



**Federated Student Finance Corporation**

**Quarterly Student Loan Report**

**Indenture 2003 Securing the 2010 Notes**

**Reporting Period March 1, 2011 through May 31, 2011**

DEAL PARAMETERS									
Student Loan Portfolio Characteristics									
					2/28/2011	Loans Acquired	Activity		5/31/2011
A-I	Portfolio Balance				\$ 175,924,620.06	\$ 326,985.13	\$ (5,981,839.47)		\$ 170,269,765.72
A-II	Interest to be Capitalized				1,965,624.26	-	21,555.38		1,987,179.64
A-III	Pool Balance				\$ 177,890,244.32	\$ 326,985.13	\$ (5,960,284.09)		\$ 172,256,945.36
A-IV	Reserve Fund Account Balance				1,828,560.00				1,723,410.00
A-V	Cash & Payments In Transit				5,629,122.38				6,445,676.74
A-VI	Total Adjusted Pool				\$ 185,347,926.70				\$ 180,426,032.10
B-I	Weighted Average Coupon (WAC)				3.26%				3.26%
B-II	Weighted Average Remaining Term				175.17				174.28
B-III	Number of Loans				28,237				27,413
B-IV	Number of Borrowers				15,176				14,722
Notes	CUSIPS		3 Month LIBOR	Spread	Adjusted Rate	Spread	2/28/2011	5/31/2011	
C-I	2010 A-1	31428NAL2	0.30800%	+ 0.90%	= 1.20800%	3 Month LIBOR + 0.90%	\$ 177,448,000.00	\$ 172,341,000.00	
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						\$ 192,148,000.00	\$ 187,041,000.00	
<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>									
						2/28/2011	5/31/2011		
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 (\$)					1,828,560.00	1,723,410.00		
D-III	Reserve Account Floor Balance (\$)					500,000.00	500,000.00		
D-IV	Current Reserve Acct Balance (\$)					\$ 1,828,560.00	\$ 1,723,410.00		
Parity <sup>1</sup>									
						2/28/2011	5/31/2011		
E-I	Parity					96.40%	96.34%		
E-II	Senior Parity					104.38%	104.56%		

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

<b>II Required Reserves and Parity Calculations</b>							
<b>Required Reserves</b>							
		<b>Outstanding Principal Balance 2/28/2011</b>	<b>Required Reserve %</b>	<b>Required Reserves 2/28/2011</b>	<b>Outstanding Principal Balance 5/31/2011</b>	<b>Required Reserve %</b>	<b>Required Reserves 5/31/2011</b>
A- I	2010 A-1	\$ 177,448,000.00	1.00%	\$ 1,774,480.00	\$ 172,341,000.00	1.00%	\$ 1,723,410.00
A- II	2010 C-1	14,700,000.00	0.00%	-	14,700,000.00	0.00%	-
A- III	Total	\$ 192,148,000.00		\$ 1,774,480.00	\$ 187,041,000.00		\$ 1,723,410.00
B- I	Specified Reserve Account Balance			\$ 1,774,480.00			\$ 1,723,410.00
B- II	Required Reserve Account Floor			500,000.00			500,000.00
B- III	Required Reserve Balance (Greater of B-I or B-II)			1,774,480.00			1,723,410.00
B- IV	Reserve Account Balance			1,828,560.00			1,723,410.00
B- V	Reserve Account funds released during collection period						\$ 105,150.00
<b>Parity Calculations</b>							
		<b>2/28/2011</b>		<b>5/31/2011</b>			
C	<b>Value of the Trust Estate</b>						
C- I	Portfolio Balance		\$ 175,924,620.06		\$ 170,269,765.72		
C- II	Accrued Interest on Investments		48.53		61.37		
C- III	Accrued Borrower Interest		2,483,686.69		2,481,767.38		
C- IV	Accrued Government Interest and Special Allowance		32,567.71		31,365.66		
C- V	Accrued Receivables Related to Outstanding Notes		-		-		
C- VI	Less:						
C- VII	Unguaranteed portion in claims		(9,346.92)		(8,578.00)		
C- VIII	Cash and Investments		7,138,523.66		7,973,567.88		
C- IX	Payments In Transit		319,158.72		195,518.86		
C- X	Total Trust Estate Value		\$ 185,889,258.45		\$ 180,943,468.87		
D	Less:						
D- I	Accrued interest on Outstanding Notes		524,244.08		602,991.77		
D- II	Accrued fees related to Outstanding Notes		143,500.00		143,500.00		
E	<b>Net Asset Value</b>		\$ 185,221,514.37		\$ 180,196,977.10		
<b>Notes Outstanding</b>							
		<b>2/28/2011</b>		<b>5/31/2011</b>			
F- I	Senior Notes		\$ 177,448,000.00		\$ 172,341,000.00		
F- II	Subordinate Notes		14,700,000.00		14,700,000.00		
F- III	Total Notes		\$ 192,148,000.00		\$ 187,041,000.00		
<b>Parity</b>							
		<b>2/28/2011</b>		<b>5/31/2011</b>			
G- I	Senior Parity Percentage (E / F-I)		104.38%		104.56%		
G- III	Parity Percentage (E / F-III)		96.40%		96.34%		

