

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

Issuer	Educational Funding of the South, Inc.
Deal Name	2003FL Indenture
Distribution Date	9/25/2012
Collection Period	8/31/2012
Contact Name	Ken Mann
Contact Number	865-342-0676
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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	1.28550%	0.23550%	1.05000%		511,000,000.00	502,447,243.82	520,333.76	7,204,707.65	495,242,536.17	79.63%	Monthly	3/25/2036
2012FL B	28148WAE3	3.73550%	0.23550%	3.50000%		15,000,000.00	15,000,000.00	45,139.78	-	15,000,000.00	2.41%	Monthly	12/28/2048
2007-1 A-2	28148XAQ4	0.72080%	0.42080%	0.30000%		400,000,000.00	20,735,039.53	40,635.15		20,735,039.53	3.33%	Quarterly	3/1/2016
2007-1 A-3	28148XAR2	0.77080%	0.42080%	0.35000%		235,000,000.00	90,967,000.00	189,894.12		90,967,000.00	14.63%	Quarterly	9/1/2017
Total						1,161,000,000.00	629,149,283.35	796,002.81	7,204,707.65	621,944,575.70	100%		

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

Portfolio Summary

	Beg Balance	Activity	End Balance
Principal Balance	596,950,397.71	(8,234,596.81)	588,715,800.90
Accrued Interest to be Capitalized	6,400,004.36	3,432.61	6,403,436.97
Total Pool Balance	603,350,402.07	(8,231,164.20)	595,119,237.87
Total Accounts Balance			
Total Trust Assets			
Weighted Average Coupon (WAC)	4.75	(0.00)	4.75
Weighted Average Maturity (WAM)	173.80	(0.24)	173.57
Number of Loans	85,221	(1,798.00)	83,423
Number of Borrowers	44,033	(939.00)	43,094
Average Loan Balance	\$ 7,079.83	53.92	\$ 7,133.75
Average Borrower Indebtedness	\$ 13,702.23	107.56	\$ 13,809.79

Weighted Average Payments Made

	% of Pool	W.A. Time until Repayment (months) ^(a) (should include grace period)
In School	1.15%	-24.34
Grace	0.48%	-2.18
Deferment	14.69%	-14.12
Forbearance	15.55%	-3.10
		W.A. Time in Repayment (months)
Repayment	67.18%	77.81
Claims in Progress	0.90%	77.05
Claims Denied	0.04%	107.91
Total Weighted Average		50.17

(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) \$ 3,406,623.00	Debt Service Payment Account (beginning) \$ 4,893,148.41	Capitalized Interest Account (beginning) \$ 21,522,460.47	Reserve Account (beginning) \$ 3,074,637.21
Plus transfers in 107,725.62	Plus transfers in -	Less releases -	Less releases (57,885.20)
Less DOE Fees paid (57,061.79)	Less DOE Fees paid -	Less draws -	Less draws -
Plus investment earnings -	Plus investment earnings 65.52	Beginning Balance transfer -	Beginning Balance transfer -
Dept. Reserve Account (ending) \$ 3,457,286.83	\$ 4,893,213.93	Capitalized Interest Account (ending) \$ 21,522,460.47	Reserve Account (ending) \$ 3,016,752.01
		Capitalized Interest Account Requirement	Reserve Account Requirement \$ 2,975,596.19
2007-1 Debt Service Reserve \$ 2,300,000.00			
Collection Account - (Available Funds) \$ 10,417,788.00			
Total Accounts Balances (includes above accounts) \$ 45,607,501.24			

Balance Sheet and Parity

	Beg Balance	Activity	End Balance
Assets			
Pool Balance	606,043,992.19	(8,302,731.09)	597,741,261.10
Capitalized Interest Fund	21,522,460.47	-	21,522,460.47
Debt Service Reserve	5,316,752.01	(41,155.82)	5,275,596.19
Debt Payment Account ^b	4,893,148.41	1,478,817.61	6,371,966.02
Total Assets	637,776,353.08	(6,865,069.30)	630,911,283.78
Liabilities			
Note Outstanding Class A	502,447,243.82	(7,204,707.65)	495,242,536.17
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	152,850.85	77,678.42	230,529.27
Total Liabilities	629,302,134.20	(7,127,029.23)	622,175,104.97
Class A Parity %	103.82%		103.91%
Class B Parity %	101.35%		101.41%

(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	16.58%
Lifetime	

Servicer Balance

	Balance	% of Portfolio	# of Loans	Cms Outstanding
Edfinancial	444,371,539.77	74.67%	71,791	4,534,766.45
PHEAA	115,015,582.77	19.33%	8,406	360,240.91
CitiBank	-	0.00%	-	-
Great Lakes	35,732,115.33	6.00%	3,226	353,776.95
Total Portfolio	595,119,237.87		83,423	5,248,784.31

