

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

Issuer	Educational Funding of the South, Inc.
Deal Name	2003FL Indenture
Distribution Date	8/27/2012
Collection Period	7/31/2012
Contact Name	Ken Mann
Contact Number	865-342-0676
Contact Email	kmann@edsouth.org
Website	www.edsouth.org

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	1.29620%	0.24620%	1.05000%		511,000,000.00	511,000,000.00	607,183.76	8,552,756.18	502,447,243.82	79.86%	Monthly	3/25/2036
2012FL B	28148WAE3	3.74620%	0.24620%	3.50000%		15,000,000.00	15,000,000.00	51,512.12	-	15,000,000.00	2.38%	Monthly	12/28/2048
2007-1 A-2	28148XAD4	0.76685%	0.46685%	0.30000%		400,000,000.00	114,294,000.00	26,942.79	93,558,960.47	20,735,039.53	3.30%	Quarterly	3/1/2016
2007-1 A-3	28148XAR2	0.81685%	0.46685%	0.35000%		235,000,000.00	109,627,000.00	125,908.06	18,660,000.00	90,967,000.00	14.46%	Quarterly	9/1/2017
Total						1,161,000,000.00	749,921,000.00	811,546.73	120,771,716.65	629,149,283.35	100%		

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

Portfolio Summary			
	Beg Balance	Activity	End Balance
Principal Balance	611,355,586.98	(14,405,189.27)	596,950,397.71
Accrued Interest to be Capitalized	6,582,383.20	(182,378.84)	6,400,004.36
Total Pool Balance	617,937,970.18	(14,587,568.11)	603,350,402.07
Total Accounts Balance			
Total Trust Assets			
Weighted Average Coupon (WAC)	4.75	0.00	4.75
Weighted Average Maturity (WAM)	173.96	(0.16)	173.80
Number of Loans	87,079	(1,858.00)	85,221
Number of Borrowers	44,974	(941.00)	44,033
Average Loan Balance	\$ 7,096.29	(16.46)	\$ 7,079.83
Average Borrower Indebtedness	\$ 13,802.69	(100.46)	\$ 13,702.23

Weighted Average Payments Made		
	% of Pool	W.A. Time until Repayment (months) ^(a) <i>(should include grace period)</i>
In School	1.18%	-24.58
Grace	0.46%	-2.71
Deferment	14.68%	-14.08
Forbearance	15.59%	-2.96
		W.A. Time in Repayment (months)
Repayment	67.32%	76.85
Claims in Progress	0.75%	75.19
Claims Denied	0.02%	87.79
Total Weighted Average		49.49

(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	
Dept. Reserve Account (beginning)	\$ 3,406,623.00	Debt Service Payment Account (beginning)	\$ 4,893,148.41
Beginning Balance transfer	-	Beginning Balance transfer	-
Less DOE Fees paid	-	Less DOE Fees paid	-
Plus investment earnings	-	Plus investment earnings	-
Dept. Reserve Account (ending)	\$ 3,406,623.00		\$ 4,893,148.41
		Capitalized Interest Account	
		Capitalized Interest Account (beginning)	\$ 21,522,460.47
		Less releases	-
		Less draws	-
		Beginning Balance transfer	-
		Capitalized Interest Account (ending)	\$ 21,522,460.47
		Capitalized Interest Account Requirement	
		Debt Service Reserve Account 2012-1	
		Reserve Account (beginning)	\$ 3,074,637.21
		Less releases	-
		Less draws	-
		Beginning Balance transfer	-
		Reserve Account (ending)	\$ 3,074,637.21
		Reserve Account Requirement	\$ 3,016,752.01
2007-1 Debt Service Reserve	\$ 2,300,000.00		
Collection Account - (Available Funds)	8,281,064.56		
Total Accounts Balances (includes above)	\$ 43,477,933.65		

