

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

<b>Issuer</b>	Educational Funding of the South, Inc.
<b>Deal Name</b>	2003FL Indenture
<b>Distribution Date</b>	10/27/2014
<b>Collection Period</b>	9/30/2014
<b>Contact Name</b>	Ken Mann
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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 <sup>a</sup>	% of Securities	Payment Frequency	Maturity
2012FL A	28148WAD5	1.20450%	0.15450%	1.05000%		511,000,000.00	435,623,464.53	466,413.35	575,309.00	435,048,155.53	93.45%	Monthly	3/25/2036
2012FL B	28148WAE3	3.65450%	0.15450%	3.50000%		15,000,000.00	15,000,000.00	48,727.28	-	15,000,000.00	3.22%	Monthly	12/28/2048
2007-1 A-2	28148XAQ4	0.00000%	0.00000%	0.00000%		400,000,000.00	-	-	-	-	0.00%	Quarterly	3/1/2016
2007-1 A-3	28148XAR2	0.58360%	0.23360%	0.35000%		235,000,000.00	30,967,000.00	45,690.26	15,484,000.00	15,483,000.00	3.33%	Quarterly	9/1/2017
<b>Total</b>						<b>1,161,000,000.00</b>	<b>481,590,464.53</b>	<b>560,830.89</b>	<b>16,059,309.00</b>	<b>465,531,155.53</b>	<b>100.00%</b>		

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

**Portfolio Summary**

	Beg Balance	Activity	End Balance
Principal Balance	443,009,416.57	(5,362,347.09)	437,647,069.48
Accrued Interest to be Capitalized	6,416,915.51	(95,422.13)	6,321,493.38
<b>Total Pool Balance</b>	<b>449,426,332.08</b>	<b>(5,457,769.22)</b>	<b>443,968,562.86</b>
Weighted Average Coupon (WAC)	4.78	0.00	4.78
Weighted Average Maturity (WAM)	167.40	(0.39)	167.01
Number of Loans	60,700	(804)	59,896
Number of Borrowers	31,393	(431)	30,962
Average Loan Balance	\$ 7,404.06	8.26	\$ 7,412.32
Average Borrower Indebtedness	\$ 14,316.13	23.01	\$ 14,339.14

**Weighted Average Payments Made**

	% of Pool	W.A. Time until Repayment (months) <sup>(a)</sup> <i>(should include grace period)</i>
In School	0.31%	-25.09
Grace	0.17%	-2.13
Deferment	10.75%	-15.22
Forbearance	17.93%	-3.42
		<b>W.A. Time in Repayment (months)</b>
Repayment	70.45%	102.11
Claims in Progress	0.36%	94.84
Claims Denied	0.04%	88.20
<b>Total Weighted Average</b>		<b>69.98</b>

(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**

	Beg Balance	Activity	End Balance
Reserve Account	4,577,578.30	(30,446.64)	4,547,131.66
Reserve Amt Required	4,547,131.66	(27,288.85)	4,519,842.81
Debt Service 2007-1	15,529,785.79	(10,361,160.36)	5,168,625.43
Capitalized Interest Account	21,308,230.36	-	21,308,230.36
Capitalized Interest Account Required	-	-	-
Collection Fund	7,681,965.16	(530,458.26)	7,151,506.90
Acquisition Account	-	-	-
Interest Account	-	-	-
<b>Total Accounts Balance</b>	<b>49,067,112.97</b>	<b>(10,918,907.47)</b>	<b>38,148,205.50</b>

**Balance Sheet and Parity**

	Beg Balance	Activity	End Balance
<b>Assets</b>			
Pool Balance <sup>a</sup>	452,262,759.81	(5,535,918.59)	446,726,841.22
Capitalized Interest Fund	21,308,230.36	-	21,308,230.36
Debt Service Reserve	4,547,131.66	(27,288.85)	4,519,842.81
Debt Payment Account	20,698,315.69	(10,361,160.36)	10,337,155.33
<b>Total Assets</b>	<b>498,816,437.52</b>	<b>(15,924,367.80)</b>	<b>482,892,069.72</b>
<b>Liabilities</b>			
Note Outstanding Class A	435,623,464.53	(575,309.00)	435,048,155.53
Note Outstanding Class B	15,000,000.00	-	15,000,000.00
Bonds Outstanding 2007-1	30,967,000.00	(15,484,000.00)	15,483,000.00
Accrued Interest 2007-1	45,690.26	(23,100.56)	22,589.70
<b>Total Liabilities</b>	<b>481,636,154.79</b>	<b>(16,082,409.56)</b>	<b>465,553,745.23</b>
Class A Parity %	106.90%		107.18%
Total Parity %, Including Class B	103.57%		103.72%

(a) Pool Balance for parity includes all accrued interest, including any interest to be capitalized.

