

PHEAA - 1997 Student Loan Master Trust - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1997 Master Trust

Reporting Period : 07/01/06 - 09/30/06

Bond Status

Series	Senior/Sub	Maturity Date	Taxable / Tax-Exempt	Beginning Principal Balance (\$)	Principal Paid (\$)	Ending Principal Balance (\$)	Interest Paid (\$) 09/30/06	Coupon Type (ie. ARC, Fixed, VRDN)	Actual Days in Period	Actual Coupon Rate @ 09/30/06
1997A	Senior	08/01/27	Taxable	\$ 35,000,000	-	\$ 35,000,000	\$ 428,512	Auction	92	5.320%
1997B	Subordinate	08/01/27	Taxable	15,000,000	-	15,000,000	246,348	Auction	92	5.400%
1997C	Senior	03/01/28	Taxable	50,000,000	-	50,000,000	612,540	Auction	92	5.290%
1997D	Senior	11/01/28	Taxable	45,000,000	-	45,000,000	554,571	Auction	92	5.359%
1997E	Subordinate	11/01/28	Taxable	5,000,000	-	5,000,000	62,520	Auction	92	5.450%
1997F	Senior	10/01/40	Taxable	165,000,000	-	165,000,000	2,238,335	Auction	92	5.310%
1997G	Subordinate	10/01/40	Taxable	10,000,000	-	10,000,000	123,132	Auction	92	5.370%
1997H	Senior	10/01/40	Taxable	165,000,000	-	165,000,000	2,045,472	Auction	92	5.350%
1997I	Subordinate	10/01/40	Taxable	10,000,000	-	10,000,000	125,040	Auction	92	5.450%
1997J	Senior	12/01/40	Taxable	215,000,000	-	215,000,000	2,844,966	Auction	92	5.310%
1997K	Subordinate	12/01/40	Taxable	25,000,000	-	25,000,000	308,380	Auction	92	5.369%
1997L	Senior	08/01/41	Taxable	190,000,000	-	190,000,000	2,347,830	Auction	92	5.290%
1997M	Subordinate	08/01/41	Taxable	10,000,000	-	10,000,000	125,222	Auction	92	5.400%
1997N	Senior	06/01/37	AMT	140,000,000	-	140,000,000	-	Auction	92	3.675%
1997O	Subordinate	06/01/37	AMT	10,000,000	-	10,000,000	-	Auction	92	3.750%
1997P	Senior	03/01/22	AMT	140,000,000	-	140,000,000	-	Auction	92	3.665%
1997Q	Subordinate	03/01/22	AMT	10,000,000	-	10,000,000	-	Auction	92	3.750%
1997R	Senior	08/01/42	Taxable	150,000,000	-	150,000,000	1,834,185	Auction	92	5.280%
1997S	Subordinate	08/01/42	Taxable	10,000,000	-	10,000,000	125,042	Auction	92	5.440%
1997T	Senior	09/01/42	Taxable	470,500,000	-	470,500,000	6,178,832	Auction	92	5.293%
1997U	Subordinate	09/01/42	Taxable	29,500,000	-	29,500,000	366,420	Auction	92	5.430%
1997V	Senior	10/01/42	Taxable	300,000,000	-	300,000,000	3,897,538	Auction	92	5.300%
1997W	Senior	06/01/38	AMT	140,000,000	-	140,000,000	-	Auction	92	3.710%
1997X	Subordinate	06/01/38	AMT	10,000,000	-	10,000,000	-	Auction	92	3.800%
1997Y	Senior	09/01/43	Taxable	300,000,000	-	300,000,000	4,009,830	Auction	92	5.310%
1997Z	Senior	06/01/39	AMT	170,000,000	-	170,000,000	-	Auction	92	3.650%
1997AA	Senior	06/01/39	AMT	171,000,000	-	171,000,000	-	Auction	92	3.643%
1997BB	Senior	11/01/44	Taxable	300,000,000	-	300,000,000	4,011,285	Auction	92	5.300%
1997CC	Senior	08/01/45	Taxable	200,000,000	-	200,000,000	2,533,940	Auction	92	5.314%
1997DD	Senior	09/01/45	Taxable	200,000,000	-	200,000,000	2,483,200	Auction	92	5.297%
1997EE	Senior	12/01/45	Taxable	380,000,000	-	380,000,000	5,083,640	Auction	92	5.296%
1997FF	Subordinate	12/01/45	Taxable	20,000,000	-	20,000,000	249,496	Auction	92	5.430%
1997GG	Senior	12/01/45	Taxable	500,000,000	-	500,000,000	6,840,832	Auction	92	5.300%
1997HH	Senior	05/01/46	Taxable	970,000,000	-	970,000,000	13,222,156	Auction	92	5.326%
1997II	Subordinate	05/01/46	Taxable	30,000,000	-	30,000,000	583,137	Auction	92	5.340%
1997JJ	Senior	06/01/46	Taxable	727,500,000	-	727,500,000	9,286,440	Auction	92	5.302%
1997KK	Subordinate	06/01/46	Taxable	22,500,000	-	22,500,000	256,400	Auction	92	5.350%
Total				\$ 6,341,000,000		\$ 6,341,000,000	\$ 73,025,240			

