

Fitch Ratings

Fitch Affirms PHEAA Student Loan Trust I - 2003 Trust Indenture; Outlook Stable

Fitch Ratings-New York-27 July 2015: Fitch Ratings affirms the senior and subordinate notes issued by PHEAA Student Loan Trust I - 2003 Trust Indenture at 'AAAs'. The Rating Outlook on all outstanding notes remains Stable.

KEY RATING DRIVERS

High Collateral Quality: The trust collateral consists 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 reinsurance provided by the U.S. Department of Education (ED) for at least 97% of principal and accrued interest. The current U.S. sovereign rating is 'AAA' with a Stable Outlook.

Sufficient Credit Enhancement (CE): CE is provided by overcollateralization and excess spread. As of June 2015, reported senior and total parities are 125.25% (20.16% CE) and 118.18% (15.38%), respectively. The structure allows for the class B auction rate notes to be paid principal before the class A auction rate notes provided that senior and total parity are equal to at least 105% and 101.5%, respectively.

Adequate Liquidity Support: Liquidity support is provided by a reserve account, sized at the greater of \$500,000 or 0.95% of outstanding notes.

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, 'AAAs' 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 build-up of credit enhancement driven by positive excess spread given

favorable basis factor conditions could lead to future upgrades.

DUE DILIGENCE USAGE

Fitch was not provided due diligence information from any third parties relating to the PHEAA Student Loan Trust I - 2003 Trust Indenture.

Fitch has affirmed the following ratings:

PHEAA SLT I - 2003

- Class 2003-1 A-3 note at 'AAAsf'; Outlook Stable;
- Class 2004-1 A-2 note at 'AAAsf'; Outlook Stable;
- Class 2004-1 A-3 note at 'AAAsf'; Outlook Stable;
- Class 2005-1 B-1 note at 'AAAsf'; Outlook Stable.

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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=988588)

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