

PHEAA - 1997 Student Loan Master Trust - Quarterly Servicing Report

Issuer : PHEAA
 Indenture Name: 1997 Master Trust
 Reporting Period : 10/01/07 - 12/31/07

Bond Status

Series	Senior/Sub	Maturity Date	Taxable / Tax-Exempt	Beginning Principal Balance (\$)	Principal Paid (\$)	Ending Principal Balance (\$)	Interest Paid (\$) 12/31/07	Coupon Type (ie. ARC, Fixed, VRDN)	Actual Days in Period	Actual Coupon Rate @ 12/31/07
1997A	Senior	08/01/27	Taxable	\$ 35,000,000	-	\$ 35,000,000	\$ 478,996	Auction	92	6.250%
1997B	Subordinate	08/01/27	Taxable	15,000,000	-	15,000,000	\$ 220,929	Auction	92	6.600%
1997C	Senior	03/01/28	Taxable	50,000,000	-	50,000,000	\$ 688,500	Auction	92	6.500%
1997D	Senior	11/01/28	Taxable	45,000,000	-	45,000,000	\$ 604,116	Auction	92	6.220%
1997E	Subordinate	11/01/28	Taxable	5,000,000	-	5,000,000	\$ 74,948	Auction	92	6.550%
1997F	Senior	10/01/40	Taxable	165,000,000	-	165,000,000	\$ 2,206,204	Auction	92	6.600%
1997G	Subordinate	10/01/40	Taxable	10,000,000	-	10,000,000	\$ 196,564	Auction	92	4.000%
1997H	Senior	10/01/40	Taxable	165,000,000	-	165,000,000	\$ 2,223,936	Auction	92	6.220%
1997I	Subordinate	10/01/40	Taxable	10,000,000	-	10,000,000	\$ 148,516	Auction	92	6.550%
1997J	Senior	12/01/40	Taxable	215,000,000	-	215,000,000	\$ 3,150,933	Auction	92	6.475%
1997K	Subordinate	12/01/40	Taxable	25,000,000	-	25,000,000	\$ 490,255	Auction	92	7.000%
1997L	Senior	08/01/41	Taxable	190,000,000	-	190,000,000	\$ 2,521,091	Auction	92	6.250%
1997M	Subordinate	08/01/41	Taxable	10,000,000	-	10,000,000	\$ 148,868	Auction	92	6.650%
1997N	Senior	06/01/37	AMT	140,000,000	-	140,000,000	\$ 2,972,634	Auction	92	5.725%
1997O	Subordinate	06/01/37	AMT	10,000,000	-	10,000,000	\$ 217,500	Auction	92	5.950%
1997P	Senior	03/01/22	AMT	140,000,000	-	140,000,000	\$ -	Auction	92	5.625%
1997Q	Subordinate	03/01/22	AMT	10,000,000	-	10,000,000	\$ -	Auction	92	6.000%
1997R	Senior	08/01/42	Taxable	150,000,000	-	150,000,000	\$ 2,044,680	Auction	92	6.550%
1997S	Subordinate	08/01/42	Taxable	10,000,000	-	10,000,000	\$ 146,136	Auction	92	7.000%
1997T	Senior	09/01/42	Taxable	470,500,000	-	470,500,000	\$ 7,113,207	Auction	92	6.870%
1997U	Subordinate	09/01/42	Taxable	29,500,000	-	29,500,000	\$ 587,380	Auction	92	7.750%
1997V	Senior	10/01/42	Taxable	300,000,000	-	300,000,000	\$ 4,346,779	Auction	92	6.106%
1997W	Senior	06/01/38	AMT	140,000,000	-	140,000,000	\$ 2,913,384	Auction	92	6.025%
1997X	Subordinate	06/01/38	AMT	10,000,000	-	10,000,000	\$ 215,466	Auction	92	6.000%
1997Y	Senior	09/01/43	Taxable	300,000,000	-	300,000,000	\$ 4,368,293	Auction	92	6.325%
1997Z	Senior	06/01/39	AMT	170,000,000	-	170,000,000	\$ 3,562,500	Auction	92	5.550%
1997AA	Senior	06/01/39	AMT	171,000,000	-	171,000,000	\$ 3,622,019	Auction	92	5.616%
1997BB	Senior	11/01/44	Taxable	300,000,000	-	300,000,000	\$ 4,364,153	Auction	92	6.350%
1997CC	Senior	08/01/45	Taxable	200,000,000	-	200,000,000	\$ 2,983,935	Auction	92	6.366%
1997DD	Senior	09/01/45	Taxable	200,000,000	-	200,000,000	\$ 2,679,420	Auction	92	6.425%
1997EE	Senior	12/01/45	Taxable	380,000,000	-	380,000,000	\$ 5,554,935	Auction	92	6.725%
1997FF	Subordinate	12/01/45	Taxable	20,000,000	-	20,000,000	\$ 398,224	Auction	92	7.750%
1997GG	Senior	12/01/45	Taxable	500,000,000	-	500,000,000	\$ 7,382,142	Auction	92	6.408%
1997HH	Senior	05/01/46	Taxable	970,000,000	-	970,000,000	\$ 14,750,547	Auction	92	6.330%
1997II	Subordinate	05/01/46	Taxable	30,000,000	-	30,000,000	\$ 452,667	Auction	92	6.750%
1997JJ	Senior	06/01/46	Taxable	727,500,000	-	727,500,000	\$ 10,756,765	Auction	92	6.350%
1997KK	Subordinate	06/01/46	Taxable	22,500,000	-	22,500,000	\$ 439,250	Auction	92	7.000%
1997LL	Senior	04/24/47	Taxable	750,000,000	-	750,000,000	\$ 11,467,704	Auction	92	6.415%
1997MM	Senior	06/01/47	Taxable	339,500,000	-	339,500,000	\$ 4,553,253	Auction	92	6.270%
1997NN	Subordinate	06/01/47	Taxable	10,500,000	-	10,500,000	\$ 149,858	Auction	92	6.900%
Total				\$ 7,441,000,000		\$ 7,441,000,000	\$ 111,196,687			