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	1,913	1,820	7,112,146.81	6,850,778.11	1.18%	1.15%	5.64	5.65	120.12	120.12	
Grace	758	797	2,798,203.33	2,861,478.20	0.46%	0.48%	5.73	5.66	117.93	115.98	
Repayment											
Current	46,685	46,036	340,663,290.58	337,492,791.64	56.46%	56.71%	4.54	4.52	170.13	169.88	
31-60 Days Delinquent	2,857	2,647	18,358,314.89	17,427,123.89	3.04%	2.93%	4.97	5.13	162.98	168.87	
61-90 Days Delinquent	1,711	1,810	11,427,937.38	11,346,658.04	1.89%	1.91%	5.04	4.94	175.01	164.11	
91-120 Days Delinquent	1,402	1,175	8,928,450.83	7,533,627.12	1.48%	1.27%	5.09	4.95	170.99	165.06	
121-180 Days Delinquent	1,979	1,913	10,696,814.97	11,297,559.47	1.77%	1.90%	4.97	5.05	152.36	161.83	
181-270 Days Delinquent	1,709	1,847	10,008,023.04	10,486,460.71	1.66%	1.76%	5.00	4.91	159.27	153.29	
271+ Days Delinquent	947	779	6,062,750.86	4,230,294.11	1.00%	0.71%	4.76	4.84	172.44	161.94	
Total Repayment	57,290	56,207	406,145,582.55	399,814,514.98	67.32%	67.18%	4.61	4.60	169.26	168.84	
Forbearance	10,342	10,007	94,041,460.31	92,543,842.66	15.59%	15.55%	5.19	5.22	192.57	193.21	
Deferment	13,846	13,483	88,570,760.56	87,419,561.10	14.68%	14.69%	4.82	4.85	182.39	181.85	
Claims in Progress	1,032	1,043	4,555,257.72	5,382,560.94	0.75%	0.90%	5.18	4.84	145.58	155.09	
Claims Denied	40	66	126,990.79	246,501.88	0.02%	0.04%	4.35	3.96	77.86	91.78	
Total Portfolio	85,221	83,423	603,350,402.07	595,119,237.87			4.75	4.75	173.80	173.57	

Delinquency Status											
	# of Loans		Balance (inc Accrued Interest)		% of Balance		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
Current	46,685	46,036	340,663,290.58	337,492,791.64	83.88%	84.41%	4.54	4.52	170.13	169.88	
31-60 Days Delinquent	2,857	2,647	18,358,314.89	17,427,123.89	4.52%	4.36%	4.97	5.13	162.98	168.87	
61-90 Days Delinquent	1,711	1,810	11,427,937.38	11,346,658.04	2.81%	2.84%	5.04	4.94	175.01	164.11	
91-120 Days Delinquent	1,402	1,175	8,928,450.83	7,533,627.12	2.20%	1.88%	5.09	4.95	170.99	165.06	
121-180 Days Delinquent	1,979	1,913	10,696,814.97	11,297,559.47	2.63%	2.83%	4.97	5.05	152.36	161.83	
181-270 Days Delinquent	1,709	1,847	10,008,023.04	10,486,460.71	2.46%	2.62%	5.00	4.91	159.27	153.29	
271+ Days Delinquent	947	779	6,062,750.86	4,230,294.11	1.49%	1.06%	4.76	4.84	172.44	161.94	
Total Portfolio in Repayment	57,290	56,207	406,145,582.55	399,814,514.98			4.61	4.60	169.26	168.84	

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	14,796	14,603	174,628,082.72	172,843,153.54	28.94%	29.04%	4.56	4.56	194.23	193.37	
Unsubsidized Consolidation Loans	15,919	15,720	228,331,322.43	226,045,113.39	37.84%	37.98%	4.69	4.68	208.18	207.34	
Subsidized Stafford Loans	29,605	28,827	83,828,780.62	81,944,858.26	13.89%	13.77%	4.67	4.66	111.89	112.09	
Unsubsidized Stafford Loans	22,411	21,833	98,091,065.05	96,243,106.94	16.26%	16.17%	4.81	4.81	121.29	121.80	
Grad PLUS Loans	2,411	2,362	18,210,288.13	17,782,333.47	3.02%	2.99%	7.49	7.49	115.97	116.31	
Other Loans	79	78	260,863.12	260,672.27	0.04%	0.04%	3.36	3.36	93.45	93.25	
Total Balance	85,221	83,423	603,350,402.07	595,119,237.87			4.75	4.75	173.80	173.57	

