

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

Issuer	Educational Funding of the South, Inc.
Deal Name	2003FL Indenture
Distribution Date	1/25/2012
Collection Period	12/31/2012
Contact Name	Ken Mann
Contact Number	865-824-3054
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Notes/Bonds - Group I (FFELP)

Class	CUSIP	Rate	Index	Margin	Auction Status	Original Balance	Beg Princ Bal	Interest Accrued	Principal Paid	End Princ Bal *	% of Securities	Payment Frequency	Maturity
2012FL A	28148WADS	1.25970%	0.20970%	1.05000%		511,000,000.00	478,249,563.79	502,022.40	4,232,490.34	474,017,073.45	80.09%	Monthly	3/25/2036
2012FL B	28148WAE3	3.70970%	0.20970%	3.50000%		15,000,000.00	15,000,000.00	46,369.40	-	15,000,000.00	2.53%	Monthly	12/28/2048
2007-1 A-2	28148XAQ4	0.61050%	0.42075%	0.30000%		400,000,000.00	16,080,039.53	5,893.74	4,232,000.00	11,848,039.53	2.00%	Quarterly	3/1/2016
2007-1 A-3	28148XAR2	0.66050%	0.42075%	0.35000%		235,000,000.00	90,967,000.00	48,957.09	-	90,967,000.00	15.37%	Quarterly	9/1/2017
Total						1,161,000,000.00	600,296,603.32	603,242.63	8,464,490.34	591,832,112.98	100%		

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

Portfolio Summary

	Beg Balance	Activity	End Balance
Principal Balance	570,253,306.36	(6,320,237.68)	563,933,068.68
Accrued Interest to be Capitalized	5,887,849.22	(114,094.06)	5,773,755.16
Total Pool Balance	576,141,155.58	(6,434,331.74)	569,706,823.84
Repurchased Guaranteed Student Loans ^a	-	679,271.77	679,271.77
Weighted Average Coupon (WAC)	4.76	(0.00)	4.76
Weighted Average Maturity (WAM)	172.73	(0.10)	172.63
Number of Loans	80,148	(1,012.00)	79,136
Number of Borrowers	41,354	(512.00)	40,842
Average Loan Balance	\$ 7,188.47	10.62	\$ 7,199.09
Average Borrower Indebtedness	\$ 13,931.93	17.11	\$ 13,949.04

(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) ^(a) (should include grace period)
In School	0.93%	-24.61
Grace	0.29%	-2.17
Deferment	13.27%	-13.85
Forbearance	15.03%	-3.11
W.A. Time in Repayment (months)		
Repayment	69.96%	81.04
Claims in Progress	0.44%	71.66
Claims Denied	0.08%	96.21
Total Weighted Average		54.54

(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)	\$ 4,581,943.66	Debt Service Payment Account (beginning)	\$ 4,436,351.79	Capitalized Interest Account (beginning)	\$ 21,521,159.83	Reserve Account (beginning)	\$ 2,904,128.82
Plus transfers in	341,267.21	Plus transfers in	1,606,517.50	Less releases	-	Less releases	(23,423.04)
Less DOE Fees paid	(1,785,012.06)	Less Funds paid on 2007 taxable bond	(4,436,256.26)	Less draws	-	Less draws	-
Plus investment earnings	-	Plus investment earnings	-	Beginning Balance transfer	-	Beginning Balance transfer	-
Dept. Reserve Account (ending)	\$ 3,138,198.81	Debt Service Payment Account (ending)	\$ 1,606,613.03	Capitalized Interest Account (ending)	\$ 21,521,159.83	Reserve Account (ending)	\$ 2,880,705.78
				Capitalized Interest Account Requirement		Reserve Account Requirement	\$ 2,851,930.48
2007-1 Debt Service Reserve	\$ 2,300,000.00						
Collection Account - (Available Funds)	\$ 7,584,321.00						
Total Accounts Balances (includes above accounts)	\$ 39,030,998.45						

