



**Federated Student Finance Corporation**

**Quarterly Student Loan Report**

**Indenture 2003 Securing the 2010 Notes**

**Reporting Period August 9, 2010 through August 31, 2010**

DEAL PARAMETERS									
Student Loan Portfolio Characteristics									
					8/9/2010	Loans Acquired	Activity		8/31/2010
A-I	Portfolio Balance				\$ 187,130,549.79	\$ -	\$ (1,625,813.04)		\$ 185,504,736.75
A-II	Interest to be Capitalized				-	-	2,317,525.33		2,317,525.33
A-III	Pool Balance				\$ 187,130,549.79	\$ -	\$ 691,712.29		\$ 187,822,262.08
A-IV	Reserve Fund Account Balance				1,899,000.00				1,899,000.00
A-V	Cash & Payments In Transit				5,484,314.11				7,360,659.65
A-VI	Total Adjusted Pool				<u>\$ 194,513,863.90</u>				<u>\$ 197,081,921.73</u>
B-I	Weighted Average Coupon (WAC)								3.26%
B-II	Weighted Average Remaining Term								175.38
B-III	Number of Loans								29,657
B-IV	Number of Borrowers								15,982
Notes	CUSIPS		3 Month LIBOR	Spread	Adjusted Rate	Spread	8/9/2010	8/31/2010	
C-I	2010 A-1	31428NAL2	0.32213%	+ 0.90%	= 1.22213%	3 Month LIBOR + 0.90%	\$ 189,900,000.00	\$ 189,900,000.00	
C-II	2010 C-1	31428NAM0	N/A	+ 0.00%	= 1.75000%	Fixed	14,700,000.00	14,700,000.00	
C-IV	Total Notes Outstanding						\$ 204,600,000.00	\$ 204,600,000.00	
<i>Note: First interest period for the senior notes uses an interpolated rate for the 3 month libor rate</i>									
Reserve Account <sup>1</sup>									
							8/9/2010	8/31/2010	
D	Required Reserve Acct Deposit								
D-I	Reserve Acct Initial Deposit (\$)					\$	1,899,000.00	\$ 1,899,000.00	
D-II	Specified Reserve Acct Balance (\$)						1,899,000.00	1,899,000.00	
D-III	Reserve Account Floor Balance (\$)						500,000.00	500,000.00	
D-IV	Current Reserve Acct Balance (\$)					\$	1,899,000.00	\$ 1,899,000.00	
Parity <sup>1</sup>									
							8/9/2010	8/31/2010	
E-I	Parity						96.50%	96.46%	
E-II	Senior Parity						103.97%	103.92%	

<sup>1</sup> See detail Page 2

<b>II Required Reserves and Parity Calculations</b>							
<b>Required Reserves</b>							
		<b>Outstanding Principal Balance 8/9/2010</b>	<b>Required Reserve %</b>	<b>Required Reserves 8/9/2010</b>	<b>Outstanding Principal Balance 8/31/2010</b>	<b>Required Reserve %</b>	<b>Required Reserves 8/31/2010</b>
A- I	2010 A-1	\$ 189,900,000.00	1.00%	\$ 1,899,000.00	\$ 189,900,000.00	1.00%	\$ 1,899,000.00
A- II	2010 C-1	14,700,000.00	0.00%	-	14,700,000.00	0.00%	-
A- III	Total	\$ 204,600,000.00		\$ 1,899,000.00	\$ 204,600,000.00		\$ 1,899,000.00
B- I	Specified Reserve Account Balance			\$ 1,899,000.00			\$ 1,899,000.00
B- II	Required Reserve Account Floor			500,000.00			500,000.00
B- III	Required Reserve Balance (Greater of B-I or B-II)			1,899,000.00			1,899,000.00
B- IV	Reserve Account Balance			1,899,000.00			1,899,000.00
B- V	Reserve Account funds released during collection period						\$ -

  

<b>Parity Calculations</b>		<b>8/9/2010</b>	<b>8/31/2010</b>
<b>C</b>	<b>Value of the Trust Estate</b>		
C- I	Portfolio Balance	\$ 187,130,549.79	\$ 185,504,736.75
C- II	Accrued Interest on Investments	-	58.49
C- III	Accrued Borrower Interest	2,837,065.85	2,840,258.34
C- IV	Accrued Government Interest and Special Allowance	94,442.39	67,155.01
C- V	Accrued Receivables Related to Outstanding Notes	-	-
C- VI	Less:		
C- VII	Unguaranteed portion in claims	(12,000.00)	(12,622.40)
C- VIII	Cash and Investments	7,383,314.11	8,911,472.48
C- IX	Payments In Transit	-	348,187.17
C- X	Total Trust Estate Value	\$ 197,433,372.14	\$ 197,659,245.84
<b>D</b>	<b>Less:</b>		
D- I	Accrued interest on Outstanding Notes	-	163,995.75
D- II	Accrued fees related to Outstanding Notes	-	143,500.00
<b>E</b>	<b>Net Asset Value</b>	\$ 197,433,372.14	\$ 197,351,750.09

