

PHEAA - 1988E Revenue Bond - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1988E Revenue Bond

Cusip#: 709163BH1

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)
1988E	07/01/18	Tax Exempt	\$ -	\$ -	\$ -	\$ -	7d VRDN
1988E	07/01/18	Tax Exempt	\$ 36,000,000	\$ -	\$ 36,000,000	\$ 453,479	Bank Bonds at Prime Rate

7 day VRDN Interest Rates during the Period

FROM	TO	1988E
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 - 1988E 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 - 1988E      PHEAA - 1988E      PHEAA - 1988E

Balance Sheet:

Assets

Customer Cash	\$ 119,823	\$ 89,842	\$ 28,097
Accounts Receivable	0	0	0
Interest Income Receivable	609,197	733,885	791,828
Investments	2,688,934	1,688,279	1,478,430
Student Loans Receivable	36,581,681	37,668,639	38,634,178
Plant, Property & Equip Net	0	0	0
Deferred Financing Costs	195,387	200,668	216,510
Prepaid Exp & Other Expenses	18,900	0	18,900
<b>Total Assets</b>	<b>\$ 40,213,923</b>	<b>\$ 40,381,314</b>	<b>\$ 41,167,943</b>

Liabilities

Accounts Payable & Reserves	\$ 101,895	\$ 76,450	\$ 117,950
Student Ln Financings Int Pay	143,014	163,932	210,212
Student Ln Financings Payable	36,000,000	36,000,000	36,000,000
<b>Total Liabilities</b>	<b>\$ 36,244,909</b>	<b>\$ 36,240,382</b>	<b>\$ 36,328,161</b>

Fund Balances

Fund Balances	4,140,932	4,983,619	4,983,619
Current Yr Net Income	(171,918)	(842,687)	(143,837)
<b>Ending Fund Balance</b>	<b>\$ 3,969,014</b>	<b>\$ 4,140,932</b>	<b>\$ 4,839,782</b>

**Total Liabilities & Fund Balance**      \$ 40,213,923      \$ 40,381,314      \$ 41,167,943

Parity Ratio      1.104      1.109      1.127

Income Statement:

Revenues

Interest income	\$ 487,081	\$ 2,211,367	\$ 673,384
Premium on Student Loan Sales	0	0	0
<b>Total Revenues</b>	<b>\$ 487,081</b>	<b>\$ 2,211,367</b>	<b>\$ 673,384</b>

Expenses

Interest Expense & Related Cst	\$ 525,411	\$ 1,720,059	\$ 404,685
General & Administrative	133,393	593,236	146,495
<b>Total Expenses</b>	<b>\$ 658,803</b>	<b>\$ 2,313,295</b>	<b>\$ 551,180</b>

**Operating Income / (Loss)**      \$ (171,723)      \$ (101,928)      \$ 122,204

Financial Aid      195      740,759      266,041

**Net Income / (Loss) before Trsfs**      \$ (171,918)      \$ (842,687)      \$ (143,837)

Transfers      0      0      0

**Net Income / (Loss)**      \$ (171,918)      \$ (842,687)      \$ (143,837)

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Collection Activity (excluding loan sales)

<i>Principal Repayment Received (\$)</i>	\$ 1,229,809
<i>Principal Prepayment Received (\$)</i>	1,180,217
<i>Principal Reimbursement (\$)</i>	
<i>Interest Payment Received (\$)</i>	372,841
<i>Interest Reimbursements (\$)</i>	
<i>Special Allowance Payments (\$)</i>	107,977
<i>Subsidy Payments (\$)</i>	26,124
<i>Funds Release from Reserve (\$)</i>	
<i>Others (please specify)</i>	
<b>Total</b>	<b>\$ 2,916,968</b>

Borrower Benefit Information

Utilization

	End of Quarter Principal	% of Total Borrower Benefit Recipients	% of Total Portfolio
Disqualified	\$ 23,230,497	65.04%	63.50%
May Still Qualify	10,902,980	30.53%	29.80%
Qualified	1,550,964	4.34%	4.24%
Qualified - Deferred	<u>32,162</u>	0.09%	0.09%
<b>Total Borrower Benefit</b>	<b>\$ 35,716,604</b>		
No Benefit	<u>865,078</u>	<u>0%</u>	<u>2.36%</u>
<b>Total Portfolio</b>	<b>\$ 36,581,681</b>	<b>100.00%</b>	<b>100.00%</b>

	EFT Int Savings	Rebate Amount	Interest Savings
Savings	\$ 924	\$ -	\$ 6,709

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Fees and Other Payments

<i>Remarketing Fees (\$)</i>	\$ 6,300
<i>Consolidation Rebate Fees (\$)</i>	1,977
<i>Servicing Fees (\$)</i>	117,152
<i>Commitment Fees (\$)</i>	27,161
<i>Trustee Fees (\$)</i>	6,750
<i>Admin fee (\$)</i>	9,000
<i>Insurance Fees (\$)</i>	25,200
<b>Total</b>	<b>\$ 193,540</b>
<i>Lender Origination Fees (\$)</i>	-
<i>Origination Discount (\$)</i>	-
<b>Total</b>	<b>\$ -</b>
<b>Grand Total Fees &amp; Other Pymts</b>	<b>\$ 193,540</b>

