

Iowa Student Loan Liquidity Corporation

Student Loan Asset-Backed Notes, Series 2005-1

Quarterly Servicer Report

Reporting Period: July 1, 2008 - September 30, 2008

I. Asset and Liability Summary

A. Student Loan Portfolio and Fund Balance

	July 1, 2008	Net Activity	September 30, 2008
1 Financed Student Loans - Principal Balance	\$ 504,405,432.32	\$ (19,516,747.50)	\$ 484,888,684.82
2 Accrued Interest (Includes SAP estimate)	8,296,266.74	212,065.38	8,508,332.12
3 Total Student Loan Principal and Accrued Interest Balance	\$ 512,701,699.06	\$ (19,304,682.12)	\$ 493,397,016.94
4 Fund Account Balances	5,057,376.51	3,728,808.27	8,786,184.78
5 Total Principal, Accrued Interest, and Fund Balances	\$ 517,759,075.57	\$ (15,575,873.85)	\$ 502,183,201.72
6 Weighted average coupon (excluding SAP)	5.77%	-1.41%	4.36%
7 Weighted average remaining maturity (including in-school)	168	(12)	156
8 Number of Loans	127,677	(5,812)	121,865
9 Number of Borrowers	56,021	(2,247)	53,774

B. Notes

	July 1, 2008	Net Activity	September 30, 2008	% O/S
1 Senior Series 2005-1, Class A-1	\$ 46,389,000.00	\$ (17,887,675.00)	\$ 28,501,325.00	5.78%
2 Senior Series 2005-1, Class A-2	262,000,000.00	-	262,000,000.00	53.09%
3 Senior Series 2005-1, Class A-3	168,000,000.00	-	168,000,000.00	34.04%
4 Subordinate Series 2005-1, Class B	35,000,000.00	-	35,000,000.00	7.09%
5 Total Notes	\$ 511,389,000.00	\$ (17,887,675.00)	\$ 493,501,325.00	100.00%

C. Fund Balances

	July 1, 2008	Net Activity	September 30, 2008
1 Acquisition Fund	\$ 575.06	\$ 2.49	\$ 577.55
2 Collection Fund	2,416,082.41	3,717,441.18	6,133,523.59
3 Reserve Fund	2,631,999.07	11,327.08	2,643,326.15
4 Capitalized Interest Fund	8,719.97	37.52	8,757.49
5 Total Fund Balances	\$ 5,057,376.51	\$ 3,728,808.27	\$ 8,786,184.78

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II. Transactions and Accruals	
	July 1, 2008 to September 30, 2008
A. Student Loan Cash Principal Activity	
1 Borrower Payments	\$ (7,565,095.30)
2 Claim Payments	(9,364,395.94)
3 Refunds/Returned Funds	1,674,868.90
4 Consolidation Payoffs	(5,961,548.64)
5 Acquisitions/Sales	(73,645.57)
6 Total Cash Principal Activity	<u>\$ (21,289,816.55)</u>
B. Student Loan Non-Cash Principal Activity	
1 Capitalized Interest	\$ 1,795,526.27
2 Cancellations/Reissues	-
3 Other Adjustments	(22,457.22)
4 Total Non-Cash Principal Activity	<u>\$ 1,773,069.05</u>
C. Total Student Loan Principal Activity	<u>\$ (19,516,747.50)</u>
D. Student Loan Cash Interest Activity	
1 Borrower Payments	\$ (3,115,739.95)
2 Claim Payments	(359,158.34)
3 Consolidation Payoffs	(93,698.71)
4 Acquisitions/Sales	-
5 Subsidy Payments (ISP)	(1,307,408.60)
6 Special Allowance Payments (SAP)	354,818.26
7 Total Interest Collections	<u>\$ (4,521,187.34)</u>
E. Student Loan Non-Cash Interest Activity	
1 Borrower Accruals	\$ 4,664,337.49
2 Interest Subsidy Payment Accrual	821,799.60
3 Special Allowance Interest Payment Accrual Estimate	1,256,348.89
4 Capitalized Interest	(1,795,526.27)
5 Other Adjustments	(213,706.99)
6 Total Non-Cash Interest Activity	<u>\$ 4,733,252.72</u>
F. Total Student Loan Interest Activity	<u>\$ 212,065.38</u>