Balance Sheet and Parity			
	Beg Balance	Activity	End Balance
Assets			
Pool Balance	607,568,705.09	(1,524,712.90)	606,043,992.19
Capitalized Interest Fund	21,522,460.47	-	21,522,460.47
Debt Service Reserve	5,374,637.21	(57,885.20)	5,316,752.01
Collection Account	7,358,736.92	(7,358,736.92)	-
Debt Payment Account	4,893,148.41		4,893,148.41
Total Assets	646,717,668.10	(8,941,335.02)	637,776,353.08
Liabilities			
Note Outstanding Class A	511,000,000.00	(8,552,756.18)	502,447,243.82
Note Outstanding Class B	15,000,000.00	-	15,000,000.00
Bonds Outstanding 2007-1	111,702,039.53	-	111,702,039.53
Accrued Interest 2007-1	130,482.00	22,368.85	152,850.85
Total Liabilities	637,832,521.53	(8,530,387.33)	629,302,134.20
Class A Parity %	103.83%		103.82%
Class B Parity %	101.39%		101.35%

(a) Beginning parity is as of the date of issuance
(b) Pool Balance for parity includes all accrued interest and pending loans. Including accrued interest to be capitalized and additional interest.

CPR (constant pmt rate)	
	%
Current	
Lifetime	

Servicer Balance				
	Balance	% of Portfolio	# of Loans	Clims Outstanding
Edfinancial	450,986,034.20	74.75%	73,424	3,603,955.75
PHEAA	116,370,879.54	19.29%	8,545	524,956.93
CitiBank	-	0.00%	-	-
Great Lakes	35,993,488.33	5.97%	3,252	94,808.53
Total Portfolio	603,350,402.07		85,221	4,223,721.21

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	1,983	1,913	7,355,810.93	7,112,146.81	1.19%	1.18%	5.59	5.64	120.11	120.12	
Grace	760	758	2,811,093.40	2,798,203.33	0.45%	0.46%	5.76	5.73	119.21	117.93	
Repayment											
Current	47,962	46,685	348,077,933.43	340,663,290.58	56.33%	56.46%	4.54	4.54	169.83	170.13	
31-60 Days Delinquent	2,747	2,857	19,218,482.75	18,358,314.89	3.11%	3.04%	5.02	4.97	173.18	162.98	
61-90 Days Delinquent	2,000	1,711	13,275,906.29	11,427,937.38	2.15%	1.89%	5.10	5.04	177.59	175.01	
91-120 Days Delinquent	1,321	1,402	6,923,993.30	8,928,450.83	1.12%	1.48%	4.91	5.09	148.45	170.99	
121-180 Days Delinquent	1,957	1,979	11,829,592.83	10,696,814.97	1.91%	1.77%	4.93	4.97	168.46	152.36	
181-270 Days Delinquent	1,795	1,709	10,353,949.38	10,008,023.04	1.68%	1.66%	4.87	5.00	160.49	159.27	
271+ Days Delinquent	1,056	947	6,416,870.11	6,062,750.86	1.04%	1.00%	4.77	4.76	164.44	172.44	
Total Repayment	58,838	57,290	416,096,728.09	406,145,582.55	67.34%	67.32%	4.60	4.61	169.52	169.26	
Forbearance	10,221	10,342	95,685,417.89	94,041,460.31	15.48%	15.59%	5.20	5.19	192.34	192.57	
Deferment	14,455	13,846	92,269,136.52	88,570,760.56	14.93%	14.68%	4.82	4.82	182.15	182.39	
Claims in Progress	786	1,032	3,601,995.25	4,555,257.72	0.58%	0.75%	5.26	5.18	145.26	145.58	
Claims Denied	36	40	117,788.10	126,990.79	0.02%	0.02%	4.24	4.35	77.80	77.86	
Total Portfolio	87,079	85,221	617,937,970.18	603,350,402.07			4.75	4.75	173.96	173.80	

