



PHEAA - 1997 Student Loan Master Trust - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1997 Master Trust

Reporting Period : 04/01/06 - 06/30/06

Trust Estate and Parity

PHEAA - 1997 Trust Indenture  
Balance Sheet & Income Statement  
For the Period Ended:

Current Qtr	Prior Qtr.	Prior Year
June 30, 2006	March 31, 2006	June 30, 2005

Accruals Ledger

PHEAA - 1997 Master Trust	PHEAA - 1997 Master Trust	PHEAA - 1997 Master Trust
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Balance Sheet:

<u>Assets</u>			
Customer Cash	\$132,245,097	\$11,383,996	\$ 31,487,138
Accounts Receivable	\$0	\$0	0
Interest Income Receivable	\$120,474,951	\$90,945,468	67,285,909
Investments	\$61,397,047	\$43,351,772	90,582,475
Student Loans Receivable	\$6,097,741,297	\$4,528,042,762	3,232,101,068
Plant, Property & Equip Net	\$0	\$0	0
Deferred Financing Costs	\$27,868,161	\$21,953,577	16,603,626
Prepaid Exp & Other Expenses	\$272,569	\$427,715	57,794
<b>Total Assets</b>	<b>\$6,439,999,122</b>	<b>\$4,696,105,290</b>	<b>\$ 3,438,118,010</b>
<u>Liabilities</u>			
Accounts Payable & Reserves	\$8,579,500	\$6,644,290	\$ 4,164,948
Student Ln Financings Int Pay	\$13,879,801	\$13,519,357	5,604,774
Student Ln Financings Payable	\$6,337,846,190	\$4,587,795,322	3,287,642,718
<b>Total Liabilities</b>	<b>\$6,360,305,491</b>	<b>\$4,607,958,968</b>	<b>\$ 3,297,412,440</b>
<u>Fund Balances</u>			
Fund Balances	\$140,653,029	\$140,653,029	133,067,199
Current Yr Net Income	(\$60,959,397)	(\$52,506,706)	7,638,370
<b>Ending Fund Balance</b>	<b>\$79,693,632</b>	<b>\$88,146,322</b>	<b>\$ 140,705,570</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$6,439,999,122</b>	<b>\$4,696,105,290</b>	<b>\$ 3,438,118,010</b>
Sr. Parity Ratio	1.047	1.051	1.084
Parity Ratio	1.011	1.014	1.038
(Current Assets / Total Liab)			

Income Statement:

<u>Revenues</u>			
Interest income	\$197,387,188	\$133,608,296	\$ 185,839,086
Premium on Student Loan Sales	\$1,404,315	\$5,948	(210,166)
<b>Total Revenues</b>	<b>\$198,791,503</b>	<b>\$133,614,244</b>	<b>\$ 185,628,920</b>
<u>Expenses</u>			
Interest Expense & Related Cst	\$188,139,337	\$123,260,748	\$ 82,556,742
General & Administrative	\$37,967,143	\$26,376,696	28,096,502
<b>Total Expenses</b>	<b>\$226,106,479</b>	<b>\$149,637,444</b>	<b>\$ 110,653,244</b>
<b>Operating Income / (Loss)</b>	<b>(\$27,314,977)</b>	<b>(\$16,023,200)</b>	<b>\$ 74,975,676</b>
Financial Aid	\$8,481,565	\$8,365,257	12,342,305
<b>Net Income / (Loss) before Trsf</b>	<b>(\$35,796,542)</b>	<b>(\$24,388,456)</b>	<b>\$ 62,633,370</b>
Transfers	(\$25,162,855)	(\$28,118,250)	(54,995,000)
<b>Net Income / (Loss)</b>	<b>(\$60,959,397)</b>	<b>(\$52,506,706)</b>	<b>\$ 7,638,370</b>

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Collection Activity (excluding loan sales)

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<i>Principal Repayment Received (\$)</i>	\$ 84,051,595
<i>Principal Prepayment Received (\$)</i>	381,189,954
<i>Principal Reimbursement (\$)</i>	
<i>Interest Payment Received (\$)</i>	35,575,744
<i>Interest Reimbursements (\$)</i>	
<i>Special Allowance Payments (\$)</i>	30,873,234
<i>Subsidy Payments (\$)</i>	9,543,825
<i>Funds Release from Reserve (\$)</i>	
<i>Others (please specify)</i>	
<b>Total</b>	<b>\$ 541,234,351</b>

