



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-A2
- Senior Series 2012-A3
- Subordinate Series 2012-B

Reporting Period June 01, 2014 through August 31, 2014

Distribution Date: September 22, 2014

MHESAC 1993 Master Indenture

I. Deal Parameters

Student Portfolio Characteristics		5/31/2014		Activity		8/31/2014	
A	i	Portfolio Balance	\$ 1,122,654,488.94	\$ (28,648,607.99)	\$ 1,094,005,880.95		
	ii	Accrued Interest	\$ 14,038,537.34	\$ 339,898.06	\$ 14,378,435.40		
	iii	Total Pool	\$ 1,136,693,026.28		\$ 1,108,384,316.35		
	iv	Pending Portfolio adjustments	\$ -		\$ (2,723.56)		
	v	Trust Cash	\$ 23,094,142.34		\$ 24,279,273.71		
	vi	Specified Reserve Account Balance	\$ 11,495,570.00		\$ 11,208,610.00		
	vii	Total Adjusted Pool	\$ 1,171,282,738.62		\$ 1,143,869,476.50		
B	i	Weighted Average Coupon (WAC)	4.400%		4.390%		
	ii	Weighted Average Remaining Term	179.65		178.31		
	iii	Number of Loans	138,041		134,257		
	iv	Number of Borrowers	55,667		54,212		
	v	Outstanding Principal Balance - T-Bill	\$ 15,571,375.61		\$ 15,233,570.61		
	vi	Outstanding Principal Balance - LIBOR	\$ 1,107,083,113.33		\$ 1,078,772,310.34		

Bonds		CUSIP	Original Issue Amount	Rate	Balance 5/31/2014	Pool Factor 5/31/2014	Balance 8/31/2014	Pool Factor 8/31/2014	
C	i	2005-B Bonds Senior	612130HN7	\$ 119,140,000.00	3 Mo Libor + 0.12%	\$ 72,454,000.00	6.30%	\$ 68,951,000.00	6.15%
	ii	2006-A Bonds Senior	612130HP2	\$ 226,775,000.00	3 Mo Libor + 0.10%	\$ 88,322,000.00	7.68%	\$ 81,356,000.00	7.26%
	iii	2006-C Bonds Subordinate	612130HR8	\$ 30,000,000.00	1M LIBOR + 1.20%	\$ 18,000,000.00	1.57%	\$ 18,000,000.00	1.61%
	iv	2012-A2 Bonds Senior	61205PAK5	\$ 649,000,000.00	1M LIBOR + 1.00%	\$ 645,981,000.00	56.19%	\$ 627,754,000.00	56.01%
	v	2012-A3 Bonds Senior	61205PAL3	\$ 305,300,000.00	1M LIBOR + 1.05%	\$ 305,300,000.00	26.56%	\$ 305,300,000.00	27.24%
	vi	2012-B Bonds Subordinate	61205PAM1	\$ 19,500,000.00	1M LIBOR + 1.20%	\$ 19,500,000.00	1.70%	\$ 19,500,000.00	1.74%
	vii	Total Bonds Outstanding Senior		\$ 1,112,057,000.00		96.74%	\$ 1,083,361,000.00	96.65%	
	viii	Total Bonds Outstanding Subordinate		\$ 37,500,000.00		3.26%	\$ 37,500,000.00	3.35%	
	ix	Total Bonds Outstanding 1993 Master Indenture		\$ 1,149,557,000.00			\$ 1,120,861,000.00		

Indenture Percentage		5/31/2014		8/31/2014	
D	i	Senior Parity	105.12%		105.35%
	ii	Subordinate Parity	101.68%		101.81%

Monthly Trigger Percentage		5/31/2014		8/31/2014	
E	i	Senior Percentage	102.82%		102.94%
	ii	Subordinate Percentage	99.40%		99.43%

Reserve Account		5/31/2014		8/31/2014	
F	i	Required Reserve Acc Deposit (%)	1.00%		1.00%
	ii	Reserve Account Floor Balance (\$) (Minimum Reserve Requirement)	\$ 7,343,420.00		\$ 7,343,420.00
	iii	Specified Reserve Acct Requirement (\$)	\$ 11,495,570.00		\$ 11,208,610.00
	iv	Current Reserve Balance - (\$)			\$ 11,208,610.00
	v	Draws on Reserve - Current Quarter (\$)			\$ 286,960.00

