

I. Series 2003-1 Asset and Liability Summary

A. Student Loan Portfolio and Fund Balance

	March 31, 2004	Net Activity	June 30, 2004
1. Financed Student Loans - Principal Balance	\$ 362,909,283.01	\$ (17,289,029.34)	\$ 345,620,253.67
2. Interest Expected to be Capitalized	\$ 1,092,950.00	\$ 199,811.15	\$ 1,292,761.15
3. Total Pool Balance	\$ 364,002,233.01	\$ (17,089,218.19)	\$ 346,913,014.82
4. Financed Student Loans - Borrower Interest Balance	\$ 2,056,808.12	\$ 174,008.02	\$ 2,230,816.14
5. Accrued Interest Subsidy & Special Allowance (Net of Lender Origination Fees)	\$ 177,520.01	\$ 66,745.17	\$ 244,265.18
6. Weighted Average Coupon Rate	4.50%		4.51%
7. Weighted Avg Remaining to Maturity (in months)	147.20		146.61
8. Number of Loans	80,182		78,026
9. Number of Borrowers	41,990		40,858

B. Reserve Fund

	3/31/04	Change	6/30/04
1 Reserve Fund (1.00%)	\$ 3,983,065.20	\$ (195,594.16)	\$ 3,787,471.04
2 Reserve Fund Floor	\$ 500,000.00		\$ 500,000.00
3 Current Reserve Account Balance	\$ 3,983,065.20	\$ (195,594.16)	\$ 3,787,471.04

C. Other Fund Balances

	3/31/04	Change	6/30/04
1 Acquisition Fund	\$ 291,155.40	\$ (1,228.19)	\$ 289,927.21
2 Revenue Fund (including sub-accounts & Intransits from Servicer)	\$ 22,936,165.30	\$ (2,814,234.29)	\$ 20,121,931.01

D. Notes and Certificates

	CUSIP	Spread	3/31/04	%	6/30/04	%
1 Class A-1 LIBOR Notes	71722T AD6	0.06%	\$ 198,000,000.00	50.10%	\$ 181,322,000.00	48.55%
2 Class A-2 ARS Notes	71722T AA2	ARS	\$ 87,200,000.00	22.06%	\$ 82,150,000.00	22.00%
3 Class A-3 ARS Notes	71722T AB0	ARS	\$ 90,000,000.00	22.77%	\$ 90,000,000.00	24.10%
4 Class B-1 ARS Notes	71722T AC8	ARS	\$ 20,000,000.00	5.06%	\$ 20,000,000.00	5.36%
8 Total Notes and Certificates			\$ 395,200,000.00	100.00%	\$ 373,472,000.00	100.00%

