

PHEAA - 1997 Student Loan Master Trust - Quarterly Servicing Report

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

Bond Status

Series	Senior/Sub	Maturity Date	Taxable / Tax-Exempt	Beginning Principal Balance (\$)	Principal Paid (\$)	Ending Principal Balance (\$)	Interest Paid (\$) 09/30/07	Coupon Type (ie. ARC, Fixed, VRDN)	Actual Days in Period	Actual Coupon Rate @ 09/30/07
1997A	Senior	08/01/27	Taxable	35,000,000	-	35,000,000	\$ 433,888	Auction	92	6.500%
1997B	Subordinate	08/01/27	Taxable	15,000,000	-	15,000,000	\$ 255,225	Auction	92	6.750%
1997C	Senior	03/01/28	Taxable	50,000,000	-	50,000,000	\$ 622,510	Auction	92	6.500%
1997D	Senior	11/01/28	Taxable	45,000,000	-	45,000,000	\$ 569,592	Auction	92	6.500%
1997E	Subordinate	11/01/28	Taxable	5,000,000	-	5,000,000	\$ 64,054	Auction	92	6.770%
1997F	Senior	10/01/40	Taxable	165,000,000	-	165,000,000	\$ 2,303,246	Auction	92	6.267%
1997G	Subordinate	10/01/40	Taxable	10,000,000	-	10,000,000	\$ 123,738	Auction	92	6.500%
1997H	Senior	10/01/40	Taxable	165,000,000	-	165,000,000	\$ 2,089,758	Auction	92	6.500%
1997I	Subordinate	10/01/40	Taxable	10,000,000	-	10,000,000	\$ 129,184	Auction	92	6.600%
1997J	Senior	12/01/40	Taxable	215,000,000	-	215,000,000	\$ 2,904,027	Auction	92	6.313%
1997K	Subordinate	12/01/40	Taxable	25,000,000	-	25,000,000	\$ 309,535	Auction	92	6.500%
1997L	Senior	08/01/41	Taxable	190,000,000	-	190,000,000	\$ 2,393,601	Auction	92	6.250%
1997M	Subordinate	08/01/41	Taxable	10,000,000	-	10,000,000	\$ 131,600	Auction	92	6.600%
1997N	Senior	06/01/37	AMT	140,000,000	-	140,000,000	\$ -	Auction	92	4.270%
1997O	Subordinate	06/01/37	AMT	10,000,000	-	10,000,000	\$ -	Auction	92	4.500%
1997P	Senior	03/01/22	AMT	140,000,000	-	140,000,000	\$ 2,719,108	Auction	92	4.550%
1997Q	Subordinate	03/01/22	AMT	10,000,000	-	10,000,000	\$ 194,960	Auction	92	4.850%
1997R	Senior	08/01/42	Taxable	150,000,000	-	150,000,000	\$ 1,874,445	Auction	92	6.375%
1997S	Subordinate	08/01/42	Taxable	10,000,000	-	10,000,000	\$ 128,574	Auction	92	6.550%
1997T	Senior	09/01/42	Taxable	470,500,000	-	470,500,000	\$ 6,325,251	Auction	92	6.260%
1997U	Subordinate	09/01/42	Taxable	29,500,000	-	29,500,000	\$ 379,046	Auction	92	6.570%
1997V	Senior	10/01/42	Taxable	300,000,000	-	300,000,000	\$ 3,954,331	Auction	92	6.038%
1997W	Senior	06/01/38	AMT	140,000,000	-	140,000,000	\$ -	Auction	92	4.475%
1997X	Subordinate	06/01/38	AMT	10,000,000	-	10,000,000	\$ -	Auction	92	4.700%
1997Y	Senior	09/01/43	Taxable	300,000,000	-	300,000,000	\$ 4,109,550	Auction	92	6.233%
1997Z	Senior	06/01/39	AMT	170,000,000	-	170,000,000	\$ -	Auction	92	4.425%
1997AA	Senior	06/01/39	AMT	171,000,000	-	171,000,000	\$ -	Auction	92	4.533%
1997BB	Senior	11/01/44	Taxable	300,000,000	-	300,000,000	\$ 4,103,160	Auction	92	6.231%
1997CC	Senior	08/01/45	Taxable	200,000,000	-	200,000,000	\$ 2,786,855	Auction	92	6.143%
1997DD	Senior	09/01/45	Taxable	200,000,000	-	200,000,000	\$ 2,539,420	Auction	92	6.375%
1997EE	Senior	12/01/45	Taxable	380,000,000	-	380,000,000	\$ 5,238,699	Auction	92	6.300%
1997FF	Subordinate	12/01/45	Taxable	20,000,000	-	20,000,000	\$ 256,200	Auction	92	6.500%
1997GG	Senior	12/01/45	Taxable	500,000,000	-	500,000,000	\$ 7,031,055	Auction	92	6.048%
1997HH	Senior	05/01/46	Taxable	970,000,000	-	970,000,000	\$ 13,478,716	Auction	92	6.168%
1997II	Subordinate	05/01/46	Taxable	30,000,000	-	30,000,000	\$ 385,000	Auction	92	6.750%
1997JJ	Senior	06/01/46	Taxable	727,500,000	-	727,500,000	\$ 9,824,507	Auction	92	6.275%
1997KK	Subordinate	06/01/46	Taxable	22,500,000	-	22,500,000	\$ 282,100	Auction	92	6.350%
1997LL	Senior	04/24/47	Taxable	750,000,000	-	750,000,000	\$ 10,477,276	Auction	92	6.207%
1997MM	Senior	06/01/47	Taxable	339,500,000	-	339,500,000	\$ 4,411,397	Auction	92	6.167%
1997NN	Subordinate	06/01/47	Taxable	10,500,000	-	10,500,000	\$ 147,817	Auction	92	6.200%
Total				\$ 7,441,000,000		\$ 7,441,000,000	\$ 92,977,425			

