

PHEAA - 1988E Revenue Bond - Quarterly Servicing Report

Issuer : PHEAA

Indenture Name: 1988E Revenue Bond

Cusip#: 709163BH1

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)
1988E	07/01/18	Tax Exempt	\$ 36,000,000	\$ -	\$ 36,000,000	\$ 400,932	Bank Bonds at Prime Rate

Bank Bond Interest Rates during the Period

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

Balance Sheet:

<u>Assets</u>			
Customer Cash	\$ 124,046	\$ 119,823	\$ 37,579
Accounts Receivable	0	0	0
Interest Income Receivable	562,142	609,197	758,922
Investments	2,548,362	2,688,934	1,204,025
Student Loans Receivable	36,619,271	36,581,681	38,763,105
Plant, Property & Equip Net	0	0	0
Deferred Financing Costs	190,106	195,387	211,229
Prepaid Exp & Other Expenses	<u>12,600</u>	<u>18,900</u>	<u>12,600</u>
Total Assets	\$ 40,056,528	\$ 40,213,923	\$ 40,987,460
<u>Liabilities</u>			
Accounts Payable & Reserves	\$ 80,942	\$ 101,895	\$ 119,007
Student Ln Financings Int Pay	110,466	143,014	197,050
Student Ln Financings Payable	36,000,000	36,000,000	36,000,000
Total Liabilities	\$ 36,191,408	\$ 36,244,909	\$ 36,316,058
<u>Fund Balances</u>			
Fund Balances	4,140,932	4,140,932	4,983,619
Current Yr Net Income	<u>(275,812)</u>	<u>(171,918)</u>	<u>(312,217)</u>
Ending Fund Balance	\$ 3,865,120	\$ 3,969,014	\$ 4,671,402
Total Liabilities & Fund Balance	\$ 40,056,528	\$ 40,213,923	\$ 40,987,460
Parity Ratio	<u>1.101</u>	<u>1.104</u>	<u>1.122</u>

Income Statement:

<u>Revenues</u>			
Interest income	\$ 937,488	\$ 487,081	\$ 1,304,840
Premium on Student Loan Sales	0	0	0
Total Revenues	\$ 937,488	\$ 487,081	\$ 1,304,840
<u>Expenses</u>			
Interest Expense & Related Cst	\$ 942,727	\$ 525,411	\$ 788,389
General & Administrative	270,991	133,393	297,755
Total Expenses	\$ 1,213,718	\$ 658,803	\$ 1,086,144
Operating Income / (Loss)	\$ (276,230)	\$ (171,723)	\$ 218,696
Financial Aid	(417)	195	530,913
Net Income / (Loss) before Trfs	\$ (275,812)	\$ (171,918)	\$ (312,217)
<u>Transfers</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Income / (Loss)	\$ (275,812)	\$ (171,918)	\$ (312,217)

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Collection Activity (excluding loan sales)

<i>Principal Repayment Received (\$)</i>	\$ 1,206,987
<i>Principal Prepayment Received (\$)</i>	1,501,252
<i>Principal Reimbursement (\$)</i>	
<i>Interest Payment Received (\$)</i>	327,313
<i>Interest Reimbursements (\$)</i>	
<i>Special Allowance Payments (\$)</i>	48,493
<i>Subsidy Payments (\$)</i>	25,396
<i>Funds Release from Reserve (\$)</i>	
<i>Others (please specify)</i>	
Total	\$ 3,109,441

Borrower Benefit Information

Utilization

	End of Quarter Principal	% of Total Borrower Benefit Recipients	% of Total Portfolio
Disqualified	\$ 21,665,867	60.49%	59.17%
May Still Qualify	12,434,896	34.72%	33.96%
Qualified	1,667,397	4.65%	4.55%
Qualified - Deferred	<u>51,676</u>	0.14%	0.14%
Total Borrower Benefit	\$ 35,819,836		
No Benefit	<u>799,436</u>	<u>0%</u>	<u>2.18%</u>
Total Portfolio	\$ 36,619,271	100.00%	100.00%

	Estimated EFT Int Savings	Rebate Amount	Estimated Interest Savings
Borrower Benefit Savings			
For the 3 Months Ended 12/31/08	\$ 907	\$ -	\$ 6,890
For the 6 Months Ended 12/31/08	\$ 1,831	\$ -	\$ 13,599

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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>	557
<i>Servicing Fees (\$)</i>	116,809
<i>Commitment Fees (\$)</i>	27,997
<i>Trustee Fees (\$)</i>	6,750
<i>Admin fee (\$)</i>	9,000
<i>Insurance Fees (\$)</i>	0
Total	\$ 161,113
<i>Lender Origination Fees (\$)</i>	(1)
<i>Origination Discount (\$)</i>	(2)
Total	\$ (3)
Grand Total Fees & Other Pymts	\$ 161,110