Balance Sheet and Parity

	Beg Balance	Activity	End Balance
Assets			
Pool Balance	578,873,351.22	(5,545,412.97)	573,327,938.25
Capitalized Interest Fund	21,521,159.83	-	21,521,159.83
Debt Service Reserve	5,180,705.78	(28,775.30)	5,151,930.48
Debt Payment Account ^b	6,042,869.29	(2,829,738.76)	3,213,130.53
Total Assets	611,618,086.12	(8,403,927.03)	603,214,159.09
Liabilities			
Note Outstanding Class A	478,249,563.79	(4,232,490.34)	474,017,073.45
Note Outstanding Class B	15,000,000.00	-	15,000,000.00
Bonds Outstanding 2007-1	107,047,039.53	(4,232,000.00)	102,815,039.53
Accrued Interest 2007-1	204,256.26	(149,405.43)	54,850.83
Total Liabilities	600,500,859.58	(8,613,895.77)	591,886,963.81
Class A Parity %	104.46%		104.56%
Class B Parity %	101.85%		101.91%

(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 pmt rate)

	%
Current	10.67%
Lifetime	

Servicer Balance

	Balance	% of Portfolio	# of Loans	Clms Outstanding
Edfinancial	423,577,923.19	74.35%	67,888	1,878,550.87
PHEAA	112,191,565.72	19.69%	8,171	333,436.17
CitiBank	-	0.00%	-	-
Great Lakes	33,937,334.93	5.96%	3,077	139,562.89
Total Portfolio	569,706,823.84		79,136	2,351,549.93

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	1,505	1,412	5,649,674.39	5,303,225.21	0.98%	0.93%	5.64	5.66	120.15	120.16	
Grace	414	434	1,541,564.87	1,644,902.02	0.27%	0.29%	5.39	5.49	115.48	116.19	
Repayment											
Current	44,703	44,279	328,827,431.89	325,108,451.30	57.07%	57.07%	4.55	4.55	168.45	168.15	
31-60 Days Delinquent	3,274	3,037	20,913,780.71	20,218,678.19	3.63%	3.55%	4.92	5.06	170.86	171.04	
61-90 Days Delinquent	2,063	2,220	14,126,943.55	14,149,346.12	2.45%	2.48%	5.01	5.03	171.54	166.63	
91-120 Days Delinquent	1,286	1,607	7,597,268.78	10,090,349.78	1.32%	1.77%	4.90	4.84	166.71	165.54	
121-180 Days Delinquent	1,800	1,873	10,794,322.80	11,320,154.56	1.87%	1.99%	4.89	4.91	158.51	161.77	
181-270 Days Delinquent	1,917	1,934	11,619,240.32	11,551,622.74	2.02%	2.03%	4.90	4.82	157.19	158.94	
271+ Days Delinquent	799	1,147	4,574,959.27	6,126,244.95	0.79%	1.08%	4.78	4.85	146.97	143.05	
Total Repayment	55,842	56,097	398,453,947.32	398,564,847.64	69.16%	69.96%	4.61	4.62	167.81	167.34	
Forbearance	8,891	8,788	85,160,599.08	85,621,878.77	14.78%	15.03%	5.29	5.28	194.00	195.35	
Deferment	12,416	11,697	80,578,726.98	75,621,614.74	13.99%	13.27%	4.84	4.83	180.90	180.09	
Claims in Progress	1,026	643	4,466,140.19	2,487,743.57	0.78%	0.44%	5.01	4.61	143.77	151.70	
Claims Denied	54	65	290,505.75	462,611.89	0.05%	0.08%	4.38	5.73	192.08	216.02	
Total Portfolio	80,148	79,136	576,141,155.58	569,706,823.84			4.76	4.76	172.73	172.63	

