

PHEAA - 1997 Student Loan Master Trust - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1997 Master Trust

Reporting Period : 10/01/06 - 12/31/06

Bond Status

Series	Senior/Sub	Maturity Date	Taxable / Tax-Exempt	Beginning Principal Balance (\$)	Principal Paid (\$)	Ending Principal Balance (\$)	Interest Paid (\$) 12/31/06	Coupon Type (ie. ARC, Fixed, VRDN)	Actual Days in Period	Actual Coupon Rate @ 12/31/06
1997A	Senior	08/01/27	Taxable	\$ 35,000,000	-	\$ 35,000,000	\$ 426,902	Auction	92	5.300%
1997B	Subordinate	08/01/27	Taxable	15,000,000	-	15,000,000	\$ 186,180	Auction	92	5.400%
1997C	Senior	03/01/28	Taxable	50,000,000	-	50,000,000	\$ 609,480	Auction	92	5.300%
1997D	Senior	11/01/28	Taxable	45,000,000	-	45,000,000	\$ 554,373	Auction	92	5.380%
1997E	Subordinate	11/01/28	Taxable	5,000,000	-	5,000,000	\$ 62,597	Auction	92	5.200%
1997F	Senior	10/01/40	Taxable	165,000,000	-	165,000,000	\$ 2,015,068	Auction	92	5.320%
1997G	Subordinate	10/01/40	Taxable	10,000,000	-	10,000,000	\$ 164,856	Auction	92	5.420%
1997H	Senior	10/01/40	Taxable	165,000,000	-	165,000,000	\$ 2,031,579	Auction	92	5.400%
1997I	Subordinate	10/01/40	Taxable	10,000,000	-	10,000,000	\$ 125,194	Auction	92	5.520%
1997J	Senior	12/01/40	Taxable	215,000,000	-	215,000,000	\$ 2,841,558	Auction	92	5.320%
1997K	Subordinate	12/01/40	Taxable	25,000,000	-	25,000,000	\$ 412,885	Auction	92	5.420%
1997L	Senior	08/01/41	Taxable	190,000,000	-	190,000,000	\$ 2,345,056	Auction	92	5.310%
1997M	Subordinate	08/01/41	Taxable	10,000,000	-	10,000,000	\$ 126,078	Auction	92	5.400%
1997N	Senior	06/01/37	AMT	140,000,000	-	140,000,000	\$ 2,630,334	Auction	92	3.783%
1997O	Subordinate	06/01/37	AMT	10,000,000	-	10,000,000	\$ 190,212	Auction	92	3.870%
1997P	Senior	03/01/22	AMT	140,000,000	-	140,000,000	\$ -	Auction	92	3.767%
1997Q	Subordinate	03/01/22	AMT	10,000,000	-	10,000,000	\$ -	Auction	92	3.730%
1997R	Senior	08/01/42	Taxable	150,000,000	-	150,000,000	\$ 1,821,585	Auction	92	5.320%
1997S	Subordinate	08/01/42	Taxable	10,000,000	-	10,000,000	\$ 124,496	Auction	92	5.400%
1997T	Senior	09/01/42	Taxable	470,500,000	-	470,500,000	\$ 6,584,102	Auction	92	5.320%
1997U	Subordinate	09/01/42	Taxable	29,500,000	-	29,500,000	\$ 496,284	Auction	92	5.500%
1997V	Senior	10/01/42	Taxable	300,000,000	-	300,000,000	\$ 4,056,592	Auction	92	5.330%
1997W	Senior	06/01/38	AMT	140,000,000	-	140,000,000	\$ 2,560,784	Auction	92	3.688%
1997X	Subordinate	06/01/38	AMT	10,000,000	-	10,000,000	\$ 188,150	Auction	92	3.800%
1997Y	Senior	09/01/43	Taxable	300,000,000	-	300,000,000	\$ 4,019,730	Auction	92	5.330%
1997Z	Senior	06/01/39	AMT	170,000,000	-	170,000,000	\$ 3,184,352	Auction	92	3.717%
1997AA	Senior	06/01/39	AMT	171,000,000	-	171,000,000	\$ 3,174,980	Auction	92	3.772%
1997BB	Senior	11/01/44	Taxable	300,000,000	-	300,000,000	\$ 4,020,300	Auction	92	5.330%
1997CC	Senior	08/01/45	Taxable	200,000,000	-	200,000,000	\$ 2,745,515	Auction	92	5.330%
1997DD	Senior	09/01/45	Taxable	200,000,000	-	200,000,000	\$ 2,468,980	Auction	92	5.320%
1997EE	Senior	12/01/45	Taxable	380,000,000	-	380,000,000	\$ 5,084,780	Auction	92	5.320%
1997FF	Subordinate	12/01/45	Taxable	20,000,000	-	20,000,000	\$ 334,908	Auction	92	5.450%
1997GG	Senior	12/01/45	Taxable	500,000,000	-	500,000,000	\$ 6,859,916	Auction	92	5.310%
1997HH	Senior	05/01/46	Taxable	970,000,000	-	970,000,000	\$ 13,247,861	Auction	92	5.359%
1997II	Subordinate	05/01/46	Taxable	30,000,000	-	30,000,000	\$ 374,500	Auction	92	5.400%
1997JJ	Senior	06/01/46	Taxable	727,500,000	-	727,500,000	\$ 9,209,497	Auction	92	5.320%
1997KK	Subordinate	06/01/46	Taxable	22,500,000	-	22,500,000	\$ 375,200	Auction	92	5.500%
Total				\$ 6,341,000,000		\$ 6,341,000,000	\$ 85,654,863			

