

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

Issuer	Educational Funding of the South, Inc.
Deal Name	2003FL Indenture
Distribution Date	2/25/2013
Collection Period	1/31/2013
Contact Name	Ken Mann
Contact Number	865-824-3054
Contact Email	kmann@edsouth.org
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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 ^a	% of Securities	Payment Frequency	Maturity
2012FL A	28148WAD5	1.25370%	0.20370%	1.05000%		511,000,000.00	474,017,073.45	511,730.38	3,990,685.22	470,026,388.23	79.96%	Monthly	3/25/2036
2012FL B	28148WAE3	3.70370%	0.20370%	3.50000%		15,000,000.00	15,000,000.00	47,838.84	-	15,000,000.00	2.55%	Monthly	12/28/2048
2007-1 A-2	28148XAQ4	0.61050%	0.42075%	0.30000%		400,000,000.00	11,848,039.53	12,055.38	-	11,848,039.53	2.02%	Quarterly	3/1/2016
2007-1 A-3	28148XAR2	0.66050%	0.42075%	0.35000%		235,000,000.00	90,967,000.00	100,139.51	-	90,967,000.00	15.47%	Quarterly	9/1/2017
Total						1,161,000,000.00	591,832,112.98	671,764.11	3,990,685.22	587,841,427.76	100%		

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

Portfolio Summary

	Beg Balance	Activity	End Balance
Principal Balance	563,933,068.68	(4,504,774.51)	559,428,294.17
Accrued Interest to be Capitalized	5,773,755.16	(17,291.43)	5,756,463.73
Total Pool Balance	569,706,823.84	(4,522,065.94)	565,184,757.90
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)	172.63	(0.26)	172.37
Number of Loans	79,136	(868.00)	78,268
Number of Borrowers	40,842	(477.00)	40,365
Average Loan Balance	\$ 7,199.09	22.06	\$ 7,221.15
Average Borrower Indebtedness	\$ 13,949.04	52.81	\$ 14,001.85

(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) <i>(should include grace period)</i>
In School	0.85%	-25.80
Grace	0.34%	-2.51
Deferment	13.31%	-14.03
Forbearance	15.07%	-3.23
		W.A. Time in Repayment (months)
Repayment	69.90%	82.09
Claims in Progress	0.48%	90.27
Claims Denied	0.06%	86.37
Total Weighted Average		55.29

(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)	\$ 3,138,198.81	Debt Service Payment Account (beginning)	\$ 1,606,613.03	Capitalized Interest Account (beginning)	\$ 21,521,159.83	Reserve Account (beginning)	\$ 2,880,705.78
Plus transfers in	892,202.64	Plus transfers in	-	Less releases	-	Less releases	(28,775.30)
Less DOE Fees paid	(420,468.90)	Less Funds paid on 2007 taxable bond	1,606,517.50	Less draws	-	Less draws	-
Plus investment earnings	-	Plus investment earnings	-	Beginning Balance transfer	-	Beginning Balance transfer	-
Dept. Reserve Account (ending)	\$ 3,609,932.55	Debt Service Payment Account (ending)	\$ 3,213,130.53	Capitalized Interest Account (ending)	\$ 21,521,159.83	Reserve Account (ending)	\$ 2,851,930.48
				Capitalized Interest Account Requirement		Reserve Account Requirement	\$ 2,825,923.79
2007-1 Debt Service Reserve	\$ 2,300,000.00						
Collection Account - (Available Funds)	\$ 7,350,720.80						
Total Accounts Balances (includes above accounts)	\$ 40,846,874.19						

Balance Sheet and Parity

	Beg Balance	Activity	End Balance
Assets			
Pool Balance	573,327,938.25	(5,244,241.18)	568,083,697.07
Capitalized Interest Fund	21,521,159.83	-	21,521,159.83
Debt Service Reserve	5,151,930.48	(26,006.69)	5,125,923.79
Debt Payment Account ^b	3,213,130.53	1,606,517.50	4,819,648.03
Total Assets	603,214,159.09	(3,663,730.37)	599,550,428.72
Liabilities			
Note Outstanding Class A	474,017,073.45	(3,990,685.22)	470,026,388.23
Note Outstanding Class B	15,000,000.00	-	15,000,000.00
Bonds Outstanding 2007-1	102,815,039.53	-	102,815,039.53
Accrued Interest 2007-1	54,850.83	57,344.06	112,194.89
Total Liabilities	591,886,963.81	(3,933,341.16)	587,953,622.65
Class A Parity %	104.56%		104.64%
Class B Parity %	101.91%		101.97%

