

PHEAA - 1988C Revenue Bond - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1988C Revenue Bond

Cusip#: 709163BF5

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)
1988C	07/01/18	Tax Exempt	\$ 100,000	\$ -	\$ 100,000	\$ 1,840	7d VRDN
1988C	07/01/18	Tax Exempt	\$ 74,900,000	\$ -	\$ 74,900,000	\$ 834,160	Bank Bonds at Prime Rate

7 day VRDN Interest Rates during the Period

Bank Bond Interest Rates during the Period

FROM	TO	1988C
10/1/2008	11/4/2008	8.000%
11/5/2008	11/11/2008	7.500%
11/12/2008	12/16/2008	7.000%
12/17/2008	12/31/2008	6.500%

FROM	TO	1988C
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 - 1988C Revenue Bond
 Balance Sheet & Income Statement
 For the Period Ended:

6 Months Ended
 December 31, 2008

3 Months Ended
 September 30, 2008

6 Months Ended
 December 31, 2007

Accruals Ledger

PHEAA - 1988C PHEAA - 1988C PHEAA - 1988C

Balance Sheet:

Assets

Customer Cash	\$ 247,635	\$ 252,306	\$ 163,983
Accounts Receivable	0	0	0
Interest Income Receivable	1,508,376	1,766,034	1,720,868
Investments	5,651,669	3,586,918	2,632,682
Student Loans Receivable	71,436,838	73,592,400	75,736,141
Plant, Property & Equip Net	0	0	0
Deferred Financing Costs	398,510	408,997	440,458
Prepaid Exp & Other Expenses	26,250	39,375	26,250
Total Assets	\$ 79,269,278	\$ 79,646,030	\$ 80,720,382

Liabilities

Accounts Payable & Reserves	\$ 146,605	\$ 150,219	\$ 209,651
Student Ln Financings Int Pay	230,403	298,116	216,277
Student Ln Financings Payable	75,000,000	75,000,000	75,000,000
Total Liabilities	\$ 75,377,007	\$ 75,448,335	\$ 75,425,927

Fund Balances

Fund Balances	4,598,799	4,598,799	5,213,758
Current Yr Net Income	(706,528)	(401,104)	80,697
Ending Fund Balance	\$ 3,892,271	\$ 4,197,695	\$ 5,294,455

Total Liabilities & Fund Balance \$ 79,269,278 \$ 79,646,030 \$ 80,720,382

Parity Ratio 1.046 1.050 1.064

Income Statement:

Revenues

Interest income	\$ 1,811,871	\$ 941,962	\$ 2,284,954
Premium on Student Loan Sales	0	0	0
Total Revenues	\$ 1,811,871	\$ 941,962	\$ 2,284,954

Expenses

Interest Expense & Related Cst	\$ 1,973,863	\$ 1,069,172	\$ 1,610,360
General & Administrative	536,177	269,695	580,478
Total Expenses	\$ 2,510,040	\$ 1,338,867	\$ 2,190,838

Operating Income / (Loss) \$ (698,169) \$ (396,905) \$ 94,117

Financial Aid 8,359 4,200 13,420

Net Income / (Loss) before Trsfs \$ (706,528) \$ (401,104) \$ 80,697

Transfers 0 0 0

Net Income / (Loss) \$ (706,528) \$ (401,104) \$ 80,697

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Collection Activity (excluding loan sales)

<i>Principal Repayment Received (\$)</i>	\$ 2,960,461
<i>Principal Prepayment Received (\$)</i>	1,335,563
<i>Principal Reimbursement (\$)</i>	
<i>Interest Payment Received (\$)</i>	520,595
<i>Interest Reimbursements (\$)</i>	
<i>Special Allowance Payments (\$)</i>	(18,410)
<i>Subsidy Payments (\$)</i>	122,308
<i>Funds Release from Reserve (\$)</i>	
<i>Others (please specify)</i>	
Total	\$ 4,920,518

Borrower Benefit Information

Utilization

	End of Quarter Principal	% of Total Borrower Benefit Recipients	% of Total Portfolio
Disqualified	\$ 28,519,945	45.99%	39.92%
May Still Qualify	27,304,836	44.03%	38.22%
Qualified	6,140,858	9.90%	8.60%
Qualified - Deferred	46,179	0.07%	0.06%
Total Borrower Benefit	\$ 62,011,818		
No Benefit	9,425,020	0%	13.19%
Total Portfolio	\$ 71,436,838	100.00%	100.00%

	Estimated EFT Int Savings	Rebate Amount	Estimated Interest Savings
Borrower Benefit Savings			
For the 3 Months Ended 12/31/08	\$ 1,120	\$ -	\$ 21,570
For the 6 Months Ended 12/31/08	\$ 2,897	\$ -	\$ 47,257

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

<i>Remarketing Fees (\$)</i>	\$ 13,125
<i>Consolidation Rebate Fees (\$)</i>	578
<i>Servicing Fees (\$)</i>	229,328
<i>Commitment Fees (\$)</i>	56,116
<i>Trustee Fees (\$)</i>	12,500
<i>Liquidity Fees (\$)</i>	
<i>Admin fee (\$)</i>	18,750
<i>Insurance Fees (\$)</i>	0
Total	\$ 330,398
<i>Lender Origination Fees (\$)</i>	21
<i>Origination Discount (\$)</i>	(300)
Total	\$ (279)
Grand Total Fees & Other Pymts	\$ 330,119