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%

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Trust Estate and Parity

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

Accruals Ledger

	Current Qtr December 31, 2006	Prior Qtr. September 30, 2006	Prior Year December 31, 2005
	PHEAA - 1997 Master Trust	PHEAA - 1997 Master Trust	PHEAA - 1997 Master Trust
<u>Balance Sheet:</u>			
<u>Assets</u>			
Customer Cash	\$ 11,538,066	\$ 18,524,357	\$18,007,454
Accounts Receivable	0	0	0
Interest Income Receivable	137,522,325	134,001,839	77,797,379
Investments	162,320,416	51,364,032	244,764,391
Student Loans Receivable	6,110,413,188	6,221,888,786	4,330,630,614
Plant, Property & Equip Net	0	0	0
Deferred Financing Costs	27,814,737	28,016,279	21,739,038
Prepaid Exp & Other Expenses	876,942	307,031	42,087
Total Assets	\$ 6,450,485,674	\$ 6,454,102,324	\$ 4,692,980,964
<u>Liabilities</u>			
Accounts Payable & Reserves	\$ 9,544,038	\$ 9,260,143	\$6,059,592
Student Ln Financings Int Pay	17,747,589	20,867,720	10,922,005
Student Ln Financings Payable	6,337,947,926	6,337,897,058	4,587,744,454
Total Liabilities	\$ 6,365,239,553	\$ 6,368,024,920	\$ 4,604,726,051
<u>Fund Balances</u>			
Fund Balances	79,693,632	79,693,632	\$ 140,653,029
Current Yr Net Income	5,552,489	6,383,772	\$ (52,398,115)
Ending Fund Balance	\$ 85,246,121	\$ 86,077,404	\$ 88,254,913
Total Liabilities & Fund Balance	\$ 6,450,485,674	\$ 6,454,102,324	\$ 4,692,980,964
Sr. Parity Ratio	1.049	1.049	1.055
Parity Ratio	1.013	1.013	1.017
(Current Assets / Total Liab)			

Income Statement:

	PHEAA - 1997 Master Trust	PHEAA - 1997 Master Trust	PHEAA - 1997 Master Trust
<u>Revenues</u>			
Interest income	\$ 204,178,533	\$ 105,965,842	\$ 68,546,060
Premium on Student Loan Sales	208,825	0	0
Total Revenues	\$ 204,387,358	\$ 105,965,842	\$ 68,546,060
<u>Expenses</u>			
Interest Expense & Related Cst	\$ 171,939,735	\$ 86,034,017	\$ 71,277,218
General & Administrative	26,609,237	13,406,562	16,341,357
Total Expenses	\$ 198,548,972	\$ 99,440,579	\$ 87,618,574
Operating Income / (Loss)	\$ 5,838,386	\$ 6,525,263	\$ (19,072,515)
Financial Aid	306,772	162,366	5,207,351
Net Income / (Loss) before Trsf	\$ 5,531,614	\$ 6,362,897	(24,279,865)
Transfers	20,875	20,875	(28,118,250)
Net Income / (Loss)	\$ 5,552,489	\$ 6,383,772	\$ (52,398,115)

