

Fitch Affirms PHEAA 2006 Trust Indenture

Fitch Ratings-New York-13 July 2015: Fitch Ratings affirms the ratings of the notes issued by Pennsylvania Higher Education Assistance Agency 2006 Trust Indenture for the senior and subordinate notes at 'AAAsf'. The Rating Outlook is Stable for all notes.

KEY RATING DRIVERS

High Collateral Quality: The trust collateral is comprised of 100% of Federal Family Education Loan Program (FFELP) loans. The credit quality of the trust collateral is high, in Fitch's opinion, based on the guarantees provided by the transaction's eligible guarantors and at least 97% reinsurance of principal and accrued interest provided by the U.S. Department of Education. The current ratings of the U.S are 'AAA', Outlook Stable.

Sufficient Credit Enhancement: CE is provided by overcollateralization (OC; the excess of trust's asset balance over bond balance), excess spread, and for the class A notes, subordination provided by the class B notes. As of the March 2015 distribution report, total and senior parity is 104% and 113.8% respectively.

Adequate Liquidity Support: Liquidity support is provided by a Debt Service Reserve Account in the amount of \$729,541.

Acceptable Servicing Capabilities: Day-to-day servicing is provided by PHEAA. Fitch believes PHEAA to be an acceptable servicer at this time.

RATING SENSITIVITIES

Since FFELP student loan ABS rely on the U.S. government to reimburse defaults, 'AAAsf' FFELP ABS ratings will likely move in tandem with the 'AAA' U.S. sovereign rating. Aside from the U.S. sovereign rating, defaults and basis risk account for the majority of the risk embedded in FFELP student loan transactions. Additional defaults and basis shock beyond Fitch's published stresses could result in future downgrades. Likewise, a buildup of credit enhancement driven by positive excess spread given favorable basis factor conditions could lead to future upgrades.

DUE DILIGENCE USAGE

No third party due diligence was provided or reviewed in relation to this rating action.

Fitch has affirmed the following ratings:

PHEAA 2006 Trust Indenture

--Class A-2 at 'AAAsf'; Outlook Stable;

--Class A-3 at 'AAAsf'; Outlook Stable;

--Class B at 'AAAsf'; Outlook Stable.

Contact:

Primary Analyst

Nicole Edwards

Director

+1-212-908-9114

Fitch Ratings, Inc.

33 Whitehall Street

New York, NY 10004

Committee Chairperson

Tracy Wan

Senior Director

+1-212-908-9171

Media Relations: Sandro Scenga, New York, Tel: +1 212-908-0278, Email:

sandro.scenga@fitchratings.com.

Additional information is available at www.fitchratings.com.

Applicable Criteria

Global Structured Finance Rating Criteria (pub. 06 Jul 2015)

(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=867952)

Rating U.S. Federal Family Education Loan Program Student Loan ABS Criteria (pub. 23 Jun 2014)

(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=750530)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

(https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=987809)

Solicitation Status (https://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=987809)

Endorsement Policy (<https://www.fitchratings.com/jsp/creditdesk/PolicyRegulation.faces?context=2&detail=31>)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS.

PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK:

[HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://fitchratings.com/understandingcreditratings)

(<http://fitchratings.com/understandingcreditratings>). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

ENDORSEMENT POLICY - Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures (<https://www.fitchratings.com/regulatory>) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis