

PHEAA - 1997 Student Loan Master Trust - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1997 Master Trust

Reporting Period : 04/30/07 - 06/30/07

Trust Estate and Parity

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

Accruals Ledger

Current Qtr June 30, 2007	Prior Qtr. March 31, 2007	Prior Year June 30, 2006
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PHEAA - 1997 Master Trust	PHEAA - 1997 Master Trust	PHEAA - 1997 Master Trust
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Balance Sheet:

<u>Assets</u>			
Customer Cash	\$ 20,570,573	\$ 16,633,402	\$132,245,097
Accounts Receivable	0	0	\$0
Interest Income Receivable	165,377,504	145,165,997	\$120,474,951
Investments	113,217,172	53,637,126	\$61,397,047
Student Loans Receivable	7,208,956,747	6,213,578,309	\$6,097,741,297
Plant, Property & Equip Net	0	0	\$0
Deferred Financing Costs	31,369,454	27,613,195	\$27,868,161
Prepaid Exp & Other Expenses	<u>344,461</u>	<u>926,036</u>	\$272,569
Total Assets	<u>\$ 7,539,835,910</u>	<u>\$ 6,457,554,066</u>	<u>\$6,439,999,122</u>
<u>Liabilities</u>			
Accounts Payable & Reserves	\$ 20,621,327	\$ 17,110,971	\$8,579,500
Student Ln Financings Int Pay	17,797,692	20,293,607	\$13,879,801
Student Ln Financings Payable	7,438,049,661	6,337,998,794	\$6,337,846,190
Total Liabilities	<u>\$ 7,476,468,681</u>	<u>\$ 6,375,403,372</u>	<u>\$6,360,305,491</u>
<u>Fund Balances</u>			
Fund Balances	79,693,632	79,693,632	\$140,653,029
Current Yr Net Income	<u>(16,326,403)</u>	<u>2,457,062</u>	(\$60,959,397)
Ending Fund Balance	<u>\$ 63,367,229</u>	<u>\$ 82,150,694</u>	<u>\$79,693,632</u>
Toal Liabilities & Fund Balance	<u>\$ 7,539,835,910</u>	<u>\$ 6,457,554,066</u>	<u>\$6,439,999,122</u>
Sr. Parity Ratio	1.040	1.050	1.047
Parity Ratio	<u>1.010</u>	<u>1.010</u>	<u>1.011</u>
(Current Assets / Total Liab)			

Income Statement:

<u>Revenues</u>			
Interest income	\$ 388,049,573	\$ 298,598,046	\$197,387,188
Premium on Student Loan Sales	251,539	246,683	\$1,404,315
Total Revenues	<u>\$ 388,301,112</u>	<u>\$ 298,844,729</u>	<u>\$198,791,503</u>
<u>Expenses</u>			
Interest Expense & Related Cst	\$ 349,283,453	\$ 255,993,460	\$188,139,337
General & Administrative	54,760,598	39,952,096	\$37,967,143
Total Expenses	<u>\$ 404,044,050</u>	<u>\$ 295,945,555</u>	<u>\$226,106,479</u>
Operating Income / (Loss)	<u>\$ (15,742,938)</u>	<u>\$ 2,899,174</u>	<u>(\$27,314,977)</u>
Financial Aid	604,340	462,986	\$8,481,565
Net Income / (Loss) before Trsfs	<u>\$ (16,347,278)</u>	<u>\$ 2,436,187</u>	<u>(\$35,796,542)</u>
Transfers	<u>20,875</u>	<u>20,875</u>	(\$25,162,855)
Net Income / (Loss)	<u>\$ (16,326,403)</u>	<u>\$ 2,457,062</u>	<u>(\$60,959,397)</u>

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Collection Activity (excluding loan sales)

