

Iowa Student Loan Liquidity Corporation

Student Loan Asset-Backed Notes, Series 2005-1

Quarterly Servicer Report

Reporting Period: October 1, 2008 - December 31, 2008

I. Asset and Liability Summary

A. Student Loan Portfolio and Fund Balance

	October 1, 2008	Net Activity	December 31, 2008
1 Financed Student Loans - Principal Balance	\$ 484,888,684.82	\$ (13,461,910.34)	\$ 471,426,774.48
2 Accrued Interest (Includes SAP estimate)	8,508,332.12	(1,336,282.72)	7,172,049.40
3 Total Student Loan Principal and Accrued Interest Balance	\$ 493,397,016.94	\$ (14,798,193.06)	\$ 478,598,823.88
4 Fund Account Balances	8,786,184.78	1,571,838.53	10,358,023.31
5 Total Principal, Accrued Interest, and Fund Balances	\$ 502,183,201.72	\$ (13,226,354.53)	\$ 488,956,847.19
6 Weighted average coupon (excluding SAP)	4.36%	0.00%	4.36%
7 Weighted average remaining maturity (including in-school)	156	3	159
8 Number of Loans	121,865	(3,669)	118,196
9 Number of Borrowers	53,774	(1,723)	52,051

B. Notes

	October 1, 2008	Net Activity	December 31, 2008	% O/S
1 Senior Series 2005-1, Class A-1	\$ 28,501,325.00	\$ (14,199,696.00)	\$ 14,301,629.00	2.98%
2 Senior Series 2005-1, Class A-2	262,000,000.00	-	262,000,000.00	54.66%
3 Senior Series 2005-1, Class A-3	168,000,000.00	-	168,000,000.00	35.05%
4 Subordinate Series 2005-1, Class B	35,000,000.00	-	35,000,000.00	7.30%
5 Total Notes	\$ 493,501,325.00	\$ (14,199,696.00)	\$ 479,301,629.00	100.00%

C. Fund Balances

	October 1, 2008	Net Activity	December 31, 2008
1 Acquisition Fund	\$ 577.55	\$ 1.41	\$ 578.96
2 Collection Fund	6,133,523.59	1,565,415.30	7,698,938.89
3 Reserve Fund	2,643,326.15	6,400.62	2,649,726.77
4 Capitalized Interest Fund	8,757.49	21.20	8,778.69
5 Total Fund Balances	\$ 8,786,184.78	\$ 1,571,838.53	\$ 10,358,023.31

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II. Transactions and Accruals	
	October 1, 2008 to December 31, 2008
A. Student Loan Cash Principal Activity	
1 Borrower Payments	\$ (7,175,831.64)
2 Claim Payments	(6,766,054.58)
3 Refunds/Returned Funds	953,549.77
4 Consolidation Payoffs	(2,649,427.68)
5 Acquisitions/Sales	(66,029.36)
6 Total Cash Principal Activity	<u>\$ (15,703,793.49)</u>
B. Student Loan Non-Cash Principal Activity	
1 Capitalized Interest	\$ 2,246,036.21
2 Cancellations/Reissues	-
3 Other Adjustments	(4,153.06)
4 Total Non-Cash Principal Activity	<u>\$ 2,241,883.15</u>
C. Total Student Loan Principal Activity	
	<u>\$ (13,461,910.34)</u>
D. Student Loan Cash Interest Activity	
1 Borrower Payments	\$ (2,827,698.48)
2 Claim Payments	(243,651.93)
3 Consolidation Payoffs	(54,004.73)
4 Acquisitions/Sales	-
5 Subsidy Payments (ISP)	-
6 Special Allowance Payments (SAP)	-
7 Total Interest Collections	<u>\$ (3,125,355.14)</u>
E. Student Loan Non-Cash Interest Activity	
1 Borrower Accruals	\$ 4,581,824.66
2 Interest Subsidy Payment Accrual	(89,216.69)
3 Special Allowance Interest Payment Accrual Estimate	(318,139.12)
4 Capitalized Interest	(2,246,036.21)
5 Other Adjustments	(139,360.22)
6 Total Non-Cash Interest Activity	<u>\$ 1,789,072.42</u>
F. Total Student Loan Interest Activity	
	<u>\$ (1,336,282.72)</u>

