

**Student Loan Backed Reporting Mixed Deal - FFELP  
Monthly/Quarterly Distribution Report**

<b>Issuer</b>	Educational Funding of the South, Inc.
<b>Deal Name</b>	2003FL Indenture
<b>Distribution Date</b>	12/26/2012
<b>Collection Period</b>	11/30/2012
<b>Contact Name</b>	
<b>Contact Number</b>	865-342-0676
<b>Contact Email</b>	<a href="mailto:kmann@edsouth.org">kmann@edsouth.org</a>
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**Notes/Bonds - Group I (FFELP)**

Class	CUSIP	Rate	Index	Margin	Auction Status	Original Balance	Beg Princ Bal	Interest Accrual	Principal Paid	End Princ Bal <sup>a</sup>	% of Securities	Payment Frequency	Maturity
2012FL A	28148WAD5	1.25750%	0.20750%	1.05000%		511,000,000.00	482,040,396.90	505,117.96	3,790,833.11	478,249,563.79	79.67%	Monthly	3/25/2036
2012FL B	28148WAE3	3.70750%	0.20750%	3.50000%		15,000,000.00	15,000,000.00	46,341.90	-	15,000,000.00	2.50%	Monthly	12/28/2048
2007-1 A-2	28148XAQ4	0.72075%	0.42075%	0.30000%		400,000,000.00	16,080,039.53	28,974.22	-	16,080,039.53	2.68%	Quarterly	3/1/2016
2007-1 A-3	28148XAR2	0.77075%	0.42075%	0.35000%		235,000,000.00	90,967,000.00	175,282.04	-	90,967,000.00	15.15%	Quarterly	9/1/2017
<b>Total</b>						<b>1,161,000,000.00</b>	<b>604,087,436.43</b>	<b>755,716.12</b>	<b>3,790,833.11</b>	<b>600,296,603.32</b>	<b>100%</b>		

(a) Should include Principal Pmts in the current distribution month

**Portfolio Summary**

	Beg Balance	Activity	End Balance
Principal Balance	574,803,972.58	(4,550,666.22)	570,253,306.36
Accrued Interest to be Capitalized	6,021,790.44	(133,941.22)	5,887,849.22
<b>Total Pool Balance</b>	<b>580,825,763.02</b>	<b>(4,684,607.44)</b>	<b>576,141,155.58</b>
Repurchased Guaranteed Student Loans <sup>a</sup>	-	-	-
Weighted Average Coupon (WAC)	4.76	0.00	4.76
Weighted Average Maturity (WAM)	173.09	(0.36)	172.73
Number of Loans	80,950	(802.00)	80,148
Number of Borrowers	41,806	(452.00)	41,354
Average Loan Balance	\$ 7,175.12	13.35	\$ 7,188.47
Average Borrower Indebtedness	\$ 13,893.36	38.57	\$ 13,931.93

(a) Pending repurchase loans that are not reflected in the ending pool balance

**Weighted Average Payments Made**

	% of Pool	W.A. Time until Repayment (months) <sup>(a)</sup> (should include grace period)
In School	0.98%	-24.86
Grace	0.27%	-1.92
Deferment	13.99%	-13.72
Forbearance	14.78%	-3.22
<b>W.A. Time in Repayment (months)</b>		
Repayment	69.16%	80.15
Claims in Progress	0.78%	74.98
Claims Denied	0.05%	88.67
<b>Total Weighted Average</b>		<b>53.41</b>

(a) W.A. Time Until Repayment would most likely be reflected as a negative number in this calculation. For example, if a loan has 3 months left in school and 6 months of grace period, the time until repayment for that loan would be -9 months.

