



Montana Higher Education Student Assistance Corporation

Monthly 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 July 01, 2012 through July 31, 2012

Distribution Date: August 20, 2012

MHESAC 1993 Master Indenture

I. Deal Parameters

Student Portfolio Characteristics		6/30/2012	Activity	7/31/2012	
A	i	Principal Balance	\$ 1,367,158,653.23	\$ (25,001,506.68)	\$ 1,342,157,146.55
	ii	Accrued Interest	\$ 16,502,541.43	\$ (237,330.58)	\$ 16,265,210.85
	iii	Total Student Loan Pool	\$ 1,383,661,194.66		\$ 1,358,422,357.40
	iv	Pending Portfolio adjustments	\$ (41,057.19)		\$ (17,880.36)
	v	Trust Cash	\$ 24,913,178.12		\$ 38,791,810.16
	vi	Specified Reserve Account Balance	\$ 14,612,406.88		\$ 14,026,790.00
	vii	Total Adjusted Pool	\$ 1,423,145,722.47		\$ 1,411,223,077.20
B	i	Weighted Average Coupon (WAC)	4.480%		4.470%
	ii	Weighted Average Remaining Term	190.75		190.29
	iii	Number of Loans	171,639		167,343
	iv	Number of Borrowers	68,463		67,014
	v	Outstanding Principal Balance - T-Bill	\$ 20,448,777.48		\$ 19,887,972.62
	vi	Outstanding Principal Balance - LIBOR	\$ 1,346,709,875.75		\$ 1,322,269,173.93

Bonds	CUSIP	Original Issue Amount	Rate	Balance 6/30/2012	Pool Factor 6/30/2012	Balance 7/31/2012	Pool Factor 7/31/2012		
C	i	2005-B Bonds Senior	612130HN7	\$ 119,140,000.00	3 Mo Libor + 0.12%	\$ 98,578,000.00	6.98%	\$ 98,578,000.00	7.03%
	ii	2006-A Bonds Senior	612130HP2	\$ 226,775,000.00	3 Mo Libor + 0.10%	\$ 136,408,000.00	9.66%	\$ 136,408,000.00	9.72%
	iii	2006-C Bonds Subordinate	612130HR8	\$ 30,000,000.00	1M LIBOR + 1.20%	\$ 18,000,000.00	1.27%	\$ 18,000,000.00	1.28%
	iv	2012-A1 Bonds Senior	61205PAJ8	\$ 191,000,000.00	1M LIBOR + 0.60%	\$ 185,396,000.00	13.13%	\$ 175,893,000.00	12.54%
	v	2012-A2 Bonds Senior	61205PAK5	\$ 649,000,000.00	1M LIBOR + 1.00%	\$ 649,000,000.00	45.96%	\$ 649,000,000.00	46.27%
	vi	2012-A3 Bonds Senior	61205PAL3	\$ 305,300,000.00	1M LIBOR + 1.05%	\$ 305,300,000.00	21.62%	\$ 305,300,000.00	21.77%
	vii	2012-B Bonds Subordinate	61205PAM1	\$ 19,500,000.00	1M LIBOR + 1.20%	\$ 19,500,000.00	1.38%	\$ 19,500,000.00	1.39%
	viii	Total Bonds Outstanding Senior		\$ 1,374,682,000.00		\$ 1,365,179,000.00	97.34%	\$ 1,365,179,000.00	97.33%
	ix	Total Bonds Outstanding Taxable Subordinate		\$ 37,500,000.00		\$ 37,500,000.00	2.66%	\$ 37,500,000.00	2.67%
	x	Total Bonds Outstanding 1993 Master Indenture - Taxable		\$ 1,412,182,000.00		\$ 1,402,679,000.00		\$ 1,402,679,000.00	

Indenture Percentage		6/30/2012	7/31/2012	
D	i	Senior Parity	103.31%	103.36%
	ii	Subordinate Parity	100.57%	100.60%

Monthly Trigger Percentage		6/30/2012	7/31/2012	
E	i	Senior Percentage	100.93%	100.81%
	ii	Subordinate Percentage	98.21%	98.05%

Reserve Account		6/30/2012	7/31/2012	
F	i	Required Reserve Acc Deposit (%)	1.00%	1.00%
	ii	Reserve Acct Initial Deposit (\$)	\$ -	\$ -
	iii	Specified Reserve Acct Requirement (\$)	\$ 14,121,820.00	\$ 14,026,790.00
	iv	Reserve Account Floor Balance (\$)	\$ -	\$ -
	v	Current Reserve Balance - (\$)	\$ -	\$ 14,026,790.00
	vi	Draws on Reserve - Current Month(\$)	\$ -	\$ 585,420.00

