

PHEAA - 1988B Revenue Bond - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1988B Revenue Bond

Cusip #: 709163AG4

Reporting Period : 7/1/08 - 9/30/08

Bond Status

Series	Maturity Date	Taxable / Tax-Exempt	Beginning Principal Balance (\$)	Activity (\$)	Ending Principal Balance (\$)	Interest Paid (\$) 9/30/08	Coupon Type (ie. ARC, Fixed, VRDN)
1988B	07/01/18	Tax Exempt	\$ 200,000	\$ (200,000)	\$ -	\$ 4,054	7d VRDN
1988B	07/01/18	Tax Exempt	\$ 109,800,000	\$ 200,000	\$ 110,000,000	\$ 1,379,016	Bank Bonds at Prime Rate

7 day VRDN Interest Rates during the Period

FROM	TO	1988B
6/25/2008	7/1/2008	6.000%
7/2/2008	7/8/2008	5.850%
7/9/2008	7/15/2008	5.800%
7/16/2008	7/22/2008	5.800%
7/23/2008	7/29/2008	6.450%
7/30/2008	8/5/2008	6.600%
8/6/2008	8/12/2008	6.200%
8/13/2008	8/19/2008	5.950%
8/20/2008	8/26/2008	6.050%
8/27/2008	9/2/2008	6.000%
9/3/2008	9/9/2008	5.900%
9/10/2008	9/16/2008	5.850%
9/17/2008	9/23/2008	8.100%
9/24/2008	9/30/2008	9.000%

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Trust Estate and Parity

PHEAA - 1988B Revenue Bond
 Balance Sheet & Income Statement
 For the Period Ended:

Current Qtr
September 30, 2008

Prior Qtr.
June 30, 2008

Prior Year
September 30, 2007

Accruals Ledger

PHEAA - 1988B PHEAA - 1988B PHEAA - 1988B

Balance Sheet:

Assets

Customer Cash	\$ 226,264	\$ 396,212	\$ 836,584
Accounts Receivable	0	0	0
Interest Income Receivable	3,005,547	3,047,723	3,076,876
Investments	7,259,358	3,857,477	3,523,078
Student Loans Receivable	104,573,127	108,115,961	108,741,310
Plant, Property & Equip Net	0	0	0
Deferred Financing Costs	629,341	645,478	693,889
Prepaid Exp & Other Expenses	51,333	70,583	51,333
Total Assets	\$ 115,744,970	\$ 116,133,434	\$ 116,923,070

Liabilities

Accounts Payable & Reserves	\$ 425,675	\$ 258,970	\$ 402,493
Student Ln Financings Int Pay	434,869	504,953	375,780
Student Ln Financings Payable	110,000,000	110,000,000	110,000,000
Total Liabilities	\$ 110,860,544	\$ 110,763,922	\$ 110,778,273

Fund Balances

Fund Balances	5,369,512	5,945,768	5,945,768
Current Yr Net Income	(485,086)	(576,257)	199,028
Ending Fund Balance	\$ 4,884,426	\$ 5,369,512	\$ 6,144,796

Total Liabilities & Fund Balance \$ 115,744,970 \$ 116,133,434 \$ 116,923,070

Parity Ratio 1.038 1.042 1.049

Income Statement:

Revenues

Interest income	\$ 1,372,298	\$ 6,783,676	\$ 1,837,733
Premium on Student Loan Sales	0	0	0
Total Revenues	\$ 1,372,298	\$ 6,783,676	\$ 1,837,733

Expenses

Interest Expense & Related Cst	\$ 1,496,341	\$ 5,488,321	\$ 1,169,220
General & Administrative	354,234	1,782,235	438,988
Total Expenses	\$ 1,850,575	\$ 7,270,556	\$ 1,608,208

Operating Income / (Loss) \$ (478,277) \$ (486,880) \$ 229,525

Financial Aid 6,809 89,376 30,497

Net Income / (Loss) before Trsf \$ (485,086) \$ (576,257) \$ 199,028

Transfers 0 0 0

Net Income / (Loss) \$ (485,086) \$ (576,257) \$ 199,028

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Collection Activity (excluding loan sales)

<i>Principal Repayment Received (\$)</i>	\$ 4,519,814
<i>Principal Prepayment Received (\$)</i>	843,794
<i>Principal Reimbursement (\$)</i>	
<i>Interest Payment Received (\$)</i>	824,105
<i>Interest Reimbursements (\$)</i>	
<i>Special Allowance Payments (\$)</i>	11,587
<i>Subsidy Payments (\$)</i>	313,898
<i>Funds Release from Reserve (\$)</i>	
<i>Others (please specify)</i>	
Total	\$ 6,513,198

Borrower Benefit Information

Utilization

	End of Quarter Principal	% of Total Borrower Benefit Recipients	% of Total Portfolio
Disqualified	\$ 47,969,900	47.06%	45.87%
May Still Qualify	43,744,918	42.92%	41.83%
Qualified	10,024,773	9.84%	9.59%
Qualified - Deferred	187,923	0.18%	0.18%
Total Borrower Benefit	\$ 101,927,514		
No Benefit	2,645,613	0%	2.53%
Total Portfolio	\$ 104,573,127	100.00%	100.00%

	EFT Int Savings	Rebate Amount	Interest Savings
Savings	\$ 1,542	\$ 3,269	\$ 17,908

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Fees and Other Payments

<i>Remarketing Fees (\$)</i>	\$ 19,250
<i>Consolidation Rebate Fees (\$)</i>	0
<i>Servicing Fees (\$)</i>	294,820
<i>Commitment Fees (\$)</i>	72,739
<i>Trustee Fees (\$)</i>	16,250
<i>Liquidity Fees (\$)</i>	128
<i>Admin fee (\$)</i>	27,500
<i>App Processing Fees (\$)</i>	0
Total	\$ 430,687
<i>Lender Origination Fees (\$)</i>	(38)
<i>Origination Discount (\$)</i>	(169)
Total	\$ (208)
Grand Total Fees & Other Pymts	\$ 430,479