**Funds and Accounts**

Department Reserve Account 2012-1	Debt Service Payment Account 2007-1	Capitalized Interest Account	Debt Service Reserve Account 2012-1
Dept. Reserve Account (beginning) \$ 4,485,211.39	Debt Service Payment Account (beginning) \$ 2,957,599.70	Capitalized Interest Account (beginning) \$ 21,521,159.83	Reserve Account (beginning) \$ 2,942,977.00
Plus transfers in 783,920.27	Plus transfers in 1,478,752.09	Less releases -	Less releases (38,848.18)
Less DOE Fees paid (687,188.00)	Less Funds paid on 2007 taxable bond -	Less draws -	Less draws -
Plus investment earnings -	Plus investment earnings -	Beginning Balance transfer -	Beginning Balance transfer -
Dept. Reserve Account (ending) \$ 4,581,943.66	Debt Service Payment Account (ending) \$ 4,436,351.79	Capitalized Interest Account (ending) \$ 21,521,159.83	Reserve Account (ending) \$ 2,904,128.82
		Capitalized Interest Account Requirement -	Reserve Account Requirement \$ 2,880,705.78
2007-1 Debt Service Reserve \$ 2,300,000.00			
Collection Account - (Available Funds) \$ 6,599,197.27			
Total Accounts Balances (includes above accounts) \$ 42,342,781.37			

**Balance Sheet and Parity**

	Beg Balance	Activity	End Balance
<b>Assets</b>			
Pool Balance	583,480,172.89	(4,606,821.67)	578,873,351.22
Capitalized Interest Fund	21,521,159.83	-	21,521,159.83
Debt Service Reserve	5,204,128.82	(23,423.04)	5,180,705.78
Debt Payment Account <sup>b</sup>	4,436,351.79	1,606,517.50	6,042,869.29
<b>Total Assets</b>	<b>614,641,813.33</b>	<b>(3,023,727.21)</b>	<b>611,618,086.12</b>
<b>Liabilities</b>			
Note Outstanding Class A	482,040,396.90	(3,790,833.11)	478,249,563.79
Note Outstanding Class B	15,000,000.00	-	15,000,000.00
Bonds Outstanding 2007-1	107,047,039.53	-	107,047,039.53
Accrued Interest 2007-1	131,631.82	72,624.44	204,256.26
<b>Total Liabilities</b>	<b>604,219,068.25</b>	<b>(3,718,208.67)</b>	<b>600,500,859.58</b>
Class A Parity %	104.32%		104.46%
Class B Parity %	101.73%		101.85%

(a) Pool Balance for parity includes all accrued interest and pending loans. Including accrued interest to be capitalized and additional interest.

(b) Included 1/3 of the Principal and Interest for the 2007 Bond for the next payment date

**CPR (constant prmt rate)**

	%
Lifetime	11.12%

**Servicer Balance**

	Balance	% of Portfolio	# of Loans	Cms Outstanding
Edfinancial	429,473,854.00	74.54%	68,862	3,603,811.58
PHEAA	112,557,245.90	19.54%	8,189	484,360.61
CitiBank	-	0.00%	-	-
Great Lakes	34,110,055.68	5.92%	3,097	182,603.08
<b>Total Portfolio</b>	<b>576,141,155.58</b>		<b>80,148</b>	<b>4,270,775.27</b>

