

**Student Loan Backed Reporting - FFELP
Monthly Distribution Report**

Issuer	Educational Funding of the South, Inc.
Deal Name	2003FL Indenture
Distribution Date	6/25/2013
Collection Period	5/31/2013
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 Accrued	Principal Paid	End Princ Bal ^a	% of Securities	Payment Frequency	Maturity
2012FL A	28148WAD5	1.24328%	0.19328%	1.05000%		511,000,000.00	455,328,810.04	440,313.52	2,468,452.06	452,860,357.98	80.01%	Monthly	3/25/2036
2012FL B	28148WAE3	3.69328%	0.19328%	3.50000%		15,000,000.00	15,000,000.00	43,089.50	-	15,000,000.00	2.65%	Monthly	12/28/2048
2007-1 A-2	28148XAQ4	0.58710%	0.28710%	0.30000%		400,000,000.00	7,193,039.53	11,026.81	-	7,193,039.53	1.27%	Quarterly	3/1/2016
2007-1 A-3	28148XAR2	0.63710%	0.28710%	0.35000%		235,000,000.00	90,967,000.00	151,327.14	-	90,967,000.00	16.07%	Quarterly	9/1/2017
Total						1,161,000,000.00	568,488,849.57	645,756.97	2,468,452.06	566,020,397.51	100%		

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

Portfolio Summary

	Beg Balance	Activity	End Balance
Principal Balance	540,897,735.22	(6,404,145.69)	534,493,589.53
Accrued Interest to be Capitalized	5,959,240.70	(57,393.64)	5,901,847.06
Total Pool Balance	546,856,975.92	(6,461,539.33)	540,395,436.59
Repurchased Guaranteed Student Loans ^a		-	
Weighted Average Coupon (WAC)	4.77	0.00	4.77
Weighted Average Maturity (WAM)	170.35	(0.51)	169.84
Number of Loans	75,487.00	(1,212.00)	74,275.00
Number of Borrowers	38,958.00	(641.00)	38,317.00
Average Loan Balance	\$ 7,244.38	31.22	\$ 7,275.60
Average Borrower Indebtedness	\$ 14,037.09	66.19	\$ 14,103.28

(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	0.67%	-24.51
Grace	0.41%	-2.00
Deferment	12.75%	-13.53
Forbearance	15.83%	-2.77
		W.A. Time in Repayment (months)
Repayment	69.67%	86.42
Claims in Progress	0.61%	85.96
Claims Denied	0.05%	90.68
Total Weighted Average		58.45

(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)	\$ 3,600,020.26	Debt Service Payment Account (beginning)	\$ 2,929,644.83	Capitalized Interest Account (beginning)	\$ 21,521,159.83	Reserve Account (beginning)	\$ 2,766,869.61
Plus transfers in	799,773.13	Plus transfers in	1,464,784.65	Less releases	-	Less releases	(32,584.73)
Less DOE Fees paid	(811,692.71)	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)	\$ 3,588,100.68	Debt Service Payment Account (ending)	\$ 4,394,429.48	Capitalized Interest Account (ending)	\$ 21,521,159.83	Reserve Account (ending)	\$ 2,734,284.88
				Capitalized Interest Account Requirement		Reserve Account Requirement	\$ 2,701,977.18
2007-1 Debt Service Reserve	\$ 2,300,000.00						
Collection Account - (Available Funds)	\$ 8,306,083.58						
Total Accounts Balances (includes above accounts)	\$ 42,844,058.45						

Balance Sheet and Parity

	Beg Balance	Activity	End Balance
Assets			
Pool Balance	549,631,255.78	(6,352,201.80)	543,279,053.98
Capitalized Interest Fund	21,521,159.83	-	21,521,159.83
Debt Service Reserve	5,034,284.88	(32,307.70)	5,001,977.18
Debt Payment Account ^b	4,394,449.48	4,262,847.04	8,657,296.52
Total Assets	580,581,149.97	(2,121,662.46)	578,459,487.51
Liabilities			
Note Outstanding Class A	455,328,810.04	(2,468,452.06)	452,860,357.98
Note Outstanding Class B	15,000,000.00	-	15,000,000.00
Bonds Outstanding 2007-1	98,160,039.53	-	98,160,039.53
Accrued Interest 2007-1	108,235.97	103,971.84	212,207.81
Total Liabilities	568,597,085.54	(2,364,480.22)	566,232,605.32
Class A Parity %	104.87%		104.94%
Class B Parity %	102.11%		102.16%