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	Prior Qtr.	Prior Year
December 31, 2007	September 30, 2007	December 31, 2006

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	\$ 13,422,260	\$ 38,168,761	\$ 11,538,066
Accounts Receivable	0	0	0
Interest Income Receivable	169,138,753	179,662,204	137,522,325
Investments	56,041,144	58,595,088	162,320,416
Student Loans Receivable	7,252,351,202	7,230,858,246	6,110,413,188
Plant, Property & Equip Net	0	0	0
Deferred Financing Costs	31,242,368	31,470,706	27,814,737
Prepaid Exp & Other Expenses	<u>342,689</u>	<u>325,326</u>	<u>876,942</u>
Total Assets	\$ 7,522,538,415	\$ 7,539,080,332	\$ 6,450,485,674

<u>Liabilities</u>			
Accounts Payable & Reserves	\$ 9,245,332	\$ 11,954,195	\$ 9,544,038
Student Ln Financings Int Pay	24,008,892	27,205,724	17,747,589
Student Ln Financings Payable	7,438,151,397	7,438,100,529	6,337,947,926
Total Liabilities	\$ 7,471,405,621	\$ 7,477,260,448	\$ 6,365,239,553

<u>Fund Balances</u>			
Fund Balances	63,367,229	63,367,229	79,693,632
Current Yr Net Income	<u>(12,234,434)</u>	<u>(1,547,345)</u>	<u>5,552,489</u>
Ending Fund Balance	\$ 51,132,795	\$ 61,819,883	\$ 85,246,121

Total Liabilities & Fund Balance	\$ 7,522,538,415	\$ 7,539,080,332	\$ 6,450,485,674
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Sr. Parity Ratio	1.034	1.035	1.049
Parity Ratio	1.002	1.004	1.013
(Current Assets / Total Liab)			

Income Statement:

<u>Revenues</u>			
Interest income	\$ 236,871,841	\$ 121,008,824	\$ 204,178,533
Premium on Student Loan Sales	5,039	5,039	208,825
Total Revenues	\$ 236,876,880	\$ 121,013,864	\$ 204,387,358

<u>Expenses</u>			
Interest Expense & Related Cst	\$ 219,101,166	\$ 106,300,387	\$ 171,939,735
General & Administrative	28,788,881	16,035,221	26,609,237
Total Expenses	\$ 247,890,047	\$ 122,335,608	\$ 198,548,972

