



Montana Higher Education Student Assistance Corporation
Quarterly Student Loan Report

1993 Master Indenture - Trust Securing the Following Bonds:

- Senior Series 2005-B
- Senior Series 2006-A
- Subordinate Series 2006-C
- Senior Series 2012-A1
- Senior Series 2012-A2
- Senior Series 2012-A3
- Subordinate Series 2012-B

Reporting Period December 01, 2013 through February 28, 2014
Distribution Date: March 20, 2014

MHESAC 1993 Master Indenture

I. Deal Parameters

Student Portfolio Characteristics			11/30/2013	Activity	2/28/2014
A	i	Portfolio Balance	\$ 1,182,841,355.27	\$ (28,105,501.95)	\$ 1,154,735,853.32
	ii	Accrued Interest	\$ 13,819,858.88	\$ (221,612.29)	\$ 13,598,246.59
	iii	Total Pool	\$ 1,196,661,214.15		\$ 1,168,334,099.91
	iv	Pending Portfolio adjustments	\$ (150.00)		\$ (100.00)
	v	Trust Cash	\$ 24,352,190.79		\$ 20,849,658.35
	vi	Specified Reserve Account Balance	\$ 12,126,990.00		\$ 11,805,000.00
	vii	Total Adjusted Pool	\$ 1,233,140,244.94		\$ 1,200,988,658.26
B	i	Weighted Average Coupon (WAC)	4.420%		4.410%
	ii	Weighted Average Remaining Term	182.25		181.05
	iii	Number of Loans	146,400		142,412
	iv	Number of Borrowers	58,923		57,330
	v	Outstanding Principal Balance - T-Bill	\$ 16,655,061.70		\$ 16,008,800.63
	vi	Outstanding Principal Balance - LIBOR	\$ 1,166,186,293.57		\$ 1,138,727,052.69

Bonds	CUSIP	Original Issue Amount	Rate	Balance 11/30/2013	Pool Factor 11/30/2013	Balance 2/28/2014	Pool Factor 2/28/2014
C	i	2005-B Bonds Senior	612130HN7	\$ 119,140,000.00	3 Mo Libor + 0.12%	\$ 79,654,000.00	6.57%
	ii	2006-A Bonds Senior	612130HP2	\$ 226,775,000.00	3 Mo Libor + 0.10%	\$ 102,258,000.00	8.43%
	iii	2006-C Bonds Subordinate	612130HR8	\$ 30,000,000.00	1M LIBOR + 1.20%	\$ 18,000,000.00	1.48%
	iv	2012-A1 Bonds Senior	61205PAJ8	\$ 191,000,000.00	1M LIBOR + 0.60%	\$ 38,987,000.00	3.21%
	v	2012-A2 Bonds Senior	61205PAK5	\$ 649,000,000.00	1M LIBOR + 1.00%	\$ 649,000,000.00	53.52%
	vi	2012-A3 Bonds Senior	61205PAL3	\$ 305,300,000.00	1M LIBOR + 1.05%	\$ 305,300,000.00	25.18%
	vii	2012-B Bonds Subordinate	61205PAM1	\$ 19,500,000.00	1M LIBOR + 1.20%	\$ 19,500,000.00	1.61%
	viii	Total Bonds Outstanding Senior		\$ 1,175,199,000.00		\$ 1,143,000,000.00	96.91%
	ix	Total Bonds Outstanding Subordinate		\$ 37,500,000.00		\$ 37,500,000.00	3.09%
	x	Total Bonds Outstanding 1993 Master Indenture		\$ 1,212,699,000.00		\$ 1,180,500,000.00	

Indenture Percentage		11/30/2013	2/28/2014
D	i	Senior Parity	104.68%
	ii	Subordinate Parity	101.43%

Monthly Trigger Percentage		11/30/2013	2/28/2014
E	i	Senior Percentage	102.47%
	ii	Subordinate Percentage	99.25%