Senior Debt outstanding @ end of period \$ 7,213,500,000
 Subordinate Debt outstanding @ end of period \$ 227,500,000
 Taxable Debt outstanding @ end of period \$ 6,650,000,000
 Tax-Exempt Debt outstanding @ end of period \$ 791,000,000
 Debt Service Reserve Fund (Surety Bond) \$ 53,200,000
 DSRF Coverage - Senior Debt 0.74%
 DSRF Coverage - Overall 0.71%

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Trust Estate and Parity

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

Current Qtr September 30, 2007	Prior Qtr. June 30, 2007	Prior Year September 30, 2006
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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	\$ 38,168,761	\$ 20,570,573	\$ 18,524,357
Accounts Receivable	0	0	0
Interest Income Receivable	179,662,204	165,377,504	134,001,839
Investments	58,595,088	113,217,172	51,364,032
Student Loans Receivable	7,230,858,246	7,208,956,747	6,221,888,786
Plant, Property & Equip Net	0	0	0
Deferred Financing Costs	31,470,706	31,369,454	28,016,279
Prepaid Exp & Other Expenses	<u>325,326</u>	<u>344,461</u>	<u>307,031</u>
Total Assets	\$ 7,539,080,332	\$ 7,539,835,910	\$ 6,454,102,324

<u>Liabilities</u>			
Accounts Payable & Reserves	\$ 11,954,195	\$ 20,621,327	\$ 9,260,143
Student Ln Financings Int Pay	27,205,724	17,797,692	20,867,720
Student Ln Financings Payable	7,438,100,529	7,438,049,661	6,337,897,058
Total Liabilities	\$ 7,477,260,448	\$ 7,476,468,681	\$ 6,368,024,920

<u>Fund Balances</u>			
Fund Balances	63,367,229	79,693,632	79,693,632
Current Yr Net Income	<u>(1,547,345)</u>	<u>(16,326,403)</u>	<u>6,383,772</u>
Ending Fund Balance	\$ 61,819,883	\$ 63,367,229	\$ 86,077,404

Total Liabilities & Fund Balance	\$ 7,539,080,332	\$ 7,539,835,910	\$ 6,454,102,324
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Sr. Parity Ratio	1.035	1.040	1.049
Parity Ratio	1.004	1.010	1.013
(Current Assets / Total Liab)			

Income Statement:

<u>Revenues</u>			
Interest income	\$ 121,008,824	\$ 388,049,573	\$ 105,965,842
Premium on Student Loan Sales	5,039	251,539	0
Total Revenues	\$ 121,013,864	\$ 388,301,112	\$ 105,965,842

