

PHEAA - 1988B Revenue Bond - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1988B Revenue Bond

Cusip #: 709163AG4

Reporting Period : 10/1/08 - 12/31/08

Bond Status

Series	Maturity Date	Taxable / Tax-Exempt	Beginning Principal Balance (\$)	Activity (\$)	Ending Principal Balance (\$)	Interest Paid (\$) 12/31/08	Coupon Type (ie. ARC, Fixed, VRDN)
1988B	07/01/18	Tax Exempt	\$ 110,000,000	\$ -	\$ 110,000,000	\$ 1,221,093	Bank Bonds at Prime Rate

Bank Bond Interest Rates during the Period

FROM	TO	1988B
10/1/2008	10/7/2008	5.000%
10/8/2008	10/28/2008	4.500%
10/29/2008	12/15/2008	4.000%
12/16/2008	12/31/2008	3.250%

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Trust Estate and Parity

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

6 Months Ended 3 Months Ended 6 Months Ended
 December 31, 2008 September 30, 2008 December 31, 2007

Accruals Ledger

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

Balance Sheet:

<u>Assets</u>			
Customer Cash	\$ 440,735	\$ 226,264	\$ 362,324
Accounts Receivable	0	0	0
Interest Income Receivable	2,425,900	3,005,547	2,927,737
Investments	7,310,261	7,259,358	3,367,203
Student Loans Receivable	104,188,329	104,573,127	109,664,789
Plant, Property & Equip Net	0	0	0
Deferred Financing Costs	613,204	629,341	677,752
Prepaid Exp & Other Expenses	32,083	51,333	32,083
Total Assets	\$ 115,010,512	\$ 115,744,970	\$ 117,031,888
<u>Liabilities</u>			
Accounts Payable & Reserves	\$ 243,199	\$ 425,675	\$ 364,267
Student Ln Financings Int Pay	336,317	434,869	469,872
Student Ln Financings Payable	110,000,000	110,000,000	110,000,000
Total Liabilities	\$ 110,579,516	\$ 110,860,544	\$ 110,834,139
<u>Fund Balances</u>			
Fund Balances	5,369,512	5,369,512	5,945,768
Current Yr Net Income	(938,515)	(485,086)	251,981
Ending Fund Balance	\$ 4,430,996	\$ 4,884,426	\$ 6,197,750
Total Liabilities & Fund Balance	\$ 115,010,512	\$ 115,744,970	\$ 117,031,888
Parity Ratio	1.034	1.038	1.050

Income Statement:

<u>Revenues</u>			
Interest income	\$ 2,646,008	\$ 1,372,298	\$ 3,675,794
Premium on Student Loan Sales	0	0	0
Total Revenues	\$ 2,646,008	\$ 1,372,298	\$ 3,675,794
<u>Expenses</u>			
Interest Expense & Related Cst	\$ 2,833,737	\$ 1,496,341	\$ 2,492,261
General & Administrative	732,424	354,234	893,629
Total Expenses	\$ 3,566,160	\$ 1,850,575	\$ 3,385,890
Operating Income / (Loss)	\$ (920,152)	\$ (478,277)	\$ 289,904
Financial Aid	18,363	6,809	37,923
Net Income / (Loss) before Trsfs	\$ (938,515)	\$ (485,086)	\$ 251,981
<u>Transfers</u>	0	0	0
Net Income / (Loss)	\$ (938,515)	\$ (485,086)	\$ 251,981

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Collection Activity (excluding loan sales)

Principal Repayment Received (\$)	\$ 2,626,131
Principal Prepayment Received (\$)	4,969,462
Principal Reimbursement (\$)	
Interest Payment Received (\$)	782,953
Interest Reimbursements (\$)	
Special Allowance Payments (\$)	22,408
Subsidy Payments (\$)	214,872
Funds Release from Reserve (\$)	
Others (please specify)	
Total	\$ 8,615,826

Borrower Benefit Information

Utilization

	End of Quarter Principal	% of Total Borrower Benefit Recipients	% of Total Portfolio
Disqualified	\$ 45,519,958	44.76%	43.69%
May Still Qualify	45,999,495	45.23%	44.15%
Qualified	9,792,780	9.63%	9.40%
Qualified - Deferred	393,798	0.39%	0.38%
Total Borrower Benefit	\$ 101,706,031		
No Benefit	2,482,299	0%	2.38%
Total Portfolio	\$ 104,188,329	100.00%	100.00%

	Estimated EFT Int Savings	Rebate Amount	Estimated Interest Savings
Borrower Benefit Savings			
For the 3 Months Ended 12/31/08	\$ 1,615	\$ 4,298	\$ 17,448
For the 6 Months Ended 12/31/08	\$ 3,157	\$ 7,566	\$ 35,356

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Fees and Other Payments for the 3 Months Ended 12/31/08

<i>Remarketing Fees (\$)</i>	\$ -
<i>Consolidation Rebate Fees (\$)</i>	142
<i>Servicing Fees (\$)</i>	332,590
<i>Commitment Fees (\$)</i>	79,954
<i>Trustee Fees (\$)</i>	16,250
<i>Liquidity Fees (\$)</i>	0
<i>Admin fee (\$)</i>	27,500
Total	\$ 456,436

<i>Lender Origination Fees (\$)</i>	(26)
<i>Origination Discount (\$)</i>	(16)
Total	\$ (42)

Grand Total Fees & Other Pymts	\$ 456,395
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Student Loan Pool Data

