

# Fitch Ratings

## **Fitch Affirms Ratings on PHEAA Floating Rate Student Loan Revenue Notes, Series 2005** Ratings

21 Sep 2011 5:55 PM (EDT)

Fitch Ratings-New York-21 September 2011: Fitch Ratings affirms the 'AAA' ratings on both the senior and subordinate floating rate student loan revenue notes, series 2005 issued by Pennsylvania Higher Education Assistance Agency (PHEAA) under the 2005 trust indenture, dated July 1, 2005. The collateral supporting the notes is comprised of student loans originated under the Federal Family Education Loan Program (FFELP). The Rating Outlook is Stable. A full rating list is shown below.

Fitch affirms the ratings on the PHEAA series 2005 senior and subordinate notes based on the sufficient level of credit enhancement to cover the applicable risk factor stresses. Credit enhancement for the senior and subordinate notes consists of overcollateralization and projected minimum excess spread, while the senior notes also benefit from subordination provided by the class B notes. The current total parity for the trust is 102.22%. Although the trust can release cash at 100% parity, Fitch does not expect the parity level to be reduced below its current level. The notes' principal distribution amount definition states that principal collections may only be used to redeem note principal. Only excess interest collections can be released if parity is greater than 100%. Therefore, full credit is given to the current parity at 102.22%.

The loans are originated by PHEAA and serviced by American Education Services (AES), one of the names under which PHEAA conducts its student loan servicing activities nationally. PHEAA provides funds to students through guaranteed student loans originated under FFELP as well as private student loans. Although Fitch does not explicitly rate PHEAA or AES, Fitch considers their servicing ability to be satisfactory.

Fitch has taken the following rating actions:

Pennsylvania Higher Education Assistance Agency  
Floating Rate Student Loan Revenue Notes, Series 2005:

--Class A-2 affirmed at 'AAA'; Outlook Stable;  
--Class B affirmed at 'AAA'; Outlook Stable.

Contact:

Primary Analyst  
Jeffrey Prackup  
Director  
+1-212-908-0839  
Fitch, Inc.  
One State Street Plaza  
New York, NY 10004

Committee Chairperson  
Cynthia Ullrich  
Senior Director  
+1-212-908-0609

Media Relations: Sandro Scenga, New York, Tel: +1 212-908-0278, Email: [sandro.scenga@fitchratings.com](mailto:sandro.scenga@fitchratings.com).

Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

Applicable Criteria and Related Research:

--'Global Structured Finance Rating Criteria' dated Aug. 4, 2011;  
--'Rating U.S. Federal Family Education Loan Program Student Loan ABS', dated April 7, 2011.

--'U.S. FFELP Student Loan ABS Surveillance Criteria', dated May 10, 2011.

**Applicable Criteria and Related Research:**

Global Structured Finance Rating Criteria

Rating U.S. Federal Family Education Loan Program Student Loan ABS Criteria

U.S. FFELP Student Loan ABS Surveillance Criteria

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). 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.

---

Copyright © 2011 by Fitch, Inc., Fitch Ratings Ltd. and its subsidiaries.