**CPR (constant pmt rate)**

Current Lifetime	8.71%
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**Servicer Balance**

	Balance	% of Portfolio	# of Loans	Clms Outstanding
PHEAA	443,968,562.86	100.00%	59,896	1,581,470.28
<b>Total Portfolio</b>	<b>443,968,562.86</b>		<b>59,896</b>	<b>1,581,470.28</b>

Portfolio by Loan Status											
	# of Loans		Pool Balance		% of Balance		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
In School	411	346	1,568,214.62	1,371,267.12	0.35%	0.31%	5.75	5.87	120.00	119.69	
Grace	142	194	603,725.57	746,977.06	0.13%	0.17%	5.17	5.00	119.66	117.17	
Repayment											
Current	37,319	37,312	273,579,339.02	273,208,405.09	60.87%	61.54%	4.54	4.56	162.86	161.72	
31-60 Days Delinquent	1,910	1,750	13,847,329.08	11,822,239.61	3.08%	2.66%	4.98	4.89	164.94	166.99	
61-90 Days Delinquent	1,227	1,012	8,294,324.84	6,664,358.79	1.85%	1.50%	5.02	4.90	161.00	162.09	
91-120 Days Delinquent	762	748	4,877,993.89	4,922,196.24	1.09%	1.11%	5.05	5.01	163.44	165.63	
121-180 Days Delinquent	1,124	1,016	7,414,649.93	6,564,218.59	1.65%	1.48%	5.19	5.11	153.09	159.28	
181-270 Days Delinquent	965	1,060	5,847,142.32	6,693,741.33	1.30%	1.51%	5.15	5.15	144.41	148.50	
271+ Days Delinquent	431	398	3,035,083.65	2,901,410.77	0.68%	0.65%	5.38	5.46	157.29	155.20	
Total Repayment	43,738	43,296	316,895,862.73	312,776,570.42	70.51%	70.45%	4.61	4.61	162.29	161.59	
Forbearance	7,855	7,986	77,373,199.93	79,612,251.37	17.22%	17.93%	5.32	5.30	186.66	187.20	
Deferment	7,877	7,524	50,440,232.81	47,706,182.75	11.22%	10.75%	4.93	4.94	172.16	172.17	
Claims in Progress	651	517	2,383,211.63	1,581,470.28	0.53%	0.36%	5.27	5.40	167.06	133.90	
Claims Denied	26	33	161,884.79	173,843.86	0.04%	0.04%	5.01	4.73	128.67	123.21	
<b>Total Portfolio</b>	<b>60,700</b>	<b>59,896</b>	<b>449,426,332.08</b>	<b>443,968,562.86</b>			<b>4.78</b>	<b>4.78</b>	<b>167.40</b>	<b>167.01</b>	

Delinquency Status											
	# of Loans		Pool Balance		% of Balance		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
Current	37,319	37,312	273,579,339.02	273,208,405.09	86.33%	87.35%	4.54	4.56	162.86	161.72	
31-60 Days Delinquent	1,910	1,750	13,847,329.08	11,822,239.61	4.37%	3.78%	4.98	4.89	164.94	166.99	
61-90 Days Delinquent	1,227	1,012	8,294,324.84	6,664,358.79	2.62%	2.13%	5.02	4.90	161.00	162.09	
91-120 Days Delinquent	762	748	4,877,993.89	4,922,196.24	1.54%	1.57%	5.05	5.01	163.44	165.63	
121-180 Days Delinquent	1,124	1,016	7,414,649.93	6,564,218.59	2.34%	2.10%	5.19	5.11	153.09	159.28	
181-270 Days Delinquent	965	1,060	5,847,142.32	6,693,741.33	1.85%	2.14%	5.15	5.15	144.41	148.50	
271+ Days Delinquent	431	398	3,035,083.65	2,901,410.77	0.96%	0.93%	5.38	5.46	157.29	155.20	
<b>Total Portfolio in Repayment</b>	<b>43,738</b>	<b>43,296</b>	<b>316,895,862.73</b>	<b>312,776,570.42</b>			<b>4.61</b>	<b>4.61</b>	<b>162.29</b>	<b>161.59</b>	