	Beginning of Period		Purchases / Originations During Period (\$)	Cash Payments	Non-Cash Activity	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>	42,620,523	40.76%	2,455,253	(3,296,475)	148,145	-		41,927,446	40.24%	4.833%	86.76
<i>Unsubsidized Stafford</i>	35,419,645	33.87%	3,809,783	(2,744,006)	754,893	-		37,240,315	35.74%	4.941%	90.45
<i>PLUS</i>	26,283,633	25.13%	-	(1,549,802)	41,756	-		24,775,587	23.78%	5.810%	84.5
<i>PLUSGB</i>	177,902	0.17%	-	(4,562)	197	-		173,536	0.17%	7.937%	144.5
<i>Consolidation</i>	71,424	0.07%	-	(748)	769	-		71,445	0.07%	6.045%	119.78
Total	\$ 104,573,127	100.00%	\$ 6,265,037	\$ (7,595,593)	\$ 945,759	\$ -		\$ 104,188,329	100.00%	5.110%	87.66

AES/PHEAA
 1988B - Prop / Non-Prop Loan Breakdown
 Reporting Period : 10/1/08 - 12/31/08

	Prop. Ind.	School type	Principal	
N		GRADUATE	61,550	
N		SCHOOL OF THEOLOGY	235,179	
N		STATE RELATED	27,030,450	
N		2 YEAR PRIV JR COLL	1,525,863	
N		2 YEAR PUB JR COLL	9,499,967	
N		4 YEAR PRIVATE COLL	34,616,495	
N		4 YEAR PUBLIC COLL	18,051,911	
N Total			\$ 91,021,415	87%
Y		ALL NON-PROPRIETARY	0	
Y		ALL PROPRIETARY	1,420	
Y		CORRESPONDENCE	0	
Y		FED OWNED DEFR ONLY	49,580	
Y		HOSPITAL DIPLOMA PGM	991,523	
Y		PRIV PRESCHL/ELEM	0	
Y		PROP VOC/TECH	1,405,108	
Y		PROPRIETARY BUSINESS	4,569,918	
Y		TRADE/TECH SCHOOL	6,149,365	
Y Total			\$ 13,166,914	13%
Grand Total			\$ 104,188,329	

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As of December 31, 2008

<i>1988B Revenue Bond</i>		12/31/2008		Prior Qtr 9/30/2008		Prior Year 12/31/2007	
<i>1. LOANS IN-SCHOOL/IN-GRACE</i>							
In school	\$ 13,788,106	13.23%	\$ 13,132,030	12.56%	\$ 16,919,616	15.43%	
In grace	2,415,977	2.32%	6,584,961	6.30%	4,232,750	3.86%	
<i>2. LOANS IN DEFERMENT/FORB</i>							
Deferment	14,514,282	13.93%	13,391,616	12.81%	13,771,006	12.55%	
Forbearance	12,279,542	11.79%	12,612,747	12.06%	11,186,115	10.20%	
<i>3. LOANS IN REPAYMENT</i>							
A. CURRENT	49,828,148	81.43%	45,024,990	76.51%	53,799,531	84.62%	
B. 31-60 PAST DUE	3,226,182	5.27%	2,814,972	4.78%	2,875,416	4.52%	
C. 61-90 PAST DUE	1,920,999	3.14%	2,245,367	3.82%	2,022,671	3.18%	
D. 91-120 PAST DUE	1,452,756	2.37%	1,064,476	1.81%	934,285	1.47%	
E. 121-180 PAST DUE	1,953,389	3.19%	1,616,747	2.75%	1,835,813	2.89%	
F. 181-270 PAST DUE	1,456,767	2.38%	2,304,867	3.92%	1,219,168	1.92%	
G. 271 OR GREATER PAST DUE	770,380	1.26%	2,630,251	4.47%	568,313	0.89%	
H. CLAIMS FILED BUT NOT PAID	564,596	0.92%	1,130,682	1.92%	349,435	0.55%	
4. IN LITIGATION	-	0.00%	-	0.00%	-	0.00%	
5. UNINSURED	22,574	0.04%	22,574	0.04%	8,519	0.01%	
6. CREDIT BALANCES	(5,367)	-0.01%	(3,153)	-0.01%	(33,083)	-0.05%	
7. END PRIN. BAL.	\$ 104,188,329		\$ 104,573,127		\$ 109,689,558		

<i>1988B Revenue Bond</i>		12/31/2008		Prior Qtr 9/30/2008		Prior Year 12/31/2007	
Loans @ CP**	99,474,963	95.48%	99,474,037	95.12%	103,539,560		
Loans @ Tbill**	4,713,367	4.52%	5,099,089	4.88%	5,167,914		
Total	104,188,329		104,573,127				
Pre 10/1/07 loan balance	104,159,890		104,544,822		109,689,558		
Post 10/1/07 loan balance	28,440		28,305		-		
Total	104,188,329		104,573,127		109,689,558		

**As of 12/31/08 and 9/30/08, these figures include ending balances of the total loan portfolio. Prior Year 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>	\$ 1,868,773
<i>Unsubsidized Stafford</i>	1,645,953
<i>Consolidation</i>	(2)
<i>PLUS - parent</i>	304,179
<i>Total</i>	\$ 3,818,903

<i>% of Loans in Repay</i>	6.24%
<i>% of Total Portfolio</i>	3.67%

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For the quarter ended December 31, 2008

	Loans Sold		Premium		Loans Purchased		Premium	
	\$	%	\$	%	\$	%	\$	%
<i>Subsidized Stafford Total</i>	\$ -				\$ 2,455,253	39.19%		
<i>Unsubsidized Stafford Total</i>	-				3,809,783	60.81%		
<i>PLUS Total</i>	-				-	0.00%		
<i>PLUSGB</i>	-				-	0.00%		
<i>Consolidation Total</i>	-				-	0.00%		
<i>Total</i>	\$ -	0.00%	-		\$ 6,265,037	100.00%	\$ -	