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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)
	\$	%						\$	%		
<b>FFELP</b>											
<i>Subsidized Stafford</i>	19,862,490	52.73%	1,009,922	(1,219,065)	55,263	(5,215)		19,703,396	53.86%	4.475%	90.65
<i>Unsubsidized Stafford</i>	15,169,991	40.27%	964,848	(1,023,631)	58,877	(557)		15,169,528	41.47%	4.412%	91.56
<i>PLUS</i>	1,390,867	3.69%	-	(130,748)	4,590	-		1,264,709	3.46%	6.878%	106.17
<i>PLUSGB</i>	33,715	0.09%	-	-	-	-		33,715	0.09%	7.900%	128
<i>Consolidation</i>	1,003,446	2.66%	-	(23,660)	1,763	(770,779)		210,770	0.58%	4.175%	251.78
<i>SLS</i>	208,129	0.55%	-	(12,923)	4,357	-		199,563	0.55%	5.943%	92.49
<b>Total</b>	<b>\$ 37,668,639</b>	<b>100.00%</b>	<b>\$ 1,974,769</b>	<b>\$ (2,410,026)</b>	<b>\$ 124,849</b>	<b>\$ (776,550)</b>		<b>\$ 36,581,681</b>	<b>100.00%</b>	<b>4.542%</b>	<b>92.56</b>

AES/PHEAA  
 1988E - Prop / Non-Prop Loan Breakdown  
 Reporting Period : 7/1/08 - 9/30/08

	Prop. Ind.	School type	Principal	
N		GRADUATE	9,020	
N		SCHOOL OF THEOLOGY	55,676	
N		STATE RELATED	8,515,692	
N		2 YEAR PRIV JR COLL	457,203	
N		2 YEAR PUB JR COLL	4,103,991	
N		4 YEAR PRIVATE COLL	10,433,299	
N		4 YEAR PUBLIC COLL	5,491,760	
<b>N Total</b>			<b>\$ 29,066,642</b>	<b>79%</b>
Y		ALL NON-PROPRIETARY	0	
Y		ALL PROPRIETARY	0	
Y		CORRESPONDENCE	0	
Y		FED OWNED DEFR ONLY	43,007	
Y		HOSPITAL DIPLOMA PGM	481,070	
Y		PRIV PRESCHL/ELEM	0	
Y		PROP VOC/TECH	1,029,664	
Y		PROPRIETARY BUSINESS	3,080,157	
Y		TRADE/TECH SCHOOL	2,881,141	
<b>Y Total</b>			<b>\$ 7,515,039</b>	<b>21%</b>
<b>Grand Total</b>			<b>\$ 36,581,681</b>	

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As of September 30, 2008

<i>1988E 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	\$ 678,142	\$ 206,370	\$ 297,792
In grace	392,274	134,533	118,735
2. LOANS IN DEFERMENT	3,402,340	2,330,498	4,347,448
3. LOANS IN REPAYMENT			
A. CURRENT	23,168,575	25,065,553	29,143,303
Forbearances	2,933,070	2,904,678	2,830,533
B. 31-60 PAST DUE	1,276,464	1,507,430	766,242
C. 61-90 PAST DUE	953,396	922,587	351,385
D. 91-120 PAST DUE	536,875	764,094	209,334
E. 121-180 PAST DUE	806,684	1,122,685	212,097
F. 181-270 PAST DUE	1,062,727	1,728,268	204,276
G. 271 OR GREATER PAST DUE	974,882	550,601	95,706
H. CLAIMS FILED BUT NOT PAID	398,790	430,716	55,210
4. IN LITIGATION	-	-	-
5. UNINSURED	2,817	5,772	2,589
6. CREDIT BALANCES	(5,354)	(5,145)	(765)
7. END PRIN. BAL.	<u>\$ 36,581,681</u>	<u>\$ 37,668,639</u>	<u>\$ 38,633,886</u>

<i>1988E Revenue Bond</i>	9/30/2008	Prior Qtr 6/30/2008	Prior Year 9/30/2007
Loans @ CP**	35,069,430	36,309,909	37,148,470
Loans @ Tbill**	<u>1,512,251</u>	<u>1,294,510</u>	<u>1,162,309</u>
Total	36,581,681		
Pre 10/1/07 loan balance	36,573,750	37,660,484	N/A
Post 10/1/07 loan balance	<u>7,931</u>	<u>8,155</u>	<u>N/A</u>
Total	36,581,681	37,668,639	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>	\$ 423,270
<i>Unsubsidized Stafford</i>	489,456
<i>Consolidation</i>	19,168
<i>PLUS GB</i>	
<i>PLUS</i>	38,900
<i>SLS</i>	10,535
<b><i>Total</i></b>	<b>\$ 981,329</b>

*% of Loans in Repay* 3.06%

*% of Total Portfolio* 2.68%

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For the quarter ended September 30, 2008

	Loans Sold		Premium		Loans Purchased		Premium	
	\$	%	\$	%	\$	%	\$	%
<i>Subsidized Stafford Total</i>	\$ 5,215	0.67%			\$ 1,009,922	51.14%		
<i>Unsubsidized Stafford Total</i>	557	0.07%			964,848	48.86%		
<i>Consolidation Total</i>	770,779	99.26%			-	0.00%		
<i>Total</i>	\$ 776,550	100.00%			\$ 1,974,769	100.00%		