Portfolio by Loan Type											
	# of Loans		Pool Balance		% of Balance		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
Subsidized Consolidation Loans	12,214	12,120	136,928,305.39	135,178,528.68	30.47%	30.45%	4.57	4.57	179.92	179.16	
Unsubsidized Consolidation Loans	13,116	13,017	182,964,763.07	181,143,302.08	40.71%	40.80%	4.70	4.70	195.22	194.76	
Subsidized Stafford Loans	19,165	18,825	52,588,437.53	51,721,647.24	11.70%	11.65%	4.75	4.75	107.28	107.08	
Unsubsidized Stafford Loans	14,681	14,439	65,110,448.84	64,261,314.52	14.49%	14.47%	4.91	4.91	120.38	120.17	
Grad PLUS Loans	1,477	1,448	11,664,825.01	11,494,190.92	2.60%	2.59%	7.85	7.87	118.54	119.08	
Other Loans	47	47	169,552.24	169,579.42	0.04%	0.04%	3.29	3.29	98.82	98.35	
<b>Total Balance</b>	<b>60,700</b>	<b>59,896</b>	<b>449,426,332.08</b>	<b>443,968,562.86</b>			<b>4.78</b>	<b>4.78</b>	<b>167.40</b>	<b>167.01</b>	

Portfolio by Program Type											
	# of Loans		Pool Balance		% of Principal		WAC		WARM		
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	
Graduate / 4-Year Loans	37,866	37,336	296,642,159.69	292,741,323.75	66.00%	65.94%	4.68	4.68	165.96	165.46	
2-Year Loans	9,486	9,355	36,347,065.02	36,072,835.12	8.09%	8.13%	4.79	4.80	132.03	132.27	
Proprietary / Technical / Vocational Loans	7,273	7,179	32,662,109.01	32,462,253.50	7.27%	7.31%	4.84	4.86	132.33	133.32	
Unknown (Consolidation) Loans	6,029	5,980	83,463,810.68	82,382,570.85	18.57%	18.56%	5.08	5.08	201.81	201.10	
Other	46	46	311,187.68	309,579.64	0.07%	0.07%	4.38	4.38	133.05	132.53	
<b>Total Portfolio</b>	<b>60,700</b>	<b>59,896</b>	<b>449,426,332.08</b>	<b>443,968,562.86</b>			<b>4.78</b>	<b>4.78</b>	<b>167.40</b>	<b>167.01</b>	

SAP Indices							
	# of Loans		Pool Balance		% of Total		Margin
	Beginning	Ending	Beginning	Ending	Beginning	Ending	
T-Bill Loans	3,122	3,074	11,635,540.99	11,553,883.45	2.59%	2.60%	2.9979
1ML Loans	57,578	56,822	437,790,791.09	432,414,679.41	97.41%	97.40%	2.5323
Other Margin Loans	-	-	-	-	0.00%	0.00%	-
<b>Total Pool Balance</b>	<b>60,700</b>	<b>59,896</b>	<b>449,426,332.08</b>	<b>443,968,562.86</b>			<b>2.5444</b>

**Student Loan Backed Reporting - FFELP  
Monitoring Waterfall and Collections**

Distribution Date	10/27/2014
Collection Period	9/30/2014

Collection Account Activity <sup>a</sup>	
Collection Amount Received	\$ 5,355,698.51
Recoveries	-
Reserve Account	
Excess of Required Reserve Account	27,288.85
Interest on Investment Earnings	2,033.65
Capitalized Interest Account (after a stepdown or release date)	-
Temporary Cost of Issuance Remaining	
Payments from Guarantor	1,766,485.89
Proceeds from Tender	
Paid to Guarantor	-
Purchased by Servicers/Sellers	
Prior Month's Allocations or Adjustments	
Investment Income	
All Fees	
Other Amounts Received in Collection	
<b>Total Available Funds</b>	<b>\$ 7,151,506.90</b>