  

<b>Notes Outstanding</b>		<b>8/9/2010</b>	<b>8/31/2010</b>
F- I	Senior Notes	\$ 189,900,000.00	\$ 189,900,000.00
F- II	Subordinate Notes	14,700,000.00	14,700,000.00
F- III	Total Notes	\$ 204,600,000.00	\$ 204,600,000.00

  

<b>Parity</b>		<b>8/9/2010</b>	<b>8/31/2010</b>
G- I	Senior Parity Percentage (E / F-I)	103.97%	103.92%
G- III	Parity Percentage (E / F-III)	96.50%	96.46%

III TRANSACTIONS FROM:		8/9/2010 THROUGH 8/31/2010
A	Student Loan Principal Activity:	
A-I	Regular Principal Collections	\$ 1,020,455.25
A-II	Principal Collections from Guarantor	755,855.82
A-III	Loans Acquired	-
A-IV	Loans Sold	-
A-V	Other System Adjustments	1,250.00
A-VI	Total Cash Principal Activity	\$ 1,777,561.07
B	Student Loan Non-Cash Principal Activity:	
B-I	Capitalized Interest	\$ (194,044.61)
B-II	Other Adjustments	42,296.58
B-III	Total Non-Cash Principal Activity	\$ (151,748.03)
C	<b>Total Student Loan Principal Activity (-)</b>	<b>\$ 1,625,813.04</b>
D	Student Loan Interest Activity:	
D-I	Regular Interest Collections	\$ 226,954.76
D-II	Interest Claims Received from Guarantors	14,804.59
D-III	Interest Purchased	-
D-IV	Interest Sold	-
D-V	Other System Adjustments	-
D-VI	Special Allowance Payments Receipts (Rebates)	-
D-VII	Government Interest Subsidy Payments	-
D-VIII	Total Cash Interest Activity	\$ 241,759.35
E	Student Loan Non-Cash Interest Activity:	
E-I	Capitalized Interest	\$ 194,534.50
E-II	Interest Accrual Adjustment	(5,275.24)
E-III	Total Non-Cash Interest Adjustments	\$ 189,259.26
F	<b>Total Student Loan Interest Activity (-)</b>	<b>\$ 431,018.61</b>

IV AVAILABLE FUNDS		8/31/2010
G	Other Collections & Reserve Releases	
G-I	Late Fees	\$ 3,551.73
G-II	Investment Income	44.72
G-III	Recovery of Bad Debt	-
G-IV	Reserve Account	-
G-V	Total Other Collections & Reserve Releases	\$ 3,596.45
H	Total Funds Received (A-VI + D-VIII + G-IV)	\$ 2,022,916.87
I	Less Funds Previously Remitted/Set Aside for Monthly Waterfall:	
I-I	DOE Rebate and Lender Fees	\$ 96,344.93
I-II	Subservicing Fees	43,788.90
I-III	Trustee Fees	6,437.50
I-IV	Master Servicing Fees	-
I-V	Other Payments	-
I-VI	Total	\$ 146,571.33
J	<b>Total Available Funds (H - I-V)</b>	<b>\$ 1,876,345.54</b>