Reserve Account		11/30/2013	2/28/2014
F	i	Required Reserve Acc Deposit (%)	1.00%
	ii	Reserve Account Floor Balance (\$) (Minimum Reserve Requirement)	\$ 7,343,420.00
	iii	Specified Reserve Acct Requirement (\$)	\$ 11,805,000.00
	iv	Current Reserve Balance - (\$)	\$ 11,805,000.00
	v	Draws on Reserve - Current Quarter (\$)	\$ 321,990.00

MHESAC 1993 Master Indenture
II. Trust Balances and Parity Calculations

Trust Accounts		11/30/2013	2/28/2014
A	i Acquisition Account	\$ 555,230.35	\$ 434,079.22
	ii Administration Account	\$ 1,739,900.00	\$ 1,739,900.00
	iii Bond- Interest, Principal, Retirement Subaccounts	\$ 19,408,120.91	\$ 16,293,736.33
	iv Reserve Account	\$ 12,126,990.00	\$ 11,805,000.00
	v Surplus Subaccount	\$ 2,648,939.53	\$ 2,381,942.80
	vii Total Trust Accounts	\$ 36,479,180.79	\$ 32,654,658.35

Parity Calculations		11/30/2013	2/28/2014
B	Value of the Indenture		
	i Portfolio Balance	\$ 1,182,841,355.27	\$ 1,154,735,853.32
	ii Pending System Adjustments	(150.00)	(100.00)
	iii Accrued Borrower Interest	13,819,858.88	13,598,246.59
	iv Accrued Subsidized Interest	828,375.47	766,059.58
	v Less: Unguaranteed Amount Uncollectibles	(752,323.28)	(738,131.44)
	vi Trust Cash and Investments	36,479,180.79	32,654,658.35
	vii Payments in Transit	425,667.54	1,101,884.97
	viii Other Cash and Assets	-	-
	ix Total Trust Value	\$ 1,233,641,964.67	\$ 1,202,118,471.37
	Less:		
	x Accrued Payables	2,946,069.00	2,841,306.00
	xi Net Asset Value - Indenture Percentage	\$ 1,230,695,895.67	\$ 1,199,277,165.37

Bond Interest Outstanding		11/30/2013	2/28/2014
C	i Senior Interest	\$ 485,808.25	\$ 402,009.70
	ii Subordinate Interest	\$ 107,620.58	\$ 104,960.18
	iii Total Bond Interest	\$ 593,428.83	\$ 506,969.88

Bonds Outstanding		11/30/2013	2/28/2014
D	i Senior Bonds	\$ 1,175,199,000.00	\$ 1,143,000,000.00
	ii Subordinate Bonds	\$ 37,500,000.00	\$ 37,500,000.00
	iii Total Bonds	\$ 1,212,699,000.00	\$ 1,180,500,000.00

Distribution Amounts - Following Monthly Payment Date		11/30/2013	2/28/2014
E	i Senior Distribution Amount	\$ 20,887,000.00	\$ 17,605,000.00

Indenture Percentage		11/30/2013	2/28/2014
F	i Senior Parity $B_{xi} / (C_i + D_i)$	104.68%	104.89%
	ii Subordinate Parity $B_{xi} / (C_{iii} + D_{iii})$	101.43%	101.55%

Monthly Trigger Percentage		11/30/2013	2/28/2014
G	i Senior Percentage $B_i / (D_i - E_i)$	102.47%	102.61%
	ii Subordinate Percentage $B_i / (D_{iii} - E_i)$	99.25%	99.30%

Six Month Average Trigger Percentage		Current Distribution		Next Monthly Distribution	
		Senior	Subordinate	Senior	Subordinate
H	i 1st Month Prior	102.65%	99.36%	102.61%	99.30%
	ii 2nd Month Prior	102.55%	99.30%	102.65%	99.36%
	iii 3rd Month Prior	102.47%	99.25%	102.55%	99.30%
	iv 4th Month Prior	102.27%	99.08%	102.47%	99.25%
	v 5th Month Prior	102.36%	99.19%	102.27%	99.08%
	vii 6th Month Prior	102.21%	99.07%	102.36%	99.19%
	viii Six Month Average Trigger Percentage	102.42%	99.21%	102.49%	99.25%