(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	9.79%
Lifetime	

Servicer Balance

	Balance	% of Portfolio	# of Loans	Clms Outstanding
Edfinancial	419,367,480.73	74.20%	67,055	1,787,425.09
PHEAA	112,356,103.03	19.88%	8,169	746,068.33
CitiBank	-	0.00%	-	-
Great Lakes	33,461,174.14	5.92%	3,044	36,057.31
Total Portfolio	565,184,757.90		78,268	2,569,550.73

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	1,412	1,284	5,303,225.21	4,802,634.40	0.93%	0.85%	5.66	5.57	120.16	120.17	
Grace	434	504	1,644,902.02	1,901,813.76	0.29%	0.34%	5.49	5.77	116.19	117.19	
Repayment											
Current	44,279	44,486	325,108,451.30	325,954,514.47	57.07%	57.67%	4.55	4.56	168.15	168.14	
31-60 Days Delinquent	3,037	2,570	20,218,678.19	17,363,455.44	3.55%	3.07%	5.06	5.03	171.04	171.84	
61-90 Days Delinquent	2,220	1,912	14,149,346.12	12,743,781.55	2.48%	2.25%	5.03	5.04	166.63	166.12	
91-120 Days Delinquent	1,607	1,457	10,090,349.78	9,029,550.50	1.77%	1.60%	4.84	4.99	165.54	167.21	
121-180 Days Delinquent	1,873	1,996	11,320,154.56	12,548,591.36	1.99%	2.22%	4.91	4.87	161.77	165.96	
181-270 Days Delinquent	1,934	1,881	11,551,622.74	10,705,252.00	2.03%	1.89%	4.82	4.85	158.94	154.41	
271+ Days Delinquent	1,147	1,243	6,126,244.95	6,732,380.15	1.08%	1.19%	4.85	4.78	143.05	151.15	
Total Repayment	56,097	55,545	398,564,847.64	395,077,525.47	69.96%	69.90%	4.62	4.62	167.34	167.49	
Forbearance	8,788	8,669	85,621,878.77	85,157,623.06	15.03%	15.07%	5.28	5.29	195.35	194.66	
Deferment	11,697	11,668	75,621,614.74	75,204,392.83	13.27%	13.31%	4.83	4.81	180.09	177.91	
Claims in Progress	643	534	2,487,743.57	2,718,405.87	0.44%	0.48%	4.61	5.15	151.70	162.11	
Claims Denied	65	64	462,611.89	322,362.51	0.08%	0.06%	5.73	4.46	216.02	169.91	
Total Portfolio	79,136	78,268	569,706,823.84	565,184,757.90			4.76	4.76	172.63	172.37	

Delinquency Status											
	# of Loans		Balance (inc Accrued Interest)		% of Balance		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
Current	44,279	44,486	325,108,451.30	325,954,514.47	81.57%	82.50%	4.55	4.56	168.15	168.14	
31-60 Days Delinquent	3,037	2,570	20,218,678.19	17,363,455.44	5.07%	4.39%	5.06	5.03	171.04	171.84	
61-90 Days Delinquent	2,220	1,912	14,149,346.12	12,743,781.55	3.55%	3.23%	5.03	5.04	166.63	166.12	
91-120 Days Delinquent	1,607	1,457	10,090,349.78	9,029,550.50	2.53%	2.29%	4.84	4.99	165.54	167.21	
121-180 Days Delinquent	1,873	1,996	11,320,154.56	12,548,591.36	2.84%	3.18%	4.91	4.87	161.77	165.96	
181-270 Days Delinquent	1,934	1,881	11,551,622.74	10,705,252.00	2.90%	2.71%	4.82	4.85	158.94	154.41	
271+ Days Delinquent	1,147	1,243	6,126,244.95	6,732,380.15	1.54%	1.70%	4.85	4.78	143.05	151.15	
Total Portfolio in Repayment	56,097	55,545	398,564,847.64	395,077,525.47			4.62	4.62	167.34	167.49	

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	14,193	14,102	166,693,989.99	165,667,274.41	29.26%	29.31%	4.57	4.57	191.14	190.54	
Unsubsidized Consolidation Loans	15,254	15,156	219,102,636.72	217,961,777.73	38.46%	38.56%	4.70	4.70	205.24	204.69	
Subsidized Stafford Loans	26,941	26,599	76,432,805.71	75,447,903.72	13.42%	13.35%	4.69	4.69	111.65	111.57	
Unsubsidized Stafford Loans	20,451	20,160	90,529,244.39	89,424,459.36	15.89%	15.82%	4.84	4.83	121.65	121.67	
Grad PLUS Loans	2,227	2,183	16,723,944.69	16,466,240.84	2.94%	2.91%	7.56	7.58	116.60	116.90	
Other Loans	70	68	224,202.34	217,101.84	0.04%	0.04%	3.37	3.37	91.77	93.11	
Total Balance	79,136	78,268	569,706,823.84	565,184,757.90			4.76	4.76	172.63	172.37	