(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	9/30/2014
Indenture Trustee Fees	-
Servicing Fees	82,202.18
Administration Fees	72,941.18
Consolidation Rebate Fees	278,225.83
Other Fees	-
<b>Total Fees</b>	<b>\$ 433,369.19</b>

Cumulative Default Rate	9/30/2014
Current Period's Defaults (\$)	1,182,831.81
Cumulative Defaults (\$)	257,977,162.37
Cumulative Default (% of original pool balance)	NA
Cumulative Default (% of Repayment ending balances)	58.39%
Current period payments (recoveries) from Guarantor (\$)	1,766,485.89
Current period borrower recoveries (\$)	-
Cumulative Recoveries (\$) <sup>a</sup>	262,696,355.58
Cumulative Recovery Rate (%) <sup>d</sup>	101.83%
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
<b>Total Available Funds</b>		7,151,506.90
<b>First:</b> Deposits to Department Reserve Fund	737,384.01	6,414,122.89
<b>Second:</b> Trustee Fees due	-	6,414,122.89
<b>Third:</b> Servicing Fee due	82,202.18	6,331,920.71
<b>Fourth:</b> Administration Fees due	72,941.18	6,258,979.53
<b>Fifth:</b> Interest Distribution on Senior Notes or Obligations		
1. 2007 Debt Service Amount		
> 1/3 of 2007 Bonds Interest Distribution Amount	7,529.90	
> Any 2007 Bonds Interest Remaining unpaid	-	
	7,529.90	6,251,449.63
2. 2012-1 A Interest Distribution	466,413.35	
Total Interest Distribution on Senior Notes or Obligations	466,413.35	5,785,036.28
<b>Sixth:</b> To the 2007 Debt Service Account 1/3 of Principal or unpaid Principal (if Maturity Date occurs in the next 3 months)	-	5,785,036.28
<b>Seventh:</b> 2012-1 B Interest Distribution Amount Subject to a Class B Interest Cap	48,727.28	5,736,309.00
<b>Eight:</b> Debt Service Fund replenishment	-	5,736,309.00
<b>Ninth:</b> 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	5,161,000.00	575,309.00
<b>Tenth:</b> Payments to Noteholders for 2012 A and 2012 B Notes	575,309.00	-
<b>Eleventh:</b> Class B Carryover Amount	-	-
<b>Twelfth:</b> Release to Issuer	-	-

Principal and Interest Distributions	2012-1 A	2012-1 B	2007-1 A3	TOTAL
Periodic Interest Due	466,413.35	48,727.28	7,529.90	522,670.53
Periodic Interest Paid	466,413.35	48,727.28	7,529.90	522,670.53
Interest Excess/(Shortfall)	-	-	-	-
Interest Carryover Due	-	-	-	-
Interest Carryover Paid	-	-	-	-
Interest Carryover	-	-	-	-
Periodic Principal Distribution Amount	575,309.00	-	5,161,000.00	5,736,309.00
Periodic Principal Paid	575,309.00	-	5,161,000.00	5,736,309.00
Excess/(Shortfall)	-	-	-	-
<b>Total Distribution Amount</b>	<b>1,041,722.35</b>	<b>48,727.28</b>	<b>5,168,529.90</b>	<b>6,258,979.53</b>

**Educational Funding of the South, Inc**  
**2003FL Indenture**  
**Balance Sheet**  
**September 30, 2014**  
**(Unaudited)**

**ASSETS**

Cash	\$	39,523,646.40
Assets Held by Trustee		
Investments		2,033.65
Student Loans Receivable, Net		437,165,657.70
Accrued Interest Receivable		7,717,331.05
Other Receivables		146,024.88
Bond Issue Costs		2,783,878.85
Prepaid and Deferred Expenses		26,903.64
		<hr/>
<b>Total Assets</b>	<b>\$</b>	<b>487,365,476.17</b>
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**LIABILITIES AND NET ASSETS**