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Collection Activity (excluding loan sales)

<i>Principal Repayment Received (\$)</i>	\$ 71,856,038
<i>Principal Prepayment Received (\$)</i>	268,242,933
<i>Principal Reimbursement (\$)</i>	
<i>Interest Payment Received (\$)</i>	44,876,260
<i>Interest Reimbursements (\$)</i>	
<i>Special Allowance Payments (\$)</i>	42,567,191
<i>Subsidy Payments (\$)</i>	14,329,154
<i>Funds Release from Reserve (\$)</i>	
<i>Others (please specify)</i>	
Total	\$ 441,871,577

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Fees and Other Payments

<i>Arbitrage (\$)</i>	\$ -
<i>Consolidation Rebate Fees (\$)</i>	11,759,157
<i>Servicing Fees (\$)</i>	12,452,053
<i>Administration Fees (\$)</i>	189,357
<i>Trustee Fees (\$)</i>	628,978
<i>Auction Agent/Broker Dealer Fees (\$)</i>	3,214,523
<i>Other Fees or Payments (\$)</i>	
Total	\$ 28,244,067
<i>Lender Origination Fees (\$)</i>	5,079,648
<i>Origination Discount (\$)</i>	20,658
Total	\$ 5,100,305
Grand Total Fees & Other Pymts	\$ 33,344,373

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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>	835,354,942	13.43%	124,235,063	(111,040,885)	1,837,902	(32,749,160)		817,637,861	13.40%	6.843%	121.95
<i>Nonsubsidized Stafford</i>	1,743,104	0.03%	354,532	(373,650)	9,852	(3,310)		1,730,528	0.03%	8.020%	70.18
<i>Unsubsidized Stafford</i>	591,948,790	9.51%	101,521,659	(85,670,271)	7,006,393	(24,340,250)		590,466,321	9.67%	6.818%	123.92
<i>SLS</i>	882,243	0.01%	279,974	(165,205)	20,100			1,017,111	0.02%	8.428%	87.09
<i>PLUS</i>	131,218,186	2.11%	33,678,988	(16,229,446)	200,989			148,868,717	2.44%	7.582%	102.21
<i>HEAL</i>	21,177,949	0.34%	-	(866,386)	9,091			20,320,654	0.33%	6.757%	229.79
<i>PLUSGB</i>	232,667	0.00%	584,812	(17,017)	(522)			799,940	0.01%	8.451%	139.03
<i>HLCNSLDN</i>	145,456,555	2.34%	-	(5,501,850)	88,185			140,042,891	2.29%	6.611%	221.05
<i>MedBest</i>	2,563,618	0.04%	24,353	4,059	998			2,593,028	0.04%	7.066%	322.5
<i>Consolidation</i>	4,490,923,737	72.18%	569,778,693	(120,238,321)	8,440,650	(568,493,656)		4,380,411,103	71.76%	4.710%	19.76
Total	\$ 6,221,501,791	100.00%	\$ 830,458,074	\$ (340,098,972)	\$ 17,613,637	\$ (625,586,377)		\$ 6,103,888,153	100.00%	7.129%	143.75

AES/PHEAA
 97 Trust - Prop / Non-Prop Loan Breakdown
 Reporting Period : 10/01/06 - 12/31/06

Prop. Ind.	School type	Principal	
N	GRADUATE	\$ 20,443,872	
N	SCHOOL OF THEOLOGY	24,112,664.14	
N	STATE RELATED	1,560,394,971.72	
N	2 YEAR PRIV JR COLL	74,763,961.06	
N	2 YEAR PUB JR COLL	331,764,399.35	
N	4 YEAR PRIVATE COLL	2,135,024,194.59	
N	4 YEAR PUBLIC COLL	1,485,862,251.43	
N Total		\$ 5,632,366,314	92%
Y	ALL NON-PROPRIETARY	25,446.51	
Y	ALL PROPRIETARY	810,488.46	
Y	CORRESPONDENCE	1,873,294.68	
Y	FED OWNED DEFR ONLY	2,901,784.23	
Y	HOSPITAL DIPLOMA PGM	35,146,233.94	
Y	PRIV PRESCH/ELEM	88,057.57	
Y	PROP VOC/TECH	103,157,720.67	
Y	PROPRIETARY BUSINESS	151,792,401.53	
Y	TRADE/TECH SCHOOL	175,726,411.44	
Y Total		\$ 471,521,839	8%
Grand Total		\$ 6,103,888,153	