Delinquency Status											
	# of Loans		Balance (inc Accrued Interest)		% of Balance		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
Current	47,962	46,685	348,077,933.43	340,663,290.58	83.65%	83.88%	4.54	4.54	169.83	170.13	
31-60 Days Delinquent	2,747	2,857	19,218,482.75	18,358,314.89	4.62%	4.52%	5.02	4.97	173.18	162.98	
61-90 Days Delinquent	2,000	1,711	13,275,906.29	11,427,937.38	3.19%	2.81%	5.10	5.04	177.59	175.01	
91-120 Days Delinquent	1,321	1,402	6,923,993.30	8,928,450.83	1.66%	2.20%	4.91	5.09	148.45	170.99	
121-180 Days Delinquent	1,957	1,979	11,829,592.83	10,696,814.97	2.84%	2.63%	4.93	4.97	168.46	152.36	
181-270 Days Delinquent	1,795	1,709	10,353,949.38	10,008,023.04	2.49%	2.46%	4.87	5.00	160.49	159.27	
271+ Days Delinquent	1,056	947	6,416,870.11	6,062,750.86	1.54%	1.49%	4.77	4.76	164.44	172.44	
Total Portfolio in Repayment	58,838	57,290	416,096,728.09	406,145,582.55			4.60	4.61	169.52	169.26	

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	15,014	14,796	178,189,027.99	174,628,082.72	28.84%	28.94%	4.56	4.56	195.01	194.23	
Unsubsidized Consolidation Loans	16,132	15,919	232,332,603.81	228,331,322.43	37.60%	37.84%	4.69	4.69	208.95	208.18	
Subsidized Stafford Loans	30,402	29,605	86,740,064.20	83,828,780.62	14.04%	13.89%	4.66	4.67	111.94	111.89	
Unsubsidized Stafford Loans	22,980	22,411	101,414,787.21	98,091,065.05	16.41%	16.26%	4.80	4.81	121.03	121.29	
Grad PLUS Loans	2,472	2,411	18,999,815.22	18,210,288.13	3.07%	3.02%	7.48	7.49	115.56	115.97	
Other Loans	79	79	261,671.75	260,863.12	0.04%	0.04%	3.34	3.36	93.65	93.45	
Total Balance	87,079	85,221	617,937,970.18	603,350,402.07			4.75	4.75	173.96	173.80	

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	54,201	52,990	413,798,000.32	403,462,999.77	66.96%	66.87%	4.68	4.68	173.76	173.58	
2-Year Loans	15,576	15,223	54,722,747.63	53,446,438.08	8.86%	8.86%	4.80	4.82	127.67	127.76	
Proprietary / Technical / Vocational Loans	9,720	9,545	42,585,298.66	41,754,090.30	6.89%	6.92%	4.53	4.55	139.46	139.48	
Unknown (Consolidation) Loans	7,545	7,426	106,418,381.12	104,273,312.41	17.22%	17.28%	5.08	5.08	212.59	212.24	
Other Loans	37	37	413,542.45	413,561.51	0.07%	0.07%	6.29	6.30	117.27	117.21	
Total Portfolio	87,079	85,221	617,937,970.18	603,350,402.07			4.75	4.75	173.96	173.80	

SAP Indices											
	# of Loans		Balance		% of Total		Margin				
	Beginning	Ending	Beginning	Ending	Beginning	Ending					
T-Bill Loans	5,150	5,068	18,774,156.36	18,514,476.51	3.04%	3.07%	2.7001				
1ML Loans	81,929	80,153	599,163,813.82	584,835,925.56	96.96%	96.93%	2.3505				
Other Loans	-	-	-	-	0.00%	0.00%	-				
Total Pool Balance	87,079	85,221	617,937,970.18	603,350,402.07			2.3613				