MHESAC 1993 Master Indenture
II. Trust Balances and Parity Calculations

Trust Accounts		5/31/2014	8/31/2014
A	i Acquisition Account	\$ 50,721.13	\$ 811,000.00
	ii Administration Account	\$ 1,739,900.00	\$ 1,727,000.00
	iii Bond- Interest, Principal, Retirement Subaccounts	\$ 18,771,185.27	\$ 19,464,928.61
	iv Reserve Account	\$ 11,495,570.00	\$ 11,208,610.00
	v Surplus Subaccount	\$ 2,532,335.94	\$ 2,276,345.10
	vii Total Trust Accounts	\$ 34,589,712.34	\$ 35,487,883.71

Parity Calculations		5/31/2014	8/31/2014
B	Value of the Indenture		
	i Portfolio Balance	\$ 1,122,654,488.94	\$ 1,094,005,880.95
	ii Pending System Adjustments	-	(2,723.56)
	iii Accrued Borrower Interest	14,038,537.34	14,378,435.40
	iv Accrued Subsidized Interest	736,781.87	651,288.39
	v Less: Unguaranteed Amount Uncollectibles	(717,221.46)	(693,884.72)
	vi Trust Cash and Investments	34,589,712.34	35,487,883.71
	vii Payments in Transit	936,077.27	628,308.26
	viii Other Cash and Assets	-	-
	ix Total Trust Value	\$ 1,172,238,376.30	\$ 1,144,455,188.43
	Less:		
	x Accrued Payables	2,786,676.00	2,662,716.00
	xi Net Asset Value - Indenture Percentage	\$ 1,169,451,700.30	\$ 1,141,792,472.43

Bond Interest Outstanding		5/31/2014	8/31/2014
C	i Senior Interest	\$ 481,613.77	\$ 468,151.20
	ii Subordinate Interest	\$ 109,441.33	\$ 109,839.88
	iii Total Bond Interest	\$ 591,055.10	\$ 577,991.08

Bonds Outstanding		5/31/2014	8/31/2014
D	i Senior Bonds	\$ 1,112,057,000.00	\$ 1,083,361,000.00
	ii Subordinate Bonds	\$ 37,500,000.00	\$ 37,500,000.00
	iii Total Bonds	\$ 1,149,557,000.00	\$ 1,120,861,000.00

Distribution Amounts - Following Monthly Payment Date		5/31/2014	8/31/2014
E	i Senior Distribution Amount	\$ 20,163,000.00	\$ 20,558,000.00

Indenture Percentage		5/31/2014	8/31/2014
F	i Senior Parity $B_{xi} / (C_i + D_i)$	105.12%	105.35%
	ii Subordinate Parity $B_{xi} / (C_{iii} + D_{iii})$	101.68%	101.81%

Monthly Trigger Percentage		5/31/2014	8/31/2014
G	i Senior Percentage $B_i / (D_i - E_i)$	102.82%	102.94%
	ii Subordinate Percentage $B_i / (D_{iii} - E_i)$	99.40%	99.43%

Six Month Average Trigger Percentage		Current Distribution		Next Monthly Distribution	
		Senior	Subordinate	Senior	Subordinate
H	i 1st Month Prior	102.81%	99.34%	102.94%	99.43%
	ii 2nd Month Prior	102.95%	99.50%	102.81%	99.34%
	iii 3rd Month Prior	102.82%	99.40%	102.95%	99.50%
	iv 4th Month Prior	102.98%	99.59%	102.82%	99.40%
	v 5th Month Prior	102.77%	99.42%	102.98%	99.59%
	vii 6th Month Prior	102.61%	99.30%	102.77%	99.42%
	viii Six Month Average Trigger Percentage	102.82%	99.43%	102.88%	99.45%

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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	9/22/2014	3M LIBOR	0.12%	0.23100%	0.23310%	0.35100%	0.35310%
2006-A	612130HP2	9/22/2014	3M LIBOR	0.10%	0.23100%	0.23310%	0.33100%	0.33310%
2006-C	612130HR8	9/22/2014	1M LIBOR	1.20%	0.15550%	0.15350%	1.35550%	1.35350%
2012-A2	61205PAK5	9/22/2014	1M LIBOR	1.00%	0.15550%	0.15350%	1.15550%	1.15350%
2012-A3	61205PAL3	9/22/2014	1M LIBOR	1.05%	0.15550%	0.15350%	1.20550%	1.20350%
2012-B	61205PAM1	9/22/2014	1M LIBOR	1.20%	0.15550%	0.15350%	1.35550%	1.35350%