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III. Distributions

Interest Rates								
Class	CUSIP	Distribution Date	Rate Index	Bond Spread	Current LIBOR	Next Report LIBOR	Current Rate	Next Report Rate
A 2005-B	612130HN7	3/20/2014	3M LIBOR	0.12%	0.24510%	0.23485%	0.36510%	0.35485%
2006-A	612130HP2	3/20/2014	3M LIBOR	0.10%	0.24510%	0.23485%	0.34510%	0.33485%
2006-C	612130HR8	3/20/2014	1M LIBOR	1.20%	0.15400%	0.15675%	1.35400%	1.35675%
2012-A1	61205PAJ8	3/20/2014	1M LIBOR	0.60%	0.15400%	0.15675%	0.75400%	0.75675%
2012-A2	61205PAK5	3/20/2014	1M LIBOR	1.00%	0.15400%	0.15675%	1.15400%	1.15675%
2012-A3	61205PAL3	3/20/2014	1M LIBOR	1.05%	0.15400%	0.15675%	1.20400%	1.20675%
2012-B	61205PAM1	3/20/2014	1M LIBOR	1.20%	0.15400%	0.15675%	1.35400%	1.35675%

Interest								
Class	CUSIP	Current Interest Due	Current Interest Paid	Current Interest Shortfall	Interest Carryover Due	Interest Carryover Paid	Interest Carryover	Interest Factor
B 2005-B	612130HN7	\$ 69,397.30	\$ 69,397.30	\$ -	\$ -	\$ -	\$ -	6.49%
2006-A	612130HP2	\$ 82,210.58	\$ 82,210.58	\$ -	\$ -	\$ -	\$ -	7.69%
2006-C	612130HR8	\$ 18,955.98	\$ 18,955.98	\$ -	\$ 44,334.53	\$ -	\$ 44,334.53	1.77%
2012-A1	61205PAJ8	\$ 10,192.33	\$ 10,192.33	\$ -	\$ -	\$ -	\$ -	0.95%
2012-A2	61205PAK5	\$ 582,516.44	\$ 582,516.44	\$ -	\$ -	\$ -	\$ -	54.46%
2012-A3	61205PAL3	\$ 285,895.13	\$ 285,895.13	\$ -	\$ -	\$ -	\$ -	26.73%
2012-B	61205PAM1	\$ 20,535.65	\$ 20,535.65	\$ -	\$ 48,029.08	\$ -	\$ 48,029.08	1.92%
TOTAL		\$ 1,069,703.41	\$ 1,069,703.41	\$ -	\$ 92,363.61	\$ -	\$ 92,363.61	

Principal								
Class	CUSIP	Current Principal Due	Current Principal Paid	Current Principal Shortfall	Principal Carryover Due	Principal Carryover Paid	Principal Carryover	Principal Factor
C 2005-B	612130HN7	\$ 3,577,000.00	\$ 3,577,000.00	\$ -	\$ -	\$ -	\$ -	16.01%
2006-A	612130HP2	\$ 6,967,000.00	\$ 6,967,000.00	\$ -	\$ -	\$ -	\$ -	31.19%
2006-C	612130HR8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2012-A1	61205PAJ8	\$ -	\$ -	\$ -	\$ 17,380,000.00	\$ 7,061,000.00	\$ 10,319,000.00	0.00%
2012-A2	61205PAK5	\$ 11,791,352.87	\$ -	\$ 11,791,352.87	\$ 230,361,320.69	\$ -	\$ 242,152,673.56	52.79%
2012-A3	61205PAL3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2012-B	61205PAM1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
TOTAL		\$ 22,335,352.87	\$ 10,544,000.00	\$ 11,791,352.87	\$ 247,741,320.69	\$ 7,061,000.00	\$ 252,471,673.56	

TOTAL PRINCIPAL DISTRIBUTION \$ 17,605,000.00

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IV. MHESAC System Activity from: 12/1/2013 through: 2/28/2014