PHEAA - Student Loan Trust 2003-1

Quarterly Servicing Report

Report Date: 06/30/04

Report Period: 04/01/04 - 06/30/04

II. Series 2003-1 Transactions and Accruals		04/01/04	thru	06/30/04	Beg/End Balances
A.	Student Loan Cash Principal Activity				362,909,283.01
	1 Borrower Payments	\$	(11,128,016.26)		
	2 Claim Payments	\$	(200,361.78)		
	3 Consolidation Payoffs	\$	(6,202,634.79)		
	4 Other Cash Payments from Servicer	\$	(5,991.97)		
	5 Acquisitions / Sales	\$	1,228.19		
	5 Total Principal Cash Activity	\$	(17,535,776.61)		
B.	Student Loan Non-Cash Principal Activity				
	1 Capitalized Interest	\$	282,132.29		
	2 Cancellations/Reissues	\$	-		
	3 Amounts due to / (from) Servicer for non-cash adjustments	\$	(17,490.56)		
	4 Amounts due to / (from) Dept. of Ed.	\$	(234.06)		
	5 Borrower Benefit reductions	\$	(17,490.53)		
	6 Other Non-Cash Adjustments	\$	(169.87)		
	4 Total Non-Cash Principal Activity	\$	246,747.27		
C.	Total Student Loan Principal Activity	\$	(17,289,029.34)	\$	345,620,253.67
D.	Student Loan Cash Interest Activity				2,234,328.13
	1 Borrower Payments	\$	(3,322,399.33)		
	2 Claim Payments	\$	(3,741.72)		
	3 Consolidation Payoffs	\$	(32,760.61)		
	4 Other Cash Payments from Servicer (includes Late Fees)	\$	(8.83)		
	5 Acquisitions / Sales	\$	-		
	6 Subsidy Payments (ISP)	\$	-		
	7 Special Allowance Payments (SAP)	\$	-		
	8 Total Interest Collections	\$	(3,358,910.49)		
E.	Student Loan Non-Cash Interest Activity				
	1 Borrower Accruals (includes Late Fees)	\$	3,815,559.86		
	2 Interest Subsidy Payment Accrual	\$	142,577.10		
	3 Special Allowance Payment Accrual Estimate	\$	(75,831.93)		
	4 Capitalized Interest	\$	(282,132.29)		
	5 Amounts due to / (from) Servicer for non-cash adjustments	\$	-		
	5 Other Adjustments	\$	(509.06)		
	6 Total Non-Cash Interest Activity	\$	3,599,663.68		
F.	Total Student Loan Interest Activity	\$	240,753.19	\$	2,475,081.32
G.	Non-Reimbursable Losses During Collection Period	\$	(678.93)		
H.	Cumulative Non-Reimbursable Losses to Date	\$	(933.53)	\$	348,095,334.99

III. Cash Receipts & Disbursements for the Period 04/01/04 thru 06/30/04

6/30/04

	Beginning Cash Balance @ 03/31/04	\$ 22,939,230.50
A.	Principal Cash Collections	
	1 Principal Payments Received - Borrower Payments	\$ 11,128,016.26
	2 Principal Payments Received - Claim Payments	\$ 200,361.78
	3 Principal Payments Received - Consolidation Payoffs	\$ 6,202,634.79
	4 Principal Payments Received - Other Payments from Servicer	\$ 5,991.97
	5 Total Principal Collections	\$ 17,537,004.80
B.	Interest Cash Collections	
	1 Interest Payments Received - Borrower Payments	\$ 3,322,399.33
	2 Interest Payments Received - Claim Payments	\$ 3,741.72
	3 Interest Payments Received - Consolidation Payoffs	\$ 32,760.61
	4 Interest Payments Received - Other Payments from Servicer (includes Late Fees)	\$ 8.83
	5 Interest Payments Received - Interest Subsidy & Special Payments	\$ 177,510.56
	6 Total Interest Collections	\$ 3,536,421.05
C.	Reimbursements from Servicer for Non-Cash transactions	\$ 46,643.56
C.	Reimbursements from Dept. of Ed. for Origination Fee Cancellations	\$ 460.23
D.	Transfer from Acquisition Fund	\$ 289,927.21
E.	Transfers from Reserve Fund	\$ 194,780.00
F.	Investment Earnings	
	1 Revenue Fund Investment Earnings	\$ 12,651.00
	2 Distribution Account Investment Earnings	\$ 3,966.02
	3 Payments Clearing Account Investment Earnings	\$ 9,705.25
	4 Acquisition Fund Investment Earnings	\$ 424.14
	5 Reserve Fund Investment Earnings	\$ 9,252.38
	6 Total Investment Earnings	\$ 35,998.79
G.	Funds Previously Remitted - Cash Disbursements	
	1 Consolidation rebate fees to Dept. of Ed.	\$ (407,473.78)
	2 Servicing Fees	\$ (446,072.39)
	3 Trustee Fees-Paid from Acquisition Fund	\$ (39,057.70)
	4 Administration Fees	\$ (223,030.85)
	5 Broker Dealer/Auction Agent Fees	\$ (125,006.94)
	6 Derivative Payments Paid to Counterparties	\$ -
	7 Interest Payments - LIBOR Notes & Auction Rate Notes	\$ (1,197,715.22)
	8 Principal Payments - LIBOR Notes & Auction Rate Notes	\$ (21,728,000.00)
	9 Funds released to Depositor from the Trust	\$ -
	9 Total Previously Remitted Fees	\$ (24,166,356.88)
H.	Total Cash Available at 06/30/04 (Revenue Fund and sub-accounts)	\$ 20,414,109.26

