919,313	679,450	34,495,711	162,053,783
Investment income	175,737	246,772	4,472	154,753	53,707	61,930	19	27,969	144	-	-	863	726,366
Unrealized gain (loss) on investments	451,893	121,277	-	-	-	-	-	-	-	-	-	-	573,170
Late charges	12,382	21,783	54,560	716,352	126,684	458,479	7,770	-	42,541	10,116	2,594	332,106	1,785,367
Miscellaneous payments of student loans	(1,345)	(250)	(49)	(1,374)	(91)	(1,618)	(99)	(3)	(7,444)	(6)	18,277	(888)	5,110
Gain (loss) on sale of loans	-	-	-	-	-	-	-	-	(148,865)	-	148,974	-	109
State appropriations - Department of Education	-	4,966,143	-	-	-	-	-	-	-	-	-	-	4,966,143
Remittance from SC State Education Assistance													-
Authority for operating cost	6,765,203	-	-	-	-	-	-	-	-	-	-	-	6,765,203
Other	199,858	-	-	-	-	-	-	-	-	-	-	-	199,858
Total revenue	8,401,545	8,144,746	4,171,904	46,201,450	11,238,558	13,125,511	6,913,828	256,847	5,984,066	755,339	849,295	19,851,647	125,894,736
Expenses													
Personnel	6,689,469	282,940	-	-	-	-	-	-	-	-	-	-	6,972,409
Contractual services	1,453,964	26,479	-	-	-	-	61,825	141,511	213,737	-	-	-	1,897,516
General operating	1,990,013	51,200	-	-	-	-	-	2,409	-	-	-	-	2,043,622
Interest on debt		-	1,536,854	5,866,490	9,153,246	5,932,788	3,129,131	630,295	2,232,176	-	-	-	28,480,980
TLP cancellations	-	5,095,372	-	4,019	-	-	-	-	-	-	-	-	5,099,391
Amortization of deferred cost of bond issuance	-	-	-	678,638	258,661	462,891	-	-	-	-	-	-	1,400,190
State recall of funds	-	500,000	-	-	-	-	-	-	-	-	-	-	500,000
Payments to SC State Education Assistance													
Authority for student loan income	-	-	-	-	-	-	-	-	-	2,169,426	763,315	12,382,701	15,315,442
Loan fees	10,744	-	1,451,314	9,632,824	177,518	(967)	2,603,113	3,963,516	(6,774)	-	73,078	1,603,475	19,507,841
Reinsurance expense	1,039,361	-	-	259,332	2,741	118,149	3	-	2	6,603	4,649	124,381	1,555,221
Borrower incentives	18,988	10,173	271,403	3,301,624	111,283	455,149	183,539	123,424	53,547	65,124	8,253	789,729	5,392,236
Broker dealer fees	-	-	9,250	87,612	294,285	48,796	-	-	-	-	-	-	439,943
Building rental expenses	350,717	-	-	-	-	-	-	-	-	-	-	-	350,717
Loan loss expense	(174,356)	-	(5,304)	-	6,870,139	-	118,170	(11,870)	100,184	-	-	-	6,896,963
Other	1,142	88,886	-	-	576,220	-	-	-	-	-	-	-	666,248
Total expenses	11,380,042	6,055,050	3,263,517	19,830,539	17,444,093	7,016,806	6,095,781	4,849,285	2,592,872	2,241,153	849,295	14,900,286	96,518,719
Employee benefits - related changes other than net periodic pension cost (expense) benefit	(258,398)	-	-	-	-	-	-	-	-	-	-	-	(258,398)
Transfer Between Accounts													
Transfers in	62,251,029	-	2,750	578,022	-	2,444	967,217,370	725,426,464	242,197,731	-	-	3,238	1,997,679,048
Transfers out	(63,087,136)	-	(409,395)	(21,154,336)	(1,623,450)	(2,442,620)	(960,572,802)	(718,688,812)	(229,700,497)	-	-	-	(1,997,679,048)
Total transfers between accounts	(836,107)	-	(406,645)	(20,576,314)	(1,623,450)	(2,440,176)	6,644,568	6,737,652	12,497,234	-	-	3,238	-
Change in net assets	(4,073,002)	2,089,696	501,742	5,794,597	(7,828,985)	3,668,529	7,462,615	2,145,214	15,888,428	(1,485,814)	-	4,954,599	29,117,619
Net Assets													
Beginning	92,574,298	32,054,054	8,620,107	150,479,787	38,261,231	38,660,349	2,777,777	9,535,913	-	-	-	8,050,314	381,013,830
Ending	$ 88,501,296	$ 34,143,750	$ 9,121,849	$ 156,274,384	$ 30,432,246	$ 42,328,878	$ 10,240,392	$ 11,681,127	$ 15,888,428	$ (1,485,814)	$ -	$ 13,004,913	$ 410,131,449