A	Student Loan Principal Activity		
i	Regular Principal Collections	\$	27,084,616.59
ii	Principal Collections from Guarantor	\$	6,086,076.20
iii	Returned Disbursements	\$	-
iv	Other System Adjustments	\$	(149,355.24)
v	Repurchases of Rehabilitated Loans	\$	(1,961,878.60)
vi	Additional Disbursements/Purchases		
vii	Total Principal Collections	\$	<u>31,059,458.95</u>
B	Student Loan Non-Cash Principal Activity		
i	Other Adjustments	\$	171,288.36
ii	Capitalized Interest	\$	(3,125,245.36)
iii	Total Non-Cash Principal Activity	\$	<u>(2,953,957.00)</u>
C	Total Student Loan Principal Activity	\$	<u>28,105,501.95</u>
D	Student Loan Interest Activity		
i	Regular Interest Collections	\$	8,377,695.49
ii	Interest Claims Received from Guarantors	\$	160,063.30
iii	Other System Adjustments	\$	(202.68)
iv	Accrued Borrower Interest on Purchased Loans	\$	(2,825.70)
v	Total Interest Collections	\$	<u>8,534,730.41</u>
E	Student Loan Non-Cash Interest Activity		
i	Interest Accrual Adjustments	\$	499,997.22
ii	Capitalized Interest	\$	3,125,245.36
iii	Interest Accrued During Period	\$	(11,938,360.70)
iv	Total Non-Cash Interest Adjustments	\$	<u>(8,313,118.12)</u>
F	Total Student Loan Interest Activity	\$	<u>221,612.29</u>

Trust Activity from: 12/1/2013 through: 2/28/2014

G	Trust Balances less Reserve - Beginning of Period	\$	24,352,190.79
H	Released Funds in Excess of Reserve Requirement	\$	321,990.00
I	Funds Collected During Period		
i	Student Loan Principal Received	\$	32,399,121.21
ii	Student Loan Interest Received	\$	8,493,426.34
iii	Subsidized Interest Received	\$	1,268,759.98
iv	Investment Income on Trust Accounts	\$	872.55
J	Funds Remitted During Period		
i	Bond Principal	\$	32,199,000.00
ii	Bond Interest	\$	3,236,957.93
iii	Consolidation Loan Rebate Fees	\$	2,392,307.89
iv	Management and Servicing Fees	\$	1,766,146.99
v	Administrative Fees (trustee, listing, etc.)	\$	41,551.78
vi	Special Allowance Rebate	\$	4,428,345.32
vii	Repurchases of Rehabilitated Loans	\$	1,922,392.61
K	Funds Reserved During Period		
i	Acquisition Funds for Rehabilitated Loans	\$	434,079.22
ii	Administration Funds	\$	1,739,900.00
L	TOTAL AVAILABLE FUNDS FOR DISTRIBUTION	\$	<u>18,675,679.13</u>

MHESAC 1993 Master Indenture**V. Waterfall for Distributions****Distribution Date:****3/20/2014**

A	Total Available Funds for Distribution(IV-L)	\$	18,675,679.13
B	Interest Distributions		
i	2005-B Bonds	\$	69,397.30
ii	2006-A Bonds	\$	82,210.58
iii	2006-C Bonds	\$	18,955.98
iv	2012-A1 Bonds	\$	10,192.33
v	2012-A2 Bonds	\$	582,516.44
vi	2012-A3 Bonds	\$	285,895.13
vii	2012-B Bonds	\$	20,535.65
viii	Total Bondholder's Interest Distributions	\$	1,069,703.41
C	Principal Distributions		
i	2005-B Bonds	\$	3,577,000.00
ii	2006-A Bonds	\$	6,967,000.00
iii	2006-C Bonds	\$	-
iv	2012-A1 Bonds	\$	7,061,000.00
v	2012-A2 Bonds	\$	-
vi	2012-A3 Bonds	\$	-
vii	2012-B Bonds	\$	-
viii	Total Bondholder's Principal Distribution	\$	17,605,000.00
D	Increase to the Specified Reserve Account Balance	\$	-
E	Carryover Servicing Fees	\$	-
F	Bondholder's Interest Carryover	\$	-
G	Bondholder's Principal Carryover	\$	-
H	Funds available after waterfall items (A-G)	\$	975.72

