

PHEAA - 1988E Revenue Bond - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1988E Revenue Bond

Cusip#: 709163BH1

Reporting Period : 10/1/09 - 12/31/09

Bond Status

Series	Date Retired	Taxable / Tax-Exempt	Beginning Principal Balance (\$)	Activity (\$)	Ending Principal Balance (\$)	Interest Paid (\$) 12/30/09	Coupon Type (ie. ARC, Fixed, VRDN)
1988E	12/30/09	Tax Exempt	\$ 31,600,000	\$ (31,600,000)	\$ -	\$ 320,584	Bank Bonds at Prime Rate

Bank Bond Interest Rates during the Period

FROM	TO	1988E
10/1/2009	12/30/2009	3.250%

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Trust Estate and Parity

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

6 Months Ended  
 December 31, 2009

3 Months Ended  
 September 30, 2009

6 Months Ended  
 December 31, 2008

Accruals Ledger

PHEAA - 1988E      PHEAA - 1988E      PHEAA - 1988E

Balance Sheet:

Assets

Customer Cash	\$ 8,660	\$ 79,459	\$ 124,046
Accounts Receivable	0	0	0
Interest Income Receivable	(46,042)	338,703	562,142
Investments	252,698	3,128,332	2,548,362
Student Loans Receivable	31,432	31,423,094	36,619,271
Plant, Property & Equip Net	0	0	0
Deferred Financing Costs	0	174,264	190,106
Prepaid Exp & Other Expenses	0	17,080	12,600
<b>Total Assets</b>	<b>\$ 246,747</b>	<b>\$ 35,160,932</b>	<b>\$ 40,056,528</b>

Liabilities

Accounts Payable & Reserves	\$ 24,607	\$ 90,603	\$ 80,942
Student Ln Financings Int Pay	(0)	84,411	110,466
Student Ln Financings Payable	0	31,600,000	36,000,000
<b>Total Liabilities</b>	<b>\$ 24,607</b>	<b>\$ 31,775,014</b>	<b>\$ 36,191,408</b>

Fund Balances

Fund Balances	3,609,182	3,609,182	4,140,932
Current Yr Net Income	<u>(3,387,041)</u>	<u>(223,263)</u>	<u>(275,812)</u>
<b>Ending Fund Balance</b>	<b>\$ 222,140</b>	<b>\$ 3,385,919</b>	<b>\$ 3,865,120</b>

**Total Liabilities & Fund Balance**      **\$ 246,747**      **\$ 35,160,932**      **\$ 40,056,528**

Parity Ratio      10.027      1.101      1.101

Income Statement:

Revenues

Interest income	\$ 383,662	\$ 206,121	\$ 937,488
Premium on Student Loan Sales	(2,961,579)	0	0
<b>Total Revenues</b>	<b>\$ (2,577,917)</b>	<b>\$ 206,121</b>	<b>\$ 937,488</b>

Expenses

Interest Expense & Related Cst	\$ 741,275	\$ 315,012	\$ 942,727
General & Administrative	787,775	114,373	270,991
<b>Total Expenses</b>	<b>\$ 1,529,049</b>	<b>\$ 429,385</b>	<b>\$ 1,213,718</b>

**Operating Income / (Loss)**      **\$ (4,106,966)**      **\$ (223,264)**      **\$ (276,230)**

Financial Aid      (61)      (1)      (417)

**Net Income / (Loss) before Trsfs**      **\$ (4,106,905)**      **\$ (223,263)**      **\$ (275,812)**

Transfers      719,864      0      0

**Net Income / (Loss)**      **\$ (3,387,041)**      **\$ (223,263)**      **\$ (275,812)**

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**Collection Activity (excluding loan sales)**

<i>Principal Repayment Received (\$)</i>	\$ 1,008,563
<i>Principal Prepayment Received (\$)</i>	522,567
<i>Principal Reimbursement (\$)</i>	
<i>Interest Payment Received (\$)</i>	162,148
<i>Interest Reimbursements (\$)</i>	
<i>Special Allowance Payments (\$)</i>	(71,904)
<i>Subsidy Payments (\$)</i>	27,278
<i>Funds Release from Reserve (\$)</i>	
<i>Others (please specify)</i>	
<b>Total</b>	<b>\$ 1,648,653</b>

**Borrower Benefit Information**

**Utilization**

	End of Quarter Principal	% of Total Borrower Benefit Recipients	% of Total Portfolio
Disqualified	\$ 34,649	100.00%	110.24%
May Still Qualify	-	0.00%	0.00%
Qualified	-	0.00%	0.00%
Qualified - Deferred	-	0.00%	0.00%
<b>Total Borrower Benefit</b>	<b>\$ 34,649</b>		
No Benefit	(3,217)	0%	-10.24%
<b>Total Portfolio</b>	<b>\$ 31,432</b>	<b>100.00%</b>	<b>100.00%</b>