2003FL Indenture

Portfolio by Loan Status											
	# of Loans		Balance (inc Accrued Interest)		% of Balance		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
In School	1,525	1,505	5,728,730.90	5,649,671.39	0.99%	0.98%	5.65	5.64	120.15	120.15	
Grace	805	414	2,960,615.12	1,541,564.87	0.51%	0.27%	5.58	5.39	116.60	115.48	
Repayment											
Current	45,604	44,703	334,797,274.12	328,827,431.89	57.64%	57.07%	4.53	4.55	169.68	168.45	
31-60 Days Delinquent	2,874	3,274	19,452,430.92	20,913,780.71	3.35%	3.63%	4.97	4.92	172.29	170.86	
61-90 Days Delinquent	1,779	2,063	10,793,868.11	14,126,943.55	1.86%	2.45%	4.83	5.01	169.88	171.54	
91-120 Days Delinquent	1,216	1,286	8,105,496.56	7,597,268.78	1.40%	1.32%	5.05	4.90	162.06	166.71	
121-180 Days Delinquent	1,733	1,800	10,675,742.71	10,794,322.80	1.84%	1.87%	4.84	4.89	161.46	158.51	
181-270 Days Delinquent	1,921	1,917	11,375,975.09	11,619,240.32	1.96%	2.02%	5.04	4.90	154.48	157.19	
271+ Days Delinquent	614	799	3,818,726.97	4,574,959.27	0.66%	0.79%	4.89	4.78	166.59	146.97	
Total Repayment	55,741	55,842	399,019,514.48	398,453,947.32	68.70%	69.16%	4.60	4.61	168.98	167.81	
Forbearance	9,229	8,891	87,048,489.38	85,160,599.08	14.99%	14.78%	5.31	5.29	191.71	194.00	
Deferment	12,558	12,416	81,047,207.04	80,578,726.98	13.95%	13.99%	4.85	4.84	180.75	180.90	
Claims in Progress	1,058	1,026	4,917,018.40	4,466,140.19	0.85%	0.78%	4.93	5.01	148.70	143.77	
Claims Denied	34	54	104,187.70	290,505.75	0.02%	0.05%	3.41	4.38	69.02	192.08	
<b>Total Portfolio</b>	<b>80,950</b>	<b>80,148</b>	<b>580,825,763.02</b>	<b>576,141,155.58</b>			<b>4.76</b>	<b>4.76</b>	<b>173.09</b>	<b>172.73</b>	

Delinquency Status											
	# of Loans		Balance (inc Accrued Interest)		% of Balance		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
Current	45,604	44,703	334,797,274.12	328,827,431.89	83.90%	82.53%	4.53	4.55	169.68	168.45	
31-60 Days Delinquent	2,874	3,274	19,452,430.92	20,913,780.71	4.88%	5.25%	4.97	4.92	172.29	170.86	
61-90 Days Delinquent	1,779	2,063	10,793,868.11	14,126,943.55	2.71%	3.55%	4.83	5.01	169.88	171.54	
91-120 Days Delinquent	1,216	1,286	8,105,496.56	7,597,268.78	2.03%	1.91%	5.05	4.90	162.06	166.71	
121-180 Days Delinquent	1,733	1,800	10,675,742.71	10,794,322.80	2.68%	2.71%	4.84	4.89	161.46	158.51	
181-270 Days Delinquent	1,921	1,917	11,375,975.09	11,619,240.32	2.85%	2.92%	5.04	4.90	154.48	157.19	
271+ Days Delinquent	614	799	3,818,726.97	4,574,959.27	0.96%	1.15%	4.89	4.78	166.59	146.97	
<b>Total Portfolio in Repayment</b>	<b>55,741</b>	<b>55,842</b>	<b>399,019,514.48</b>	<b>398,453,947.32</b>			<b>4.60</b>	<b>4.61</b>	<b>168.98</b>	<b>167.81</b>	

Portfolio by Loan Type											
	# of Loans		Balance (inc Accrued Interest)		% of Balance		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
Subsidized Consolidation Loans	14,366	14,272	169,296,132.59	167,986,196.61	29.15%	29.16%	4.57	4.56	192.26	191.68	
Unsubsidized Consolidation Loans	15,459	15,353	222,206,519.72	220,591,540.74	38.26%	38.29%	4.69	4.69	206.14	205.64	
Subsidized Stafford Loans	27,742	27,390	76,845,110.06	78,034,332.19	13.57%	13.54%	4.67	4.68	111.86	111.72	
Unsubsidized Stafford Loans	21,028	20,802	93,021,443.98	92,322,224.61	16.02%	16.02%	4.83	4.83	121.82	121.79	
Grad PLUS Loans	2,282	2,259	17,227,022.86	16,977,748.01	2.97%	2.95%	7.53	7.55	116.65	116.32	
Other Loans	73	72	229,533.81	229,113.42	0.04%	0.04%	3.37	3.37	90.55	91.52	
<b>Total Balance</b>	<b>80,950</b>	<b>80,148</b>	<b>580,825,763.02</b>	<b>576,141,155.58</b>			<b>4.76</b>	<b>4.76</b>	<b>173.09</b>	<b>172.73</b>	