Delinquency Status											
	# of Loans		Balance (inc Accrued Interest)		% of Balance		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
Current	44,703	44,279	328,827,431.89	325,108,451.30	82.53%	81.57%	4.55	4.55	168.45	168.15	
31-60 Days Delinquent	3,274	3,037	20,913,780.71	20,218,678.19	5.25%	5.07%	4.92	5.06	170.86	171.04	
61-90 Days Delinquent	2,063	2,220	14,126,943.55	14,149,346.12	3.55%	3.55%	5.01	5.03	171.54	166.63	
91-120 Days Delinquent	1,286	1,607	7,597,268.78	10,090,349.78	1.91%	2.53%	4.90	4.84	166.71	165.54	
121-180 Days Delinquent	1,800	1,873	10,794,322.80	11,320,154.56	2.71%	2.84%	4.89	4.91	158.51	161.77	
181-270 Days Delinquent	1,917	1,934	11,619,240.32	11,551,622.74	2.92%	2.90%	4.90	4.82	157.19	158.94	
271+ Days Delinquent	799	1,147	4,574,959.27	6,126,244.95	1.15%	1.54%	4.78	4.85	146.97	143.05	
Total Portfolio in Repayment	55,842	56,097	398,453,947.32	398,564,847.64			4.61	4.62	167.81	167.34	

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	14,272	14,193	167,986,196.61	166,693,989.99	29.16%	29.26%	4.56	4.57	191.68	191.14	
Unsubsidized Consolidation Loans	15,353	15,254	220,591,540.74	219,102,636.72	38.29%	38.46%	4.69	4.70	205.64	205.24	
Subsidized Stafford Loans	27,990	26,941	78,034,332.19	76,432,805.71	13.54%	13.42%	4.68	4.69	111.72	111.65	
Unsubsidized Stafford Loans	20,802	20,451	92,322,224.61	90,529,244.99	16.02%	15.89%	4.83	4.84	121.79	121.65	
Grad PLUS Loans	2,259	2,227	16,977,748.01	16,723,944.69	2.95%	2.94%	7.55	7.56	116.32	116.60	
Other Loans	72	70	229,113.42	224,202.34	0.04%	0.04%	3.37	3.37	91.52	91.77	
Total Balance	80,148	79,136	576,141,155.58	569,706,823.84			4.76	4.76	172.73	172.63	

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	49,882	49,249	385,131,900.91	380,649,798.51	66.85%	66.82%	4.68	4.68	172.39	172.24	
2-Year Loans	14,180	13,987	50,330,739.53	49,548,024.14	8.74%	8.70%	4.83	4.83	127.30	127.07	
Proprietary / Technical / Vocational Loans	8,895	8,727	39,382,501.35	38,520,032.63	6.84%	6.76%	4.57	4.57	139.47	138.83	
Unknown (Consolidation) Loans	7,154	7,136	100,880,360.38	100,573,792.07	17.51%	17.65%	5.09	5.09	209.93	209.71	
Other Loans	37	37	415,653.41	415,176.49	0.07%	0.07%	6.30	6.30	116.18	115.64	
Total Portfolio	80,148	79,136	576,141,155.58	569,706,823.84			4.76	4.76	172.73	172.63	

SAP Indices							
	# of Loans		Balance		% of Total		Margin
	Beginning	Ending	Beginning	Ending	Beginning	Ending	
T-Bill Loans	4,664	4,582	17,185,066.64	16,727,070.99	2.98%	2.94%	2.7118
1ML Loans	75,484	74,554	558,956,088.94	552,979,752.85	97.02%	97.06%	2.3588
Other Loans	-	-	-	-	0.00%	0.00%	-
Total Pool Balance	80,148	79,136	576,141,155.58	569,706,823.84			2.3692