SOUTH CAROLINA STUDENT LOAN CORPORATION
SCHEDULE OF CASH FLOWS BY FUND
YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted								Tax Exempt			
	Operating/SLC	Teacher Loans	Warehouse Financing	96 Resolution	04 Resolution	08 Resolution	Federal Loan Participation Program	Credit Lines	Straight A Conduit	09 PAL Resolution	93 Resolution	02 Resolution	Total
Cash Flows from Operating Activities													
Change in net assets	$ (4,073,002)	$ 2,089,696	$ 501,742	$ 5,794,597	$ (7,828,985)	$ 3,668,529	$ 7,462,615	$ 2,145,214	$ 15,888,428	$ (1,485,814)	$ -	$ 4,954,599	$ 29,117,619
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities													
Depreciation	281,986	-	-	-	-	-					-	-	281,986
Unrealized (gain) loss on investments	(451,893)	(121,277)	-	-	-	-	-	-	-	-	-	-	(573,170)
Amortization of premiums and discounts on bonds payable	-	-	-	509,411	-	116,130	-	-	-	-	-	-	625,541
Amortization of cost of debt issuance	-	-	-	169,227	258,661	462,891	-	-	-	-	-	-	890,779
Allowance for Loan Loss	(174,356)	-	(5,304)	-	6,870,139	-	118,170	(11,870)	100,184	-	-	-	6,896,963
Changes in operating assets and liabilities													
(Increase) decrease in due from US Department of Educatior	11,217	(36)	14,123	585,591	3,464	279,939	2,600,366	(940,197)	2,768,358	-	(1,599,773)	(3,127,069)	595,983
(Increase) decrease in due from SC State Education Assistance Authority	(366,356)	4,416	(100,802)	(1,683,799)	(94,644)	(770,162)	(703,197)	-	(297,298)	(1,594,377)	-	(1,698,242)	(7,304,461)
(Increase) decrease in interest due from borrowers	33,943	(108,872)	178,198	685,890	3,449,570	794,014	(9,109,497)	193,279	(15,509,292)	(230,401)	4,673,659	(86,764)	(15,036,273)
(Increase) decrease in accrued investment income	2,972	32,313	505	(9,566)	742	1,888	-	-	-	-	-	-	28,854
(Increase) in prepaid expenses	(53,519)	-	-	-	-	-	-	-	-	-	-	-	(53,519)
Increase (decrease) in interest payable	-	-	-	(129,061)	4,628	(107,199)	125,693	(10,777)	-	-	-	-	(116,716)
Increase (decrease) in accounts payable	1,290,230	1,324	(30,825)	-	(908)	-	-	-	63,140	56,690	-	-	1,379,651
Increase in accrued pension expense	954,637	-	-	-	-	-	-	-	-	-	-	-	954,637
Increase (decrease) in compensated absences	216,084	(17,830)	-	-	-	-	-	-	-	-	-	-	198,254
(Decrease) in due to SC State Education Assistance Authority	(1,241,446)	-	-	-	-	-	-	-	-	-	(3,077,925)	(2,526,219)	(6,845,590)
Due to (from) other funds	(292,402)	137,320	(7,593)	(38,836)	(1,264)	(19,486)	-	-	221,979	(530)	210	602	-
Net cash provided by (used in) operating activities	(3,861,905)	2,017,054	550,044	5,883,454	2,661,403	4,426,544	494,150	1,375,649	3,235,499	(3,254,432)	(3,829)	(2,483,093)	11,040,538
Cash Flows from Investing Activities													
Purchase of property and equipment	(34,940)	-	-	-	-	-	-	-	-	-	-	-	(34,940)
Principal payments on student loans	4,218,060	146,262	33,144,025	91,751,958	13,053,343	61,004,208	277,578,028	442,137,500	13,044,104	1,592,650	222,254,416	63,888,543	1,223,813,097
Purchase and issuance of student loans	(6,719,758)	(8,418,461)	(2,770,080)	(67,149,532)	(9,680,171)	(12,159,122)	(677,640,153)	(400,398,277)	(377,312,389)	(36,959,208)	(392,221)	(36,054,927)	(1,635,654,299)
Teacher loan cancellations	-	5,095,372	-	-	-	-		-		-	-	-	5,095,372
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of investments	73,702	121,277	-	-	-	-	-	-	-	-	-	-	194,979
Net cash provided by (used in) investing activities	(2,462,936)	(3,055,550)	30,373,945	24,602,426	3,373,172	48,845,086	(400,062,125)	41,739,223	(364,268,285)	(35,366,558)	221,862,195	27,833,616	(406,585,791)
Cash Flows from Financing Activities													
Proceeds from financing loans	-	-	-	-	-	-	-	-		42,394,865	-	-	42,394,865
Payments on financing loans	-	-	-	-	-	-	-	-		(2,270,152)	(222,191,459)	(51,175,329)	(275,636,940)
Proceeds from lines of credit	-	-	-	-	-	-	718,866,697	688,293,425	-	-	-	-	1,407,160,122
Payments on lines of credit	-	-	(30,900,739)	-	-	-	(318,418,681)	(737,956,888)	-	-	-	-	(1,087,276,308)
Payments of bonds	-	-	-	-	(20,850,000)	(53,991,616)	-	-	-	-	-	-	(74,841,616)
Proceeds from other notes payable	-	-	-	-	-	-	-	-	370,442,026	-	-	-	370,442,026
Payments on other notes payable	-	-	-	-	-	-	-	-	(2,113,775)	-	-	-	(2,113,775)
Payments of debt issuance costs	-	-	-	-	-	-	-	-	(794,652)	-	-	-	(794,652)
Net cash provided by (used in) financing activities	-	-	(30,900,739)	-	(20,850,000)	(53,991,616)	400,448,016	(49,663,463)	367,533,599	40,124,713	(222,191,459)	(51,175,329)	379,333,722
Net increase (decrease) in cash and cash equivalents	(6,324,841)	(1,038,496)	23,250	30,485,880	(14,815,425)	(719,986)	880,041	(6,548,591)	6,500,813	1,503,723	(333,093)	(25,824,806)	(16,211,531)
Cash and Cash Equivalents													
Beginning	63,519,346	10,384,448	2,264,368	29,566,119	36,094,528	17,433,402	1,464,786	20,125,684	-	-	333,093	25,824,806	207,010,580
Ending	57,194,505	9,345,952	2,287,618	60,051,999	21,279,103	16,713,416	2,344,827	13,577,093	6,500,813	1,503,723	-	-	190,799,049
Supplemental Disclosure of Cash Flow Information													
Cash payments for interest	$ -	$ -	$ 1,536,854	$ 5,995,551	$ 9,048,618	$ 6,039,987	$ 3,003,438	$ 641,072	$ 2,332,176	$ -	$ -	$ -	$ 28,597,696