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	49,249	48,706	380,649,798.51	376,795,556.06	66.82%	66.67%	4.68	4.68	172.24	171.70	
2-Year Loans	13,987	13,829	49,548,024.14	49,064,046.48	8.70%	8.68%	4.83	4.84	127.07	127.06	
Proprietary / Technical / Vocational Loans	8,727	8,593	38,520,032.63	38,145,346.97	6.76%	6.75%	4.57	4.57	138.83	138.90	
Unknown (Consolidation) Loans	7,136	7,103	100,573,792.07	100,765,706.26	17.65%	17.83%	5.09	5.10	209.71	209.87	
Other Loans	37	37	415,176.49	414,102.13	0.07%	0.07%	6.30	6.29	115.64	114.82	
Total Portfolio	79,136	78,268	569,706,823.84	565,184,757.90			4.76	4.76	172.63	172.37	

SAP Indices							
	# of Loans		Balance		% of Total		Margin
	Beginning	Ending	Beginning	Ending	Beginning	Ending	
T-Bill Loans	4,582	4,512	16,727,070.99	16,577,814.22	2.94%	2.93%	2.7143
1ML Loans	74,554	73,756	552,979,752.85	548,606,943.68	97.06%	97.07%	2.3598
Other Loans	-	-	-	-	0.00%	0.00%	-
Total Pool Balance	79,136	78,268	569,706,823.84	565,184,757.90			2.3702

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

Distribution Date	2/25/2013
Collection Period	1/31/2013

Collection Activity	
Cash Inflows Available to be Distributed	1/31/2013
Collection Amount Received	5,453,694.77
Recoveries	-
Reserve Account	
Excess of Required Reserve Account	26,006.69
Interest on Investment Earnings	
Capitalized Interest Account (after a stepdown or release date)	
Prefunding Account (after release date)	
Payments from Guarantor	1,892,209.74
Proceeds from Tender	
Paid to Guarantor	(25,264.90)
Purchased by Servicers/Sellers	
Prior Month's Allocations or Adjustments	
Investment Income	4,074.50
All Fees	
Other Amounts Received in Collection	-
Total Available Funds	\$ 7,350,720.80

(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	1/31/2013
Indenture Trustee Fees	-
Custodial Fees	-
Paying Agent Fees	-
Registrar Fees	-
Servicing Fees	208,833.11
Administration Fees	93,238.35
Late Fees	-
Other Fees	336,912.93
Total Fees	\$ 638,984.39

Cumulative Default Rate	as of 1/31/2013
Current Period's Defaults (\$)	3,259,049.23
Cumulative Defaults (\$)	213,916,397.11
Cumulative Default (% of original pool balance)	NA
Cumulative Default (% of Repayment ending balances)	38.30%
Current period payments (recoveries) from Guarantor (\$)	1,892,209.74
Current period borrower recoveries (\$)	-
Cumulative Recoveries (\$) ^a	223,848,541.72
Cumulative Recovery Rate (%) ^b	104.64%
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	7,350,720.80	
First: Deposits to Department Reserve Fund	891,877.40	6,458,843.40
Second: Trustee Fees due	-	6,458,843.40
Third: Servicing Fee due	208,833.11	6,250,010.29
Fourth: Administration Fees due	93,238.35	6,156,771.94
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>	6,101,921.11
2. 2012-1 A Interest Distribution Amount	511,730.38	
Total Interest Distribution on Senior Notes or Obligations	<u>511,730.38</u>	5,590,190.73
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)	-	5,590,190.73
Seventh: 2012-1 B Interest Distribution Amount Subject to Class B Interest Cap	47,838.84	5,542,351.89
Eighth: Debt Service Reserve Fund Replenishment	-	5,542,351.89
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	3,990,685.22
Tenth: Payments to Noteholders for 2012 A and 2012 B Notes	3,990,685.22	-
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	511,730.38	47,838.84	614,420.05
Periodic Interest Paid	5,893.74	48,957.09	511,730.38	47,838.84	614,420.05
Interest Shortfall	-	-	-	-	-
Interest Carryover Due	-	-	-	-	-
Interest Carryover Paid	-	-	-	-	-
Interest Carryover	-	-	-	-	-
Periodic Principal Distribution Amount	1,551,666.67	-	3,990,685.22	-	5,542,351.89
Periodic Principal Paid	1,551,666.67	-	3,990,685.22	-	5,542,351.89
Excess/(Shortfall)	-	-	-	-	-
Total Distribution Amount	1,557,560.41	48,957.09	4,502,415.60	47,838.84	6,156,771.94