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

Distribution Date	1/25/2012
Collection Period	12/31/2012

Collection Activity	
Cash Inflows Available to be Distributed	12/31/2012
Collection Amount Received	5,888,305.06
Recoveries	-
Reserve Account	-
Excess of Required Reserve Account	28,775.30
Interest on Investment Earnings	-
Capitalized Interest Account (after a stepdown or release date)	-
Prefunding Account (after release date)	-
Payments from Guarantor	2,637,989.97
Proceeds from Tender	-
Paid to Guarantor	(975,090.92)
Purchased by Servicers/Sellers	-
Prior Month's Allocations or Adjustments	-
Investment Income	4,341.59
All Fees	-
Other Amounts Received in Collection	-
Total Available Funds	\$ 7,584,321.00

(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	12/31/2012
Indenture Trustee Fees	-
Custodial Fees	-
Paying Agent Fees	-
Registrar Fees	-
Servicing Fees	210,616.66
Administration Fees	94,102.06
Late Fees	-
Other Fees	339,028.94
Total Fees	\$ 643,747.66

Cumulative Default Rate	as of 12/31/2012
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)	37.43%
Current period payments (recoveries) from Guarantor (\$)	2,637,989.97
Current period borrower recoveries (\$)	-
Cumulative Recoveries (\$) ^a	221,732,589.55
Cumulative Recovery Rate (%) ^b	105.26%
Cumulative Net Loss Rate (%)	NA
Cumulative Servicer Reject Rate (FFELP) (%)	0.00423%

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
Total Available Funds	7,584,321.00	
First: Deposits to Department Reserve Fund	892,202.64	6,692,118.36
Second: Trustee Fees due	-	6,692,118.36
Third: Servicing Fee due	210,616.66	6,481,501.70
Fourth: Administration Fees due	94,102.06	6,387,399.64
Fifth: 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>	6,332,548.81
2. 2012-1 A Interest Distribution Amount	502,022.40	
Total Interest Distribution on Senior Notes or Obligations	<u>502,022.40</u>	5,830,526.41
Sixth: To the 2007 Debt Service Account 1/3 of Principal or unpaid Principal (if Maturity Date occurs in one of the next three months)	-	5,830,526.41
Seventh: 2012-1 B Interest Distribution Amount Subject to Class B Interest Cap	46,369.40	5,784,157.01
Eighth: Debt Service Reserve Fund Replenishment	-	5,784,157.01
Ninth: 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	4,232,490.34
Tenth: Payments to Noteholders for 2012 A and 2012 B Notes	4,232,490.34	-
Eleventh: Class B Carryover Amount	-	-
Twelfth: 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	5,893.74	48,957.09	502,022.40	46,369.40	603,242.63
Periodic Interest Paid	5,893.74	48,957.09	502,022.40	46,369.40	603,242.63
Interest Shortfall	-	-	-	-	-
Interest Carryover Due	-	-	-	-	-
Interest Carryover Paid	-	-	-	-	-
Interest Carryover	-	-	-	-	-
Periodic Principal Distribution Amount	1,551,666.67	-	4,232,490.34	-	5,784,157.01
Periodic Principal Paid	1,551,666.67	-	4,232,490.34	-	5,784,157.01
Excess/(Shortfall)	-	-	-	-	-
Total Distribution Amount	1,557,560.41	48,957.09	4,734,512.74	46,369.40	6,387,399.64

Educational Funding of the South, Inc
2003FL Indenture
Balance Sheet
December 31, 2012
(Unaudited)

ASSETS

Cash	\$ 39,030,998.45
Assets Held by Trustee	
Investments	3,906.62
Student Loans Receivable, Net	563,655,079.76
Accrued Interest Receivable	7,332,394.96
Other Receivables	200,322.23
Bond Issue Costs	3,008,848.07
Prepaid and Deferred Expenses	21,478.35
	<hr/>
Total Assets	<u><u>\$ 613,253,028.44</u></u>