III TRANSACTIONS FROM:		3/1/2011 THROUGH 5/31/2011
A	Student Loan Principal Activity:	
A-I	Regular Principal Collections	\$ 4,479,476.13
A-II	Principal Collections from Guarantor	1,885,004.61
A-III	Loans Acquired	(326,985.13)
A-IV	Loans Sold	-
A-V	Other System Adjustments	675.00
A-VI	Total Cash Principal Activity	\$ 6,038,170.61
B	Student Loan Non-Cash Principal Activity:	
B-I	Capitalized Interest	\$ (383,497.60)
B-II	Other Adjustments	181.33
B-III	Total Non-Cash Principal Activity	\$ (383,316.27)
C	<b>Total Student Loan Principal Activity (-)</b>	<b>\$ 5,654,854.34</b>
D	Student Loan Interest Activity:	
D-I	Regular Interest Collections	\$ 762,538.68
D-II	Interest Claims Received from Guarantors	25,355.80
D-III	Interest Purchased	(1,220.82)
D-IV	Interest Sold	-
D-V	Other System Adjustments	-
D-VI	Special Allowance Payments Receipts (Rebates)	(171,462.89)
D-VII	Government Interest Subsidy Payments	180,108.61
D-VIII	Total Cash Interest Activity	\$ 795,319.38
E	Student Loan Non-Cash Interest Activity:	
E-I	Capitalized Interest	\$ 384,628.04
E-II	Interest Accrual Adjustment	4,558.67
E-III	Total Non-Cash Interest Adjustments	\$ 389,186.71
F	<b>Total Student Loan Interest Activity (-)</b>	<b>\$ 1,184,506.09</b>

IV AVAILABLE FUNDS		5/31/2011
G	Other Collections & Reserve Releases	
G-I	Late Fees	\$ 14,064.44
G-II	Investment Income	147.18
G-III	Recoveries	410.00
G-IV	Reserve Account	105,150.00
G-V	Total Other Collections & Reserve Releases	\$ 119,771.62
H	Total Funds Received (A-VI + D-VIII + G-IV)	\$ 6,953,261.61
I	Less Funds Previously Remitted/Set Aside for Monthly Waterfall:	
I-I	DOE Rebate and Lender Fees	\$ 272,911.69
I-II	Subservicing Fees	131,556.73
I-III	Trustee Fees	5,845.03
I-IV	Master Servicing Fees	70,687.00
I-V	Other Payments	-
I-VI	Total	\$ 481,000.45
J	<b>Total Available Funds (H - I-V)</b>	<b>\$ 6,472,261.16</b>

Waterfall, Cash, and Note Information							
<b>V Quarterly Waterfall for Quarterly Distributions 5/31/2011</b>							
A	Total available funds			\$	6,472,261.16	\$	6,472,261.16
A-I	Undesignated Distribution Account funds				389.38		6,472,650.54
B	Noteholders Interest Distribution Amount						
B-I	2010 A1				543,601.81		5,929,048.73
C	Noteholders Principal Distribution Amount						
C-I	2010 A1				5,929,000.00		48.73
E	Undesignated Distribution Account funds				48.73		-
<b>VI Account Balance Rollforward 2/28/2011 5/31/2011</b>							
	Account	Beginning Balance	Deposits	Withdrawals	Ending Balance		
F-I	Collection Account	\$ 5,158,341.27	\$ 8,189,211.75	\$ 7,200,606.67	\$ 6,146,946.35		
F-II	Distribution Account	151,622.39	432,593.07	481,003.93	103,211.53		
F-III	Reserve Account	1,828,560.00	43.36	105,193.36	1,723,410.00		
F-IV	Total	\$ 7,138,523.66			\$ 7,973,567.88		
<b>VII Rollforward of Undesignated Distribution Account Funds 5/31/2011</b>							
G-I	Beginning Balance				\$	389.38	
G-III	Additions					-	
G-III	Withdrawals					(340.65)	
G-IV	Ending Balance *				\$	48.73	
<i>* Principal is called in \$1,000 increments</i>							
<b>VIII Note Balances 3/25/2011 6/27/2011</b>							
	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	\$ 172,341,000.00	0.9075355	\$ 166,412,000.00	0.8763138
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	\$ 187,041,000.00		\$ 181,112,000.00	
<b>IX Total Note Factor 3/25/2011 6/27/2011</b>							
I-I	Original Issue Amount		\$	204,600,000.00		\$	204,600,000.00
I-II	Outstanding Note Balance			187,041,000.00			181,112,000.00
I-III	Total Note Pool Factor			0.9141789			0.8852004
<b>X Subordiante Interest Shortfall 6/27/2011</b>							
		Outstanding amount	Days in Period	Interest Rate			
J-I	Outstanding balance at beginning of period				\$	162,065.45	
J-II	Accrued interest on outstanding interest shortfall	\$ 162,065.45	90	1.750%	709.04		
J-III	Curent period subordinate interest	14,700,000.00	90	1.750%	64,312.50		
J-IV	Outstanding balance at end of period				\$	227,086.99	
<i>Note: Subordinate debt is based on 30/360 calculated through the 24th day prior to each distribution date</i>							

