

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

Payments on each Series of Notes during the month ended:

July 31, 2008

	Principal	Interest	Carryover Interest
Series A-1	-	-	-
Series A-2	-	-	-
Series A-3	-	-	-
Series A-4	-	309,633.33	-
Series A-5	-	515,834.86	-
Series A-6	-	257,168.33	-
Series A-7	-	259,317.92	-
Series A-8	-	259,448.19	-
Series B-1	-	169,555.56	-
	-	1,770,958.19	-

Information on Each Series of Notes as of:

July 31, 2008

	Outstanding Principal	Pool Factor	Effective Interest Rate	Carryover Interest
LIBOR Floaters (3-month LIBOR):				
Series A-1	-	-	0.00000%	N/A
Series A-2	-	-	0.00000%	N/A
Series A-3	195,112,797.28	0.6116389	3.04625%	N/A
Auction Rate Notes (28-day ARS):				
Series A-4	100,000,000.00	1.0000000	3.96000%	2,923.71
Series A-5	83,750,000.00	1.0000000	3.96300%	-
Series A-6	83,750,000.00	1.0000000	3.96100%	-
Series A-7	83,750,000.00	1.0000000	3.96000%	2,481.26
Series A-8	83,750,000.00	1.0000000	3.96100%	195.88
Series B-1	50,000,000.00	1.0000000	4.36000%	242,971.48
	680,112,797.28			248,572.33

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

Value of the Trust Estate as of:	July 31, 2008
Principal Balance of Financed Student Loans	653,782,161.99
Accrued Interest on Financed Student Loans	7,210,986.59
Cash and Investment Balance	20,242,480.46
Accrued Interest on Cash and Investments	35,309.20
	<u>681,270,938.24</u>
Accrued Interest and Fees with respect to the Notes	<u>1,505,833.03</u>
Pool Balance	<u>653,782,161.99</u>
Parity Percentage	<u>99.95%</u>
Senior Parity Percentage	<u>107.88%</u>

Rollforward of Indenture Funds during month ended:	July 31, 2008				
	Distribution Account	Collection Account	Acquisition Account	Reserve Account	Capitalized Interest Account
Beginning Balance	6,553,594.01	2,458,183.96	(0.00)	6,801,127.97	-
Withdrawals	(1,924,517.31)	(2,457,657.27)	-	(89.56)	-
Deposits	2,462,676.03	5,260,263.23	-	89.56	-
Ending Balance	<u>7,091,752.73</u>	<u>5,260,789.92</u>	<u>(0.00)</u>	<u>6,801,127.97</u>	<u>-</u>

Amounts allocated during month ended:	July 31, 2008
Servicing fees	77,762.59
Administration fee	-
Auction agent fee	4,423.61
Broker dealer fee	66,354.16
Calculation agent fee	-
Trustee fee	-
	<u>148,540.36</u>

Activity on Financed Student Loans during month ended:	July 31, 2008
Recoveries of Principal	3,460,176.04
Recoveries of Interest	<u>1,394,487.23</u>
Acquisitions of Financed Student Loans	<u>-</u>
Sales of Financed Student Loans	<u>-</u>
Initial federal reimbursement claims	<u>151,104.21</u>
Rejected federal reimbursement claims	<u>-</u>

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

	Number of Borrowers	Outstanding Balance		ABI
		Dollars	Percentage	
Portfolio Breakdown:				
In-School	0	0	0.00%	0
Grace	0	0	0.00%	0
Total Interim	0	0	0.00%	0
Repayment - Current	19,484	454,096,936	69.46%	23,306
Repayment - Delinquent	2,600	69,112,646	10.57%	26,582
Forbearance	1,364	54,435,855	8.33%	39,909
Deferment	2,790	76,136,725	11.65%	27,289
Total Repayment	26,238	653,782,162	100.00%	24,917
Total Portfolio	26,238	653,782,162	100.00%	24,917
Breakdown of Delinquent:				
11 - 30 days	1,143	29,156,790	4.46%	25,509
31 - 60 days	615	15,610,093	2.39%	25,382
61 - 90 days	261	7,671,102	1.17%	29,391
91 - 120 days	155	4,643,323	0.71%	29,957
121 - 150 days	113	3,282,406	0.50%	29,048
151 - 180 days	86	2,221,533	0.34%	25,832
181 - 210 days	71	2,255,841	0.35%	31,772
211 - 240 days	39	1,105,842	0.17%	28,355
241 - 270 days	39	1,089,795	0.17%	27,943
Over 270 days	26	562,880	0.09%	21,649
Claim Filed	52	1,513,041	0.23%	29,097
Total Delinquent	2,600	69,112,646	10.57%	26,582
Loan Type:				
Stafford	0	0	0.00%	0
PLUS	0	0	0.00%	0
Consolidation	26,238	653,782,162	100.00%	24,917
Total	26,238	653,782,162	100.00%	24,917