Portfolio by Program Type											
	# of Loans		Balance (inc Accrued Interest)		% of Principal		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
Graduate / 4-Year Loans	50,377	49,882	388,550,385.07	385,131,900.91	66.90%	66.85%	4.68	4.68	172.83	172.39	
2-Year Loans	14,319	14,180	50,634,675.44	50,330,739.53	8.72%	8.74%	4.83	4.83	127.37	127.30	
Proprietary / Technical / Vocational Loans	9,015	8,895	39,800,657.83	39,382,501.35	6.85%	6.84%	4.57	4.57	139.54	139.47	
Unknown (Consolidation) Loans	7,202	7,154	101,425,550.69	100,880,360.38	17.46%	17.51%	5.09	5.09	210.28	209.93	
Other Loans	37	37	414,493.99	415,653.41	0.07%	0.07%	6.29	6.30	116.32	116.18	
<b>Total Portfolio</b>	<b>80,950</b>	<b>80,148</b>	<b>580,825,763.02</b>	<b>576,141,155.58</b>			<b>4.76</b>	<b>4.76</b>	<b>173.09</b>	<b>172.73</b>	

SAP Indices							
	# of Loans		Balance		% of Total		Margin
	Beginning	Ending	Beginning	Ending	Beginning	Ending	
T-Bill Loans	4,743	4,664	17,372,422.11	17,185,066.64	2.99%	2.98%	2.7096
1ML Loans	76,207	75,484	563,453,340.91	558,956,088.94	97.01%	97.02%	2.3565
Other Loans	-	-	-	-	0.00%	0.00%	-
<b>Total Pool Balance</b>	<b>80,950</b>	<b>80,148</b>	<b>580,825,763.02</b>	<b>576,141,155.58</b>			<b>2.3670</b>

**Student Loan Backed Reporting Mixed Deal  
Monitoring Waterfall and Collections  
2003FL Indenture**

Distribution Date	12/26/2012
Collection Period	11/30/2012

Collection Activity	
<b>Cash Inflows Available to be Distributed</b>	<b>11/30/2012</b>
Collection Amount Received	4,046,353.88
Recoveries	-
Reserve Account	-
Excess of Required Reserve Account	23,423.04
Interest on Investment Earnings	-
Capitalized Interest Account (after a stepdown or release date)	-
Prefunding Account (after release date)	-
Payments from Guarantor	2,523,970.08
Proceeds from Tender	-
Prepayments	-
Purchased by Servicers/Sellers	-
Prior Month's Allocations or Adjustments	-
Investment Income	5,450.27
All Fees	-
Other Amounts Received in Collection	-
<b>Total Available Funds</b>	<b>\$ 6,599,197.27</b>

(a) Cash collections represent amounts received and posted in the Trust accounts as of the last day of the collection period.

Fees Due for Current Period	11/30/2012
Indenture Trustee Fees	-
Custodial Fees	-
Paying Agent Fees	-
Registrar Fees	-
Servicing Fees	214,077.37
Administration Fees	95,042.22
Late Fees	-
Other Fees	341,267.21
<b>Total Fees</b>	<b>\$ 650,386.80</b>

Cumulative Default Rate	as of 11/30/2012
Current Period's Defaults (\$)	3,048,924.91
Cumulative Defaults (\$)	210,657,347.88
Cumulative Default (% of original pool balance)	NA
Cumulative Default (% of Repayment ending balances)	37.03%
Current period payments (recoveries) from Guarantor (\$)	2,523,970.08
Current period borrower recoveries (\$)	-
Cumulative Recoveries (\$) <sup>a</sup>	221,013,644.30
Cumulative Recovery Rate (%) <sup>b</sup>	104.92%
Cumulative Net Loss Rate (%)	NA
Cumulative Servicer Reject Rate (FFELP) (%)	0.00194%

a) Cumulative Recoveries includes 97% of Claims in Progress

b) Due to the inclusion of death, disability and bankruptcy claims, the recovery rate can exceed 100%.