<b>XI Historical Pool Information</b>		<b>8/9/2010 - 8/31/2010</b>	<b>9/1/2010 - 11/30/2010</b>	<b>12/1/2010 - 2/28/2011</b>	<b>3/1/2011 - 5/31/2011</b>
<b>A</b>	<b>Beginning Student Loan Portfolio Balance</b>	<b>\$ 187,130,549.79</b>	<b>\$ 185,504,736.75</b>	<b>\$ 180,659,544.50</b>	<b>\$ 175,924,620.06</b>
<b>B</b>	<b>Student Loan Principal Activity:</b>				
B-I	Regular Principal Collections	\$ 1,020,455.25	\$ 3,421,619.48	\$ 3,908,680.66	\$ 4,479,476.13
B-II	Principal Collections from Guarantor	755,855.82	2,239,440.82	1,498,020.19	1,885,004.61
B-III	Loans Acquired	-	(112,532.14)	(164,754.38)	(326,985.13)
B-IV	Loans Sold	-	1,750.00	50,367.05	-
B-V	Other System Adjustments	1,250.00	-	-	675.00
B-VI	<b>Total Principal Collections</b>	<b>\$ 1,777,561.07</b>	<b>\$ 5,550,278.16</b>	<b>\$ 5,292,313.52</b>	<b>\$ 6,038,170.61</b>
<b>C</b>	<b>Student Loan Non-Cash Principal Activity:</b>				
C-I	Capitalized Interest	\$ (194,044.61)	\$ (687,370.21)	\$ (568,258.30)	\$ (383,497.60)
C-II	Other Adjustments	42,296.58	(17,715.70)	10,869.22	181.33
C-III	<b>Total Non-Cash Principal Activity</b>	<b>\$ (151,748.03)</b>	<b>\$ (705,085.91)</b>	<b>\$ (557,389.08)</b>	<b>\$ (383,316.27)</b>
<b>D</b>	<b>Total Student Loan Principal Activity (-)</b>	<b>\$ 1,625,813.04</b>	<b>\$ 4,845,192.25</b>	<b>\$ 4,734,924.44</b>	<b>\$ 5,654,854.34</b>
<b>E</b>	<b>Student Loan Interest Activity:</b>				
E-I	Regular Interest Collections	\$ 226,954.76	\$ 756,560.16	\$ 770,350.12	\$ 762,538.68
E-II	Interest Claims Received from Guarantors	14,804.59	29,873.43	22,177.14	25,355.80
E-III	Interest Purchased	-	-	(233.91)	(1,220.82)
E-IV	Interest Sold	-	537.86	1,296.38	-
E-V	Other System Adjustments	-	-	-	-
E-VI	Special Allowance Payments	-	(165,288.47)	(173,017.87)	(171,462.89)
E-VII	Subsidy Payments	-	199,278.47	186,541.12	180,108.61
E-VIII	<b>Total Interest Collections</b>	<b>\$ 241,759.35</b>	<b>\$ 820,961.45</b>	<b>\$ 807,112.98</b>	<b>\$ 795,319.38</b>
<b>F</b>	<b>Student Loan Non-Cash Interest Activity:</b>				
F-I	Capitalized Interest	\$ 194,534.50	\$ 688,789.85	\$ 569,921.58	\$ 384,628.04
F-II	Interest Accrual Adjustment	(5,275.24)	(25,286.13)	(23,053.56)	4,558.67
F-III	<b>Total Non-Cash Interest Adjustments</b>	<b>\$ 189,259.26</b>	<b>\$ 663,503.72</b>	<b>\$ 546,868.02</b>	<b>\$ 389,186.71</b>
<b>G</b>	<b>Total Student Loan Interest Activity</b>	<b>\$ 431,018.61</b>	<b>\$ 1,484,465.17</b>	<b>\$ 1,353,981.00</b>	<b>\$ 1,184,506.09</b>
<b>H</b>	<b>(=) Ending Student Loan Portfolio Balance (A - D)</b>	<b>\$ 185,504,736.75</b>	<b>\$ 180,659,544.50</b>	<b>\$ 175,924,620.06</b>	<b>\$ 170,269,765.72</b>
<b>I</b>	<b>(+) Interest to be Capitalized</b>	<b>2,317,525.33</b>	<b>2,115,741.92</b>	<b>1,965,624.26</b>	<b>1,987,179.64</b>
<b>J</b>	<b>TOTAL POOL (=)</b>	<b>\$ 187,822,262.08</b>	<b>\$ 182,775,286.42</b>	<b>\$ 177,890,244.32</b>	<b>\$ 172,256,945.36</b>
<b>K</b>	<b>Cash Available for Distributions &amp; Payments in Transit</b>	<b>\$ 7,360,659.65</b>	<b>\$ 5,958,696.54</b>	<b>\$ 5,629,122.38</b>	<b>\$ 6,445,676.74</b>
<b>L</b>	<b>Reserve Account Balance</b>	<b>1,899,000.00</b>	<b>1,828,614.86</b>	<b>1,828,560.00</b>	<b>1,723,410.00</b>
<b>M</b>	<b>Total Adjusted Pool (=)</b>	<b>\$ 197,081,921.73</b>	<b>\$ 190,562,597.82</b>	<b>\$ 185,347,926.70</b>	<b>\$ 180,426,032.10</b>