(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	9.24%
Lifetime	

Servicer Balance

	Balance	% of Portfolio	# of Loans	Clms Outstg
Edfinancial	392,515,893.35	72.63%	62,122	2,933,906.01
PHEAA	147,853,999.37	27.36%	12,151	961,034.37
CitiBank	-	0.00%	-	-
Great Lakes	25,543.87	0.00%	2	-
Total Portfolio	540,395,436.59		74,275	3,894,940.38

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	1,141	972	4,323,321.22	3,643,815.39	0.79%	0.67%	5.65	5.68	120.19	120.23	
Grace	435	572	1,588,118.78	2,192,481.88	0.29%	0.41%	5.65	5.67	114.90	116.33	
Repayment											
Current	43,751	43,167	320,713,515.74	316,260,215.80	58.65%	58.52%	4.55	4.55	165.79	165.27	
31-60 Days Delinquent	2,358	2,548	15,560,280.32	17,803,519.65	2.85%	3.29%	5.04	5.20	173.35	169.46	
61-90 Days Delinquent	1,665	1,526	11,330,663.97	9,671,837.35	2.07%	1.79%	5.01	5.12	169.60	169.76	
91-120 Days Delinquent	897	1,178	5,960,779.43	8,410,737.73	1.09%	1.56%	5.16	5.07	171.66	172.75	
121-180 Days Delinquent	1,562	1,348	10,157,533.71	8,556,223.86	1.86%	1.58%	5.08	5.11	163.03	164.70	
181-270 Days Delinquent	1,834	1,799	10,954,342.09	10,892,285.38	2.00%	2.02%	4.69	4.79	160.54	158.09	
271+ Days Delinquent	684	869	4,905,906.67	3,717,091.08	0.68%	0.91%	4.62	4.75	144.45	154.03	
Total Repayment	52,751	52,435	378,394,206.34	376,500,726.44	69.19%	69.67%	4.61	4.63	165.87	165.38	
Forbearance	8,766	8,749	85,667,660.34	85,534,254.00	15.67%	15.83%	5.32	5.30	191.06	189.35	
Deferment	11,247	10,766	71,600,752.21	68,911,692.99	13.09%	12.75%	4.83	4.83	174.21	175.38	
Claims in Progress	1,067	728	4,839,461.47	3,321,872.13	0.88%	0.61%	4.80	4.74	160.01	148.37	
Claims Denied	80	53	443,455.56	290,593.76	0.08%	0.05%	4.53	4.73	164.75	169.95	
Total Portfolio	75,487	74,275	546,856,975.92	540,395,436.59			4.77	4.77	170.35	169.84	

Delinquency Status											
	# of Loans		Balance (inc Accrued Interest)		% of Balance		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
Current	43,751	43,167	320,713,515.74	316,260,215.80	84.76%	84.00%	4.55	4.55	165.79	165.27	
31-60 Days Delinquent	2,358	2,548	15,560,280.32	17,803,519.65	4.11%	4.73%	5.04	5.20	173.35	169.46	
61-90 Days Delinquent	1,665	1,526	11,330,663.97	9,671,837.35	2.99%	2.57%	5.01	5.12	169.60	169.76	
91-120 Days Delinquent	897	1,178	5,960,779.43	8,410,737.73	1.58%	2.23%	5.16	5.07	171.66	172.75	
121-180 Days Delinquent	1,562	1,348	10,157,533.71	8,556,223.86	2.68%	2.27%	5.08	5.11	163.03	164.70	
181-270 Days Delinquent	1,834	1,799	10,954,342.09	10,892,285.38	2.89%	2.89%	4.69	4.79	160.54	158.09	
271+ Days Delinquent	684	869	4,905,906.67	3,717,091.08	0.98%	1.30%	4.62	4.75	144.45	154.03	
Total Portfolio in Repayment	52,751	52,435	378,394,206.34	376,500,726.44			4.61	4.63	165.87	165.38	

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	13,817	13,698	160,905,785.19	159,242,793.54	29.42%	29.47%	4.57	4.57	188.02	187.34	
Unsubsidized Consolidation Loans	14,866	14,701	212,523,788.96	210,429,170.37	38.86%	38.94%	4.69	4.70	202.42	201.48	
Subsidized Stafford Loans	25,420	24,902	71,797,084.91	70,487,315.53	13.13%	13.04%	4.71	4.71	109.60	109.55	
Unsubsidized Stafford Loans	19,250	18,895	85,713,883.91	84,577,362.27	15.67%	15.65%	4.85	4.86	119.08	118.82	
Grad PLUS Loans	2,071	2,017	15,711,700.07	15,454,063.28	2.87%	2.86%	7.63	7.66	113.80	114.18	
Other Loans	63	62	204,732.88	204,731.60	0.04%	0.04%	3.38	3.38	94.49	94.71	
Total Balance	75,487	74,275	546,856,975.92	540,395,436.59			4.77	4.77	170.35	169.84	