MHESAC 1993 Master Indenture
VI. Historical Pool Information

	03/01/13-05/31/13	06/01/13-08/31/13	09/01/13-11/30/13	12/01/13-02/28/14
Beginning Student Loan Pool Balance	\$ 1,283,780,314.73	\$ 1,251,592,026.01	\$ 1,225,038,327.18	\$ 1,196,661,214.15
Student Loan Principal Activity				
i Regular Principal Collections	\$ 29,742,075.15	\$ 26,509,196.09	\$ 26,702,184.60	\$ 27,084,616.59
ii Principal Collections from Guarantor	\$ 7,661,594.54	\$ 4,970,388.38	\$ 6,637,911.48	\$ 6,086,076.20
iii Returned Disbursements	\$ -	\$ -	\$ -	\$ -
iv Other System Adjustments	\$ (172,791.48)	\$ (135,865.03)	\$ (123,460.23)	\$ (149,355.24)
v Repurchase of Rehabilitated Loans	\$ (1,667,735.84)	\$ (1,296,473.95)	\$ (1,638,586.05)	\$ (1,961,878.60)
vi Additional Disbursements/Purchases	\$ -	\$ -	\$ -	\$ -
vii Total Principal Collections	\$ 35,563,142.37	\$ 30,047,245.49	\$ 31,578,049.80	\$ 31,059,458.95
Student Loan Non-Cash Principal Activity				
i Other Adjustments	\$ 14,594.55	\$ 17,524.28	\$ 30,199.72	\$ 171,288.36
ii Capitalized Interest	\$ (2,841,051.11)	\$ (4,478,699.69)	\$ (3,558,720.30)	\$ (3,125,245.36)
iii Total Non-Cash Principal Activity	\$ (2,826,456.56)	\$ (4,461,175.41)	\$ (3,528,520.58)	\$ (2,953,957.00)
(-) Total Student Loan Principal Activity	\$ 32,736,685.81	\$ 25,586,070.08	\$ 28,049,529.22	\$ 28,105,501.95
Student Loan Interest Activity				
i Regular Interest Collections	\$ 8,771,070.65	\$ 8,571,377.69	\$ 8,412,197.61	\$ 8,377,695.49
ii Interest Claims Received from Guarantors	\$ 206,299.04	\$ 111,280.79	\$ 184,477.55	\$ 160,063.30
iii Other System Adjustments	\$ (194.82)	\$ (65.55)	\$ (621.94)	\$ (202.68)
iv Accrued Borrower Interest on Purchased Loans	\$ -	\$ -	\$ -	\$ (2,825.70)
v Total Interest Repayments	\$ 8,977,174.87	\$ 8,682,592.93	\$ 8,596,053.22	\$ 8,534,730.41
Student Loan Non-Cash Interest Activity				
i Interest Accrual Adjustments	\$ 610,831.69	\$ 544,654.62	\$ 496,974.34	\$ 499,997.22
ii Capitalized Interest	\$ 2,841,051.11	\$ 4,478,699.69	\$ 3,558,720.30	\$ 3,125,245.36
iii Interest Accrued During Period	\$ (12,977,454.76)	\$ (12,738,318.49)	\$ (12,324,164.05)	\$ (11,938,360.70)
iv Total Non-Cash Interest Adjustments	\$ (9,525,571.96)	\$ (7,714,964.18)	\$ (8,268,469.41)	\$ (8,313,118.12)
(-) Total Student Loan Interest Activity	\$ (548,397.09)	\$ 967,628.75	\$ 327,583.81	\$ 221,612.29
(=) TOTAL STUDENT LOAN POOL	\$ 1,251,592,026.01	\$ 1,225,038,327.18	\$ 1,196,661,214.15	\$ 1,168,334,099.91
(+) Pending Portfolio Adjustments	\$ -	\$ (67,325.90)	\$ (150.00)	\$ (100.00)
(+) Trust Cash Available	\$ 23,630,367.56	\$ 21,114,668.17	\$ 24,352,190.79	\$ 20,849,658.35
(+) Reserve Account Balance	\$ 12,704,400.00	\$ 12,396,490.00	\$ 12,126,990.00	\$ 11,805,000.00
(=) TOTAL ADJUSTED POOL	\$ 1,287,926,793.57	\$ 1,258,482,159.45	\$ 1,233,140,244.94	\$ 1,200,988,658.26