Waterfall Activity		
Waterfall for Distribution (in accordance with Transaction - specific documents)	Amount Due	Amount Remaining
<b>Total Available Funds</b>	6,599,197.27	
<b>First:</b> Deposits to Department Reserve Fund	341,267.21	6,257,930.06
<b>Second:</b> Trustee Fees due	-	6,257,930.06
<b>Third:</b> Servicing Fee due	214,077.37	6,043,852.69
<b>Fourth:</b> Administration Fees due	95,042.22	5,948,810.47
<b>Fifth:</b> Interest Distribution on Senior Notes or Obligations		
1. 2007 Debt Service Account		
>1/3 of 2007 Bonds Interest Distribution Amount	54,850.83	
>Any 2007 Bonds Interest Remaining unpaid	-	
	<u>54,850.83</u>	5,893,959.64
2. 2012-1 A Interest Distribution Amount	505,117.96	
Total Interest Distribution on Senior Notes or Obligations	<u>505,117.96</u>	5,388,841.68
<b>Sixth:</b> To the 2007 Debt Service Account 1/3 of Principal or unpaid Principal (if Maturity Date occurs in one of the next three months)	-	5,388,841.68
<b>Seventh:</b> 2012-1 B Interest Distribution Amount Subject to Class B Interest Cap	46,341.90	5,342,499.78
<b>Eighth:</b> Debt Service Reserve Fund Replenishment	-	5,342,499.78
<b>Ninth:</b> To the 2007 Debt Service Account 1/3 of Principal or unpaid Principal due on the 2007 Bonds on the next Principal Reduction Payment Date	1,551,666.67	3,790,833.11
<b>Tenth:</b> Payments to Noteholders for 2012 A and 2012 B Notes	3,790,833.11	-
<b>Eleventh:</b> Class B Carryover Amount	-	-
<b>Twelfth:</b> Release to Issuer	-	-

(a) Footnotes

(b) Footnotes

Principal and Interest Distributions	2007-1 A2	2007-1 A3	2012-1 A	2012-1 B	TOTAL
Periodic Interest Due	9,658.07	58,427.35	505,117.96	46,341.90	619,545.28
Periodic Interest Paid	9,658.07	58,427.35	505,117.96	46,341.90	619,545.28
Interest Shortfall	-	-	-	-	-
Interest Carryover Due	-	-	-	-	-
Interest Carryover Paid	-	-	-	-	-
Interest Carryover	-	-	-	-	-
Periodic Principal Distribution Amount	1,551,666.67	-	3,790,833.11	-	5,342,499.78
Periodic Principal Paid	1,410,666.67	-	3,790,833.11	-	5,201,499.78
Excess/(Shortfall)	141,000.00	-	-	-	141,000.00
<b>Total Distribution Amount</b>	<b>1,420,324.74</b>	<b>58,427.35</b>	<b>4,295,951.07</b>	<b>46,341.90</b>	<b>5,821,045.06</b>

**Educational Funding of the South, Inc**  
**2003FL Indenture**  
**Balance Sheet**  
**November 30, 2012**  
**(Unaudited)**

**ASSETS**

Cash	\$ 42,342,781.37
Assets Held by Trustee	
Investments	4,855.54
Student Loans Receivable, Net	569,296,045.67
Accrued Interest Receivable	6,346,270.87
Other Receivables	195,587.88
Bond Issue Costs	3,019,560.89
Prepaid and Deferred Expenses	24,546.68
	<hr/>
Total Assets	<b><u><u>\$ 621,229,648.90</u></u></b>

**LIABILITIES AND NET ASSETS**

Notes Payable, Net	\$ 604,087,436.43
Discount on Notes Payable, Net	(6,330,264.40)
Accrued Interest Payable	291,588.63
Other Accounts Payable & Accrued Expenses	650,386.80
Total Liabilities	<hr/> <b>\$ 598,699,147.46</b>
<b>Net Assets</b>	<hr/> <b>\$ 22,530,501.44</b>
<b>Total Liabilities and Net Assets</b>	<hr/> <b><u><u>\$ 621,229,648.90</u></u></b>