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As of December 31, 2006

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

	12/31/2006	Prior FYE 6/30/2006	Prior Yr 12/31/2005
<i>1. LOANS IN-SCHOOL/IN-GRACE</i>			
In school	\$ 512,012,166	\$ 685,799,687	\$ 692,375,541
In grace	129,383,605	269,765,449	\$ 122,490,772
2. LOANS IN DEFERMENT	963,597,298	891,009,751	\$ 604,099,086
3. LOANS IN REPAYMENT	-	-	
A. CURRENT	3,319,429,680	3,081,096,595	\$ 2,665,410,758
Forbearances	726,007,597	806,337,725	
B. 31-60 PAST DUE	163,285,732	118,967,681	\$ 99,600,887
C. 61-90 PAST DUE	86,486,328	85,302,824	\$ 41,837,894
D. 91-120 PAST DUE	54,641,141	58,474,545	\$ 23,963,885
E. 121-180 PAST DUE	65,813,640	45,085,379	\$ 41,329,817
F. 181-270 PAST DUE	50,651,597	41,569,708	\$ 26,410,082
G. 271 OR GREATER PAST DUE	24,127,439	5,310,080	\$ 11,325,959
H. CLAIMS FILED BUT NOT PAID	7,739,789	8,300,139	\$ 2,748,503
4. IN LITIGATION	1,055,716	1,122,835	\$ 1,365,198
5. UNINSURED	525,844	521,935	\$ 494,296
6. CREDIT BALANCES	(869,421)	(513,602)	\$ (676,730)
7. END PRIN. BAL.	<u>\$ 6,103,888,153</u>	<u>\$ 6,098,150,732</u>	<u>\$ 4,332,775,947</u>

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

	12/31/2006	Prior QTR 6/30/2006	12/31/2005
Loans at 9.50% floor*	\$ 493,782,883	\$ 665,068,220	764,285,797
Loans @ CP	5,204,512,438	4,043,709,700	2,520,344,493
Loans @ Tbill	235,286,505	410,322,605	220,381,044

* Please refer to FP-07-01 regarding the Department of Education's treatment of 9.5% floor loans as of December 31, 2006

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VI. Claims Paid

	Claims Paid During Period Principal
<i>Subsidized Stafford</i>	\$ 10,074,470
<i>Unsubsidized Stafford</i>	7,861,439
<i>SLS</i>	8,970
<i>PLUS</i>	485,684
<i>HEALTH</i>	-
<i>HEAL</i>	16,743
<i>Consolidation</i>	10,491,976
<i>Total</i>	\$ 28,939,282

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For the quarter ended December 31, 2006

	Loans Sold		Premium		Loans Purchased		Premium	
	\$	%	\$	%	\$	%	\$	%
<i>Subsidized Stafford Total</i>	\$ 21,976,627	3.59%			\$ 113,313,599	22.57%		
<i>Unsubsidized Stafford Total</i>	18,007,739	2.94%			96,985,426	19.31%		
<i>Nonsubsidized Stafford Total</i>	3,335	0.00%			360,375	0.07%		
<i>SLS Total</i>	-	0.00%			280,341	0.06%		
<i>PLUS Total</i>	-	0.00%			33,007,150	6.57%		
<i>PLUSGB</i>	-	0.00%			367,981	0.07%		
<i>HEALTH Total</i>	-	0.00%			-	0.00%		
<i>MedBEST Total</i>	-	0.00%			24,698	0.00%		
<i>Consolidation Total</i>	571,670,809	93.46%			257,822,781	51.34%		
<i>Total</i>	\$ 611,658,510	100.00%	208,824.67	0.0341%	\$ 502,162,352	100.00%	\$ 10,255,812	2.04%