Waterfall, Cash, and Note Information							
<b>V Quarterly Waterfall for Quarterly Distributions</b>							
<b>8/31/2010</b>							
A	Total available funds			\$	1,876,345.54	\$	1,876,345.54
A-I	Undesignated Distribution Account funds				5,484,314.11		7,360,659.65
B	Noteholders Interest Distribution Amount						
B-I	2010 A1				315,890.05		7,044,769.60
C	Noteholders Principal Distribution Amount						
C-I	2010 A1				7,044,000.00		769.60
E	Undesignated Distribution Account funds				769.60		-
<b>VI Account Balance Rollforward</b>							
<b>8/9/2010</b> <span style="float: right;"><b>8/31/2010</b></span>							
	Account	Beginning Balance	Deposits	Withdrawals	Ending Balance		
F-I	Collection Account	\$ 5,484,314.11	\$ 2,219,317.12	\$ 691,158.75	\$ 7,012,472.48		
F-II	Distribution Account	-	-	-	-		
F-III	Reserve Account	1,899,000.00	-	-	1,899,000.00		
F-IV	Total	\$ 7,383,314.11			\$ 8,911,472.48		
<b>VII Rollforward of Undesignated Distribution Account Funds</b>							
<b>8/31/2010</b>							
G-I	Beginning Balance *				\$	5,484,314.11	
G-III	Additions					-	
G-III	Withdrawals					(5,483,544.51)	
G-IV	Ending Balance **					<u>769.60</u>	
* Beginning Balance is made up of cash on hand at 8-9-2010							
** Principal is called in \$1,000 increments							
<b>VIII Note Balances</b>							
<b>8/9/2010</b> <span style="float: right;"><b>9/27/2010</b></span>							
	Security Description	CUSIP	Original Issue Amt	Note Balance	Note Pool Factor	Note Balance	Note Pool Factor
H-I	2010 A-1	31428NAL2	\$ 189,900,000.00	\$ 189,900,000.00	1.0000000	\$ 182,856,000.00	0.9629068
H-II	2010 C-1	31428NAM0	14,700,000.00	14,700,000.00	1.0000000	14,700,000.00	1.0000000
H-III	Total		\$ 204,600,000.00	\$ 204,600,000.00		\$ 197,556,000.00	
<b>IX Total Note Factor</b>							
<b>8/9/2010</b> <span style="float: right;"><b>9/27/2010</b></span>							
I-I	Original Issue Amount		\$	204,600,000.00		\$	204,600,000.00
I-II	Outstanding Note Balance			204,600,000.00			197,556,000.00
I-III	Total Note Pool Factor			1.0000000			0.9655718
<b>X Subordiante Interest Shortfall</b>							
<b>9/27/2010</b>							
		Outstanding amount	Days in Period	Interest Rate			
J-I	Outstanding balance at beginning of period				\$	-	
J-II	Accrued interest on outstanding interest shortfall	\$ -	-	1.750%		-	
J-III	Curent period subordinate interest	14,700,000.00	46	1.750%		32,870.83	
J-IV	Outstanding balance at end of period				\$	32,870.83	
Note: Subordinate debt is based on 30/360 calculated through the 24th day prior to each distribution date							

<b>XI Historical Pool Information</b>		<b>8/9/2010 - 8/31/2010</b>	
<b>A</b>	<b>Beginning Student Loan Portfolio Balance</b>	<b>\$</b>	<b>187,130,549.79</b>
<b>B</b>	<b>Student Loan Principal Activity:</b>		
B-I	Regular Principal Collections	\$	1,020,455.25
B-II	Principal Collections from Guarantor		755,855.82
B-III	Loans Acquired		-
B-IV	Loans Sold		-
B-V	Other System Adjustments		1,250.00
B-VI	<b>Total Principal Collections</b>	<b>\$</b>	<b>1,777,561.07</b>
<b>C</b>	<b>Student Loan Non-Cash Principal Activity:</b>		
C-I	Capitalized Interest	\$	(194,044.61)
C-II	Other Adjustments		42,296.58
C-III	<b>Total Non-Cash Principal Activity</b>	<b>\$</b>	<b>(151,748.03)</b>
<b>D</b>	<b>Total Student Loan Principal Activity (-)</b>	<b>\$</b>	<b>1,625,813.04</b>
<b>E</b>	<b>Student Loan Interest Activity:</b>		
E-I	Regular Interest Collections	\$	226,954.76
E-II	Interest Claims Received from Guarantors		14,804.59
E-III	Interest Purchased		-
E-IV	Interest Sold		-
E-V	Other System Adjustments		-
E-VI	Special Allowance Payments		-
E-VII	Subsidy Payments		-
E-VIII	<b>Total Interest Collections</b>	<b>\$</b>	<b>241,759.35</b>
<b>F</b>	<b>Student Loan Non-Cash Interest Activity:</b>		
F-I	Capitalized Interest	\$	194,534.50
F-II	Interest Accrual Adjustment		(5,275.24)
F-III	<b>Total Non-Cash Interest Adjustments</b>	<b>\$</b>	<b>189,259.26</b>
<b>G</b>	<b>Total Student Loan Interest Activity</b>	<b>\$</b>	<b>431,018.61</b>
<b>H</b>	<b>(=) Ending Student Loan Portfolio Balance (A - D)</b>	<b>\$</b>	<b>185,504,736.75</b>
<b>I</b>	<b>(+) Interest to be Capitalized</b>		<b>2,317,525.33</b>
<b>J</b>	<b>TOTAL POOL (=)</b>	<b>\$</b>	<b>187,822,262.08</b>
<b>K</b>	<b>Cash Available for Distributions &amp; Payments in Transit</b>	<b>\$</b>	<b>7,360,659.65</b>
<b>L</b>	<b>Reserve Account Balance</b>		<b>1,899,000.00</b>
<b>M</b>	<b>Total Adjusted Pool (=)</b>	<b>\$</b>	<b>197,081,921.73</b>