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Fees and Other Payments

<i>Arbitrage (\$)</i>	\$ -
<i>Consolidation Rebate Fees (\$)</i>	6,854,990
<i>Servicing Fees (\$)</i>	9,933,097
<i>Administration Fees (\$)</i>	193,226
<i>Trustee Fees (\$)</i>	479,688
<i>Auction Agent/Broker Dealer Fees (\$)</i>	2,774,130
<i>Other Fees or Payments (\$)</i>	
<b>Total</b>	<b>\$ 20,235,130</b>
<i>Lender Origination Fees (\$)</i>	1,469,529
<i>Origination Discount (\$)</i>	2,948,862
<b>Total</b>	<b>\$ 4,418,391</b>
<b>Grand Total Fees &amp; Other Pymts</b>	<b>\$ 24,653,521</b>

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Student Loan Pool Data-FFELP

	Beginning of Period		Purchases / Originations During Period (\$)	Cash Payments	Non-Cash Transfers	Loans Repaid/Sold During Period (\$)	Loans Defaulted (\$)	End of Period Balance		Weighted Average Interest Rate (%)	Weighted Average Remaining Term (Months)
	\$	%						\$	%		
<i>Subsidized Stafford</i>	1,026,870,566	22.67%	171,548,414	(136,442,663)	1,133,531	(7,367,953)		1,055,739,328	17.31%	4.967%	123.98
<i>Nonsubsidized Stafford</i>	2,295,290	0.05%	211,302	(374,642)	16,811	(6,306)		2,145,022	0.04%	6.744%	69.15
<i>Unsubsidized Stafford</i>	728,696,136	16.09%	166,614,118	(117,365,506)	4,015,377	(5,399,569)		776,560,556	12.73%	4.925%	126.18
<i>SLS</i>	1,118,735	0.02%		(218,359)	18,246			918,621	0.02%	6.604%	79.06
<i>PLUS</i>	170,343,260	3.76%	119,721,665	(53,943,639)	325,059	(12,351,495)		224,094,850	3.67%	5.617%	107.36
<i>HEAL</i>	23,503,226	0.52%		(1,205,939)	33,265			22,330,552	0.37%	6.406%	234.36
<i>HLCNSLDN</i>	161,449,972	3.56%	1,632,432	(9,298,298)	118,124	(330,834)		153,571,395	2.52%	6.192%	215.51
<i>MedBest</i>	1,528,273	0.03%	1,006,771	(14,741)	(583)			2,519,720	0.04%	6.240%	325.09
<i>Consolidation</i>	2,413,656,154	53.29%	2,115,641,574	(146,377,760)	3,890,547	(526,539,827)		3,860,270,688	63.30%	4.400%	246.29
<b>Total</b>	<b>\$ 4,529,461,612</b>	<b>100.00%</b>	<b>\$ 2,576,376,276</b>	<b>\$ (465,241,549)</b>	<b>\$ 9,550,376</b>	<b>\$ (551,995,983)</b>		<b>\$ 6,098,150,732</b>	<b>100.00%</b>	<b>5.788%</b>	<b>169.66</b>

AES/PHEAA

97 Trust - Prop / Non-Prop Loan Breakdown

Reporting Period : 04/01/06 - 06/30/06

	Prop. Ind.	School type	Principal	
N		GRADUATE	\$ 1,987,781,548	
N		SCHOOL OF THEOLOGY	1,427,103,787.01	
N		STATE RELATED	1,797,878,447.26	
N		2 YEAR PRIV JR COLL	68,312,251.90	
N		2 YEAR PUB JR COLL	320,625,351.55	
N		4 YEAR PRIVATE COLL	22,040,614.28	
N		4 YEAR PUBLIC COLL	21,748,862.96	
<b>N Total</b>			<b>\$ 5,645,490,863</b>	<b>93%</b>
Y		ALL PROPRIETARY	613,105.98	
Y		CORRESPONDENCE	36,144,762.92	
Y		FED OWNED DEFR ONLY	86,914,526.52	
Y		HOSPITAL DIPLOMA PGM	152,177,796.04	
Y		PRIV PRESCHL/ELEM	169,920,721.43	
Y		PROP VOC/TECH	4,099,197.55	
Y		PROPRIETARY BUSINESS	2,700,204.48	
Y		TRADE/TECH SCHOOL	89,554.01	
<b>Y Total</b>			<b>\$ 452,659,869</b>	<b>7%</b>
<b>Grand Total</b>			<b>\$ 6,098,150,732</b>	