Operating Income / (Loss)	\$ (11,013,167)	\$ (1,321,744)	\$ 5,838,386
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Financial Aid	1,221,267	225,601	306,772
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Net Income / (Loss) before Trfs	\$ (12,234,434)	\$ (1,547,345)	\$ 5,531,614
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Transfers	0	0	20,875
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Net Income / (Loss)	\$ (12,234,434)	\$ (1,547,345)	\$ 5,552,489
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Collection Activity (excluding loan sales)

<i>Principal Repayment Received (\$)</i>	\$ 86,320,583
<i>Principal Prepayment Received (\$)</i>	200,943,683
<i>Principal Reimburesment (\$)</i>	
<i>Interest Payment Received (\$)</i>	58,621,856
<i>Interest Reimbursements (\$)</i>	
<i>Special Allowance Payments (\$)</i>	40,653,060
<i>Subsidy Payments (\$)</i>	13,473,802
<i>Funds Release from Reserve (\$)</i>	
<i>Others (please specify)</i>	
Total	\$ 400,012,984

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Fees and Other Payments

<i>Arbitrage (\$)</i>	\$ -
<i>Consolidation Rebate Fees (\$)</i>	14,819,094
<i>Servicing Fees (\$)</i>	14,637,460
<i>Administration Fees (\$)</i>	193,262
<i>Trustee Fees (\$)</i>	693,882
<i>Auction Agent/Broker Dealer Fees (\$)</i>	3,319,137
<i>Other Fees or Payments (\$)</i>	
Total	\$ 33,662,835
<i>Lender Origination Fees (\$)</i>	1,592,491
<i>Origination Discount (\$)</i>	10,696
Total	\$ 1,603,187
Grand Total Fees & Other Pymts	\$ 35,266,022

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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>	749,537,770	10.37%	110,460,023	(77,057,958)	1,902,143	(104,614,293)		680,227,686	9.38%	6.930%	69.09
<i>Nonsubsidized Stafford</i>	1,000,036	0.01%	184,304	(143,430)	8,067	(583,871)		465,106	0.01%	8.031%	74.56
<i>Unsubsidized Stafford</i>	561,214,816	7.76%	84,822,567	(58,699,227)	10,125,402	(71,929,928)		525,533,630	7.25%	6.918%	71.56
<i>SLS</i>	1,404,879	0.02%	261,484	(241,039)	6,773	-		1,432,097	0.02%	8.136%	93.06
<i>PLUS</i>	228,355,701	3.16%	6,754,140	(13,343,434)	425,134	-		222,191,542	3.06%	7.703%	101.59
<i>HEAL</i>	17,990,295	0.25%	-	(859,572)	20,826	-		17,151,549	0.24%	7.084%	220.17
<i>PLUSGB</i>	21,409,806	0.30%	572,276	(741,157)	41,262	-		21,282,187	0.29%	7.618%	134.13
<i>HLCNSLDN</i>	125,198,281	1.73%	-	(4,104,744)	84,893	-		121,178,430	1.67%	6.085%	210.78
<i>MedBest</i>	3,429,341	0.05%	-	(24,721)	2,370	-		3,406,990	0.05%	7.228%	139.98
<i>Consolidation</i>	5,521,068,578	76.36%	319,980,914	(132,048,986)	13,048,367	(62,329,804)		5,659,719,069	78.04%	5.087%	245.07
Total	\$ 7,230,609,504	100.00%	\$ 523,035,709	\$ (287,264,266)	\$ 25,665,236	\$ (239,457,896)		\$ 7,252,588,287	100.00%	5.504%	210.54

AES/PHEAA
 97 Trust - Prop / Non-Prop Loan Breakdown
 Reporting Period : 10/01/07 - 12/31/07

Prop. Ind.	School type	Principal	
N	GRADUATE	20,270,448	
N	SCHOOL OF THEOLOGY	31,094,974	
N	STATE RELATED	1,610,133,458	
N	2 YEAR PRIV JR COLL	99,962,999	
N	2 YEAR PUB JR COLL	396,788,656	
N	4 YEAR PRIVATE COLL	2,667,260,038	
N	4 YEAR PUBLIC COLL	1,802,004,205	
N Total		\$ 6,627,514,778	91%
Y	ALL NON-PROPRIETARY	196,016	
Y	ALL PROPRIETARY	2,066,998	
Y	CORRESPONDENCE	58,323,043	
Y	FED OWNED DEFR ONLY	3,242,753	
Y	HOSPITAL DIPLOMA PGM	41,609,689	
Y	PRIV PRESCH/ELEM	185,686	
Y	PROP VOC/TECH	149,315,206	
Y	PROPRIETARY BUSINESS	163,712,115	
Y	TRADE/TECH SCHOOL	206,422,001	
Y Total		\$ 625,073,509	9%
Grand Total		\$ 7,252,588,287	