**XII Total Student Loan Portfolio Characteristics** **8/31/2010**

Status	Title IV Loans		
	\$	%	#
In School	\$ 7,481,345	4.03%	2,308
Grace	3,714,243	2.00%	1,088
Repay/Current	95,701,494	51.59%	13,301
Delinquent:			
31-60 Days	5,517,306	2.97%	1,061
61-90 Days	3,690,029	1.99%	605
91-120 Days	2,402,270	1.29%	375
> 120 Days	6,305,317	3.40%	1,300
Total Delinquent	17,914,922	9.66%	3,341
Deferment	31,606,247	17.04%	5,777
Forbearance	28,455,366	15.34%	3,707
Claims/Other	631,120	0.34%	135
<b>Totals</b>	<b>\$ 185,504,737</b>	<b>100.00%</b>	<b>29,657</b>

**XIII Statistical Analysis of Student Loans** **Period Ending 8-31-2010**

The following amounts include Principal + Capitalized Interest at the end of the reporting period

Program Type	School Type						Total	ABI
	4 Year	4 Year Other	2 Year	2 Year Other	Proprietary	Consolidation		
Guaranteed								
Subsidized	\$ 44,672,400	\$ 733,467	\$ 1,299,830	\$ 368,934	\$ 942,092	\$ -	\$ 48,016,723	\$ 4,833
Unsubsidized	22,805,998	355,140	1,357,907	28,447	293,744	-	24,841,236	7,192
PLUS	4,355,562	21,279	158,156	18,341	53,542	-	4,606,880	7,244
Consolidated	-	-	-	-	-	108,039,898	108,039,898	22,574
<b>Total Title IV</b>	<b>71,833,960</b>	<b>1,109,886</b>	<b>2,815,893</b>	<b>415,722</b>	<b>1,289,378</b>	<b>108,039,898</b>	<b>185,504,737</b>	<b>11,607</b>

\* 4 Year Other and 2 Year other are schools classified by the Dept of Ed as Proprietary but are degree-granting institutions with a Cohort Default Rate of 8% or less, i.e. Univ. of Phoenix.

Guarantor	\$	%
PHEAA	\$ 138,090,011	#DIV/0!
USAF	21,545,939	#DIV/0!
GLHEC	17,691,024	#DIV/0!
Other	8,177,763	#DIV/0!
<b>Total Title IV</b>	<b>185,504,737</b>	<b>#DIV/0!</b>

Guarantees	%
Title IV	97/98%
HHS (Heal)	98.00%
TERI	100.00%
TuitionGard	95.00%

XIV		Claims Filed Status		Reporting Period 8/9/2010 through 8/31/2010													
The amounts below are based on Principal plus Capitalized Interest.																	
			<i>In Claims Status at End of Period</i>		<i>Paid during reporting period</i>		<i>Rejected During Reporting Period</i>		<i>Pending Rejected Status at end of Period</i>								
A	<b>Claims (\$)</b>																
A-I	FFELP Loans		\$ 631,120		\$ 1,454,632		\$ 2,619		\$ 1,885								
A-II	Totals		\$ 631,120		\$ 1,454,632		\$ 2,619		\$ 1,885								
The amounts below are based upon the cumulative claims filed and uninsured put into collections since date of issue from the Static Loan Pool as explained below.*																	
		Student Loan Portfolio				Claims Rejected											
B	Status	Static*	Cum Claim Paid		Total Rejected		Total Cured		Recoursed		Write Off		Recoveries		Pending		Total
B-I	Loan Type:	\$	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	%
B-II	Title IV (FFELP)	\$ 436,629,879	\$ 34,591,224	7.92%	\$ 135,103	0.03%	\$ 66,462	49.19%	\$ 66,681	49.36%	\$ 76	0.06%	\$ -	0.00%	\$ 1,884	1.39%	100.00%

\*The Static Loan Pool is considered to be the Original Loan Portfolio increased by Acquisitions and Consolidations Added. It is reduced by Cancellations, Refunds, Sales and Recourses to other parties. The Static Loan Pool is not reduced by student loans paid off or claim payments. The Static Loan Pool is not increased by capitalized interest.