MHESAC 1993 Master Indenture
II. Trust Balances and Parity Calculations

Trust Accounts		6/30/2012	7/31/2012
A	i Acquisition Account	\$ -	\$ -
	ii Administration Account	\$ 3,528,842.00	\$ 3,528,842.00
	iii Bond- Interest, Principal, Retirement Subaccounts	\$ 21,333,974.27	\$ 31,701,292.07
	iv Reserve Account	\$ 14,612,406.88	\$ 14,026,790.00
	v Surplus Subaccount	\$ 50,361.85	\$ 3,561,676.09
	vii Total Trust Accounts	\$ 39,525,585.00	\$ 52,818,600.16

Parity Calculations		6/30/2012	7/31/2012
B	Value of the Indenture		
	i Portfolio Balance	\$ 1,367,158,653.23	\$ 1,342,157,146.55
	ii Pending System Adjustments	(41,057.19)	(17,880.36)
	iii Accrued Borrower Interest	16,502,541.43	16,265,210.85
	iv Accrued Subsidized Interest	2,069,909.36	2,722,837.71
	v Less: Unguaranteed Amount Uncollectibles	(759,175.00)	(642,596.00)
	vi Trust Cash and Investments	39,525,585.00	52,818,600.16
	vii Payments in Transit	956,106.35	897,979.54
	viii Other Cash and Assets	257,171.12	3,823,595.25
	ix Total Trust Value	\$ 1,425,669,734.30	\$ 1,418,024,893.70
	Less:		
	x Accrued Payables	5,022,156.36	6,331,728.28
	xi Net Asset Value - Indenture Percentage	\$ 1,420,647,577.94	\$ 1,411,693,165.42

Bond Interest Outstanding		6/30/2012	7/31/2012
C	i Senior Interest	\$ 456,503.62	\$ 609,301.73
	ii Subordinate Interest	15,821.09	17,361.00
	iii Total Bond Interest	\$ 472,324.71	\$ 626,662.73

Bonds Outstanding		6/30/2012	7/31/2012
D	i Senior Bonds	\$ 1,374,682,000.00	\$ 1,365,179,000.00
	ii Subordinate Bonds	\$ 37,500,000.00	37,500,000.00
	iii Total Bonds	\$ 1,412,182,000.00	\$ 1,402,679,000.00

Distribution Amounts - Following Monthly Payment Date		6/30/2012	7/31/2012
E	i Senior Distribution Amount	\$ 20,091,000.00	\$ 33,819,000.00

Indenture Percentage		6/30/2012	7/31/2012
F	i Senior Parity $Bxi / (Ci + Di)$	103.31%	103.36%
	ii Subordinate Parity $Bxi / (Ciii + Diii)$	100.57%	100.60%

Monthly Trigger Percentage		6/30/2012	7/31/2012
G	i Senior Percentage $Bi / (Di - Ei)$	100.93%	100.81%
	ii Subordinate Percentage $Bi / (Diii - Eii)$	98.21%	98.05%

MHESAC 1993 Master Indenture

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	9/20/2012	3M LIBOR	0.12%	0.468%	0.468%	0.588%	0.588%
2006-A	612130HP2	9/20/2012	3M LIBOR	0.10%	0.468%	0.468%	0.568%	0.568%
2006-C	612130HR8	8/20/2012	1M LIBOR	1.20%	0.247%	0.237%	1.447%	1.437%
2012-A1	61205PAJ8	8/20/2012	1M LIBOR	0.60%	0.247%	0.237%	0.847%	0.837%
2012-A2	61205PAK5	8/20/2012	1M LIBOR	1.00%	0.247%	0.237%	1.247%	1.237%
2012-A3	61205PAL3	8/20/2012	1M LIBOR	1.05%	0.247%	0.237%	1.297%	1.287%
2012-B	61205PAM1	8/20/2012	1M LIBOR	1.20%	0.247%	0.237%	1.447%	1.437%