SOUTH CAROLINA STUDENT LOAN CORPORATION
SCHEDULE OF PROPERTY AND EQUIPMENT
YEAR ENDED JUNE 30, 2010

Description	Cost	Accumulated Depreciation 6/30/09	Depreciation Expense	Disposals and Transfers	**Accumulated Depreciation 6/30/10**
General Operating					
Land	$ 565,000	$ -	$ -	$ -	**$ -**
Building	2,431,329	326,678	62,342	-	**389,020**
Furniture and Fixtures					
Computer equipment	1,282,305	975,877	160,966	-	**1,136,843**
Other office machines	381,060	317,745	33,537	-	**351,282**
Telephone equipment	314,356	298,937	14,136	-	**313,073**
Miscellaneous	90,256	90,256	-	-	**90,256**
Total furniture and fixtures	2,067,977	1,682,815	208,639	-	**1,891,454**
Automobiles					
2004 Buick LeSabre	20,215	20,214	-	-	**20,214**
2008 Buick Lucerne	33,015	19,260	11,005	-	**30,265**
2005 Buick LeSabre	20,333	20,333	-	-	**20,333**
Total automobiles	73,563	59,807	11,005	-	**70,812**
Grand total	$ 5,137,869	$ 2,069,300	$ 281,986	$ -	**$ 2,351,286**

