

## Education Funding Capital Trust-III

### Statements to Noteholders

**May 31, 2008**

(per Section 11.04)

**Payments on each Series of Notes during the month ended:**

May 31, 2008

	Principal	Interest	Carryover Interest
Series A-1	-	-	-
Series A-2	-	-	-
Series A-3	-	-	-
Series A-4	-	339,111.11	-
Series A-5	-	275,146.67	-
Series A-6	-	274,430.14	-
Series A-7	-	284,005.56	-
Series A-8	-	284,005.56	-
Series B-1	-	169,555.56	-
	-	1,626,254.60	-

**Information on Each Series of Notes as of:**

May 31, 2008

	Outstanding Principal	Pool Factor	Effective Interest Rate	Carryover Interest
<b>LIBOR Floaters (3-month LIBOR):</b>				
Series A-1	-	-	0.00000%	N/A
Series A-2	-	-	0.00000%	N/A
Series A-3	203,618,210.41	0.6383016	3.07000%	N/A
<b>Auction Rate Notes (28-day ARS):</b>				
Series A-4	100,000,000.00	1.0000000	3.95100%	2,923.71
Series A-5	83,750,000.00	1.0000000	4.19800%	-
Series A-6	83,750,000.00	1.0000000	4.02900%	-
Series A-7	83,750,000.00	1.0000000	3.95100%	2,481.26
Series A-8	83,750,000.00	1.0000000	3.88300%	195.88
Series B-1	50,000,000.00	1.0000000	4.36000%	105,963.62
	688,618,210.41			111,564.47

**Education Funding Capital Trust-III**  
**Statements to Noteholders**  
**May 31, 2008**  
(per Section 11.04)

Value of the Trust Estate as of:	May 31, 2008
Principal Balance of Financed Student Loans	659,600,269.51
Accrued Interest on Financed Student Loans	6,312,943.76
Cash and Investment Balance	24,001,409.57
Accrued Interest on Cash and Investments	51,504.83
	<u>689,966,127.67</u>
Accrued Interest and Fees with respect to the Notes	<u>2,043,163.92</u>
Pool Balance	<u>659,600,269.51</u>
Parity Percentage	<u>99.90%</u>
Senior Parity Percentage	<u>107.72%</u>

Rollforward of Indenture Funds during month ended:	May 31, 2008				
	Distribution Account	Collection Account	Acquisition Account	Reserve Account	Capitalized Interest Account
Beginning Balance	6,250,542.17	5,514,162.74	(0.00)	6,886,182.10	-
Withdrawals	(2,426,357.62)	(2,579,562.83)	-	(109.02)	-
Deposits	2,585,521.23	7,577,121.95	-	109.02	-
Ending Balance	<u>6,409,705.78</u>	<u>10,511,721.86</u>	<u>(0.00)</u>	<u>6,886,182.10</u>	<u>-</u>

Amounts allocated during month ended:	May 31, 2008
Servicing fees	122,439.30
Administration fee	27,651.34
Auction agent fee	3,772.22
Broker dealer fee	56,583.33
Calculation agent fee	333.33
Trustee fee	<u>210,779.52</u>

Activity on Financed Student Loans during month ended:	May 31, 2008
Recoveries of Principal	<u>3,019,169.19</u>
Recoveries of Interest	<u>1,364,398.14</u>
Acquisitions of Financed Student Loans	<u>-</u>
Sales of Financed Student Loans	<u>-</u>
Initial federal reimbursement claims	<u>1,073,816.69</u>
Rejected federal reimbursement claims	<u>-</u>

**Education Funding Capital Trust-III**  
**Statements to Noteholders**  
**Portfolio Statistics**  
**May 31, 2008**  
(per Section 11.04)

	Number of Borrowers	Outstanding Balance		ABI
		Dollars	Percentage	
<b>Portfolio Breakdown:</b>				
In-School	0	0	0.00%	0
Grace	0	0	0.00%	0
<b>Total Interim</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
Repayment - Current	19,616	455,752,579	69.10%	23,234
Repayment - Delinquent	2,607	71,433,195	10.83%	27,401
Forbearance	1,376	55,304,794	8.38%	40,192
Deferment	2,785	77,109,702	11.69%	27,688
<b>Total Repayment</b>	<b>26,384</b>	<b>659,600,270</b>	<b>100.00%</b>	<b>25,000</b>
<b>Total Portfolio</b>	<b>26,384</b>	<b>659,600,270</b>	<b>100.00%</b>	<b>25,000</b>
<b>Breakdown of Delinquent:</b>				
11 - 30 days	1,152	29,629,697	4.49%	25,720
31 - 60 days	566	15,293,434	2.32%	27,020
61 - 90 days	270	7,777,411	1.18%	28,805
91 - 120 days	163	4,490,585	0.68%	27,550
121 - 150 days	112	3,534,389	0.54%	31,557
151 - 180 days	73	2,276,993	0.35%	31,192
181 - 210 days	75	2,291,447	0.35%	30,553
211 - 240 days	59	1,863,246	0.28%	31,580
241 - 270 days	47	1,544,028	0.23%	32,852
Over 270 days	24	661,725	0.10%	27,572
Claim Filed	66	2,070,240	0.31%	31,367
<b>Total Delinquent</b>	<b>2,607</b>	<b>71,433,195</b>	<b>10.83%</b>	<b>27,401</b>
<b>Loan Type:</b>				
Stafford	0	0	0.00%	0
PLUS	0	0	0.00%	0
Consolidation	26,384	659,600,270	100.00%	25,000
<b>Total</b>	<b>26,384</b>	<b>659,600,270</b>	<b>100.00%</b>	<b>25,000</b>