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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>	19,703,396	53.86%	975,745	(1,480,123)	35,517	-		19,234,534	52.53%	4.753%	89.38
<i>Unsubsidized Stafford</i>	15,169,528	41.47%	1,620,126	(1,157,658)	112,527	-		15,744,523	43.00%	4.640%	90.38
<i>PLUS</i>	1,264,709	3.46%	-	(37,532)	1,051	-		1,228,229	3.35%	6.914%	103.51
<i>PLUSGB</i>	33,715	0.09%	-	-	-	-		33,715	0.09%	7.900%	125
<i>Consolidation</i>	210,770	0.58%	-	(27,266)	27	-		183,531	0.50%	3.714%	260.42
<i>SLS</i>	199,563	0.55%	-	(5,660)	836	-		194,739	0.53%	5.945%	91.69
Total	\$ 36,581,681	100.00%	\$ 2,595,872	\$ (2,708,239)	\$ 149,958	\$ -		\$ 36,619,271	100.00%	4.686%	91.21

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

	Prop. Ind.	School type	Principal	
N		GRADUATE	8,720	
N		SCHOOL OF THEOLOGY	53,530	
N		STATE RELATED	10,387,551	
N		2 YEAR PRIV JR COLL	441,365	
N		2 YEAR PUB JR COLL	3,785,857	
N		4 YEAR PRIVATE COLL	9,828,055	
N		4 YEAR PUBLIC COLL	5,187,553	
N Total			\$ 29,692,630	81%
Y		ALL NON-PROPRIETARY	0	
Y		ALL PROPRIETARY	2,561	
Y		CORRESPONDENCE	0	
Y		FED OWNED DEFR ONLY	44,460	
Y		HOSPITAL DIPLOMA PGM	447,446	
Y		PRIV PRESCHL/ELEM	0	
Y		PROP VOC/TECH	942,941	
Y		PROPRIETARY BUSINESS	2,789,391	
Y		TRADE/TECH SCHOOL	2,699,842	
Y Total			\$ 6,926,642	19%
Grand Total			\$ 36,619,271	

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As of December 31, 2008

<i>1988E 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	\$ 1,445,145	3.95%	\$ 678,142	1.85%	\$ 304,097	0.78%	
In grace	429,697	1.17%	392,274	1.07%	170,255	0.44%	
<i>2. LOANS IN DEFERMENT/FORB</i>							
Deferment	4,035,871	11.02%	3,402,340	9.30%	4,237,987	10.93%	
Forbearance	3,477,500	9.50%	2,933,070	8.02%	2,643,722	6.82%	
<i>3. LOANS IN REPAYMENT</i>							
		% of Repay		% of Repay		% of Repay	
A. CURRENT	22,411,454	82.30%	23,168,575	79.41%	29,625,471	94.32%	
B. 31-60 PAST DUE	1,227,020	4.51%	1,276,464	4.38%	626,724	2.00%	
C. 61-90 PAST DUE	631,433	2.32%	953,396	3.27%	341,107	1.09%	
D. 91-120 PAST DUE	575,984	2.12%	536,875	1.84%	224,957	0.72%	
E. 121-180 PAST DUE	969,614	3.56%	806,684	2.76%	305,562	0.97%	
F. 181-270 PAST DUE	768,862	2.82%	1,062,727	3.64%	164,676	0.52%	
G. 271 OR GREATER PAST DUE	432,898	1.59%	974,882	3.34%	80,496	0.26%	
H. CLAIMS FILED BUT NOT PAID	210,238	0.77%	398,790	1.37%	39,973	0.13%	
<i>4. IN LITIGATION</i>							
	-	0.00%	-	0.00%	-	0.00%	
<i>5. UNINSURED</i>							
	9,688	0.04%	2,817	0.01%	2,589	0.01%	
<i>6. CREDIT BALANCES</i>							
	(6,131)	-0.02%	(5,354)	-0.02%	(761)	0.00%	
<i>7. END PRIN. BAL.</i>							
	\$ 36,619,271		\$ 36,581,681		\$ 38,766,855		

<i>1988E Revenue Bond</i>		12/31/2008		Prior Qtr 9/30/2008		Prior Year 12/31/2007	
Loans @ CP**	35,234,913	96.22%	35,069,430	95.87%	37,741,330		
Loans @ Tbill**	1,384,358	3.78%	1,512,251	4.13%	1,095,532		
Total	36,619,271		36,581,681				
Pre 10/1/07 loan balance	36,613,183		36,573,750		38,764,178		
Post 10/1/07 loan balance	6,089		7,931		2,676		
Total	36,619,271		36,581,681		38,766,855		

**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>	\$ 725,064
<i>Unsubsidized Stafford</i>	603,095
<i>Consolidation</i>	26,051
<i>PLUS - Parent</i>	16,753
<i>SLS</i>	2,766
<i>Total</i>	\$ 1,373,729

<i>% of Loans in Repay</i>	5.05%
<i>% of Total Portfolio</i>	3.75%

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For the quarter ended December 31, 2008

	Loans Sold		Premium		Loans Purchased		Premium	
	\$	%	\$	%	\$	%	\$	%
<i>Subsidized Stafford Total</i>	\$ -				\$ 975,745	37.59%		
<i>Unsubsidized Stafford Total</i>	-				1,620,126	62.41%		
<i>Consolidation Total</i>	-				-	0.00%		
Total	\$ -	0.00%			\$ 2,595,872	100.00%		