Senior Debt outstanding @ end of period \$ 6,124,000,000
 Subordinate Debt outstanding @ end of period \$ 217,000,000
 Taxable Debt outstanding @ end of period \$ 5,550,000,000
 Tax-Exempt Debt outstanding @ end of period \$ 791,000,000
 Debt Service Reserve Fund (Surety Bond) \$ 48,400,000
 DSRFCoverage - Senior Debt 0.79%
 DSRFCoverage - Overall 0.76%

PHEAA - 1997 Student Loan Master Trust - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1997 Master Trust

Reporting Period : 07/01/06 - 09/30/06

Trust Estate and Parity

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

Current Qtr
September 30, 2006

Prior Qtr.
June 30, 2006

Prior Year
September 30, 2005

Accruals Ledger

PHEAA - 1997 Master Trust

PHEAA - 1997 Master Trust

PHEAA - 1997 Master Trust

Balance Sheet:

Assets

Customer Cash	\$ 18,524,357	\$132,245,097	\$ 28,694,527
Accounts Receivable	0	\$0	0
Interest Income Receivable	134,001,839	\$120,474,951	58,160,039
Investments	51,364,032	\$61,397,047	179,274,695
Student Loans Receivable	6,221,888,786	\$6,097,741,297	3,546,104,126
Plant, Property & Equip Net	0	\$0	0
Deferred Financing Costs	28,016,279	\$27,868,161	18,238,332
Prepaid Exp & Other Expenses	307,031	\$272,569	688,206
Total Assets	\$ 6,454,102,324	\$6,439,999,122	\$ 3,831,159,925

Liabilities

Accounts Payable & Reserves	\$ 9,260,143	\$8,579,500	\$ 5,459,210
Student Ln Financings Int Pay	20,867,720	\$13,879,801	10,702,178
Student Ln Financings Payable	6,337,897,058	\$6,337,846,190	3,687,693,586
Total Liabilities	\$ 6,368,024,920	\$6,360,305,491	\$ 3,703,854,974

Fund Balances

Fund Balances	79,693,632	\$140,653,029	140,653,029
Current Yr Net Income	6,383,772	(\$60,959,397)	(13,348,078)
Ending Fund Balance	\$ 86,077,404	\$79,693,632	\$ 127,304,951

Total Liabilities & Fund Balance	\$ 6,454,102,324	\$6,439,999,122	\$ 3,831,159,925
---	-------------------------	------------------------	-------------------------

Sr. Parity Ratio	1.049	1.047	1.07
Parity Ratio	1.013	1.011	1.03
(Current Assets / Total Liab)			

Income Statement:

Revenues

Interest income	\$ 105,965,842	\$197,387,188	\$ 42,860,265
Premium on Student Loan Sales	0	\$1,404,315	0
Total Revenues	\$ 105,965,842	\$198,791,503	\$ 42,860,265

Expenses

Interest Expense & Related Cst	\$ 86,034,017	\$188,139,337	\$ 30,945,251
General & Administrative	13,406,562	\$37,967,143	7,599,782
Total Expenses	\$ 99,440,579	\$226,106,479	\$ 38,545,033

Operating Income / (Loss)	\$ 6,525,263	(\$27,314,977)	\$ 4,315,232
----------------------------------	---------------------	-----------------------	---------------------

Financial Aid	162,366	\$8,481,565	4,545,059
---------------	---------	-------------	-----------

Net Income / (Loss) before Trsfs	\$ 6,362,897	(\$35,796,542)	\$ (229,828)
---	---------------------	-----------------------	---------------------

Transfers	20,875	(\$25,162,855)	(13,118,250)
-----------	--------	----------------	--------------