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	\$ 63,193.59	\$ 63,193.59	\$ -	\$ -	\$ -	\$ -	5.34%
2006-A	612130HP2	\$ 70,314.18	\$ 70,314.18	\$ -	\$ -	\$ -	\$ -	5.95%
2006-C	612130HR8	\$ 22,365.72	\$ 22,365.72	\$ -	\$ 44,645.55	\$ -	\$ 44,645.55	1.89%
2012-A2	61205PAK5	\$ 664,923.31	\$ 664,923.31	\$ -	\$ -	\$ -	\$ -	56.24%
2012-A3	61205PAL3	\$ 337,368.71	\$ 337,368.71	\$ -	\$ -	\$ -	\$ -	28.53%
2012-B	61205PAM1	\$ 24,229.53	\$ 24,229.53	\$ -	\$ 48,366.00	\$ -	\$ 48,366.00	2.05%
TOTAL		\$ 1,182,395.04	\$ 1,182,395.04	\$ -	\$ 93,011.55	\$ -	\$ 93,011.55	

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	\$ 3,416,000.00	\$ 3,416,000.00	\$ -	\$ -	\$ -	\$ -	17.14%
2006-A	612130HP2	\$ 6,923,000.00	\$ 6,923,000.00	\$ -	\$ -	\$ -	\$ -	34.74%
2006-C	612130HR8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2012-A2	61205PAK5	\$ 9,587,644.61	\$ 9,587,644.61	\$ 0.00	\$ 308,848,544.94	\$ 631,355.39	\$ 308,217,189.55	48.11%
2012-A3	61205PAL3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2012-B	61205PAM1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
TOTAL		\$ 19,926,644.61	\$ 19,926,644.61	\$ 0.00	\$ 308,848,544.94	\$ 631,355.39	\$ 308,217,189.55	

TOTAL PRINCIPAL DISTRIBUTION	\$ 20,558,000.00
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IV. MHESAC System Activity from: 6/1/2014 through: 8/31/2014

A	Student Loan Principal Activity		
i	Regular Principal Collections	\$	28,099,737.24
ii	Principal Collections from Guarantor	\$	4,637,309.71
iii	Returned Disbursements	\$	-
iv	Other System Adjustments	\$	(50,606.25)
v	Repurchases of Rehabilitated Loans	\$	(1,034,586.91)
vi	Additional Disbursements/Purchases		
vii	Total Principal Collections	\$	<u>31,651,853.79</u>
B	Student Loan Non-Cash Principal Activity		
i	Other Adjustments	\$	13,791.16
ii	Capitalized Interest	\$	(3,017,036.96)
iii	Total Non-Cash Principal Activity	\$	<u>(3,003,245.80)</u>
C	Total Student Loan Principal Activity	\$	<u>28,648,607.99</u>
D	Student Loan Interest Activity		
i	Regular Interest Collections	\$	7,771,252.05
ii	Interest Claims Received from Guarantors	\$	104,949.62
iii	Other System Adjustments	\$	175.66
iv	Accrued Borrower Interest on Purchased Loans	\$	-
v	Total Interest Collections	\$	<u>7,876,377.33</u>
E	Student Loan Non-Cash Interest Activity		
i	Interest Accrual Adjustments	\$	375,889.36
ii	Capitalized Interest	\$	3,017,036.96
iii	Interest Accrued During Period	\$	(11,609,201.71)
iv	Total Non-Cash Interest Adjustments	\$	<u>(8,216,275.39)</u>
F	Total Student Loan Interest Activity	\$	<u>(339,898.06)</u>

Trust Activity from: 6/1/2014 through: 8/31/2014

G	Trust Balances less Reserve - Beginning of Period	\$	23,094,142.34
H	Released Funds in Excess of Reserve Requirement	\$	286,960.00
I	Funds Collected During Period		
i	Student Loan Principal Received	\$	33,002,933.92
ii	Student Loan Interest Received	\$	7,873,992.49
iii	Subsidized Interest Received	\$	1,083,339.15
iv	Investment Income on Trust Accounts	\$	846.15
J	Funds Remitted During Period		
i	Bond Principal	\$	28,696,000.00
ii	Bond Interest	\$	3,093,078.26
iii	Consolidation Loan Rebate Fees	\$	2,291,454.74
iv	Management and Servicing Fees	\$	1,677,256.38
v	Administrative Fees (trustee, listing, etc.)	\$	42,769.81
vi	Special Allowance Rebate	\$	4,191,793.94
vii	Repurchases of Rehabilitated Loans	\$	1,070,587.21
K	Funds Reserved During Period		
i	Acquisition Funds for Rehabilitated Loans	\$	811,000.00
ii	Administration Funds	\$	1,727,000.00
L	TOTAL AVAILABLE FUNDS FOR DISTRIBUTION	\$	<u>21,741,273.71</u>