<i>Principal Repayment Received (\$)</i>	\$ 81,645,304
<i>Principal Prepayment Received (\$)</i>	289,192,100
<i>Principal Reimbursement (\$)</i>	
<i>Interest Payment Received (\$)</i>	52,851,452
<i>Interest Reimbursements (\$)</i>	
<i>Special Allowance Payments (\$)</i>	37,702,585
<i>Subsidy Payments (\$)</i>	12,216,669
<i>Funds Release from Reserve (\$)</i>	
<i>Others (please specify)</i>	
Total	\$ 473,608,110

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Fees and Other Payments

<i>Arbitrage (\$)</i>	\$ -
<i>Consolidation Rebate Fees (\$)</i>	12,853,796
<i>Servicing Fees (\$)</i>	13,414,496
<i>Administration Fees (\$)</i>	189,614
<i>Trustee Fees (\$)</i>	614,555
<i>Auction Agent/Broker Dealer Fees (\$)</i>	3,920,070
<i>Other Fees or Payments (\$)</i>	
Total	\$ 30,992,531
<i>Lender Origination Fees (\$)</i>	1,187,268
<i>Origination Discount (\$)</i>	18,161
Total	\$ 1,205,430
Grand Total Fees & Other Pymts	\$ 32,197,960

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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>	790,268,296	12.73%	175,768,721	(82,157,795)	1,411,139	(44,724,704)		840,565,656	11.66%	6.856%	120.67
<i>Nonsubsidized Stafford</i>	1,753,700	0.03%	348,170	(347,183)	11,177	-		1,765,865	0.02%	8.018%	72.39
<i>Unsubsidized Stafford</i>	569,339,295	9.17%	167,095,450	(60,638,358)	4,767,697	(31,511,524)		649,052,561	9.00%	6.826%	124.06
<i>SLS</i>	1,102,745	0.02%	289,941	(252,283)	3,989	-		1,144,393	0.02%	8.432%	89.25
<i>PLUS</i>	270,292,808	4.36%	38,003,096	(46,277,549)	488,491	(6,425,979)		256,080,867	3.55%	7.634%	107.1
<i>HEAL</i>	19,425,988	0.31%	-	(616,721)	21,267	-		18,830,533	0.26%	6.759%	225.2
<i>PLUSGB</i>	19,612,010	0.32%	1,909,265	(801,186)	178,830	(582,495)		20,316,424	0.28%	7.524%	134.8
<i>HLCNSLDN</i>	134,573,885	2.17%	-	(5,366,386)	80,976	-		129,288,476	1.79%	6.700%	216.18
<i>MedBest</i>	2,662,285	0.04%	829,262	(22,870)	6,003	-		3,474,681	0.05%	7.073%	323.12
<i>Consolidation</i>	4,397,278,146	70.85%	1,416,159,280	(174,357,074)	10,418,185	(361,106,536)		5,288,392,001	73.36%	4.919%	243.11
Total	\$ 6,206,309,159	100.00%	\$ 1,800,403,185	\$ (370,837,404)	\$ 17,387,754	\$ (444,351,237)		\$ 7,208,911,455	100.00%	5.481%	211.15

AES/PHEAA
 97 Trust - Prop / Non-Prop Loan Breakdown
 Reporting Period : 04/30/07 - 06/30/07

Prop. Ind.	School type	Principal	
N	GRADUATE	21,393,738	
N	SCHOOL OF THEOLOGY	28,358,617	
N	STATE RELATED	1,684,548,984	
N	2 YEAR PRIV JR COLL	89,629,643	
N	2 YEAR PUB JR COLL	392,207,855	
N	4 YEAR PRIVATE COLL	2,496,422,598	
N	4 YEAR PUBLIC COLL	1,715,236,867	
N Total		\$ 6,427,798,301	89%
Y	ALL NON-PROPRIETARY	198,371,022	
Y	ALL PROPRIETARY	10,207,146	
Y	CORRESPONDENCE	20,496,421	
Y	FED OWNED DEFR ONLY	3,137,155	
Y	HOSPITAL DIPLOMA PGM	39,628,641	
Y	PRIV PRESCH/ELEM	84,400	
Y	PROP VOC/TECH	141,562,724	
Y	PROPRIETARY BUSINESS	164,348,492	
Y	TRADE/TECH SCHOOL	203,277,151	
Y Total		\$ 781,113,154	11%
Grand Total		\$ 7,208,911,455	