Net Income / (Loss)	\$ 6,383,772	(\$60,959,397)	\$ (13,348,078)
----------------------------	---------------------	-----------------------	------------------------

Collection Activity (excluding loan sales)

		Prepayment Rate-Qtr
<i>Principal Repayment Received (\$)</i>	\$ 76,743,063	
<i>Principal Prepayment Received (\$)</i>	636,883,014	32.284%
<i>Principal Reimburesment (\$)</i>		
<i>Interest Payment Received (\$)</i>	47,084,049	
<i>Interest Reimbursements (\$)</i>		
<i>Special Allowance Payments (\$)</i>	38,619,486	
<i>Subsidy Payments (\$)</i>	10,358,668	
<i>Funds Release from Reserve (\$)</i>		
<i>Others (please specify)</i>		
Total	\$ 809,688,279	

PHEAA - 1997 Student Loan Master Trust - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1997 Master Trust

Reporting Period : 07/01/06 - 09/30/06

Fees and Other Payments

<i>Arbitrage (\$)</i>	\$ -
<i>Consolidation Rebate Fees (\$)</i>	11,115,337
<i>Servicing Fees (\$)</i>	12,506,431
<i>Administration Fees (\$)</i>	193,219
<i>Trustee Fees (\$)</i>	530,634
<i>Auction Agent/Broker Dealer Fees (\$)</i>	3,066,553
<i>Other Fees or Payments (\$)</i>	
Total	\$ 27,412,173
<i>Lender Origination Fees (\$)</i>	2,661,288
<i>Origination Discount (\$)</i>	18,987
Total	\$ 2,680,276
Grand Total Fees & Other Pymts	\$ 30,092,449

PHEAA - 1997 Student Loan Master Trust - Quarterly Servicing Report

Issuer : PHEAA
 Indenture Name: 1997 Master Trust
 Reporting Period : 07/01/06 - 09/30/06

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>	1,055,739,328	17.31%	80,630,867	(230,105,555)	1,448,508	(72,358,206)		835,354,942	13.43%	6.781%	123.96
<i>Nonsubsidized Stafford</i>	2,145,022	0.04%	89,053	(499,899)	8,928	-		1,743,104	0.03%	8.024%	69.74
<i>Unsubsidized Stafford</i>	776,560,556	12.73%	60,182,261	(183,999,987)	2,038,301	(62,832,342)		591,948,790	9.51%	6.752%	125.89
<i>SLS</i>	918,621	0.02%	180,093	(226,228)	9,756	-		882,243	0.01%	8.429%	82.53
<i>PLUS</i>	224,094,850	3.67%	2,447,163	(95,557,770)	233,943	-		131,218,186	2.11%	7.540%	104.05
<i>HEAL</i>	22,330,552	0.37%	-	(1,177,249)	24,647	-		21,177,949	0.34%	6.558%	231.93
<i>PLUSGB</i>	-	0.00%	232,667	-	-	-		232,667	0.00%	8.500%	144.86
<i>HLCNSLDN</i>	153,571,395	2.52%	60,563	(8,338,809)	163,406	-		145,456,555	2.34%	6.440%	223.54
<i>MedBest</i>	2,519,720	0.04%	2,624,218	(20,066)	-	(2,560,253)		2,563,618	0.04%	6.700%	324.71
<i>Consolidation</i>	3,860,270,688	63.30%	1,443,200,391	(193,700,514)	5,425,368	(624,272,197)		4,490,923,737	72.18%	4.642%	24.70
Total	\$ 6,098,150,732	100.00%	\$ 1,589,647,276	\$ (713,626,077)	\$ 9,352,857	\$ (762,022,998)		\$ 6,221,501,791	100.00%	7.037%	136.93

AES/PHEAA
 97 Trust - Prop / Non-Prop Loan Breakdown
 Reporting Period : 07/01/06 - 09/30/06