<u>Expenses</u>			
Interest Expense & Related Cst	\$ 106,300,387	\$ 349,283,453	\$ 86,034,017
General & Administrative	16,035,221	54,760,598	13,406,562
Total Expenses	\$ 122,335,608	\$ 404,044,050	\$ 99,440,579

Operating Income / (Loss)	\$ (1,321,744)	\$ (15,742,938)	\$ 6,525,263
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Financial Aid	225,601	604,340	162,366
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Net Income / (Loss) before Trsf	\$ (1,547,345)	\$ (16,347,278)	\$ 6,362,897
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<u>Transfers</u>	<u>0</u>	<u>20,875</u>	<u>20,875</u>
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Net Income / (Loss)	\$ (1,547,345)	\$ (16,326,403)	\$ 6,383,772
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Collection Activity (excluding loan sales)

<i>Principal Repayment Received (\$)</i>	\$ 82,767,844
<i>Principal Prepayment Received (\$)</i>	257,806,165
<i>Principal Reimbursement (\$)</i>	
<i>Interest Payment Received (\$)</i>	57,056,456
<i>Interest Reimbursements (\$)</i>	
<i>Special Allowance Payments (\$)</i>	40,025,598
<i>Subsidy Payments (\$)</i>	12,858,627
<i>Funds Release from Reserve (\$)</i>	
<i>Others (please specify)</i>	
Total	\$ 450,514,691

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Fees and Other Payments

<i>Arbitrage (\$)</i>	\$ -
<i>Consolidation Rebate Fees (\$)</i>	14,186,242
<i>Servicing Fees (\$)</i>	14,160,295
<i>Administration Fees (\$)</i>	192,608
<i>Trustee Fees (\$)</i>	658,476
<i>Auction Agent/Broker Dealer Fees (\$)</i>	3,547,019
<i>Other Fees or Payments (\$)</i>	
Total	\$ 32,744,640
<i>Lender Origination Fees (\$)</i>	2,004,858
<i>Origination Discount (\$)</i>	9,175
Total	\$ 2,014,034
Grand Total Fees & Other Pymts	\$ 34,758,673

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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>	840,565,656	11.66%	89,801,255	(75,898,433)	1,594,920	(106,525,628)		749,537,770	10.37%	6.887%	55.89
<i>Nonsubsidized Stafford</i>	1,765,865	0.02%	194,278	(220,900)	8,711	(747,917)		1,000,036	0.01%	8.058%	75.47
<i>Unsubsidized Stafford</i>	649,052,561	9.00%	62,514,664	(59,693,920)	2,296,725	(92,955,213)		561,214,816	7.76%	6.870%	58.15
<i>SLS</i>	1,144,393	0.02%	436,686	(184,271)	8,072	-		1,404,879	0.02%	8.138%	92.71
<i>PLUS</i>	256,080,867	3.55%	5,849,508	(29,179,542)	377,754	(4,772,884)		228,355,701	3.16%	7.676%	104.36
<i>HEAL</i>	18,830,533	0.26%	-	(856,418)	16,179	-		17,990,295	0.25%	6.633%	223.1
<i>PLUSGB</i>	20,316,424	0.28%	2,755,170	(1,547,484)	55,604	(169,907)		21,409,806	0.30%	7.592%	135.14
<i>HLCNSLDN</i>	129,288,476	1.79%	-	(4,203,008)	112,814	-		125,198,281	1.73%	6.462%	213.46
<i>MedBest</i>	3,474,681	0.05%	-	(46,587)	1,247	-		3,429,341	0.05%	7.079%	129.88
<i>Consolidation</i>	5,288,392,001	73.36%	429,378,463	(168,743,445)	11,737,920	(39,696,360)		5,521,068,578	76.36%	4.995%	243.13
Total	\$ 7,208,911,455	100.00%	\$ 590,930,023	\$ (340,574,010)	\$ 16,209,946	\$ (244,867,910)		\$ 7,230,609,504	100.00%	5.474%	202.85