IV. Auction Rate Securities Detail

A. Auction Rate Securities Paid During Collection Period							
1	Security Description	Payment Date	Interest Rate	# of Days	Start Date	End Date	Interest Payment
	Class A-2 ARS Notes	4/2/04	1.090%	28	3/5/04	4/1/04	\$ 73,926.22
	Class A-2 ARS Notes	4/30/04	1.090%	28	4/2/04	4/29/04	\$ 73,926.22
	Class A-2 ARS Notes	5/28/04	1.150%	28	4/30/04	5/27/04	\$ 77,995.56
	Class A-2 ARS Notes	6/25/04	1.400%	28	5/28/04	6/24/04	\$ 89,452.22
	Total Class A-2 ARS Interest paid						\$ 315,300.22
	Class A-3 ARS Notes	4/12/04	1.090%	31	3/12/04	4/11/04	\$ 84,475.00
	Class A-3 ARS Notes	5/7/04	1.120%	25	4/12/04	5/6/04	\$ 70,000.00
	Class A-3 ARS Notes	6/4/04	1.135%	28	5/7/04	6/3/04	\$ 79,450.00
	Total Class A-3 ARS Interest paid						\$ 233,925.00
	Class B-1 ARS Notes	4/12/04	1.220%	31	3/12/04	4/11/04	\$ 21,011.11
	Class B-1 ARS Notes	5/7/04	1.200%	25	4/12/04	5/6/04	\$ 16,666.67
	Class B-1 ARS Notes	6/4/04	1.300%	28	5/7/04	6/3/04	\$ 20,222.22
	Total Class B-1 ARS Interest paid						\$ 57,900.00
2	Auction Rate Security payments made during collection period						\$ 607,125.22
3	Broker Dealer Fees paid during collection period				03/25/04 - 04/25/04		\$ 43,822.22
3	Broker Dealer Fees paid during collection period				04/26/04 - 05/24/04		\$ 39,713.89
3	Broker Dealer Fees paid during collection period				05/25/04 - 06/24/04		\$ 41,470.83
5	Total Auction Rate Securities related payments from Revenue Fund during period						\$ 732,132.16
B. Auction Rate Securities Paid Between End of Collection Period & Distribution Date							
1	Security Description	Payment Date	Interest Rate	# of Days	Start Date	End Date	Interest Payment
	Class A-2 ARS Notes	7/23/04	1.550%	28	6/25/04	7/22/04	\$ 99,036.39
	Class A-3 ARS Notes	7/2/04	1.350%	28	6/4/04	7/1/04	\$ 94,500.00
	Class B-1 ARS Notes	7/2/04	1.450%	28	6/4/04	7/1/04	\$ 22,555.56
2	Auction Rate Security payments made between end of Collection period and Distribution Date						\$ 216,091.94
C. Accrued Interest on Notes through End of Reporting Period							
1	Security Description		Interest Rate	# of Days	Start Date	End Date	Interest Payment
	Class A-1 Libor Notes		1.230%	66	4/26/04	6/30/04	\$ 408,881.11
	Class A-2 ARS Notes		1.550%	6	6/25/04	6/30/04	\$ 21,222.08
	Class A-3 ARS Notes		1.350%	27	6/4/04	6/30/04	\$ 91,125.00
	Class B-1 ARS Notes		1.450%	27	6/4/04	6/30/04	\$ 21,750.00
2	Accrued Auction Rate Interest Payments						\$ 134,097.08

V. LIBOR Rate Detail

	Payment Date	Interest Rate	# of Days	Start Date	End Date	Interest Payment
A. Class A-1 LIBOR Notes	4/26/04	1.18%	91	1/26/04	4/25/04	\$ 590,590.00
	7/26/04	1.23%	91	4/26/04	7/25/04	\$ 563,760.32