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	52,990	51,895	403,462,999.77	398,242,714.37	66.87%	66.92%	4.68	4.68	173.58	173.39	
2-Year Loans	15,223	14,824	53,446,438.08	52,255,188.46	8.86%	8.78%	4.82	4.81	127.76	127.40	
Proprietary / Technical / Vocational Loans	9,545	9,346	41,754,090.30	41,146,203.34	6.92%	6.91%	4.55	4.55	139.48	139.37	
Unknown (Consolidation) Loans	7,426	7,321	104,273,312.41	103,061,691.34	17.28%	17.32%	5.08	5.08	212.24	211.53	
Other Loans	37	37	413,561.51	413,440.36	0.07%	0.07%	6.30	6.29	117.21	116.84	
Total Portfolio	85,221	83,423	603,350,402.07	595,119,237.87			4.75	4.75	173.80	173.57	

SAP Indices							
	# of Loans		Balance		% of Total		Margin
	Beginning	Ending	Beginning	Ending	Beginning	Ending	
T-Bill Loans	5,068	4,970	18,514,476.51	18,166,030.34	3.06%	3.05%	2.6967
1ML Loans	80,153	78,453	584,835,925.56	576,953,207.53	96.94%	96.95%	2.3521
Other Loans	-	-	-	-	0.00%	0.00%	-
Total Pool Balance	85,221	83,423	603,350,402.07	595,119,237.87			2.3626

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

Distribution Date	9/25/2012
Collection Period	8/31/2012

Collection Activity		8/31/2012
Cash Inflows Available to be Distributed		
Collection Amount Received	7,773,953.46	
Recoveries	-	
Reserve Account		
Excess of Required Reserve Account	41,155.82	
Interest on Investment Earnings		
Capitalized Interest Account (after a stepdown or release date)		
Prefunding Account (after release date)		
Payments from Guarantor	2,598,779.19	
Proceeds from Tender		
Prepayments		
Purchased by Servicers/Sellers		
Prior Month's Allocations or Adjustments		
Investment Income	3,899.53	
All Fees		
Other Amounts Received in Collection	-	
Total Available Funds		\$10,417,788.00

(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	8/31/2012
Indenture Trustee Fees	-
Custodial Fees	-
Paying Agent Fees	-
Registrar Fees	-
Servicing Fees	221,532.98
Administration Fees	98,119.30
Late Fees	
Other Fees	350,234.07
Total Fees	\$ 669,886.35

Cumulative Default Rate	as of 8/31/2012
Current Period's Defaults (\$)	8,703,319.05
Cumulative Defaults (\$)	192,908,479.92
Cumulative Default (% of original pool balance)	NA
Cumulative Default (% of Repayment ending balances)	32.95%
Current period payments (recoveries) from Guarantor (\$)	2,598,779.19
Current period borrower recoveries (\$)	-
Cumulative Recoveries (\$) ^a	198,527,811.10
Cumulative Recovery Rate (%) ^b	102.91%
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	10,417,788.00	
First: Deposits to Department Reserve Fund	849,202.44	9,568,585.56
Second: Trustee Fees due	-	9,568,585.56
Third: Servicing Fee due	221,532.98	9,347,052.58
Fourth: Administration Fees due	98,119.30	9,248,933.28
Fifth: Interest Distribution on Senior Notes or Obligations		
1. 2007 Debt Service Account		
>1/3 of 2007 Bonds Interest Distribution Amount	68,085.42	
>Any 2007 Bonds Interest Remaining unpaid	-	
	<u>68,085.42</u>	9,180,847.86
2. 2012-1 A Interest Distribution Amount	520,333.76	
Total Interest Distribution on Senior Notes or Obligations	<u>520,333.76</u>	8,660,514.10
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)	1,410,666.67	7,249,847.43
Seventh: 2012-1 B Interest Distribution Amount Subject to Class B Interest Cap	45,139.78	7,204,707.65
Eighth: Debt Service Reserve Fund Replenishment	-	7,204,707.65
Ninth: 2007 Bonds Principal Distribution Amount	-	7,204,707.65
Tenth: Payments to Noteholders for 2012 A and 2012 B Notes	7,204,707.65	-
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	-	-	520,333.76	45,139.78	565,473.54
Periodic Interest Paid	-	-	520,333.76	45,139.78	565,473.54
Interest Shortfall	-	-	-	-	-
Interest Carryover Due	-	-	-	-	-
Interest Carryover Paid	-	-	-	-	-
Interest Carryover	-	-	-	-	-
Periodic Principal Distribution Amount	-	-	7,204,707.65	-	7,204,707.65
Periodic Principal Paid	-	-	7,204,707.65	-	7,204,707.65
Excess/(Shortfall)	-	-	-	-	-
Total Distribution Amount	-	-	7,725,041.41	45,139.78	7,770,181.19