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III. Waterfall for Distributions	
	July 1, 2008 to September 30, 2008
A. Total Available Funds	\$ 29,063,865.22
B. Department of Education Consolidation Rebate Payments	(637,281.00)
C. Servicer Payments	(658,179.00)
D. Interest Payments to Class A Note holders and Swap Counterparties	
1 Senior Series 2005-1, Class A-1	(336,014.81)
2 Senior Series 2005-1, Class A-2	(1,944,643.72)
3 Senior Series 2005-1, Class A-3	(1,277,000.48)
4 Other Senior Obligations - Net Swap Payments	92,594.15
5 Total Interest Distributions on Senior Notes or Obligations	(3,465,064.86)
E. Interest Payments to Subordinate Series 2005-1, Class B	(282,141.77)
F. Principal Distributions to Class A Note holders	
1 Senior Series 2005-1, Class A-1	(17,887,675.00)
2 Senior Series 2005-1, Class A-2	-
3 Senior Series 2005-1, Class A-3	-
4 Total Principal Distributions on Senior Notes	(17,887,675.00)
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	\$ 6,133,523.59

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IV. Portfolio Characteristics**September 30, 2008**

	Number of Loans	Principal	% of Portfolio
A. Loan Type Distribution.			
1 Subsidized Stafford	62,961	\$ 134,367,621.34	27.71%
2 Unsubsidized Stafford	37,729	99,351,912.29	20.49%
3 SLS	61	105,816.10	0.02%
4 PLUS	3,282	9,750,454.67	2.01%
5 Consolidation Subsidized	10,121	131,171,191.95	27.05%
6 Consolidation Unsubsidized	7,711	110,141,688.47	22.71%
7 Totals By Loan Type Distribution	121,865	\$ 484,888,684.82	100.00%
B. Borrower Status Distribution			
1 In School	12,492	\$ 32,076,787.86	6.62%
2 Grace	7,183	19,882,457.54	4.10%
3 Deferment	21,342	80,317,819.63	16.56%
4 Forbearance	8,180	37,746,449.29	7.78%
5 Repayment	72,668	314,865,110.50	64.94%
6 Totals By Borrower Status Distribution	121,865	\$ 484,888,624.82	100.00%
C. Repayment Delinquency Status Distribution			
1 Current	57,636	\$ 265,376,760.25	84.28%
2 31-60	3,339	11,193,070.25	3.55%
3 61-90	2,811	9,459,592.83	3.00%
4 91-120	2,076	6,610,772.32	2.10%
5 121-180	2,700	9,263,975.81	2.94%
6 180-270	2,865	9,204,511.57	2.92%
7 270+	1,241	3,756,427.47	1.19%
9 Totals By Delinquency Status Distribution	72,668	\$ 314,865,110.50	100.00%
D. School Type Distribution			
1 4-Year	55,750	\$ 277,410,789.25	57.21%
2 2-Year	46,798	104,698,326.06	21.59%
3 Proprietary	17,717	51,601,133.09	10.64%
4 Graduate	1,582	50,943,894.98	10.51%
5 Other	18	234,541.44	0.05%
6 Totals By School Type Distribution	121,865	\$ 484,888,684.82	100.00%
E. Guarantor Type Distributions			
1 US Department of Education	-	\$ -	0.00%
2 Illinois Student Assistance	23	24,314.79	0.01%
3 Iowa College Student Aid Comm.	112,799	430,374,482.03	88.76%
4 Missouri Student Loan Program	-	-	0.00%
5 National Student Loan Program	3,395	8,804,877.90	1.82%
6 Pennsylvania Higher Ed. Assist.	3,074	38,410,849.61	7.92%
7 Education Assistance Corporation	2,160	5,345,021.41	1.10%
8 Great Lakes Higher Ed. Corp.	51	121,357.89	0.03%
9 United Student Aid Funds	133	311,588.34	0.06%
10 United Student Aid Funds	230	1,496,192.85	0.31%
11 Totals By Guarantor Type Distributions	121,865	\$ 484,888,684.82	100.00%