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

Distribution Date	8/25/2012
Collection Period	7/31/2012

Collection Activity	
Cash Inflows Available to be Distributed	7/31/2012
Collection Amount Received	6,997,565.83
Recoveries	-
Reserve Account	
Excess of Required Reserve Account	57,885.20
Interest on Investment Earnings	
Capitalized Interest Account (after a stepdown or release date)	
Prefunding Account (after release date)	
Payments from Guarantor	2,259,095.12
Proceeds from Tender	
Prepayments	
Purchased by Servicers/Sellers	
Prior Month's Allocations or Adjustments	
Investment Income	547.23
All Fees	
Other Amounts Received in Collection	108,986.71
Total Available Funds	9,424,080.09

(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	7/31/2012
Indenture Trustee Fees	54,659.12
Custodial Fees	
Paying Agent Fees	
Registrar Fees	
Servicing Fees	34,196.27
Administration Fees	16,047.02
Late Fees	
Other Fees	57,061.79
Total Fees	161,964.20

Cumulative Default Rate	as of 7/31/2012
Current Period's Defaults (\$)	915,798.80
Cumulative Defaults (\$)	184,205,160.87
Cumulative Default (% of original pool balance)	NA
Cumulative Default (% of Repayment ending balances)	31.04%
Current period payments (recoveries) from Guarantor (\$)	2,259,095.12
Current period borrower recoveries (\$)	-
Cumulative Recoveries (\$) ^a	190,707,947.80
Cumulative Recovery Rate (%) ^b	103.53%
Cumulative Net Loss Rate (%)	NA
Cumulative Servicer Reject Rate (FFELP) (%)	0.00071%

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	9,424,080.09	
First: Deposits to Department Reserve Fund	107,725.62	9,316,354.47
Second: Trustee Fees due	54,659.12	9,261,695.35
Third: Servicing Fee due	34,196.27	9,227,499.08
Fourth: Administration Fees due	16,047.02	9,211,452.06
Fifth: Interest Distribution on Senior Notes or Obligations		
1. 2007 Debt Service Account		
>1/3 of 2007 Bonds Interest Distribution Amount	-	
>Any 2007 Bonds Interest Remaining unpaid	-	
2. 2012-1 A Interest Distribution Amount	607,183.76	
Total Interest Distribution on Senior Notes or Obligations	607,183.76	8,604,268.30
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)		-
Seventh: 2012-1 B Interest Distribution Amount Subject to Class B Interest Cap	51,512.12	8,552,756.18
Eight: Debt Service Reserve Fund Replenishment	-	8,552,756.18
Ninth: 2007 Bonds Principal Distribution Amount	-	8,552,756.18
Tenth: Payments to Noteholders for 2012 A and 2012 B Notes	8,552,756.18	-
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	-	-	607,183.76	51,512.12	658,695.88
Periodic Interest Paid	-	-	607,183.76	51,512.12	658,695.88
Interest Shortfall	-	-	-	-	-
Interest Carryover Due	-	-	-	-	-
Interest Carryover Paid	-	-	-	-	-
Interest Carryover	-	-	-	-	-
Periodic Principal Distribution Amount	-	-	8,552,756.18	-	8,552,756.18
Periodic Principal Paid	-	-	8,552,756.18	-	8,552,756.18
Excess/(Shortfall)	-	-	-	-	-
Total Distribution Amount	-	-	9,159,939.94	51,512.12	9,211,452.06

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

ASSETS

Cash	\$ 43,477,933.65
Assets Held by Trustee	
Investments	41.17
Student Loans Receivable, Net	596,950,397.71
Accrued Interest Receivable	8,672,890.44
Other Receivables	187,109.98
Bond Issue Costs	2,310,310.00
Prepaid and Deferred Expenses	-
Interfund Receivables	-
	<hr/>
Total Assets	<u><u>\$ 651,598,682.95</u></u>