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

ASSETS

Cash	\$ 45,607,501.24
Assets Held by Trustee	
Investments	4,119.63
Student Loans Receivable, Net	587,758,540.21
Accrued Interest Receivable	7,998,503.61
Other Receivables	183,400.93
Bond Issue Costs	2,701,111.78
Prepaid and Deferred Expenses	33,751.67
	<hr/>
Total Assets	<u><u>\$ 644,286,929.07</u></u>

LIABILITIES AND NET ASSETS

Notes Payable, Net	\$ 629,149,284.92
Discount on Notes Payable, Net	(6,398,331.76)
Accrued Interest Payable	175,144.41
Other Accounts Payable & Accrued Expenses	866,047.41
Total Liabilities	<hr/> \$ 623,792,144.98
Net Assets	<hr/> \$ 20,494,784.09
Total Liabilities and Net Assets	<hr/> <u><u>\$ 644,286,929.07</u></u>

2003FL Indenture

IV. Transactions for the Time Period

8/1/2012 - 8/31/2012

A. Student Loan Principal Collection Activity

i. Regular Principal Collections	(2,958,759.80)
ii. Principal Collections from Guarantor	(2,521,932.00)
iii. Paydown due to Loan Consolidation	(3,535,096.74)
iv. Principal Collections from Schools	1,417.53
v. Principal Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments	-
vii. Loans transferred out/deconverted (PUT)	(0.00)
viii. Total Principal Collections	(9,014,371.01)

B. Student Loan Non-Cash Principal Activity

i. Principal Realized Losses - Claim Write-Offs	(4,049.58)
ii. Principal Realized Losses - Other	(76,680.68)
iii. Other Adjustments	(2,042.16)
iv. Capitalized Interest	862,546.62
v. Total Non-Cash Principal Activity	779,774.20

C. Student Loan Principal Additions

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

D. Total Student Loan Principal Activity (Aviii + Bv + Cii) (8,234,596.81)

E. Student Loan Interest Activity

i. Regular Interest Collections	(1,138,045.32)
ii. Interest Claims Received from Guarantors	(76,847.19)
iii. Late Fees & Other	(69,490.63)
iv. Interest due to Loan Consolidation	(76,075.26)
v. Interest Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments -	-
vii. Interest Benefit and Special Allowance Payments	366,819.49
viii. Loans transferred out/deconverted	(0.00)
vix. Total Interest Collections	(993,638.91)

F. Student Loan Non-Cash Interest Activity

i. Interest Losses - Claim Write-offs	(49,149.72)
ii. Interest Losses - Other	(51,907.94)
iii. Other Adjustments	(1,805.43)
iv. Capitalized Interest	(862,546.62)
v. Interest Accrual	2,190,813.37
vi. Total Non-Cash Interest Adjustments	1,225,403.66

G. Student Loan Interest Additions

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

H. Total Student Loan Interest Activity (Eix + Fvi + Gii) 231,764.75

I. Defaults Paid this Period (Aii + Eii)	(2,598,779.19)
J. Cumulative Defaults Paid to Date	(198,527,811.10)

K. Interest Expected to be Capitalized

Interest Expected to be Capitalized - Beginning (III - A-ii)	6,400,004.36
Interest Capitalized into Principal During Collection Period (B-iv)	862,546.62
Change in Interest Expected to be Capitalized	(859,114.01)
Interest Expected to be Capitalized - Ending (III - A-ii)	6,403,436.97

2003FL Indenture

V. Cash Receipts for the Time Period	8/1/2012 - 8/31/2012	
A. Principal Collections		
i. Principal Payments Received - Cash	\$	5,479,274.27
ii. Principal Received from Loans Consolidated		3,535,096.74
iii. Total Principal Collections	\$	9,014,371.01
B. Interest Collections		
i. Interest Payments Received - Cash	\$	1,214,892.51
ii. Interest Received from Loans Consolidated		76,075.26
iii. Interest Payments Received(Paid) - Interest Benefit and Special Allowance Payments		(366,819.49)
iv. Late Fees & Other		69,490.63
v. Total Interest Collections	\$	993,638.91
C. Other Reimbursements	\$	-
D. Repurchases/ Reimbursements by Servicer/Seller	\$	-
E. Investment Earnings	\$	3,899.53
F. Total Cash Receipts during Collection Period	\$	10,011,909.45