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	47,032	46,288	364,347,415.88	360,108,308.82	66.63%	66.64%	4.68	4.68	169.20	168.61	
2-Year Loans	13,251	13,007	47,115,517.09	46,468,321.84	8.62%	8.60%	4.85	4.86	126.80	126.85	
Proprietary / Technical / Vocational Loans	8,201	8,022	36,523,464.96	36,018,943.53	6.68%	6.67%	4.59	4.60	137.87	137.89	
Unknown (Consolidation) Loans	6,966	6,921	98,452,605.54	97,379,447.00	18.00%	18.02%	5.09	5.10	207.77	207.02	
Other Loans	37	37	417,972.45	420,415.40	0.08%	0.08%	6.30	6.30	104.05	104.15	
Total Portfolio	75,487	74,275	546,856,975.92	540,395,436.59			4.77	4.77	170.35	169.84	

SAP Indices							
	# of Loans		Balance		% of Total		Margin
	Beginning	Ending	Beginning	Ending	Beginning	Ending	
T-Bill Loans	4,302	4,209	15,885,812.03	15,561,566.81	2.90%	2.88%	2.7227
1ML Loans	71,185	70,066	530,971,163.89	524,833,869.78	97.10%	97.12%	2.3619
Other Loans	-	-	-	-	0.00%	0.00%	-
Total Pool Balance	75,487	74,275	546,856,975.92	540,395,436.59			2.3723

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

Distribution Date	6/25/2013
Collection Period	5/31/2013

Collection Activity	
Cash Inflows Available to be Distributed	5/31/2013
Collection Amount Received	5,445,700.17
Recoveries	-
Reserve Account	
Excess of Required Reserve Account	32,307.70
Interest on Investment Earnings	
Capitalized Interest Account (after a stepdown or release date)	
Prefunding Account (after release date)	
Payments from Guarantor	2,825,467.05
Proceeds from Tender	
Paid to Guarantor	-
Purchased by Servicers/Sellers	
Prior Month's Allocations or Adjustments	
Investment Income	2,608.66
All Fees	
Other Amounts Received in Collection	-
Total Available Funds	\$ 8,306,083.58

(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	5/31/2013
Indenture Trustee Fees	-
Custodial Fees	-
Paying Agent Fees	-
Registrar Fees	-
Servicing Fees	197,116.90
Administration Fees	96,082.26
Late Fees	-
Other Fees	324,831.41
Total Fees	\$ 618,030.57

Cumulative Default Rate	as of 5/31/2013
Current Period's Defaults (\$)	2,687,280.08
Cumulative Defaults (\$)	224,050,325.26
Cumulative Default (% of original pool balance)	NA
Cumulative Default (% of Repayment ending balances)	41.91%
Current period payments (recoveries) from Guarantor (\$)	2,825,467.05
Current period borrower recoveries (\$)	-
Cumulative Recoveries (\$) ^a	233,532,538.87
Cumulative Recovery Rate (%) ^b	104.23%
Cumulative Net Loss Rate (%)	NA
Cumulative Servicer Reject Rate (FFELP) (%)	0.00%

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	8,306,083.58	
First: Deposits to Department Reserve Fund	798,162.30	7,507,921.28
Second: Trustee Fees due	-	7,507,921.28
Third: Servicing Fee due	197,116.90	7,310,804.38
Fourth: Administration Fees due	96,082.26	7,214,722.12
Fifth: Interest Distribution on Senior Notes or Obligations		
1. 2007 Debt Service Account		
>1/3 of 2007 Bonds Interest Distribution Amount	49,853.86	
>Any 2007 Bonds Interest Remaining unpaid	-	
	<u>49,853.86</u>	7,164,868.26
2. 2012-1 A Interest Distribution Amount	440,313.52	
Total Interest Distribution on Senior Notes or Obligations	<u>440,313.52</u>	6,724,554.74
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)	-	6,724,554.74
Seventh: 2012-1 B Interest Distribution Amount Subject to Class B Interest Cap	43,089.50	6,681,465.24
Eighth: Debt Service Reserve Fund Replenishment	-	6,681,465.24
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	4,213,013.18	2,468,452.06
Tenth: Payments to Noteholders for 2012 A and 2012 B Notes	2,468,452.06	-
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	1,449.48	48,404.38	440,313.52	43,089.50	533,256.88
Periodic Interest Paid	1,449.48	48,404.38	440,313.52	43,089.50	533,256.88
Interest Shortfall	-	-	-	-	-
Interest Carryover Due	-	-	-	-	-
Interest Carryover Paid	-	-	-	-	-
Interest Carryover	-	-	-	-	-
Periodic Principal Distribution Amount	4,213,013.18	-	2,468,452.06	-	6,681,465.24
Periodic Principal Paid	4,213,013.18	-	2,468,452.06	-	6,681,465.24
Excess/(Shortfall)	-	-	-	-	-
Total Distribution Amount	4,214,462.65	48,404.38	2,908,765.58	43,089.50	7,214,722.12