VI. Distributions

A. Distribution Amounts thru 07/26/04		Combined	Class A-1	Class A-2	Class A-3	Class B-1
1	Quarterly Interest Due	\$ 1,386,977.49	\$ 563,760.32	\$ 414,336.61	\$ 328,425.00	\$ 80,455.56
2	Quarterly Interest Paid	\$ 1,386,977.49	\$ 563,760.32	\$ 414,336.61	\$ 328,425.00	\$ 80,455.56
3	Interest Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -
4	Interest Carryover Due	\$ -	\$ -	\$ -	\$ -	\$ -
5	Interest Carryover Paid	\$ -	\$ -	\$ -	\$ -	\$ -
6	Interest Carryover	\$ -	\$ -	\$ -	\$ -	\$ -
7	Quarterly Principal Paid	\$ 23,024,000.00	\$ 17,974,000.00	\$ 5,050,000.00	\$ -	\$ -
8	Total Distribution Amount	\$ 24,410,977.49				
B. Principal Distribution Amount Reconciliation			Act Prin. Dist.	Principal Shortfall		
1	Pool Balance as of March 31, 2004	\$ 364,002,233.01				
2	Pool Balance as of June 30, 2004	\$ 346,913,014.82				
3	Principal Distribution Amount (VI. B1 - VI. B2)	\$ 17,089,218.19				
4	Plus: Amounts transferred from Acquisition Fund during Initial Period	\$ -				
5	Total Principal Distribution Amount (VI. B3 + VI. B4)	\$ 17,089,218.19	\$ 19,174,000.00	\$ -		
6	Class A-1 Libor Notes per Schedule I	\$ 17,974,000.00				
7	Class A-2 ARS Notes (\$50,000 increments)	\$ 1,200,000.00				
8	Class A-3 ARS Notes (\$50,000 increments)	\$ -				
9	Class B-1 ARS Notes (\$50,000 increments)	\$ -				
10	Total Notes to be Redeemed	\$ 19,174,000.00				
C. Parity Calculation			After Paydowns			
1	Value of Trust Estate as of 06/30/04	\$ 372,303,933.88	\$ 353,129,933.88			
2	Accrued Interest & Fees on Class A Notes as of 06/30/04	\$ 883,068.73				
3	Accrued Interest & Fees on Class B Notes as of 06/30/04	\$ 43,184.92				
4	Net Value of Trust Estate for Senior Parity	\$ 371,420,865.15	\$ 352,246,865.15			
5	Class A Senior Notes outstanding as of 06/30/04	\$ 353,472,000.00	\$ 334,298,000.00			
6	Senior Parity Percentage (VI. C4 / VI. C5)	105.08%	105.37%			
7	Net Value of Trust Estate for Parity	\$ 371,377,680.23	\$ 352,203,680.23			
8	Total All Notes outstanding as of 06/30/04	\$ 373,472,000.00	\$ 354,298,000.00			
9	Parity Percentage (VI. C7 / VI. C8)	99.44%	99.41%			
D. Reserve Fund Reconciliation						
1	Beginning Period Balance (03/31/04)	\$ 3,983,065.20				
2	Deposits to Reserve Fund during period	\$ 9,252.38				
3	Transfers from Reserve Fund	\$ (204,846.54)				
3	Total Reserve Fund Balance Available (06/30/04)	\$ 3,787,471.04				
4	Required Reserve Fund Balance on Distribution Date (1% of Outstanding Notes)	\$ 3,554,980.00				
5	Excess Reserve - Transfer to Revenue Fund	\$ 232,491.04				
E. Note Balances		4/26/04	Paydown Factors	7/26/04		
1	A-1 Libor Rate - Note Balance	\$ 181,322,000.00	\$ 17,974,000.00	\$ 163,348,000.00		
	A-1 Pool Factor	0.9066100	0.0898700	0.8167400000		
	A-2 ARS Rate - Note Balance	\$ 87,200,000.00	\$ 5,050,000.00	\$ 82,150,000.00		
	A-2 Pool Factor	0.9688889	0.0561111	0.9127778		
	A-3 ARS Rate - Note Balance	\$ 90,000,000.00	\$ -	\$ 90,000,000.00		
	A-3 Pool Factor	1.0000000	0.0000000	1.0000000		
	B-1 ARS Rate - Note Balance	\$ 20,000,000.00	\$ -	\$ 20,000,000.00		
	B-1 Pool Factor	1.0000000	0.0000000	1.0000000		
	Total Notes Outstanding	\$ 378,522,000.00		\$ 355,498,000.00		