## 2003FL Indenture

### IV. Transactions for the Time Period

11/1/2012 - 11/30/2012

#### A. Student Loan Principal Collection Activity

i. Regular Principal Collections	(2,843,349.57)
ii. Principal Collections from Guarantor	(2,455,668.72)
iii. Paydown due to Loan Consolidation	(109,652.25)
iv. Principal Collections from Schools	(1,525.70)
v. Principal Write-Offs Reimbursed to the Trust -	
vi. Other System Adjustments	
vii. Loans transferred out/deconverted (PUT)	
<b>viii. Total Principal Collections</b>	<b>(5,410,196.24)</b>

#### B. Student Loan Non-Cash Principal Activity

i. Principal Realized Losses - Claim Write-Offs	(4,806.49)
ii. Principal Realized Losses - Other	6,797.14
iii. Other Adjustments	2,097.00
iv. Capitalized Interest	855,442.37
<b>v. Total Non-Cash Principal Activity</b>	<b>859,530.02</b>

#### C. Student Loan Principal Additions

i. New Loan Additions	-
<b>ii. Total Principal Additions</b>	<b>-</b>

#### **D. Total Student Loan Principal Activity (Aviii + Bv + Cii)** (4,550,666.22)

#### E. Student Loan Interest Activity

i. Regular Interest Collections	(1,090,382.56)
ii. Interest Claims Received from Guarantors	(68,301.36)
iii. Late Fees & Other	11,029.44
iv. Interest due to Loan Consolidation	(2,911.65)
v. Interest Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments -	-
vii. Interest Benefit and Special Allowance Payments	592,369.91
viii. Loans transferred out/deconverted	-
<b>vix. Total Interest Collections</b>	<b>(558,196.22)</b>

#### F. Student Loan Non-Cash Interest Activity

i. Interest Losses - Claim Write-offs	(49,226.21)
ii. Interest Losses - Other	(43,533.84)
iii. Other Adjustments	(2,166.89)
iv. Capitalized Interest	(855,442.37)
v. Interest Accrual	2,057,962.44
<b>vi. Total Non-Cash Interest Adjustments</b>	<b>1,107,593.13</b>

#### G. Student Loan Interest Additions

i. New Loan Additions	-
<b>ii. Total Interest Additions</b>	<b>-</b>

#### **H. Total Student Loan Interest Activity (Eix + Fvi + Gii)** 549,396.91

I. Defaults Paid this Period (Aii + Eii) (2,523,970.08)

J. Cumulative Defaults Paid to Date (221,013,644.30)

#### K. Interest Expected to be Capitalized

Interest Expected to be Capitalized - Beginning (III - A-ii)	6,021,790.44
Interest Capitalized into Principal During Collection Period (B-iv)	855,442.37
Change in Interest Expected to be Capitalized	(989,383.59)
Interest Expected to be Capitalized - Ending (III - A-ii)	5,887,849.22

## 2003FL Indenture

<b>V. Cash Receipts for the Time Period</b>	<b>11/1/2012 - 11/30/2012</b>	
<b>A. Principal Collections</b>		
i. Principal Payments Received - Cash	\$	5,300,543.99
ii. Principal Received from Loans Consolidated		109,652.25
<b>iii. Total Principal Collections</b>	\$	5,410,196.24
<b>B. Interest Collections</b>		
i. Interest Payments Received - Cash	\$	1,158,683.92
ii. Interest Received from Loans Consolidated		2,911.65
iii. Interest Payments Received(Paid) - Interest Benefit and Special Allowance Payments		(592,369.91)
iv. Late Fees & Other		(11,029.44)
<b>v. Total Interest Collections</b>	\$	558,196.22
<b>C. Other Reimbursements</b>	\$	-
<b>D. Repurchases/ Reimbursements by Servicer/Seller</b>	\$	-
<b>E. Investment Earnings</b>	\$	5,450.27
<b>F. Total Cash Receipts during Collection Period</b>	\$	5,973,842.73