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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>	37,944,033	51.56%	577,816	(2,173,310)	116,207	-		36,464,746	51.04%	4.926%	87.66
<i>Unsubsidized Stafford</i>	28,016,596	38.07%	1,061,112	(1,666,234)	326,787	-		27,738,262	38.83%	4.872%	91.85
<i>PLUS</i>	6,810,821	9.25%	-	(246,440)	58,765	-		6,623,145	9.27%	7.587%	108.96
<i>PLUSGB</i>	543,369	0.74%	-	(1,923)	(592)	-		540,854	0.76%	7.860%	132.6
<i>Consolidation</i>	277,581	0.38%	-	(208,118)	368	-		69,831	0.10%	6.304%	165.55
Total	\$ 73,592,400	100.00%	\$ 1,638,928	\$ (4,296,025)	\$ 501,535	\$ -		\$ 71,436,838	100.00%	5.175%	91.68

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

	Prop. Ind.	School type	Principal	
N		GRADUATE	95,851	
N		SCHOOL OF THEOLOGY	285,361	
N		STATE RELATED	21,734,802	
N		2 YEAR PRIV JR COLL	1,132,425	
N		2 YEAR PUB JR COLL	5,969,775	
N		4 YEAR PRIVATE COLL	20,497,561	
N		4 YEAR PUBLIC COLL	12,140,619	
N Total			\$ 61,856,393	87%
Y		ALL NON-PROPRIETARY	0	
Y		ALL PROPRIETARY	7,745	
Y		CORRESPONDENCE	0	
Y		FED OWNED DEFR ONLY	17,856	
Y		HOSPITAL DIPLOMA PGM	723,264	
Y		PRIV PRESCHL/ELEM	0	
Y		PROP VOC/TECH	1,286,359	
Y		PROPRIETARY BUSINESS	3,341,656	
Y		TRADE/TECH SCHOOL	4,203,565	
Y Total			\$ 9,580,445	13%
Grand Total			\$ 71,436,838	

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As of December 31, 2008

1988C Revenue Bond

	12/31/2008		Prior Qtr 9/30/2008		Prior Year 12/31/2007	
1. LOANS IN-SCHOOL/IN-GRACE						
In school	\$ 6,756,837	9.46%	\$ 7,310,405	9.93%	\$ 4,869,223	6.43%
In grace	1,754,572	2.46%	4,055,939	5.51%	4,524,919	5.97%
2. LOANS IN DEFERMENT/FORB						
Deferment	9,677,338	13.55%	9,178,833	12.47%	8,497,048	11.22%
Forbearance	9,373,249	13.12%	9,216,802	12.52%	8,124,197	10.73%
3. LOANS IN REPAYMENT		% of Repay		% of Repay		% of Repay
A. CURRENT	35,812,727	81.62%	34,108,594	77.82%	42,499,887	85.48%
B. 31-60 PAST DUE	2,024,460	4.61%	2,122,550	4.84%	2,232,227	4.49%
C. 61-90 PAST DUE	1,540,345	3.51%	1,664,827	3.80%	1,213,385	2.44%
D. 91-120 PAST DUE	740,800	1.69%	1,239,008	2.83%	772,570	1.55%
E. 121-180 PAST DUE	1,480,757	3.37%	1,227,531	2.80%	1,239,688	2.49%
F. 181-270 PAST DUE	1,243,600	2.83%	1,793,962	4.09%	959,949	1.93%
G. 271 OR GREATER PAST DUE	641,219	1.46%	1,131,402	2.58%	404,624	0.81%
H. CLAIMS FILED BUT NOT PAID	393,217	0.90%	550,518	1.26%	369,723	0.74%
4. IN LITIGATION	-	0.00%	-	0.00%	-	0.00%
5. UNINSURED	-	0.00%	-	0.00%	28,421	0.06%
6. CREDIT BALANCES	(2,283)	-0.01%	(7,971)	-0.02%	(1,664)	0.00%
7. END PRIN. BAL.	\$ 71,436,838		\$ 73,592,400		\$ 75,734,199	

1988C Revenue Bond

	12/31/2008		Prior Qtr 9/30/2008		Prior Year 12/31/2007	
Loans @ CP**	59,823,816	83.74%	61,252,310	83.23%	64,271,778	
Loans @ Tbill**	11,613,022	16.26%	12,340,090	16.77%	9,642,597	
Total	71,436,838		73,592,400			
Pre 10/1/07 loan balance	70,907,070		73,038,624		75,310,273	
Post 10/1/07 loan balance	529,768		553,776		423,925	
Total	71,436,838		73,592,400		75,734,199	

**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>	\$ 972,724
<i>Unsubsidized Stafford</i>	800,178
<i>Consolidation</i>	207,557
<i>PLUS - Parent</i>	25,577
<i>Total</i>	\$ 2,006,036

<i>% of Loans in Repay</i>	4.57%
<i>% of Total Portfolio</i>	2.81%

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For the quarter ended December 31, 2008

	Loans Sold		Premium		Loans Purchased		Premium	
	\$	%	\$	%	\$	%	\$	%
<i>Subsidized Stafford Total</i>	\$ -				\$ 577,816	35.26%		
<i>Unsubsidized Stafford Total</i>	-				1,061,112	64.74%		
<i>PLUS Total</i>	-				-	0.00%		
<i>PLUSGB</i>	-				-	0.00%		
<i>Consolidation Total</i>	-				-	0.00%		
Total	\$ -	0.00%			\$ 1,638,928	100.00%		