VII. Series 2003-1 Notes Waterfall for Distribution

			Available Funds Balance
	Section 4.03		
	Total Available Funds (Section III - H)		\$ 20,414,109.26
(c) i.	Payments to the Dept of Ed for Consolidation Rebate Fees	\$ 134,011.54	\$ 20,280,097.72
ii.	Payments to Servicer	\$ 144,009.59	\$ 20,136,088.13
iii.	Payments to Indenture, Eligible Lender & Owner Trustees	\$ 15,244.98	\$ 20,120,843.15
iv.	Payments to Auction Agent & Broker Dealer	\$ 51,470.86	\$ 20,069,372.29
v.	Payments to Administrator (Provided triggering event did not occur)	\$ 72,003.07	\$ 19,997,369.22
(d)	Interest payments to Class A Noteholders and Counterparties for derivative products		
(i) (A)	Class A-1 Noteholders interest payment	\$ 563,760.32	
(i) (A)	Class A-2 Noteholders interest payment	\$ 99,036.39	
(i) (A)	Class A-3 Noteholders interest payment	\$ 94,500.00	
(i) (B)	Counter party payments on Class A derivative products	\$ -	
	Total interest payments to Class A Noteholders and Counterparties	\$ 757,296.71	\$ 19,240,072.51
	Interest payments to Class B Noteholders and Counterparties for derivative products		
(ii) (A)	Class B-1 Noteholders interest payment	\$ 22,555.56	
(ii) (B)	Counter party payments on Class B-1 derivative products	\$ -	
	Total interest payments to Class B Noteholders and Counterparties	\$ 22,555.56	\$ 19,217,516.95
(iii)	Principal Payments to the Class A-1 Libor Rate Noteholders (per Schedule I)	\$ 17,974,000.00	\$ 1,243,516.95
(iv) a.	Principal payments to Class A-2 Noteholders (prior to all Class A-1's PIF)		\$ 1,243,516.95
(iv) b.	Principal payments to Class B Noteholders (after all Class A-1's PIF and prior to Class A-2's PIF)		\$ 1,243,516.95
(v) a.	Principal payments to Class A-3 Noteholders (prior to all Class A-1's PIF and after Class A-2's PIF)		\$ 1,243,516.95
(v) b.	Principal payments to Class B Noteholders (after all Class A-1's PIF and all Class A-2's PIF)		\$ 1,243,516.95
(vi)	Principal payments to Class B Noteholders (after all Class A Notes PIF)		\$ 1,243,516.95
(vii)	To the Reserve Fund, amount, if any, to reinstate balance to Reserve Fund Requirement		\$ 1,243,516.95
(viii)	If Parity is not at least 101.5% and Senior Parity is not at least 105%, to the Distribution account to pay principal on Class A Notes on next respective distribution date the least amount required to increase the Parity to 101.5% and Senior Parity to 105%	\$ 1,200,000.00	\$ 43,516.95
(ix)	If Parity is not at least 101.5%, to the Distribution account to pay principal on Class B Notes on their next respective distribution date, the least amount required to increase the Parity to at least 101.5%		\$ 43,516.95
(x)	To the Distribution account, any Class A carryover amounts, to be paid on next Distribution Date	\$ 43,516.95	\$ -
(xi)	To the Distribution account, any Class B carryover amounts, to be paid on next Distribution Date		\$ -
(xii)	pro rata, to counterparties under each derivative product on Class A Notes, the amount of any termination payments due and payable by the issuer not payable in section (a) above		\$ -
(xiii)	pro rata, to counterparties under each derivative product on Class B Notes, the amount of any termination payments due and payable by the issuer not payable in section (b) above		\$ -
(xiv) a.	Remaining Administration Fee payable (if triggering event has occurred)		\$ -
(xiv) b.	To the depositor, the remaining amounts after application of the preceding clauses if, and after giving effect to the transfer of any amounts to the depositor, the parity percentage is equal to at least 101.5% and the senior parity percentage is equal to at least 105%		\$ -