	Estimated EFT Int Savings	Rebate Amount	Estimated Interest Savings
For the 3 Months Ended 12/31/09	\$ 1,017	\$ -	\$ 5,770
For the 6 Months Ended 12/31/09	\$ 2,104		\$ 12,141

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Fees and Other Payments for the 3 Months Ended 12/31/09

<i>Remarketing Fees (\$)</i>	\$ -
<i>Consolidation Rebate Fees (\$)</i>	428
<i>Servicing Fees (\$)</i>	95,817
<i>Commitment Fees (\$)</i>	24,136
<i>Trustee Fees (\$)</i>	6,127
<i>Admin fee (\$)</i>	7,900
<i>Insurance Fees (\$)</i>	0
<b>Total</b>	<b>\$ 134,407</b>
<i>Lender Origination Fees (\$)</i>	-
<i>Origination Discount (\$)</i>	(1)
<b>Total</b>	<b>\$ (1)</b>
<b>Grand Total Fees &amp; Other Pymts</b>	<b>\$ 134,406</b>

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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)
	\$	%						\$	%		
<b>FFELP</b>											
<i>Subsidized Stafford</i>	16,408,551	52.22%	-	(819,489)	17,947	(15,589,075)		17,934	57.06%	5.266%	100.08
<i>Unsubsidized Stafford</i>	13,549,377	43.12%	-	(640,282)	80,270	(12,975,868)		13,498	42.94%	6.155%	105.18
<i>PLUS</i>	1,084,349	3.45%	-	(67,275)	1,875	(1,018,949)		-	0.00%	0.000%	0
<i>PLUSGB</i>	41,660	0.13%	-	-	-	(41,660)		-	0.00%	0.000%	0
<i>Consolidation</i>	163,213	0.52%	-	(2,125)	-	(161,088)		-	0.00%	0.000%	0.00
<i>SLS</i>	175,944	0.56%	-	(1,960)	171	(174,154)		-	0.00%	0.000%	0.00
<b>Total</b>	<b>\$ 31,423,094</b>	<b>100.00%</b>	<b>\$ -</b>	<b>\$ (1,531,131)</b>	<b>\$ 100,264</b>	<b>\$ (29,960,795)</b>		<b>\$ 31,432</b>	<b>100.00%</b>	<b>5.687%</b>	<b>102.49</b>

AES/PHEAA  
 1988E - Prop / Non-Prop Loan Breakdown  
 Reporting Period : 10/1/09 - 12/31/09

	Prop. Ind.	School type	Principal	
N		GRADUATE		
N		SCHOOL OF THEOLOGY		
N		STATE RELATED	24,161	
N		2 YEAR PRIV JR COLL		
N		2 YEAR PUB JR COLL	(2,511)	
N		4 YEAR PRIVATE COLL	6,379	
N		4 YEAR PUBLIC COLL	(237)	
<b>N Total</b>			<b>\$ 27,793</b>	<b>88%</b>
Y		ALL NON-PROPRIETARY	2,819	
Y		ALL PROPRIETARY		
Y		CORRESPONDENCE		
Y		FED OWNED DEFR ONLY		
Y		HOSPITAL DIPLOMA PGM		
Y		PRIV PRESCHL/ELEM		
Y		PROP VOC/TECH		
Y		PROPRIETARY BUSINESS	397	
Y		TRADE/TECH SCHOOL	423	
<b>Y Total</b>			<b>\$ 3,639</b>	<b>12%</b>
<b>Grand Total</b>			<b>\$ 31,432</b>	

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As of December 31, 2009

**1988E Revenue Bond**

**1. LOANS IN-SCHOOL/IN-GRACE**

	12/31/2009		Prior Qtr 09/30/2009		Prior Year 12/31/2008	
In school	\$ -	0.00%	\$ 858,171	2.73%	\$ 1,445,145	3.95%
In grace	-	0.00%	595,611	1.90%	429,697	1.17%
<b>2. LOANS IN DEFERMENT/FORB</b>						
Deferment	-	0.00%	4,552,257	14.49%	4,035,871	11.02%
Forbearance	-	0.00%	2,916,335	9.28%	3,477,500	9.50%
<b>3. LOANS IN REPAYMENT</b>		<b>% of Repay</b>		<b>% of Repay</b>		<b>% of Repay</b>
A. CURRENT	22,634	72.01%	19,113,116	84.94%	22,411,454	82.30%
B. 31-60 PAST DUE	9,196	29.26%	1,073,396	4.77%	1,227,020	4.51%
C. 61-90 PAST DUE	-	0.00%	497,518	2.21%	631,433	2.32%
D. 91-120 PAST DUE	2,819	8.97%	435,938	1.94%	575,984	2.12%
E. 121-180 PAST DUE	-	0.00%	571,443	2.54%	969,614	3.56%
F. 181-270 PAST DUE	-	0.00%	504,865	2.24%	768,862	2.82%
G. 271 OR GREATER PAST DUE	-	0.00%	240,090	1.07%	432,898	1.59%
H. CLAIMS FILED BUT NOT PAID	-	0.00%	63,975	0.28%	210,238	0.77%
<b>4. IN LITIGATION</b>	-	0.00%	-	0.00%	-	0.00%
<b>5. UNINSURED</b>	-	0.00%	2,817	0.01%	9,688	0.04%
<b>6. CREDIT BALANCES</b>	(3,217)	-10.23%	(2,436)	-0.01%	(6,131)	-0.02%
<b>7. END PRIN. BAL.</b>	<b>\$ 31,432</b>		<b>\$ 31,423,094</b>		<b>\$ 36,619,271</b>	