MHESAC 1993 Master Indenture**V. Waterfall for Distributions****Distribution Date:****9/22/2014**

A	Total Available Funds for Distribution(IV-L)	\$	21,741,273.71
B	Interest Distributions		
i	2005-B Bonds	\$	63,193.59
ii	2006-A Bonds	\$	70,314.18
iii	2006-C Bonds	\$	22,365.72
iv	2012-A2 Bonds	\$	664,923.31
v	2012-A3 Bonds	\$	337,368.71
vi	2012-B Bonds	\$	24,229.53
vii	Total Bondholder's Interest Distributions	\$	1,182,395.04
C	Principal Distributions		
i	2005-B Bonds	\$	3,416,000.00
ii	2006-A Bonds	\$	6,923,000.00
iii	2006-C Bonds	\$	-
iv	2012-A2 Bonds	\$	10,219,000.00
v	2012-A3 Bonds	\$	-
vi	2012-B Bonds	\$	-
vii	Total Bondholder's Principal Distribution	\$	20,558,000.00
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)	\$	878.67

MHESAC 1993 Master Indenture
VI. Historical Pool Information

	09/01/13-11/30/13	12/01/13-02/28/14	03/01/14-05/31/14	06/01/14-08/31/14
Beginning Student Loan Pool Balance	\$ 1,225,038,327.18	\$ 1,196,661,214.15	\$ 1,168,334,099.91	\$ 1,136,693,026.28
Student Loan Principal Activity				
i Regular Principal Collections	\$ 26,702,184.60	\$ 27,084,616.59	\$ 29,639,188.56	\$ 28,099,737.24
ii Principal Collections from Guarantor	\$ 6,637,911.48	\$ 6,086,076.20	\$ 5,833,194.17	\$ 4,637,309.71
iii Returned Disbursements	\$ -	\$ -	\$ -	\$ -
iv Other System Adjustments	\$ (123,460.23)	\$ (149,355.24)	\$ (113,373.71)	\$ (50,606.25)
v Repurchase of Rehabilitated Loans	\$ (1,638,586.05)	\$ (1,961,878.60)	\$ (383,358.09)	\$ (1,034,586.91)
vi Additional Disbursements/Purchases	\$ -	\$ -	\$ -	\$ -
vii Total Principal Collections	\$ 31,578,049.80	\$ 31,059,458.95	\$ 34,975,650.93	\$ 31,651,853.79
Student Loan Non-Cash Principal Activity				
i Other Adjustments	\$ 30,199.72	\$ 171,288.36	\$ 12,789.31	\$ 13,791.16
ii Capitalized Interest	\$ (3,558,720.30)	\$ (3,125,245.36)	\$ (2,907,075.86)	\$ (3,017,036.96)
iii Total Non-Cash Principal Activity	\$ (3,528,520.58)	\$ (2,953,957.00)	\$ (2,894,286.55)	\$ (3,003,245.80)
(-) Total Student Loan Principal Activity	\$ 28,049,529.22	\$ 28,105,501.95	\$ 32,081,364.38	\$ 28,648,607.99
Student Loan Interest Activity				
i Regular Interest Collections	\$ 8,412,197.61	\$ 8,377,695.49	\$ 7,944,181.14	\$ 7,771,252.05
ii Interest Claims Received from Guarantors	\$ 184,477.55	\$ 160,063.30	\$ 145,548.85	\$ 104,949.62
iii Other System Adjustments	\$ (621.94)	\$ (202.68)	\$ (86.03)	\$ 175.66
iv Accrued Borrower Interest on Purchased Loans	\$ -	\$ (2,825.70)	\$ -	\$ -
v Total Interest Repayments	\$ 8,596,053.22	\$ 8,534,730.41	\$ 8,089,643.96	\$ 7,876,377.33
Student Loan Non-Cash Interest Activity				
i Interest Accrual Adjustments	\$ 496,974.34	\$ 499,997.22	\$ 456,930.51	\$ 375,889.36
ii Capitalized Interest	\$ 3,558,720.30	\$ 3,125,245.36	\$ 2,907,075.86	\$ 3,017,036.96
iii Interest Accrued During Period	\$ (12,324,164.05)	\$ (11,938,360.70)	\$ (11,893,941.08)	\$ (11,609,201.71)
iv Total Non-Cash Interest Adjustments	\$ (8,268,469.41)	\$ (8,313,118.12)	\$ (8,529,934.71)	\$ (8,216,275.39)
(-) Total Student Loan Interest Activity	\$ 327,583.81	\$ 221,612.29	\$ (440,290.75)	\$ (339,898.06)
(=) TOTAL STUDENT LOAN POOL	\$ 1,196,661,214.15	\$ 1,168,334,099.91	\$ 1,136,693,026.28	\$ 1,108,384,316.35
(+) Pending Portfolio Adjustments	\$ (150.00)	\$ (100.00)	\$ -	\$ (2,723.56)
(+) Trust Cash Available	\$ 24,352,190.79	\$ 20,849,658.35	\$ 23,094,142.34	\$ 24,279,273.71
(+) Reserve Account Balance	\$ 12,126,990.00	\$ 11,805,000.00	\$ 11,495,570.00	\$ 11,208,610.00
(=) TOTAL ADJUSTED POOL	\$ 1,233,140,244.94	\$ 1,200,988,658.26	\$ 1,171,282,738.62	\$ 1,143,869,476.50