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2006-A	612130HP2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2006-C	612130HR8	\$ 22,424.58	\$ 22,424.58	\$ -	\$ -	\$ -	\$ -	1.85%
2012-A1	61205PAJ8	\$ 128,252.38	\$ 128,252.38	\$ -	\$ -	\$ -	\$ -	10.58%
2012-A2	61205PAK5	\$ 696,759.91	\$ 696,759.91	\$ -	\$ -	\$ -	\$ -	57.46%
2012-A3	61205PAL3	\$ 340,913.25	\$ 340,913.25	\$ -	\$ -	\$ -	\$ -	28.11%
2012-B	61205PAM1	\$ 24,293.30	\$ 24,293.30	\$ -	\$ -	\$ -	\$ -	2.00%
TOTAL		\$ 1,212,643.42	\$ 1,212,643.42	\$ -	\$ -	\$ -	\$ -	

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2006-A	612130HP2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2006-C	612130HR8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2012-A1	61205PAJ8	\$25,815,006.02	\$ 23,231,000.00	\$ 2,584,006.02	\$ 16,412,555.42	\$ -	\$ 18,996,561.44	100.00%
2012-A2	61205PAK5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2012-A3	61205PAL3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2012-B	61205PAM1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
TOTAL		\$25,815,006.02	\$ 23,231,000.00	\$ 2,584,006.02	\$ 16,412,555.42	\$ -	\$ 18,996,561.44	

TOTAL PRINCIPAL DISTRIBUTION \$ 23,231,000.00

MHESAC 1993 Master Indenture

IV. MHESAC System Activity from: 7/1/2012 through: 7/31/2012

A	Student Loan Principal Activity		
i	Regular Principal Collections	\$	25,814,754.23
ii	Principal Collections from Guarantor	\$	986,699.25
iii	Returned Disbursements	\$	-
iv	Other System Adjustments	\$	(548,072.65)
v	Repurchases of Rehabilitated Loans	\$	-
vi	Additional Disbursements/Purchases	\$	-
vii	Total Principal Collections	\$	<u>26,253,380.83</u>
B	Student Loan Non-Cash Principal Activity		
i	Other Adjustments	\$	8,011.47
ii	Capitalized Interest	\$	(1,259,885.62)
iii	Total Non-Cash Principal Activity	\$	<u>(1,251,874.15)</u>
C	Total Student Loan Principal Activity	\$	<u>25,001,506.68</u>
D	Student Loan Interest Activity		
i	Regular Interest Collections	\$	3,468,050.94
ii	Interest Claims Received from Guarantors	\$	28,920.59
iii	Collection Fees / Returned Items	\$	-
iv	Late Fee Reimbursements	\$	-
v	Interest Reimbursements	\$	-
vi	Other System Adjustments	\$	(1,289.02)
vii	Accrued Borrower Interest on Purchased Loans	\$	-
viii	Total Interest Collections	\$	<u>3,495,682.51</u>
E	Student Loan Non-Cash Interest Activity		
i	Interest Accrual Adjustments	\$	171,402.87
ii	Capitalized Interest	\$	1,259,885.62
iii	Interest Accrued During Period	\$	(4,689,640.42)
iv	Total Non-Cash Interest Adjustments	\$	<u>(3,258,351.93)</u>
F	Total Student Loan Interest Activity	\$	<u>237,330.58</u>

Trust Activity from: 7/1/2012 through: 7/31/2012

G	Trust Balances less Reserve - Beginning of Period	\$	24,913,178.12
H	Released Funds in Excess of Reserve Requirement	\$	585,420.00
I	Funds Collected During Period		
i	Student Loan Principal Received	\$	22,702,659.30
ii	Student Loan Interest Received	\$	2,817,344.62
iii	Subsidized Interest Received	\$	79,220.45
iv	Investment Income on Trust Accounts	\$	2,140.40
J	Funds Remitted During Period		
i	Bond Principal	\$	9,503,000.00
ii	Bond Interest	\$	1,177,290.50
iii	Consolidation Loan Rebate Fees	\$	903,957.80
iv	Management and Servicing Fees	\$	688,591.29
v	Administrative Fees (trustee, listing, etc.)	\$	12,584.00
vi	Special Allowance Rebate	\$	22,729.14
K	Funds Reserved During Period		
i	Funds Allocated for Accrued Principal/Interest 2005-B Bonds	\$	3,955,364.05
ii	Funds Allocated for Accrued Principal/Interest 2006-A Bonds	\$	6,747,983.84
iii	Administration Funds	\$	3,528,842.00
L	TOTAL AVAILABLE FUNDS FOR DISTRIBUTION	\$	<u>24,559,620.27</u>

MHESAC 1993 Master Indenture**V. Waterfall for Distributions****Distribution Date:****8/20/2012**