LIABILITIES AND NET ASSETS

Notes Payable, Net	\$ 596,064,603.32
Discount on Notes Payable, Net	(6,307,575.28)
Accrued Interest Payable	163,890.08
Other Accounts Payable & Accrued Expenses	643,747.66
	<hr/>
Total Liabilities	\$ 590,564,665.78
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Net Assets	\$ 22,688,362.66
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Total Liabilities and Net Assets	<u><u>\$ 613,253,028.44</u></u>

2003FL Indenture

IV. Transactions for the Time Period

12/1/2012 - 12/31/2012

A. Student Loan Principal Collection Activity

i. Regular Principal Collections	(2,751,761.76)
ii. Principal Collections from Guarantor	(2,566,592.45)
iii. Paydown due to Loan Consolidation	(2,035,998.47)
iv. Principal Collections from Schools	4,210.94
v. Principal Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments	-
vii. Loans transferred out/deconverted (PUT)	-
viii. Total Principal Collections	(7,350,141.74)

B. Student Loan Non-Cash Principal Activity

i. Principal Realized Losses - Claim Write-Offs	(5,103.63)
ii. Principal Realized Losses - Other	(5,805.69)
iii. Other Adjustments	669.00
iv. Capitalized Interest	744,690.54
v. Total Non-Cash Principal Activity	734,450.22

C. Student Loan Principal Additions

i. New Loan Additions	295,453.84
ii. Total Principal Additions	295,453.84

D. Total Student Loan Principal Activity (Aviii + Bv + Cii) (6,320,237.68)

E. Student Loan Interest Activity

i. Regular Interest Collections	(1,063,987.28)
ii. Interest Claims Received from Guarantors	(71,397.52)
iii. Late Fees & Other	5,018.38
iv. Interest due to Loan Consolidation	(34,485.75)
v. Interest Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments -	(84.11)
vii. Interest Benefit and Special Allowance Payments	(586,711.84)
viii. Loans transferred out/deconverted	-
vix. Total Interest Collections	(1,751,648.12)

F. Student Loan Non-Cash Interest Activity

i. Interest Losses - Claim Write-offs	(53,605.96)
ii. Interest Losses - Other	(47,056.65)
iii. Other Adjustments	(2.66)
iv. Capitalized Interest	(744,690.54)
v. Interest Accrual	2,113,518.27
vi. Total Non-Cash Interest Adjustments	1,268,162.46

G. Student Loan Interest Additions

i. New Loan Additions	-
ii. Total Interest Additions	-

H. Total Student Loan Interest Activity (Eix + Fvi + Gii) (483,485.66)

I. Defaults Paid this Period (Aii + Eii)	(2,637,989.97)
J. Cumulative Defaults Paid to Date	(221,732,589.55)

K. Interest Expected to be Capitalized

Interest Expected to be Capitalized - Beginning (III - A-ii)	5,887,849.22
Interest Capitalized into Principal During Collection Period (B-iv)	744,690.54
Change in Interest Expected to be Capitalized	(858,784.60)
Interest Expected to be Capitalized - Ending (III - A-ii)	5,773,755.16

2003FL Indenture

V. Cash Receipts for the Time Period	12/1/2012 - 12/31/2012	
A. Principal Collections		
i. Principal Payments Received - Cash	\$	5,314,143.27
ii. Principal Received from Loans Consolidated		2,035,998.47
iii. Total Principal Collections	\$	7,350,141.74
B. Interest Collections		
i. Interest Payments Received - Cash	\$	1,135,384.80
ii. Interest Received from Loans Consolidated		34,485.75
iii. Interest Payments Received(Paid) - Interest Benefit and Special Allowance Payments		586,711.84
iv. Late Fees & Other		(5,018.38)
v. Total Interest Collections	\$	1,751,564.01
C. Other Reimbursements	\$	-
D. Repurchases/ Reimbursements by Servicer/Seller	\$	-
E. Investment Earnings	\$	4,341.59
F. Total Cash Receipts during Collection Period	\$	9,106,047.34