SOUTH CAROLINA STUDENT LOAN CORPORATION
SCHEDULE OF EXPENSES
YEAR ENDED JUNE 30, 2010

	Operating Fund				Teacher Loan Program - EIA			
	2010				2010			
	Total Budget	Actual	Variance Favorable (Unfavorable)	2009 Actual	Total Budget	Actual	Variance Favorable (Unfavorable)	2009 Actual
Operating Expenses								
Personnel								
Staff salaries	$ 4,795,000	$ 4,676,826	$ 118,174	$ 4,732,594	$ 231,000	$ 178,406	$ 52,594	$ 212,260
Part-time salaries	-	-	-	39,571	-	-	-	-
Social security	350,000	318,477	31,523	326,466	17,500	12,038	5,462	15,039
Group insurance	850,800	702,038	148,762	1,122,695	43,350	30,954	12,396	51,019
Retirement	915,000	981,296	(66,296)	668,297	44,500	60,999	(16,499)	32,146
Unemployment	13,250	10,832	2,418	12,928	705	543	162	518
Total personnel before non-recurring defined benefit	6,924,050	6,689,469	234,581	6,902,551	337,055	282,940	54,115	310,982
Non-recurring defined benefit	-	-	-	-	-	-	-	-
Total personnel	6,924,050	6,689,469	234,581	6,902,551	337,055	282,940	54,115	310,982
Contractual								
Loan servicing	1,110,400	1,005,746	104,654	928,394	28,050	22,774	5,276	24,224
Legal	28,000	99,353	(71,353)	21,216	-	-	-	-
Accounting	190,000	305,490	(115,490)	105,494	2,400	3,705	(1,305)	2,281
Skip tracing	30,000	13,452	16,548	-	-	-	-	-
Credit bureau	42,500	29,923	12,577	30,193	-	-	-	-
Total contractual	1,400,900	1,453,964	(53,064)	1,085,297	30,450	26,479	3,971	26,505
General Operating								
Rent	-	-	-	-	8,796	8,759	37	8,759
Telephone	135,000	98,869	36,131	131,531	7,100	4,860	2,240	6,159
Printing	228,319	167,484	60,835	132,834	7,000	4,515	2,485	6,201
Postage	960,165	957,641	2,524	772,238	30,000	25,400	4,600	26,889
Supplies	108,000	66,626	41,374	70,561	6,450	3,062	3,388	3,207
Travel	55,000	53,074	1,926	43,990	-	-	-	293
Equipment maintenance	152,650	134,877	17,773	140,449	2,200	2,013	187	2,096
Subscriptions and fees	60,000	47,704	12,296	52,561	30	30	-	30
Meeting and conference expenses	47,500	53,500	(6,000)	49,609	-	-	-	-
Insurance - general and automotive	54,250	53,531	719	46,329	2,675	2,509	166	2,171
Outreach and awareness	50,000	20,617	29,383	42,115	-	-	-	-
Contingencies	40,000	67,733	(27,733)	19,164	500	52	448	325
Depreciation	223,777	219,644	4,133	257,461	-	-	-	-
Other operating expenses	-	48,713	(48,713)	25,665	-	-	-	-
Total general operating	2,114,661	1,990,013	124,648	1,784,507	64,751	51,200	13,551	56,130
Total operating expenses	10,439,611	10,133,446	306,165	9,772,355	432,256	360,619	71,637	393,617
Employee benefits - related changes other than net periodic pension cost	-	258,398	(258,398)	419,877	-	-	-	20,122
Capital Additions								
Equipment, furniture and fixtures	50,000	34,940	15,060	113,379	-	-	-	-
Total operating expenses, employee benefits - related changes and capital additions	$ 10,489,611	$ 10,426,784	$ 62,827	$ 10,305,611	$ 432,256	$ 360,619	$ 71,637	$ 413,739

SOUTH CAROLINA STUDENT LOAN CORPORATION
SCHEDULE OF ORGANIZATIONAL DATA
YEAR ENDED JUNE 30, 2010

Incorporated November 15, 1973 under the Laws of the State of South Carolina. Began operations October 14, 1974. Offices located at Suite 210, Interstate Center, Columbia, South Carolina.