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Student Loan Pool Data

	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)
	\$	%						\$	%		
FFELP											
<i>Subsidized Stafford</i>	42,368,594	39.19%	2,399,829	(2,246,059)	143,930	(45,771)		42,620,523	40.76%	4.687%	80.3
<i>Unsubsidized Stafford</i>	34,655,619	32.05%	2,399,911	(1,773,786)	173,927	(36,025)		35,419,645	33.87%	4.689%	82.76
<i>PLUS</i>	26,205,004	24.24%	1,324,949	(1,304,956)	58,636	-		26,283,633	25.13%	5.787%	86.54
<i>PLUSGB</i>	53,913	0.05%	122,100	(273)	2,162	-		177,902	0.17%	7.945%	126.95
<i>Consolidation</i>	4,832,832	4.47%	-	(38,534)	9,114	(4,731,988)		71,424	0.07%	6.043%	119.60
Total	\$ 108,115,961	100.00%	\$ 6,246,789	\$ (5,363,608)	\$ 387,769	\$ (4,813,784)		\$ 104,573,127	100.00%	4.971%	82.81

AES/PHEAA

1988B - Prop / Non-Prop Loan Breakdown

Reporting Period : 7/1/08 - 9/30/08

	Prop. Ind.	School type	Principal	
N		GRADUATE	69,748	
N		SCHOOL OF THEOLOGY	248,823	
N		STATE RELATED	22,280,706	
N		2 YEAR PRIV JR COLL	1,623,686	
N		2 YEAR PUB JR COLL	10,214,717	
N		4 YEAR PRIVATE COLL	36,574,821	
N		4 YEAR PUBLIC COLL	19,090,544	
N Total			\$ 90,103,044	86%
Y		ALL NON-PROPRIETARY	0	
Y		ALL PROPRIETARY	0	
Y		CORRESPONDENCE	0	
Y		FED OWNED DEFR ONLY	49,593	
Y		HOSPITAL DIPLOMA PGM	1,027,731	
Y		PRIV PRESCHL/ELEM	0	
Y		PROP VOC/TECH	1,564,767	
Y		PROPRIETARY BUSINESS	5,109,894	
Y		TRADE/TECH SCHOOL	6,718,096	
Y Total			\$ 14,470,082	14%
Grand Total			\$ 104,573,127	

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As of September 30, 2008

<i>1988B Revenue Bond</i>	9/30/2008	Prior Qtr 6/30/2008	Prior Year 9/30/2007
<i>1. LOANS IN-SCHOOL/IN-GRACE</i>			
In school	\$ 13,132,030	\$ 12,008,200	\$ 15,935,811
In grace	6,584,961	4,930,444	5,955,176
2. LOANS IN DEFERMENT	13,391,616	12,482,702	14,730,219
3. LOANS IN REPAYMENT			
A. CURRENT	45,024,990	50,728,053	51,638,060
Forbearances	12,612,747	11,247,045	10,452,473
B. 31-60 PAST DUE	2,814,972	2,892,981	2,782,264
C. 61-90 PAST DUE	2,245,367	2,016,228	2,168,523
D. 91-120 PAST DUE	1,064,476	1,467,799	959,849
E. 121-180 PAST DUE	1,616,747	2,859,757	1,490,137
F. 181-270 PAST DUE	2,304,867	5,192,618	1,263,613
G. 271 OR GREATER PAST DUE	2,630,251	1,296,690	797,415
H. CLAIMS FILED BUT NOT PAID	1,130,682	916,969	584,127
4. IN LITIGATION	-	-	-
5. UNINSURED	22,574	77,446	8,519
6. CREDIT BALANCES	(3,153)	(971)	(23,406)
7. END PRIN. BAL.	<u>\$ 104,573,127</u>	<u>\$ 108,115,961</u>	<u>\$ 108,742,780</u>

<i>1988B Revenue Bond</i>	9/30/2008	Prior Qtr 6/30/2008	Prior Year 9/30/2007
Loans @ CP**	99,474,037	101,507,012	98,796,905
Loans @ Tbill**	<u>5,099,089</u>	<u>6,479,246</u>	<u>6,269,200</u>
Total	104,573,127		
Pre 10/1/07 loan balance	104,544,822	108,087,307	N/A
Post 10/1/07 loan balance	<u>28,305</u>	<u>28,654</u>	<u>N/A</u>
Total	104,573,127	108,115,961	N/A

**As of 9/30/08, these figures include ending balances of the total loan portfolio. Prior quarters included 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>	\$ 1,211,295
<i>Unsubsidized Stafford</i>	1,026,197
<i>Consolidation</i>	9,125
<i>PLUS</i>	80,716
<i>Total</i>	\$ 2,327,334

<i>% of Loans in Repay</i>	3.26%
<i>% of Total Portfolio</i>	2.23%

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For the quarter ended September 30, 2008

	Loans Sold		Premium		Loans Purchased		Premium	
	\$	%	\$	%	\$	%	\$	%
<i>Subsidized Stafford Total</i>	\$ 45,771	0.95%			\$ 2,399,829	38.42%		
<i>Unsubsidized Stafford Total</i>	36,025	0.75%			2,399,911	38.42%		
<i>PLUS Total</i>					1,324,949	21.21%		
<i>PLUSGB</i>					122,100	1.95%		
<i>Consolidation Total</i>	4,731,988	98.30%						
<i>Total</i>	\$ 4,813,784	100.00%	-		\$ 6,246,789	100.00%	\$ -	