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As of December 31, 2007

<i>Average 1997 Loan Portfolio--1997PQ, 1997NO, 1997WX, 1997Z, 1997AA, 1997 Taxable</i>	12/31/2007	Prior FYE 6/30/2007	Prior Year 12/31/2006
1. LOANS IN-SCHOOL/IN-GRACE			
In school	\$ 412,500,696	\$ 487,096,007	\$ 512,012,166
In grace	86,753,436	250,002,213	129,383,605
2. LOANS IN DEFERMENT	1,073,995,505	1,003,507,009	963,597,298
3. LOANS IN REPAYMENT	-	-	-
A. CURRENT	4,125,168,499	4,029,382,505	3,319,429,680
Forbearances	930,956,671	882,054,271	726,007,597
B. 31-60 PAST DUE	209,125,073	184,792,740	163,285,732
C. 61-90 PAST DUE	108,263,020	110,620,682	86,486,328
D. 91-120 PAST DUE	73,053,586	66,681,020	54,641,141
E. 121-180 PAST DUE	98,241,169	86,259,973	65,813,640
F. 181-270 PAST DUE	85,322,138	75,454,480	50,651,597
G. 271 OR GREATER PAST DUE	30,223,498	16,213,512	24,127,439
H. CLAIMS FILED BUT NOT PAID	16,523,114	15,585,529	7,739,789
4. IN LITIGATION	2,009,381	1,010,327	1,055,716
5. UNINSURED	737,130	592,718	525,844
6. CREDIT BALANCES	(284,630)	(341,533)	(869,421)
7. END PRIN. BAL.	\$ 7,252,588,287	\$ 7,208,911,455	\$ 6,103,888,153

<i>Average 1997 Loan Portfolio--1997PQ, 1997NO, 1997WX, 1997Z, 1997AA, 1997 Taxable</i>	12/31/2007	Prior FYE 6/30/2007	Prior Year 12/31/2006
Loans at 9.50% floor*	\$ -	\$ -	\$ 493,782,883
Loans @ CP**	6,826,334,046	6,219,306,083	5,204,512,438
Loans @ Tbill**	426,254,241	331,414,037	235,286,505

* Please refer to FP-07-01 regarding the Department of Education's treatment of 9.5% floor loan:
 as of December 31, 2007

**As of 12/31/07, these figures include ending balances of the total loan portfolio. Prior quarters include
 average balance during the quarter for Title IV loans only

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Claims Paid

	Claims Paid During Period Principal
<i>Subsidized Stafford</i>	\$ 11,984,683
<i>Unsubsidized Stafford</i>	10,440,219
<i>SLS</i>	22,399
<i>PLUS</i>	943,607
<i>HEALTH</i>	49,097
<i>HEAL</i>	78,386
<i>Consolidation</i>	30,490,166
<i>Total</i>	\$ 54,008,557

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For the quarter ended December 31, 2007

	Loans Sold		Premium		Loans Purchased		Premium	
	\$	%	\$	%	\$	%	\$	%
<i>Subsidized Stafford Total</i>	\$ 89,324,688	41.65%			\$ 75,628,359	42.51%		
<i>Unsubsidized Stafford Total</i>	65,752,937	30.66%			62,124,119	34.92%		
<i>Nonsubsidized Stafford Total</i>	593,516	0.28%			184,304	0.10%		
<i>SLS Total</i>	-	0.00%			261,484	0.15%		
<i>PLUS Total</i>	-	0.00%			6,169,492	3.47%		
<i>PLUSGB</i>	-	0.00%			248,703	0.14%		
<i>HEALTH Total</i>	-	0.00%			-	0.00%		
<i>MedBEST Total</i>	-	0.00%			-	0.00%		
<i>Consolidation Total</i>	58,795,977	27.41%			33,291,155	18.71%		
<i>Total</i>	\$ 214,467,118	100.00%	-	0.0000%	\$ 177,907,616	100.00%	\$ 1,618,449	0.91%