LIABILITIES AND NET ASSETS

Notes Payable, Net	\$ 622,702,039.53
Discount on Notes Payable, Net	(6,443,710.00)
Accrued Interest Payable	139,718.29
Other Accounts Payable & Accrued Expenses	661,172.42
Interfund Payable	-
Deferred Revenue	-
APO Liability	-
Arbitrage Liability	-
	<hr/>
Total Liabilities	\$ 617,059,220.24
Net Assets	<u><u>\$ 34,539,462.71</u></u>
Total Liabilities and Net Assets	<u><u>\$ 651,598,682.95</u></u>

2003FL Indenture

IV. Transactions for the Time Period

7/1/2012 - 7/31/2012

A. Student Loan Principal Collection Activity

i. Regular Principal Collections	(3,163,556.07)
ii. Principal Collections from Guarantor	(2,195,866.95)
iii. Paydown due to Loan Consolidation	(8,885,978.52)
iv. Principal Collections from Schools	3,545.37
v. Principal Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments	-
vii. Loans transferred out/deconverted (PUT)	-
viii. Total Principal Collections	(14,241,856.17)

B. Student Loan Non-Cash Principal Activity

i. Principal Realized Losses - Claim Write-Offs	(3,727.68)
ii. Principal Realized Losses - Other	(1,135,263.60)
iii. Other Adjustments	243.01
iv. Capitalized Interest	975,415.17
v. Total Non-Cash Principal Activity	(163,333.10)

C. Student Loan Principal Additions

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

D. Total Student Loan Principal Activity (Aviii + Bv + Cii) (14,405,189.27)

E. Student Loan Interest Activity

i. Regular Interest Collections	(1,146,249.66)
ii. Interest Claims Received from Guarantors	(63,228.17)
iii. Late Fees & Other	(169,100.30)
iv. Interest due to Loan Consolidation	(115,579.30)
v. Interest Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments -	-
vii. Interest Benefit and Special Allowance Payments	100,009.10
viii. Loans transferred out/deconverted	-
vix. Total Interest Collections	(1,394,148.33)

F. Student Loan Non-Cash Interest Activity

i. Interest Losses - Claim Write-offs	(44,397.67)
ii. Interest Losses - Other	(112,647.83)
iii. Other Adjustments	(24.52)
iv. Capitalized Interest	(975,415.17)
v. Interest Accrual	2,227,651.07
vi. Total Non-Cash Interest Adjustments	1,095,165.88

G. Student Loan Interest Additions

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

H. Total Student Loan Interest Activity (Eix + Fvi + Gii) (298,982.45)

I. Defaults Paid this Period (Aii + Eii) (2,259,095.12)

J. Cumulative Defaults Paid to Date (190,707,947.80)

K. Interest Expected to be Capitalized

Interest Expected to be Capitalized - Beginning (III - A-ii)	6,582,383.20
Interest Capitalized into Principal During Collection Period (B-iv)	975,415.17
Change in Interest Expected to be Capitalized	(1,157,794.01)
Interest Expected to be Capitalized - Ending (III - A-ii)	6,400,004.36

2003FL Indenture

V. Cash Receipts for the Time Period	7/1/2012 - 7/31/2012	
A. Principal Collections		
i. Principal Payments Received - Cash	\$	5,355,877.65
ii. Principal Received from Loans Consolidated		8,885,978.52
iii. Total Principal Collections	\$	14,241,856.17
B. Interest Collections		
i. Interest Payments Received - Cash	\$	1,209,477.83
ii. Interest Received from Loans Consolidated		115,579.30
iii. Interest Payments Received(Paid) - Interest Benefit and Special Allowance Payments		(100,009.10)
iv. Late Fees & Other		169,100.30
v. Total Interest Collections	\$	1,394,148.33
C. Other Reimbursements	\$	-
D. Repurchases/ Reimbursements by Servicer/Seller	\$	-
E. Investment Earnings	\$	547.23
F. Total Cash Receipts during Collection Period	\$	15,636,551.73