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

Prop. Ind.	School type	Principal	
N	GRADUATE	21,593,042	
N	SCHOOL OF THEOLOGY	30,608,464	
N	STATE RELATED	1,625,021,695	
N	2 YEAR PRIV JR COLL	98,586,644	
N	2 YEAR PUB JR COLL	400,964,030	
N	4 YEAR PRIVATE COLL	2,653,148,710	
N	4 YEAR PUBLIC COLL	1,807,767,944	
N Total		\$ 6,637,690,528	92%
Y	ALL NON-PROPRIETARY	170,129	
Y	ALL PROPRIETARY	1,795,376	
Y	CORRESPONDENCE	36,867,939	
Y	FED OWNED DEFR ONLY	3,066,237	
Y	HOSPITAL DIPLOMA PGM	41,333,754	
Y	PRIV PRESCH/ELEM	83,904	
Y	PROP VOC/TECH	144,259,727	
Y	PROPRIETARY BUSINESS	163,343,569	
Y	TRADE/TECH SCHOOL	201,998,343	
Y Total		\$ 592,918,976	8%
Grand Total		\$ 7,230,609,505	

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As of September 30, 2007

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

	9/30/2007	Prior FYE 6/30/2007	Prior Year 9/30/2006
<i>1. LOANS IN-SCHOOL/IN-GRACE</i>			
In school	\$ 438,372,910	\$ 487,096,007	\$ 570,035,838
In grace	255,462,548	250,002,213	217,129,238
2. LOANS IN DEFERMENT	1,091,631,543	1,003,507,009	1,078,838,564
3. LOANS IN REPAYMENT	-	-	-
A. CURRENT	3,968,220,071	4,029,382,505	3,201,606,042
Forbearances	868,753,886	882,054,271	757,708,834
B. 31-60 PAST DUE	197,431,438	184,792,740	147,315,734
C. 61-90 PAST DUE	107,497,140	110,620,682	75,138,883
D. 91-120 PAST DUE	74,666,813	66,681,020	42,412,305
E. 121-180 PAST DUE	103,636,450	86,259,973	58,006,808
F. 181-270 PAST DUE	77,983,545	75,454,480	48,209,822
G. 271 OR GREATER PAST DUE	23,589,238	16,213,512	17,770,339
H. CLAIMS FILED BUT NOT PAID	21,445,445	15,585,529	6,328,474
4. IN LITIGATION	1,729,261	1,010,327	1,498,175
5. UNINSURED	638,711	592,718	523,664
6. CREDIT BALANCES	(449,493)	(341,533)	(1,020,930)
7. END PRIN. BAL.	\$ 7,230,609,505	\$ 7,208,911,455	\$ 6,221,501,791

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

	9/30/2007	Prior FYE 6/30/2007	Prior Year 9/30/2006
Loans at 9.50% floor*	\$ -	\$ -	\$ 550,875,212
Loans @ CP	6,542,121,767	6,219,306,083	5,201,527,144
Loans @ Tbill	327,917,037	331,414,037	230,693,817

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

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Claims Paid

	Claims Paid During Period Principal
<i>Subsidized Stafford</i>	\$ 8,938,488
<i>Unsubsidized Stafford</i>	6,702,329
<i>SLS</i>	28,397
<i>PLUS</i>	572,625
<i>HEALTH</i>	80,177
<i>HEAL</i>	82,823
<i>Consolidation</i>	31,729,323
<i>Total</i>	\$ 48,134,164

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For the quarter ended September 30, 2007

	Loans Sold		Premium		Loans Purchased		Premium	
	\$	%	\$	%	\$	%	\$	%
<i>Subsidized Stafford Total</i>	\$ 85,737,231	44.97%			\$ 67,299,245	31.28%		
<i>Unsubsidized Stafford Total</i>	77,366,377	40.58%			45,153,918	20.99%		
<i>Nonsubsidized Stafford Total</i>	766,281	0.40%			194,278	0.09%		
<i>SLS Total</i>	-	0.00%			436,686	0.20%		
<i>PLUS Total</i>	4,834,023	2.54%			4,418,466	2.05%		
<i>PLUSGB</i>	176,907	0.09%			2,378,587	1.11%		
<i>HEALTH Total</i>	-	0.00%			-	0.00%		
<i>MedBEST Total</i>	-	0.00%			-	0.00%		
<i>Consolidation Total</i>	21,774,107	11.42%			95,290,032	44.29%		
<i>Total</i>	\$ 190,654,926	100.00%	-	0.0000%	\$ 215,171,212	100.00%	\$ 5,578,172	2.59%