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As of June 30, 2006

*Total 1997 Loan Portfolio--1997PQ,  
1997NO, 1997WX, 1997Z, 1997AA, 1997  
Taxable*

*1. LOANS IN-SCHOOL/IN-GRACE*

	6/30/2006	Prior QTR 3/31/2006	Prior FYE 6/30/2005
In school	\$ 685,799,687	\$ 793,393,824	\$ 668,925,232
In grace	269,765,449	141,435,066	326,238,717
2. LOANS IN DEFERMENT	891,009,751	643,778,235	324,012,675
3. LOANS IN REPAYMENT	-	-	-
A. CURRENT	3,081,096,595	2,239,955,952	1,400,408,724
Forbearances	806,337,725	469,075,477	309,395,025
B. 31-60 PAST DUE	118,967,681	73,971,186	58,825,058
C. 61-90 PAST DUE	85,302,824	41,276,302	35,149,622
D. 91-120 PAST DUE	58,474,545	47,531,930	23,238,495
E. 121-180 PAST DUE	45,085,379	35,783,502	27,870,041
F. 181-270 PAST DUE	41,569,708	30,350,600	33,948,867
G. 271 OR GREATER PAST DUE	5,310,080	6,595,644	5,166,618
H. CLAIMS FILED BUT NOT PAID	8,300,139	5,149,627	4,330,162
4. IN LITIGATION	1,122,835	1,016,922	961,892
5. UNINSURED	521,935	476,828	426,612
6. CREDIT BALANCES	(513,602)	(329,483)	(147,305)
7. END PRIN. BAL.	<b>\$ 6,098,150,732</b>	<b>\$ 4,529,461,612</b>	<b>\$ 3,218,750,435</b>

*Total 1997 Loan Portfolio--1997PQ,  
1997NO, 1997WX, 1997Z, 1997AA, 1997  
Taxable*

	6/30/2006	Prior QTR 3/31/2006	Prior FYE 6/30/2005
Loans at 9.50% floor	\$ 665,068,220	\$ 714,235,125	\$ 1,050,023,606
Loans @ CP	4,043,709,700	3,258,156,454	1,669,981,705
Loans @ Tbill	410,322,605	277,726,150	227,349,303

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**VI. Claims Paid**

	Claims Paid During Period Principal
<i>Subsidized Stafford</i>	\$ 8,136,648
<i>Unsubsidized Stafford</i>	6,435,005
<i>SLS</i>	42,070
<i>PLUS</i>	450,668
<i>HEALTH</i>	17,141
<i>HEAL</i>	67,174
<i>Consolidation</i>	5,701,226
<i>Total</i>	\$ 20,849,932

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For the quarter ended June 30, 2006

	Loans Sold		Premium		Loans Purchased		Premium	
	\$	%	\$	%	\$	%	\$	%
<i>Subsidized Stafford Total</i>	\$ 7,390,180	1.42%			\$ 171,024,928	8.45%		
<i>Unsubsidized Stafford Total</i>	5,786,751	1.11%			170,563,669	8.42%		
<i>Nonsubsidized Stafford Total</i>	6,348	0.00			212,522	0.01%		
<i>SLS Total</i>	-	-			-	0.00%		
<i>PLUS Total</i>	12,461,928	2.40%			120,445,124	5.95%		
<i>HEALTH Total</i>	-	-			1,316,059	0.06%		
<i>MedBEST Total</i>	-	-			1,034,296	0.05%		
<i>Consolidation Total</i>	494,101,495	95.07%			1,560,431,795	77.06%		
<b><i>Total</i></b>	<b>\$ 519,746,702</b>	<b>100.00%</b>	<b>-</b>	<b>0.0000%</b>	<b>\$ 2,025,028,393</b>	<b>100.00%</b>	<b>\$ 23,695,242</b>	<b>1.17%</b>