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

ASSETS

Cash	\$ 42,844,058.45
Assets Held by Trustee	
Investments	3,773.50
Student Loans Receivable, Net	533,536,328.84
Accrued Interest Receivable	6,646,711.71
Other Receivables	172,440.57
Bond Issue Costs	2,955,283.97
Prepaid and Deferred Expenses	6,136.70
	<hr/>
Total Assets	<u><u>\$ 586,164,733.74</u></u>

LIABILITIES AND NET ASSETS

Notes Payable, Net	\$ 568,488,849.57
Discount on Notes Payable, Net	(6,194,129.68)
Accrued Interest Payable	227,964.42
Other Accounts Payable & Accrued Expenses	618,030.57
Total Liabilities	<hr/> \$ 563,140,714.88
Net Assets	<hr/> \$ 23,024,018.86
Total Liabilities and Net Assets	<hr/> <u><u>\$ 586,164,733.74</u></u>

2003FL Indenture

IV. Transactions for the Time Period

05/01/2013 - 05/31/2013

A. Student Loan Principal Collection Activity

i. Regular Principal Collections	(3,011,777.79)
ii. Principal Collections from Guarantor	(2,760,156.35)
iii. Paydown due to Loan Consolidation	(1,336,220.46)
iv. Principal Collections from Schools	9,903.44
v. Principal Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments	-
vii. Loans transferred out/deconverted (PUT)	-
viii. Total Principal Collections	(7,098,251.16)

B. Student Loan Non-Cash Principal Activity

i. Principal Realized Losses - Claim Write-Offs	(4,473.67)
ii. Principal Realized Losses - Other	(20,653.07)
iii. Other Adjustments	(21.49)
iv. Capitalized Interest	719,253.70
v. Total Non-Cash Principal Activity	694,105.47

C. Student Loan Principal Additions

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

D. Total Student Loan Principal Activity (Aviii + Bv + Cii) (6,404,145.69)

E. Student Loan Interest Activity

i. Regular Interest Collections	(1,060,339.85)
ii. Interest Claims Received from Guarantors	(65,310.70)
iii. Late Fees & Other	(4,682.34)
iv. Interest due to Loan Consolidation	(18,210.98)
v. Interest Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments -	-
vii. Interest Benefit and Special Allowance Payments	473,330.89
viii. Loans transferred out/deconverted	-
vix. Total Interest Collections	(675,212.98)

F. Student Loan Non-Cash Interest Activity

i. Interest Losses - Claim Write-offs	(60,607.32)
ii. Interest Losses - Other	(12,955.65)
iii. Other Adjustments	1,256.55
iv. Capitalized Interest	(719,253.70)
v. Interest Accrual	2,024,025.68
vi. Total Non-Cash Interest Adjustments	1,232,465.56

G. Student Loan Interest Additions

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

H. Total Student Loan Interest Activity (Eix + Fvi + Gii) 557,252.58

I. Defaults Paid this Period (Aii + Eii) (2,825,467.05)

J. Cumulative Defaults Paid to Date (233,532,538.87)

K. Interest Expected to be Capitalized

Interest Expected to be Capitalized - Beginning (III - A-ii)	5,959,240.70
Interest Capitalized into Principal During Collection Period (B-iv)	719,253.70
Change in Interest Expected to be Capitalized	(776,647.34)
Interest Expected to be Capitalized - Ending (III - A-ii)	5,901,847.06

2003FL Indenture

V. Cash Receipts for the Time Period		05/01/2013 - 05/31/2013
A. Principal Collections		
i. Principal Payments Received - Cash	\$	5,762,030.70
ii. Principal Received from Loans Consolidated		1,336,220.46
iii. Total Principal Collections	\$	7,098,251.16
B. Interest Collections		
i. Interest Payments Received - Cash	\$	1,125,650.55
ii. Interest Received from Loans Consolidated		18,210.98
iii. Interest Payments Received(Paid) - Interest Benefit and Special Allowance Payments		(473,330.89)
iv. Late Fees & Other		4,682.34
v. Total Interest Collections	\$	675,212.98
C. Other Reimbursements	\$	-
D. Repurchases/ Reimbursements by Servicer/Seller	\$	-
E. Investment Earnings	\$	-
F. Total Cash Receipts during Collection Period	\$	7,773,464.14