A	Total Available Funds for Distribution(IV-L)	\$	24,559,620.27
B	Interest Distributions		
i	2005-B Bonds	\$	-
ii	2006-A Bonds	\$	-
iii	2006-C Bonds	\$	22,424.58
iv	2012-A1 Bonds	\$	128,252.38
v	2012-A2 Bonds	\$	696,759.91
vi	2012-A3 Bonds	\$	340,913.25
vii	2012-B Bonds	\$	24,293.30
viii	Total Bondholder's Interest Distributions	\$	1,212,643.42
C	Principal Distributions		
i	2005-B Bonds	\$	-
ii	2006-A Bonds	\$	-
iii	2006-C Bonds	\$	-
iv	2012-A1 Bonds	\$	23,231,000.00
v	2012-A2 Bonds	\$	-
vi	2012-A3 Bonds	\$	-
vii	2012-B Bonds	\$	-
viii	Total Bondholder's Principal Distribution	\$	23,231,000.00
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)	\$	115,976.85

MHESAC 1993 Master Indenture
VI. Historical Pool Information

	04/01/12-04/30/12	05/01/12-05/31/12	06/01/12-06/30/12	07/01/12-07/31/12
Beginning Student Loan Pool Balance	\$ 383,180,667.32	\$ 380,048,682.99	\$ 1,404,663,658.72	\$ 1,383,661,194.66
Student Loan Principal Activity				
i Regular Principal Collections	\$ 2,670,714.75	\$ 16,345,328.73	\$ 19,668,388.38	\$ 25,814,754.23
ii Principal Collections from Guarantor	\$ 585,636.36	\$ 1,891,530.91	\$ 2,474,062.98	\$ 986,699.25
iii Returned Disbursements	\$ -	\$ 500.00	\$ -	\$ -
iv Other System Adjustments	\$ -	\$ -	\$ (59,831.18)	\$ (548,072.65)
v Repurchase of Rehabilitated Loans	\$ -	\$ -	\$ -	\$ -
vi Additional Disbursements/Purchases	\$ -	\$ (1,026,244,060.80)	\$ -	\$ -
vii Total Principal Collections	\$ 3,256,351.11	\$ (1,008,006,701.16)	\$ 22,082,620.18	\$ 26,253,380.83
Student Loan Non-Cash Principal Activity				
i Other Adjustments	\$ (783.93)	\$ 15,278.20	\$ 8,766.26	\$ 8,011.47
ii Capitalized Interest	\$ (175,814.84)	\$ (1,233,128.63)	\$ (2,044,261.88)	\$ (1,259,885.62)
iii Total Non-Cash Principal Activity	\$ (176,598.77)	\$ (1,217,850.43)	\$ (2,035,495.62)	\$ (1,251,874.15)
(-) Total Student Loan Principal Activity	\$ 3,079,752.34	\$ (1,009,224,551.59)	\$ 20,047,124.56	\$ 25,001,506.68
Student Loan Interest Activity				
i Regular Interest Collections	\$ 790,810.61	\$ 2,956,361.43	\$ 3,285,400.22	\$ 3,468,050.94
ii Interest Claims Received from Guarantors	\$ 13,199.26	\$ 46,553.20	\$ 53,118.38	\$ 28,920.59
iii Collection Fees / Returned Items	\$ -	\$ -	\$ -	\$ -
iv Late Fee Reimbursements	\$ -	\$ -	\$ -	\$ -
v Interest Reimbursements	\$ -	\$ -	\$ -	\$ -
vi Other System Adjustments	\$ -	\$ -	\$ -	\$ (1,289.02)
vii Accrued Borrower Interest on Purchased Loans	\$ -	\$ (15,272,263.64)	\$ -	\$ -
viii Total Interest Repayments	\$ 804,009.87	\$ (12,269,349.01)	\$ 3,338,518.60	\$ 3,495,682.51
Student Loan Non-Cash Interest Activity				
i Interest Accrual Adjustments	\$ 25,614.70	\$ 91,937.52	\$ 194,640.31	\$ 171,402.87
ii Capitalized Interest	\$ 175,814.84	\$ 1,233,128.63	\$ 2,044,261.88	\$ 1,259,885.62
iii Interest Accrued During Period	\$ (953,207.42)	\$ (4,446,141.28)	\$ (4,622,081.29)	\$ (4,689,640.42)
iv Total Non-Cash Interest Adjustments	\$ (751,777.88)	\$ (3,121,075.13)	\$ (2,383,179.10)	\$ (3,258,351.93)
(-) Total Student Loan Interest Activity	\$ 52,231.99	\$ (15,390,424.14)	\$ 955,339.50	\$ 237,330.58
(=) TOTAL STUDENT LOAN POOL	\$ 380,048,682.99	\$ 1,404,663,658.72	\$ 1,383,661,194.66	\$ 1,358,422,357.40
(+) Pending Portfolio Adjustments	\$ (4,315.00)	\$ (4,445.72)	\$ (41,057.19)	\$ (17,880.36)
(+) Trust Cash Available	\$ 7,394,052.74	\$ 67,198,650.77	\$ 24,913,178.12	\$ 38,791,810.16
(+) Reserve Account Balance	\$ 1,315,250.00	\$ 14,612,210.00	\$ 14,612,406.88	\$ 14,026,790.00
(=) TOTAL ADJUSTED POOL	\$ 388,753,670.73	\$ 1,486,470,073.77	\$ 1,423,145,722.47	\$ 1,411,223,077.20