**1988E Revenue Bond**

	12/31/2009		Prior Qtr 09/30/2009		Prior Year 12/31/2008	
Loans at 9.50% floor	-	0.00%	44,789	0.14%	18,774	0.05%
Loans @ CP	31,432	100.00%	30,286,978	96.38%	35,234,913	96.22%
Loans @ Tbill	-	0.00%	1,091,328	3.47%	1,365,584	3.73%
<b>Total</b>	<b>31,432</b>		<b>31,423,094</b>		<b>36,619,271</b>	
Pre 10/1/07 loan balance	31,432		31,416,887		36,613,183	
Post 10/1/07 loan balance	-		6,208		6,089	
<b>Total</b>	<b>31,432</b>		<b>31,423,094</b>		<b>36,619,271</b>	

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**Claims Paid**

	Claims Paid During Period Principal
<i>Subsidized Stafford</i>	\$ 162,969
<i>Unsubsidized Stafford</i>	166,675
<i>PLUS - Parent</i>	3,314
<i>Total</i>	\$ 332,958

  

<i>% of Loans in Repay</i>	2.96%
<i>% of Total Portfolio</i>	2.12%

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For the quarter ended December 31, 2009

	Loans Sold		Premium		Loans Purchased		Premium	
	\$	%	\$	%	\$	%	\$	%
<i>Subsidized Stafford Total</i>	\$ 15,589,075	52.03%			\$ -			
<i>Unsubsidized Stafford Total</i>	12,975,868	43.31%			-			
<i>SLS Total</i>	174,154	0.58%			-			
<i>PLUS Total</i>	1,018,949	3.40%			-			
<i>PLUSGB</i>	41,660	0.14%			-			
<i>Consolidation Total</i>	161,088	0.54%			-			
<b>Total</b>	<b>\$ 29,960,795</b>	<b>100.00%</b>			<b>\$ -</b>	<b>0.00%</b>		

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Loan Program	AVG. DAILY PRIN. BAL.	Special Allowance	Rate Type
Sub. Stafford	26.48	Tbill + 3.25%	Fixed
	1,649	Tbill + 3.25%	Variable
	48,031	Tbill + 3.10%	Variable
	5,658	Tbill + 2.50%	Variable
	43,059	Tbill + 2.20%	Variable
	303,505	Tbill + 2.80%	Variable
	1,802,440	3mCP + 1.74	Variable
	9,498,002	3mCP + 2.34	Variable
	30,139	3mCP + 1.74 Negative SAP	Variable
	698,643	3mCP + 1.74 Negative SAP	Fixed
	218,352	3mCP + 2.34 Negative SAP	Variable
	2,170,609	3mCP + 2.34 Negative SAP	Fixed
	2,880	3mCP + 1.94 Negative SAP	Fixed
	13,842	9.5% Floor loans	
	<b>14,836,836</b>	<b>Total avg balance</b>	
	Unsub Stafford	50,693	Tbill + 3.10%
4,119		Tbill + 2.50%	Variable
32,000		Tbill + 2.20%	Variable
216,712		Tbill + 2.80%	Variable
1,461,203		3mCP + 1.74	Variable
7,583,893		3mCP + 2.34	Variable
24,364		3mCP + 1.74 Negative SAP	Variable
774,285		3mCP + 1.74 Negative SAP	Fixed
187,560		3mCP + 2.34 Negative SAP	Variable
1,913,196		3mCP + 2.34 Negative SAP	Fixed
2,720		3mCP + 1.94 Negative SAP	Fixed
14,451		9.5% Floor loans	
<b>12,265,196</b>		<b>Total avg balance</b>	
PLUS/SLS	6,689	T-Bill +3.50	Fixed
	312,414	T-Bill + 3.10	Variable
	90,934	3mCP +2.64	Variable
	756,838	3mCP +2.64 Negative SAP	Fixed
	-	9.5% Floor loans	
<b>1,166,875</b>	<b>Total avg balance</b>		
Consolidation	158,974	3mCP + 2.64	Fixed
	-	9.5% Floor loans	
	<b>158,974</b>	<b>Total avg balance</b>	