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As of June 30, 2007

<i>Average 1997 Loan Portfolio--1997PQ, 1997NO, 1997WX, 1997Z, 1997AA, 1997 Taxable</i>	6/30/2007	Prior FYE 6/30/2006
<i>1. LOANS IN-SCHOOL/IN-GRACE</i>		
In school	\$ 487,096,007	\$ 685,799,687
In grace	250,002,213	269,765,449
2. LOANS IN DEFERMENT	1,003,507,009	891,009,751
3. LOANS IN REPAYMENT	-	-
A. CURRENT	4,029,382,505	3,081,096,595
Forbearances	882,054,271	806,337,725
B. 31-60 PAST DUE	184,792,740	118,967,681
C. 61-90 PAST DUE	110,620,682	85,302,824
D. 91-120 PAST DUE	66,681,020	58,474,545
E. 121-180 PAST DUE	86,259,973	45,085,379
F. 181-270 PAST DUE	75,454,480	41,569,708
G. 271 OR GREATER PAST DUE	16,213,512	5,310,080
H. CLAIMS FILED BUT NOT PAID	15,585,529	8,300,139
4. IN LITIGATION	1,010,327	1,122,835
5. UNINSURED	592,718	521,935
6. CREDIT BALANCES	(341,533)	(513,602)
7. END PRIN. BAL.	<u>\$ 7,208,911,455</u>	<u>\$ 6,098,150,732</u>

<i>Average 1997 Loan Portfolio--1997PQ, 1997NO, 1997WX, 1997Z, 1997AA, 1997 Taxable</i>	6/30/2007	Prior FYE 6/30/2006
Loans at 9.50% floor*		\$ 665,068,220
Loans @ CP	6,219,306,083	4,043,709,700
Loans @ Tbill	331,414,037	410,322,605

* Please refer to FP-07-01 regarding the Department of Education's treatment of 9.5% floor loans as of June 30, 2007

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VI. Claims Paid

	Claims Paid During Period Principal
<i>Subsidized Stafford</i>	\$ 8,080,723
<i>Unsubsidized Stafford</i>	6,296,228
<i>SLS</i>	25,395
<i>PLUS</i>	828,261
<i>HEALTH</i>	34,971
<i>HEAL</i>	23,341
<i>Consolidation</i>	26,112,267
<i>Total</i>	\$ 41,401,186

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For the quarter ended June 30, 2007

	Loans Sold		Premium		Loans Purchased		Premium	
	\$	%	\$	%	\$	%	\$	%
<i>Subsidized Stafford Total</i>	\$ 44,815,650	9.97%			\$ 175,566,972	12.42%		
<i>Unsubsidized Stafford Total</i>	33,108,667	7.36%			174,019,511	12.32%		
<i>Nonsubsidized Stafford Total</i>	-	0.00%			349,359	0.02%		
<i>SLS Total</i>	-	0.00%			289,941	0.02%		
<i>PLUS Total</i>	6,508,616	1.45%			38,104,166	2.70%		
<i>PLUSGB</i>	601,153	0.13%			1,845,301	0.13%		
<i>HEALTH Total</i>	-	0.00%			-	0.00%		
<i>MedBEST Total</i>	-	0.00%			864,146	0.06%		
<i>Consolidation Total</i>	364,593,631	81.09%			1,022,010,362	72.33%		
<i>Total</i>	\$ 449,627,717	100.00%	4,856	0.0011%	\$ 1,413,049,757	100.00%	\$ 26,927,218	1.91%