MHESAC 1993 Master Indenture											
VII. Portfolio Characteristics											
STATUS	Weighted Avg Coupon		# of Loans		%		Principal Amount		%		
	5/31/2014	8/31/2014	5/31/2014	8/31/2014	5/31/2014	8/31/2014	5/31/2014	8/31/2014	5/31/2014	8/31/2014	
INTERIM:											
In School	6.06%	6.01%	1,443	1,193	1.0%	0.9%	\$ 4,749,898	\$ 3,878,744	0.4%	0.4%	
Grace	6.29%	6.28%	1,035	765	0.7%	0.6%	\$ 3,202,707	\$ 2,518,482	0.3%	0.2%	
TOTAL INTERIM	6.15%	6.12%	2,478	1,958	1.8%	1.5%	\$ 7,952,605	\$ 6,397,226	0.7%	0.6%	
REPAYMENT											
Active	4.30%	4.30%	111,260	108,879	80.6%	81.1%	\$ 949,232,281	\$ 928,485,953	84.6%	84.9%	
Current	4.19%	4.18%	97,341	94,054	70.5%	70.1%	\$ 851,754,071	\$ 825,893,933	75.9%	75.5%	
31-60 Days Delinquent	5.12%	5.08%	4,118	3,926	3.0%	2.9%	\$ 29,641,131	\$ 27,815,481	2.6%	2.5%	
61-90 Days Delinquent	5.09%	5.03%	2,612	3,022	1.9%	2.3%	\$ 17,121,944	\$ 20,723,110	1.5%	1.9%	
91-120 Days Delinquent	5.11%	5.07%	1,754	1,840	1.3%	1.4%	\$ 14,338,772	\$ 13,157,645	1.3%	1.2%	
> 120 Days Delinquent	5.05%	5.07%	5,435	6,037	3.9%	4.5%	\$ 36,376,363	\$ 40,895,784	3.2%	3.7%	
Deferment	5.01%	5.02%	16,590	15,697	12.0%	11.7%	\$ 100,903,188	\$ 94,557,635	9.0%	8.6%	
Forbearance	5.01%	4.96%	6,039	6,062	4.4%	4.5%	\$ 53,249,398	\$ 54,719,487	4.7%	5.0%	
TOTAL REPAYMENT	4.38%	4.38%	133,889	130,638	97.0%	97.3%	\$ 1,103,384,867	\$ 1,077,763,075	98.3%	98.5%	
Claims in Process	5.22%	5.09%	1,674	1,661	1.2%	1.2%	\$ 11,317,017	\$ 9,845,580	1.0%	0.9%	
Aged Claims Rejected	0.00%	0.00%	0	0	0.0%	0.0%	\$ -	\$ -	0.0%	0.0%	
GRAND TOTAL	4.40%	4.39%	138,041	134,257	100%	100%	\$ 1,122,654,489	\$ 1,094,005,881	100%	100%	

VIII. MHESAC Cumulative Net Reject Rate	
	8/31/2014
Cumulative Claims submitted (# of loans)	46,618
Cumulative Claims rejected (# of loans)	88
Cumulative Reject Rate	0.19%

VIV. MHESAC Payment History and CPRs		
Distribution Date	Actual Pool Balances	Since Issued CPR *
11/30/13	\$ 1,182,841,355	5.58%
02/28/14	\$ 1,154,735,853	5.44%
05/31/14	\$ 1,122,654,489	5.48%
08/31/14	\$ 1,094,005,881	5.39%

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