



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE
COMMISSION
WASHINGTON, D.C. 20549

Mail Stop 3720

September 25, 2007

Mr. Brad Bernstein
President
Anchor Funding Services, Inc.
2201-E Crownpoint Executive Drive
Charlotte, North Carolina 28227

**Re: Anchor Funding Services, Inc.
Registration Statement on Form 10-SB/A
Quarterly Report on Form 10Q-SB for the period ended June 30, 2007
File No. 0-52589**

Dear Mr. Bernstein:

We have reviewed your responses dated September 21, 2007 and have the following comments. Where indicated, we think you should revise your document in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with supplemental information so we may better understand your disclosure. After reviewing this information, we may or may not raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Supplemental response to Form 10-SB Amendment No. 2

Note 2. Summary of Significant Accounting Policies

Revenue Recognition, page F-6

1. We note your response to prior comment 2. We understand that you determine your yield for new customers based on the yield that you targeted to price the account. Please tell us in detail how you determine this yield. Tell us how you adjust for the difference between your actual yield and your estimated yield for all customers. Tell us how you revise your estimated yields to consider historical experience for purposes of accruing your fees.
2. We note your response to prior comment 3. Please tell what the column Account Debtor represents in Exhibit 1. Tell us why you continued to use the same yield percentage, 40.57%, for the purpose of estimating your fees when you had more current information. If this customer represents 24.8% of your accounts receivable balance at March 31, 2007, tell us why your fees per the Exhibit do not represent a corresponding percentage of your fees for the quarter.

As appropriate, please amend your registration statement in response to these comments. You may wish to provide us with marked copies of the amendment to expedite our review. Please furnish a cover letter with your amendment that keys your responses to our comments and provides any requested supplemental information. Detailed cover letters greatly facilitate our review. Please understand that we may have additional comments after reviewing your amendment and responses to our comments.

You may contact Sharon Virga, Accountant, at (202) 551-3385 or Dean Suehiro, Accountant, at (202) 551-3384 if you have questions regarding comments on the financial statements and related matters. Please contact Paul Fischer, Staff Attorney, at (202) 551-3415, Kathleen Krebs, Special Counsel, at (202) 551-3350, or me at (202) 551-3810 with any other questions.

Sincerely,

/s/Michele M. Anderson
Legal Branch Chief

cc: Steven Morse, Esq. (*via facsimile*)

Mr. Brad Bernstein
Anchor Funding Services, Inc.
September 25, 2007
Page 3