Educational Funding of the South, Inc
2003FL Indenture
Balance Sheet
January 31, 2013
(Unaudited)

ASSETS

Cash	\$ 40,846,874.19
Assets Held by Trustee	
Investments	3,639.53
Student Loans Receivable, Net	558,471,033.48
Accrued Interest Receivable	6,798,675.45
Other Receivables	190,588.08
Bond Issue Costs	2,998,135.25
Prepaid and Deferred Expenses	<u>18,410.02</u>
 Total Assets	 <u><u>\$ 609,327,356.00</u></u>

LIABILITIES AND NET ASSETS

Notes Payable, Net	\$ 591,832,112.98
Discount on Notes Payable, Net	(6,284,886.16)
Accrued Interest Payable	238,552.59
Other Accounts Payable & Accrued Expenses	<u>638,984.39</u>
Total Liabilities	\$ 586,424,763.80
 Net Assets	 <u><u>\$ 22,902,592.20</u></u>
 Total Liabilities and Net Assets	 <u><u>\$ 609,327,356.00</u></u>

2003FL Indenture

IV. Transactions for the Time Period

1/1/2013 - 1/31/2013

A. Student Loan Principal Collection Activity

i. Regular Principal Collections	(3,359,126.33)
ii. Principal Collections from Guarantor	(1,844,976.66)
iii. Paydown due to Loan Consolidation	(929,294.41)
iv. Principal Collections from Schools	6,167.52
v. Principal Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments	-
vii. Loans transferred out/deconverted (PUT)	-
viii. Total Principal Collections	(6,127,229.88)

B. Student Loan Non-Cash Principal Activity

i. Principal Realized Losses - Claim Write-Offs	(3,264.24)
ii. Principal Realized Losses - Other	(4,270.82)
iii. Other Adjustments	(613.77)
iv. Capitalized Interest	897,330.34
v. Total Non-Cash Principal Activity	889,181.51

C. Student Loan Principal Additions

i. New Loan Additions	733,273.86
ii. Total Principal Additions	733,273.86

D. Total Student Loan Principal Activity (Aviii + Bv + Cii) (4,504,774.51)

E. Student Loan Interest Activity

i. Regular Interest Collections	(1,122,033.18)
ii. Interest Claims Received from Guarantors	(47,233.08)
iii. Late Fees & Other	(9,734.15)
iv. Interest due to Loan Consolidation	(13,741.52)
v. Interest Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments -	-
vii. Interest Benefit and Special Allowance Payments	587,615.53
viii. Loans transferred out/deconverted	-
vix. Total Interest Collections	(605,126.40)

F. Student Loan Non-Cash Interest Activity

i. Interest Losses - Claim Write-offs	(37,739.86)
ii. Interest Losses - Other	(49,122.38)
iii. Other Adjustments	-
iv. Capitalized Interest	(897,330.34)
v. Interest Accrual	2,109,620.53
vi. Total Non-Cash Interest Adjustments	1,125,427.95

G. Student Loan Interest Additions

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

H. Total Student Loan Interest Activity (Eix + Fvi + Gii) 520,301.55

I. Defaults Paid this Period (Aii + Eii) (1,892,209.74)

J. Cumulative Defaults Paid to Date (223,848,541.72)

K. Interest Expected to be Capitalized

Interest Expected to be Capitalized - Beginning (III - A-ii)	5,773,755.16
Interest Capitalized into Principal During Collection Period (B-iv)	897,330.34
Change in Interest Expected to be Capitalized	(914,621.77)
Interest Expected to be Capitalized - Ending (III - A-ii)	5,756,463.73

2003FL Indenture

V. Cash Receipts for the Time Period	1/1/2013 - 1/31/2013	
A. Principal Collections		
i. Principal Payments Received - Cash	\$	5,197,935.47
ii. Principal Received from Loans Consolidated		929,294.41
iii. Total Principal Collections	\$	6,127,229.88
B. Interest Collections		
i. Interest Payments Received - Cash	\$	1,169,266.26
ii. Interest Received from Loans Consolidated		13,741.52
iii. Interest Payments Received(Paid) - Interest Benefit and Special Allowance Payments		(587,615.53)
iv. Late Fees & Other		9,734.15
v. Total Interest Collections	\$	605,126.40
C. Other Reimbursements	\$	-
D. Repurchases/ Reimbursements by Servicer/Seller	\$	-
E. Investment Earnings	\$	4,074.50
F. Total Cash Receipts during Collection Period	\$	6,736,430.78