**MHESAC 1993 Master Indenture
VII. Portfolio Characteristics**

STATUS	Weighted Avg Coupon		# of Loans		%		Principal Amount		%		
	11/30/2013	2/28/2014	11/30/2013	2/28/2014	11/30/2013	2/28/2014	11/30/2013	2/28/2014	11/30/2013	2/28/2014	
INTERIM:											
In School	6.22%	6.11%	2,455	1,936	1.7%	1.4%	\$ 7,881,084	\$ 6,320,572	0.7%	0.5%	
Grace	5.97%	6.25%	477	667	0.3%	0.5%	\$ 1,578,803	\$ 2,081,807	0.1%	0.2%	
TOTAL INTERIM	6.18%	6.15%	2,932	2,603	2.0%	1.8%	\$ 9,459,887	\$ 8,402,379	0.8%	0.7%	
REPAYMENT											
Active	4.31%	4.30%	115,481	112,727	78.9%	79.2%	\$ 991,154,607	\$ 969,659,944	83.8%	84.0%	
Current	4.19%	4.19%	99,896	98,720	68.2%	69.3%	\$ 881,071,949	\$ 869,462,779	74.5%	75.3%	
31-60 Days Delinquent	5.08%	5.02%	4,255	3,709	2.9%	2.6%	\$ 30,456,066	\$ 28,393,918	2.6%	2.5%	
61-90 Days Delinquent	4.92%	5.15%	2,557	2,707	1.7%	1.9%	\$ 18,825,245	\$ 18,172,770	1.6%	1.6%	
91-120 Days Delinquent	5.23%	5.07%	1,939	1,756	1.3%	1.2%	\$ 13,460,025	\$ 12,510,312	1.1%	1.1%	
> 120 Days Delinquent	5.10%	5.14%	6,834	5,835	4.7%	4.1%	\$ 47,341,322	\$ 41,120,165	4.0%	3.6%	
Deferment	5.00%	4.99%	20,417	18,881	13.9%	13.3%	\$ 120,642,025	\$ 113,041,553	10.2%	9.8%	
Forbearance	5.00%	5.10%	5,638	6,320	3.9%	4.4%	\$ 48,499,846	\$ 51,873,221	4.1%	4.5%	
TOTAL REPAYMENT	4.39%	4.39%	141,536	137,928	96.7%	96.9%	\$ 1,160,296,478	\$ 1,134,574,718	98.1%	98.3%	
Claims in Process	5.24%	5.17%	1,932	1,881	1.3%	1.3%	\$ 13,084,990	\$ 11,758,756	1.1%	1.0%	
Aged Claims Rejected	0.00%	0.00%	0	0	0.0%	0.0%	\$ -	\$ -	0.0%	0.0%	
GRAND TOTAL	4.42%	4.41%	146,400	142,412	100%	100%	\$ 1,182,841,355	\$ 1,154,735,853	100%	100%	

VIII. MHESAC Cumulative Net Reject Rate	
	2/28/2014
Cumulative Claims submitted (# of loans)	45,291
Cumulative Claims rejected (# of loans)	87
Cumulative Reject Rate	0.19%

VIV. MHESAC Payment History and CPRs		
Distribution Date	Actual Pool Balances	Since Issued CPR *
05/31/13	\$ 1,236,476,955	6.31%
08/31/13	\$ 1,210,890,884	5.82%
11/30/13	\$ 1,182,841,355	5.58%
02/28/14	\$ 1,154,735,853	5.44%

* based on the current period's ending pool balance calculated against the original pool balance and assuming cutoff date pool data