BOARD OF DIRECTORS OF THE CORPORATION

Name	Office	Term Expires 6/30
Fredrick T. Himmelein, Esq.	Chairman	2013
Loren D. Carlson	Vice Chairman	2011
Robert R. Hill, Jr.	Treasurer	2012
Charlie C. Sanders, Jr.	Secretary, President & CEO	2013
Dr. Julia Boyd		2011
R. Jason Caskey, CPA		2011
Neil E. Grayson, Esq.		2011
J. Thornton Kirby, Esq.		2011
William M. Mackie, Jr.		2013
Jeffrey R. Scott		2012

SOUTH CAROLINA STUDENT LOAN CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Federal Grantor/ Program Title	CFDA Number	Amount of Grant	Expenses
U.S. Department of Education Programs			
Higher Education Act insured loans contract			
Federal family education loan programs			
Special allowances	84.032		See #2 Below
Subsidized interest	84.032		$ 45,289,861
Total U.S. Department of Education programs (major program)			$ 45,289,861

1. Summary of Significant Accounting Policies

   This schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The financial activity shown in this schedule reflects amounts recorded by the Corporation during its fiscal year July 1, 2009, through June 30, 2010.

2. Special Allowances

   The U.S. Department of Educations (USDE) now requires lenders to pay the USDE when lenders have negative special allowance. The Corporation paid $ 96,470,236 for the year ending June 30, 2010.

DERRICK, STUBBS & STITH, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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RSM McGladrey Network
An Independently Owned Member

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
South Carolina Student Loan Corporation
Columbia, South Carolina

We have audited the financial statements of the South Carolina Student Loan Corporation as of and for the year ended June 30, 2010, and have issued our report thereon dated August 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting
In planning and performing our audit, we considered the South Carolina Student Loan Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the South Carolina Student Loan Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the South Carolina Student Loan Corporation's internal control over financial reporting

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the South Carolina Student Loan Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the management, Board of Directors and the U.S. Department of Education and is not intended to be and should not be used by anyone other than those specified parties.

Derrick, Stubbs + Stith, LLP

August 30, 2010

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
South Carolina Student Loan Corporation
Columbia, South Carolina

Compliance

We have audited the compliance of the South Carolina Student Loan Corporation with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2010. The South Carolina Student Loan Corporation's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the South Carolina Student Loan Corporation's management. Our responsibility is to express an opinion on the South Carolina Student Loan Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the South Carolina Student Loan Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the South Carolina Student Loan Corporation's compliance with those requirements.

In our opinion, the South Carolina Student Loan Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the South Carolina Student Loan Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the South Carolina Student Loan Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of South Carolina Student Loan Corporation's internal control over compliance.

To the Board of Directors
South Carolina Student Loan Corporation
Columbia, South Carolina

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management, Board of Directors and the U.S. Department of Education and is not intended to be and should not be used by anyone other than those specified parties.

Derrick, Stubbs + Stith, LLP

August 30, 2010

SOUTH CAROLINA STUDENT LOAN CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

1. Summary of Auditor's Results:

(i)	Type of report issued on financial statements		Unqualified
(ii)	Material weaknesses in internal control over financial reporting		None Identified
(iii)	Significant deficiencies not considered to be material weaknesses in internal control over financial reporting		None Identified
(iv)	Noncompliance material to the financial statements		None Noted
(v)	Material weaknesses in internal control over major programs		None Identified
(vi)	Significant deficiencies not considered to be material weaknesses in internal control over major programs		None Identified
(vii)	Type of report issued on compliance for major programs		Unqualified
(viii)	Audit findings required to be reported under paragraph .510(a) OMB 133		None Disclosed
(ix)	Identification of major programs: U.S. Department of Education Higher education act insured loan programs Federal family education loan program	CFDA#	Expenditure
	Subsidized interest	84.032	$ 45,289,861
(x)	Dollar threshold used to distinguish between Type A and Type B programs		$ 1,358,696
(xi)	South Carolina Student Loan Corporation qualifies as a low risk auditee under paragraph .530 OMB 133		Yes

2. Findings related to the financial statements which are required to be reported in accordance with GAGAS — None Reported

3. Findings and questioned costs for Federal awards including audit findings as defined in paragraph .510(a) OMB 133

(i)	Audit findings (e.g., internal control findings, compliance findings, questioned costs, or fraud)	None Reported
(ii)	Audit findings which relate to both the financial statements and Federal awards	None Reported

SOUTH CAROLINA STUDENT LOAN CORPORATION
SCHEDULE OF SUMMARY OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2010

There are no prior audit findings and questioned costs relative to Federal Awards.

SOUTH CAROLINA STUDENT LOAN CORPORATION
SCHEDULE OF CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2010

There is no corrective action plan required since there are no prior auditing findings and questioned costs relative to Federal Awards.