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III. Waterfall for Distributions	
	October 1, 2008 to December 31, 2008
A. Total Available Funds	\$ 27,053,016.34
B. Department of Education Consolidation Rebate Payments	(625,444.00)
C. Servicer Payments	(636,243.00)
D. Interest Payments to Class A Note holders and Swap Counterparties	
1 Senior Series 2005-1, Class A-1	(236,082.00)
2 Senior Series 2005-1, Class A-2	(2,217,066.00)
3 Senior Series 2005-1, Class A-3	(1,451,683.00)
4 Other Senior Obligations - Net Swap Payments	330,670.55
5 Total Interest Distributions on Senior Notes or Obligations	(3,574,160.45)
E. Interest Payments to Subordinate Series 2005-1, Class B	(318,534.00)
F. Principal Distributions to Class A Note holders	
1 Senior Series 2005-1, Class A-1	(14,199,696.00)
2 Senior Series 2005-1, Class A-2	-
3 Senior Series 2005-1, Class A-3	-
4 Total Principal Distributions on Senior Notes	(14,199,696.00)
G. Principal Distributions to Subordinate Series 2005-1, Class B	-
H. Allocation to Reserve Fund	-
I. Allocation to Servicer for Unpaid Carryover Servicing and Administration Fees	-
J. To Derivative Product Agreement Counterparty for unreimbursed termination payments due under the terms of derivative product agreement.	-
K. During revolving period, allocation to Acquisition Fund	-
L. Remaining amounts	\$ 7,698,938.89

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IV. Portfolio Characteristics**December 31, 2008**

	Number of Loans	Principal	% of Portfolio
A. Loan Type Distribution.			
1 Subsidized Stafford	60,846	\$ 128,691,922.15	27.30%
2 Unsubsidized Stafford	36,526	96,563,991.40	20.48%
3 SLS	61	100,370.85	0.02%
4 PLUS	3,130	9,130,602.25	1.94%
5 Consolidation Subsidized	9,990	128,330,757.15	27.22%
6 Consolidation Unsubsidized	7,643	108,609,130.68	23.04%
7 Totals By Loan Type Distribution	118,196	\$ 471,426,774.48	100.00%
B. Borrower Status Distribution			
1 In School	10,456	\$ 26,458,341.13	5.61%
2 Grace	3,995	10,637,523.94	2.26%
3 Deferment	20,589	76,840,233.40	16.30%
4 Forbearance	8,247	37,475,897.88	7.95%
5 Repayment	74,909	320,014,778.13	67.88%
6 Totals By Borrower Status Distribution	118,196	\$ 471,426,774.48	100.00%
C. Repayment Delinquency Status Distribution			
1 Current	60,186	\$ 270,867,376.02	84.64%
2 31-60	3,586	13,306,847.02	4.16%
3 61-90	2,616	8,634,636.70	2.70%
4 91-120	1,784	6,571,013.82	2.05%
5 121-180	2,612	7,472,454.69	2.34%
6 180-270	2,943	9,668,599.62	3.02%
7 270+	1,182	3,493,850.26	1.09%
9 Totals By Delinquency Status Distribution	74,909	\$ 320,014,778.13	100.00%
D. School Type Distribution			
1 4-Year	54,227	\$ 268,936,250.15	57.05%
2 2-Year	45,219	100,994,225.13	21.42%
3 Proprietary	17,051	49,853,169.37	10.57%
4 Graduate	1,683	51,426,956.47	10.91%
5 Other	16	216,173.36	0.05%
6 Totals By School Type Distribution	118,196	\$ 471,426,774.48	100.00%
E. Guarantor Type Distributions			
1 US Department of Education	-	\$ -	0.00%
2 Illinois Student Assistance	22	22,263.15	0.00%
3 Iowa College Student Aid Comm.	109,339	418,259,644.56	88.72%
4 Missouri Student Loan Program	-	-	0.00%
5 National Student Loan Program	3,317	8,556,117.49	1.81%
6 Pennsylvania Higher Ed. Assist.	3,041	37,657,722.57	7.99%
7 Education Assistance Corporation	2,083	5,137,778.96	1.09%
8 Great Lakes Higher Ed. Corp.	51	109,591.14	0.02%
9 United Student Aid Funds	130	287,310.61	0.06%
10 United Student Aid Funds	213	1,396,346.00	0.30%
11 Totals By Guarantor Type Distributions	118,196	\$ 471,426,774.48	100.00%