VIII. Series 2003-1 Portfolio Characteristics

June 30, 2004		Weighted Avg. Coupon		Number of Loans		%		Principal Balance		%	
		3/31/04	6/30/04	3/31/04	6/30/04	3/31/04	6/30/04	3/31/04	6/30/04	3/31/04	6/30/04
Borrower Status Distribution:											
1	Interim										
	In-School	2.820%	2.820%	18	19	0.02%	0.02%	42,562	53,345	0.01%	0.02%
	Grace	0.000%	2.820%	-	7	0.00%	0.01%	-	19,450	0.00%	0.01%
	Total - Interim	2.820%	2.820%	18	26	0.02%	0.03%	42,562	72,795	0.01%	0.02%
2	Deferment										
	Current	3.705%	3.771%	5,864	5,949	7.31%	7.62%	23,298,270	23,589,949	6.42%	6.83%
3	Forebearance										
	Current	4.475%	4.504%	6,970	6,703	8.69%	8.59%	32,359,785	32,276,648	8.92%	9.34%
4	Repayment										
	Current	4.554%	4.551%	64,356	62,171	80.26%	79.68%	294,507,537	277,017,650	81.15%	80.15%
	31-60 Days Delinquent	5.036%	5.061%	1,600	1,473	2.00%	1.89%	7,375,959	6,157,404	2.03%	1.78%
	61-90 Days Delinquent	5.083%	5.018%	467	604	0.58%	0.77%	2,155,671	2,654,409	0.59%	0.77%
	91-120 Days Delinquent	4.369%	4.863%	268	330	0.33%	0.42%	939,476	1,235,017	0.26%	0.36%
	121-150 Days Delinquent	4.100%	4.774%	165	206	0.21%	0.26%	591,540	682,245	0.16%	0.20%
	151-180 Days Delinquent	4.957%	4.457%	130	107	0.16%	0.14%	523,079	482,743	0.14%	0.14%
	181-210 Days Delinquent	4.486%	3.746%	157	73	0.20%	0.09%	512,666	205,954	0.14%	0.06%
	211-240 Days Delinquent	4.202%	4.258%	176	96	0.22%	0.12%	585,211	341,856	0.16%	0.10%
	241-270 Days Delinquent	0.000%	4.942%	-	68	0.00%	0.09%	-	287,004	0.00%	0.08%
	271-300 Days Delinquent	0.000%	4.265%	-	84	0.00%	0.11%	-	258,627	0.00%	0.07%
	> 300 Days Delinquent	0.000%	3.420%	-	4	0.00%	0.01%	-	8,605	0.00%	0.00%
5	Claims in Process	3.254%	3.638%	11	132	0.01%	0.17%	17,527	349,349	0.00%	0.10%
	Total - Repayment	4.504%	4.505%	80,164	78,000	99.98%	99.97%	362,866,721	345,547,459	99.99%	99.98%
	Total Portfolio	4.504%	4.504%	80,182	78,026	100.00%	100.00%	362,909,283	345,620,254	100.00%	100.00%

IX. Payment History and CPRs

Quarter End Date	Actual Ending Principal Balance	Annualized Current Quarter CPR*	Cumulative CPR
12/31/03	383,127,672	4.304%	
3/31/04	362,909,283	9.241%	
6/30/04	345,620,254	7.080%	7.777%

* - 'Annualized Current Quarter CPR' is based on the current collection period's ending principal balance calculated against the expected principal balance assuming no prepayments. Prepayments are limited to consolidation payoffs for this period.

X. Floating Rate Swap and Interest Rate Cap Payments/Receipts

A. Floating Rate Swap Receipts/Payments

Swap Notional Amount No Derivative Agreement for this period

Pay Fixed Rate

Receive Floating Rate

Amount Received/(Paid)

B. Interest Rate Cap Payments Due to

No Derivative Agreement for this period

Cap Notional Amount

CP

Cap %

Excess Over Cap

Cap Payments Due to

\$0.00