**XII Total Student Loan Portfolio Characteristics** **5/31/2011**

Status	Title IV Loans		
	\$	%	#
In School	\$ 4,288,853	2.52%	1,335
Grace	2,799,957	1.64%	866
Repay/Current	92,877,078	54.55%	13,147
Delinquent:			
31-60 Days	5,469,725	3.21%	951
61-90 Days	2,765,446	1.62%	578
91-120 Days	1,907,694	1.12%	394
> 120 Days	6,563,341	3.85%	1,463
Total Delinquent	16,706,206	9.81%	3,386
Deferment	28,780,471	16.90%	5,395
Forbearance	24,388,301	14.32%	3,184
Claims/Other	428,900	0.25%	100
<b>Totals</b>	<b>\$ 170,269,766</b>	<b>100.00%</b>	<b>27,413</b>

**XIII Statistical Analysis of Student Loans** **5/31/2011**

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	\$ 39,547,407	\$ 658,739	\$ 1,242,214	\$ 313,019	\$ 851,547	\$ -	\$ 42,612,926	\$ 4,728
Unsubsidized	21,041,022	321,702	1,264,939	19,947	266,480	-	22,914,090	7,147
PLUS	3,676,365	4,458	9,103	2,617	29,359	-	3,721,902	6,384
Consolidated	-	-	-	-	-	101,020,848	101,020,848	22,207
<b>Total Title IV</b>	<b>64,264,794</b>	<b>984,899</b>	<b>2,516,256</b>	<b>335,583</b>	<b>1,147,386</b>	<b>101,020,848</b>	<b>170,269,766</b>	<b>10,769</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	\$ 126,165,503	74.10%
USAF	20,514,650	12.05%
GLHEC	16,126,704	9.47%
Other	7,462,909	4.38%
<b>Total Title IV</b>	<b>170,269,766</b>	<b>100.00%</b>

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

XIV		Claims Filed Status		Reporting Period 3/1/2011 through 5/31/2011													
<p>The amounts below are based on Principal plus Capitalized Interest.</p>																	
			<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		\$ 428,900		\$ 1,306,452		\$ 6,885		\$ 1,461								
A-II	Totals		\$ 428,900		\$ 1,306,452		\$ 6,885		\$ 1,461								
<p>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.*</p>																	
		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)	\$ 437,187,556	\$ 40,095,313	9.17%	\$ 160,487	0.04%	\$ 90,519	56.40%	\$ 68,431	42.64%	\$ 76	0.05%	\$ -	0.00%	\$ 1,461	0.91%	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.