

## Education Funding Capital Trust-III

### Statements to Noteholders

**August 31, 2008**

(per Section 11.04)

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

August 31, 2008

	Principal	Interest	Carryover Interest
Series A-1	-	-	-
Series A-2	-	-	-
Series A-3	-	-	-
Series A-4	-	308,000.00	-
Series A-5	-	258,145.42	-
Series A-6	-	258,015.14	-
Series A-7	-	257,950.00	-
Series A-8	-	258,015.14	-
Series B-1	-	169,555.56	-
	-	1,509,681.26	-

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

August 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	195,112,797.28	0.6116389	3.04625%	N/A
<b>Auction Rate Notes (28-day ARS):</b>				
Series A-4	100,000,000.00	1.0000000	3.69400%	2,944.94
Series A-5	83,750,000.00	1.0000000	3.48000%	-
Series A-6	83,750,000.00	1.0000000	3.96100%	-
Series A-7	83,750,000.00	1.0000000	3.96400%	2,499.28
Series A-8	83,750,000.00	1.0000000	3.48000%	15,046.63
Series B-1	50,000,000.00	1.0000000	4.36000%	268,061.74
	680,112,797.28			288,552.58

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

Value of the Trust Estate as of:	August 31, 2008
Principal Balance of Financed Student Loans	651,145,767.35
Accrued Interest on Financed Student Loans	6,413,405.18
Cash and Investment Balance	23,665,410.44
Accrued Interest on Cash and Investments	43,955.03
	<u>681,268,538.00</u>
Accrued Interest and Fees with respect to the Notes	<u>2,152,955.05</u>
Pool Balance	<u>651,145,767.35</u>
Parity Percentage	<u>99.85%</u>
Senior Parity Percentage	<u>107.78%</u>

Rollforward of Indenture Funds during month ended:	August 31, 2008				
	Distribution Account	Collection Account	Acquisition Account	Reserve Account	Capitalized Interest Account
Beginning Balance	7,091,752.73	5,260,789.92	(0.00)	6,801,127.97	-
Withdrawals	(3,077,342.86)	(2,439,356.28)	-	(51.09)	-
Deposits	2,444,363.99	7,267,538.14	-	51.09	-
Ending Balance	<u>6,458,773.86</u>	<u>10,088,971.78</u>	<u>(0.00)</u>	<u>6,801,127.97</u>	<u>-</u>

Amounts allocated during month ended:	August 31, 2008
Servicing fees	267,779.60
Administration fee	54,725.35
Auction agent fee	3,772.22
Broker dealer fee	56,583.33
Calculation agent fee	-
Trustee fee	25,069.36
	<u>407,929.86</u>

Activity on Financed Student Loans during month ended:	August 31, 2008
Recoveries of Principal	3,049,319.55
Recoveries of Interest	1,354,355.71
Acquisitions of Financed Student Loans	-
Sales of Financed Student Loans	-
Initial federal reimbursement claims	534,393.81
Rejected federal reimbursement claims	-

**Education Funding Capital Trust-III**  
**Statements to Noteholders**  
**Portfolio Statistics**  
**August 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	19,323	448,487,917	68.88%	23,210
Repayment - Delinquent	2,725	72,133,010	11.08%	26,471
Forbearance	1,341	53,791,597	8.26%	40,113
Deferment	2,796	76,733,244	11.78%	27,444
<b>Total Repayment</b>	<b>26,185</b>	<b>651,145,767</b>	<b>100.00%</b>	<b>24,867</b>
<b>Total Portfolio</b>	<b>26,185</b>	<b>651,145,767</b>	<b>100.00%</b>	<b>24,867</b>
<b>Breakdown of Delinquent:</b>				
11 - 30 days	1,258	31,707,390	4.87%	25,205
31 - 60 days	601	16,402,353	2.52%	27,292
61 - 90 days	294	7,634,887	1.17%	25,969
91 - 120 days	149	4,277,442	0.66%	28,708
121 - 150 days	111	3,460,990	0.53%	31,180
151 - 180 days	86	2,237,210	0.34%	26,014
181 - 210 days	61	1,693,311	0.26%	27,759
211 - 240 days	53	1,725,712	0.27%	32,561
241 - 270 days	30	946,767	0.15%	31,559
Over 270 days	23	603,253	0.09%	26,228
Claim Filed	59	1,443,695	0.22%	24,469
<b>Total Delinquent</b>	<b>2,725</b>	<b>72,133,010</b>	<b>11.08%</b>	<b>26,471</b>
<b>Loan Type:</b>				
Stafford	0	0	0.00%	0
PLUS	0	0	0.00%	0
Consolidation	26,185	651,145,767	100.00%	24,867
<b>Total</b>	<b>26,185</b>	<b>651,145,767</b>	<b>100.00%</b>	<b>24,867</b>