Prop. Ind.	School type	Principal	
N	GRADUATE	\$ 21,048,768	
N	SCHOOL OF THEOLOGY	23,683,734.76	
N	STATE RELATED	1,694,148,100.28	
N	2 YEAR PRIV JR COLL	75,676,250.83	
N	2 YEAR PUB JR COLL	326,943,818.61	
N	4 YEAR PRIVATE COLL	2,101,556,601.77	
N	4 YEAR PUBLIC COLL	1,502,928,018.00	
N Total		\$ 5,745,985,292	92%
Y	ALL NON-PROPRIETARY	9,172.51	
Y	ALL PROPRIETARY	707,179.48	
Y	CORRESPONDENCE	9,928,036.44	
Y	FED OWNED DEFR ONLY	2,563,809.89	
Y	HOSPITAL DIPLOMA PGM	38,111,880.57	
Y	PRIV PRESCH/ELEM	88,827.45	
Y	PROP VOC/TECH	98,068,123.89	
Y	PROPRIETARY BUSINESS	151,358,441.32	
Y	TRADE/TECH SCHOOL	174,681,027.02	
Y Total		\$ 475,516,499	8%
Grand Total		\$ 6,221,501,791	

PHEAA - 1997 Student Loan Master Trust - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1997 Master Trust

Reporting Period : 07/01/06 - 09/30/06

As of September 30, 2006

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

1. LOANS IN-SCHOOL/IN-GRACE

	9/30/2006	Prior FYE 6/30/2006	Prior Yr 9/30/2005
In school	\$ 570,035,838	\$ 685,799,687	757,510,824
In grace	217,129,238	269,765,449	245,276,888
2. LOANS IN DEFERMENT	1,078,838,564	891,009,751	464,310,491
3. LOANS IN REPAYMENT	-	-	-
A. CURRENT	3,201,606,042	3,081,096,595	1,559,827,031
Forbearances	757,708,834	806,337,725	299,061,408
B. 31-60 PAST DUE	147,315,734	118,967,681	81,020,313
C. 61-90 PAST DUE	75,138,883	85,302,824	43,448,020
D. 91-120 PAST DUE	42,412,305	58,474,545	20,682,737
E. 121-180 PAST DUE	58,006,808	45,085,379	27,394,827
F. 181-270 PAST DUE	48,209,822	41,569,708	25,100,028
G. 271 OR GREATER PAST DUE	17,770,339	5,310,080	14,082,131
H. CLAIMS FILED BUT NOT PAID	6,328,474	8,300,139	6,135,751
4. IN LITIGATION	1,498,175	1,122,835	1,743,825
5. UNINSURED	523,664	521,935	474,471
6. CREDIT BALANCES	(1,020,930)	(513,602)	(346,654)
7. END PRIN. BAL.	\$ 6,221,501,791	\$ 6,098,150,732	\$ 3,545,722,091

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

	9/30/2006	Prior QTR 6/30/2006	Prior Yr 9/30/2005
Loans at 9.50% floor	\$ 550,875,212	\$ 665,068,220	\$ 862,936,013
Loans @ CP	5,201,527,144	4,043,709,700	1,925,206,783
Loans @ Tbill	230,693,817	410,322,605	184,816,329

PHEAA - 1997 Student Loan Master Trust - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1997 Master Trust

Reporting Period : 07/01/06 - 09/30/06

VI. Claims Paid

	Claims Paid During Period Principal
<i>Subsidized Stafford</i>	\$ 6,186,715
<i>Unsubsidized Stafford</i>	4,591,165
<i>SLS</i>	26,318
<i>PLUS</i>	577,858
<i>HEALTH</i>	152,624
<i>HEAL</i>	45,409
<i>Consolidation</i>	7,825,726
<i>Total</i>	\$ 19,405,815

PHEAA - 1997 Student Loan Master Trust - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1997 Master Trust

Reporting Period : 07/01/06 - 09/30/06

For the quarter ended September 30, 2006

	Loans Sold		Premium		Loans Purchased		Premium	
	\$	%	\$	%	\$	%	\$	%
<i>Subsidized Stafford Total</i>	\$ 53,044,227	9.37%			\$ 41,362,658	11.08%		
<i>Unsubsidized Stafford Total</i>	47,950,815	8.47%			63,958,621	17.13%		
<i>Nonsubsidized Stafford Total</i>	-	-			89,244	0.02%		
<i>SLS Total</i>	-	-			180,093	0.05%		
<i>PLUS Total</i>	-	-			695,740	0.19%		
<i>HEALTH Total</i>	-	-			60,563	0.02%		
<i>MedBEST Total</i>	2,771,344	0.49%			2,836,940	0.76%		
<i>Consolidation Total</i>	462,307,781	81.67%			264,201,150	70.76%		
<i>Total</i>	\$ 566,074,167	100.00%	-	0.0000%	\$ 373,385,010	100.00%	\$ 2,121,249	0.57%