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

STATUS	Weighted Avg Coupon		# of Loans		%		Principal Amount		%	
	6/30/2012	7/31/2012	6/30/2012	7/31/2012	6/30/2012	7/31/2012	6/30/2012	7/31/2012	6/30/2012	7/31/2012
INTERIM:										
In School	6.26%	6.28%	7,083	7,098	4.1%	4.2%	\$ 23,249,923	\$ 23,311,651	1.7%	1.7%
Grace	6.33%	6.28%	3,477	3,219	2.0%	1.9%	\$ 11,016,833	\$ 10,195,829	0.8%	0.8%
TOTAL INTERIM	6.28%	6.28%	10,560	10,317	6.2%	6.2%	\$ 34,266,756	\$ 33,507,480	2.5%	2.5%
REPAYMENT										
Active	4.35%	4.34%	124,055	121,019	72.3%	72.3%	\$ 1,090,416,661	\$ 1,071,876,904	79.8%	79.9%
Current	4.23%	4.21%	106,854	103,799	62.3%	62.0%	\$ 973,447,545	\$ 956,130,690	71.2%	71.2%
31-60 Days Delinquent	4.94%	5.06%	4,795	4,875	2.8%	2.9%	\$ 35,925,117	\$ 34,468,151	2.6%	2.6%
61-90 Days Delinquent	5.17%	5.07%	3,361	2,899	2.0%	1.7%	\$ 22,183,954	\$ 20,211,684	1.6%	1.5%
91-120 Days Delinquent	5.10%	5.20%	2,111	2,522	1.2%	1.5%	\$ 12,824,994	\$ 16,847,647	0.9%	1.3%
> 120 Days Delinquent	5.12%	5.09%	6,934	6,924	4.0%	4.1%	\$ 46,035,051	\$ 44,218,732	3.4%	3.3%
Deferment	4.92%	4.93%	27,377	26,118	16.0%	15.6%	\$ 165,244,713	\$ 157,784,695	12.1%	11.8%
Forbearance	5.00%	4.98%	7,456	7,257	4.3%	4.3%	\$ 62,117,422	\$ 60,469,492	4.5%	4.5%
TOTAL REPAYMENT	4.43%	4.41%	158,888	154,394	92.6%	92.3%	\$ 1,317,778,796	\$ 1,290,131,091	96.4%	96.1%
Claims in Process	5.15%	5.20%	2,189	2,626	1.3%	1.6%	\$ 15,058,892	\$ 18,403,739	1.1%	1.4%
Aged Claims Rejected	6.63%	5.59%	2	6	0.0%	0.0%	\$ 54,209	\$ 114,837	0.0%	0.0%
GRAND TOTAL	4.48%	4.47%	171,639	167,343	100%	100%	\$ 1,367,158,653	\$ 1,342,157,147	100%	100%

VIII. MHESAC Cumulative Net Reject Rate	
	7/31/2012
Cumulative Claims submitted (# of loans)	39,683
Cumulative Claims rejected (# of loans)	77
Cumulative Reject Rate	0.19%

VIV. MHESAC Payment History and CPRs		
Distribution Date	Actual Pool Balances	Since Issued CPR *
04/30/12	\$ 377,981,226	3.38%
05/31/12	\$ 1,387,205,778	1.11%
06/30/12	\$ 1,367,158,653	1.24%
07/31/12	\$ 1,342,157,147	1.43%

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