Notes Payable, Net	\$	466,106,464.53
Discount on Notes Payable, Net		(5,831,103.76)
Accrued Interest Payable		103,900.89
Other Accounts Payable & Accrued Expenses		433,369.19
		<hr/>
<b>Total Liabilities</b>	<b>\$</b>	<b>460,812,630.85</b>
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<b>Net Assets</b>	<b>\$</b>	<b>26,552,845.32</b>
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<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b>487,365,476.17</b>
		<hr/> <hr/>

## 2003FL Indenture

## IV. Transactions for the Time Period

9-1-2014 - 9-30-2014

## A. Student Loan Principal Collection Activity

i. Regular Principal Collections	(2,352,928.68)
ii. Principal Collections from Guarantor	(1,713,164.40)
iii. Paydown due to Loan Consolidation	(1,993,837.76)
iv. Principal Collections from Schools	1,981.22
v. Principal Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments	-
vii. Loans transferred out/deconverted (PUT)	-
<b>viii. Total Principal Collections</b>	<b>(6,057,949.62)</b>

## B. Student Loan Non-Cash Principal Activity

i. Principal Realized Losses - Claim Write-Offs	(2,736.15)
ii. Principal Realized Losses - Other	(2,461.80)
iii. Other Adjustments	(524.49)
iv. Capitalized Interest	701,324.97
<b>v. Total Non-Cash Principal Activity</b>	<b>695,602.53</b>

## C. Student Loan Principal Additions

i. New Loan Additions \$ -	-
<b>ii. Total Principal Additions \$ -</b>	<b>-</b>

**D. Total Student Loan Principal Activity (Aviii + Bv + Cii)** (5,362,347.09)

## E. Student Loan Interest Activity

i. Regular Interest Collections	(940,008.16)
ii. Interest Claims Received from Guarantors	(53,321.49)
iii. Late Fees & Other	(8,189.61)
iv. Interest due to Loan Consolidation	(55,866.90)
v. Interest Write-Offs Reimbursed to the Trust -	-
vi. Other System Adjustments -	-
vii. Interest Benefit and Special Allowance Payments	466,408.10
viii. Loans transferred out/deconverted	-
<b>vix. Total Interest Collections</b>	<b>(590,978.06)</b>

## F. Student Loan Non-Cash Interest Activity

i. Interest Losses - Claim Write-offs	(31,367.49)
ii. Interest Losses - Other	16,932.53
iii. Other Adjustments b.	(218.31)
iv. Capitalized Interest	(701,324.97)
v. Interest Accrual	1,629,917.24
<b>vi. Total Non-Cash Interest Adjustments</b>	<b>913,939.00</b>

## G. Student Loan Interest Additions

i. New Loan Additions \$ -	-
<b>ii. Total Interest Additions \$ -</b>	<b>-</b>

**H. Total Student Loan Interest Activity (Eviii + Fvi + Gii)** 322,960.94

## I. Defaults Paid this Period (Aii + Eii) (1,766,485.89)

## J. Cumulative Defaults Paid to Date (262,696,355.58)

## K. Interest Expected to be Capitalized

Interest Expected to be Capitalized - Beginning (III - A-ii)	6,416,915.51
Interest Capitalized into Principal During Collection Period (B-iv)	701,324.97
Change in Interest Expected to be Capitalized	796,747.10
Interest Expected to be Capitalized - Ending (III - A-ii)	6,321,493.38

## 2003FL Indenture

		9-1-2014 - 9-30-2014
<b>A. Principal Collections</b>		
i. Principal Payments Received - Cash	\$	4,064,111.86
ii. Principal Received from Loans Consolidated		1,993,837.76
<b>iii. Total Principal Collections</b>	\$	6,057,949.62
<b>B. Interest Collections</b>		
i. Interest Payments Received - Cash	\$	993,329.65
ii. Interest Received from Loans Consolidated		55,866.90
iii. Interest Payments Received(Paid) - Interest Benefit and Special Allowance Payments		(466,408.10)
iv. Late Fees & Other		8,189.61
<b>v. Total Interest Collections</b>	\$	590,978.06
<b>C. Other Reimbursements</b>	\$	-
<b>D. Repurchases/ Reimbursements by Servicer/Seller</b>	\$	-
<b>E. Investment Earnings</b>	\$	2,033.65
<b>F. Total Cash Receipts during Collection Period</b>	\$	6,650,961.33