



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, 2016 through August 31, 2016

Distribution Date: September 20, 2016

MHESAC 1993 Master Indenture

I. Deal Parameters

Student Portfolio Characteristics			5/31/2016	Activity	8/31/2016
A	i	Portfolio Balance	\$ 905,464,296.34	\$ (25,600,716.36)	\$ 879,863,579.98
	ii	Accrued Interest	\$ 13,800,981.03	\$ 41,788.00	\$ 13,842,769.03
	iii	Total Pool	\$ 919,265,277.37		\$ 893,706,349.01
	iv	Pending Portfolio adjustments	\$ (193.76)		\$ -
	v	Trust Cash	\$ 22,045,499.08		\$ 20,484,782.53
	vi	Specified Reserve Account Balance	\$ 9,233,250.00		\$ 8,953,830.00
	vii	Total Adjusted Pool	\$ 950,543,832.69		\$ 923,144,961.54
B	i	Weighted Average Coupon (WAC)	4.350%		4.360%
	ii	Weighted Average Remaining Term	172.08		171.10
	iii	Number of Loans	110,355		105,901
	iv	Number of Borrowers	44,752		42,881
	v	Outstanding Principal Balance - T-Bill	\$ 12,092,424.21		\$ 11,633,278.58
	vi	Outstanding Principal Balance - LIBOR	\$ 902,143,676.92		\$ 868,207,300.71

Bonds	CUSIP	Original Issue Amount	Rate	Balance 5/31/2016	Pool Factor 5/31/2016	Balance 8/31/2016	Pool Factor 8/31/2016		
C	i	2005-B Bonds Senior	612130HN7	\$ 119,140,000.00	3 Mo Libor + 0.12%	\$ 46,765,000.00	5.06%	\$ 43,846,000.00	4.90%
	ii	2006-A Bonds Senior	612130HP2	\$ 226,775,000.00	3 Mo Libor + 0.10%	\$ 32,819,000.00	3.55%	\$ 26,180,000.00	2.92%
	iii	2006-C Bonds Subordinate	612130HR8	\$ 30,000,000.00	1M LIBOR + 1.20%	\$ 18,000,000.00	1.95%	\$ 18,000,000.00	2.01%
	iv	2012-A2 Bonds Senior	61205PAK5	\$ 649,000,000.00	1M LIBOR + 1.00%	\$ 500,941,000.00	54.25%	\$ 482,557,000.00	53.89%
	v	2012-A3 Bonds Senior	61205PAL3	\$ 305,300,000.00	1M LIBOR + 1.05%	\$ 305,300,000.00	33.07%	\$ 305,300,000.00	34.10%
	vi	2012-B Bonds Subordinate	61205PAM1	\$ 19,500,000.00	1M LIBOR + 1.20%	\$ 19,500,000.00	2.11%	\$ 19,500,000.00	2.18%
	vii	Total Bonds Outstanding Senior		\$ 885,825,000.00		95.94%	\$ 857,883,000.00	95.81%	
	viii	Total Bonds Outstanding Subordinate		\$ 37,500,000.00		4.06%	\$ 37,500,000.00	4.19%	
	ix	Total Bonds Outstanding 1993 Master Indenture		\$ 923,325,000.00			\$ 895,383,000.00		

Indenture Percentage		5/31/2016	8/31/2016	
D	i	Senior Parity	107.14%	107.42%
	ii	Subordinate Parity	102.78%	102.91%

Monthly Trigger Percentage		5/31/2016	8/31/2016	
E	i	Senior Percentage	104.44%	104.76%
	ii	Subordinate Percentage	100.11%	100.28%

Reserve Account		5/31/2016	8/31/2016	
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 (\$)	\$ 9,233,250.00	\$ 8,953,830.00
	iv	Current Reserve Balance - (\$)		\$ 8,953,830.00
	v	Draws on Reserve - Current Quarter (\$)		\$ 279,420.00

MHESAC 1993 Master Indenture
II. Trust Balances and Parity Calculations

Trust Accounts		5/31/2016	8/31/2016
A	i Acquisition Account	\$ 589,776.46	\$ 262,393.48
	ii Administration Account	\$ 1,400,600.00	\$ 1,065,700.00
	iii Bond- Interest, Principal, Retirement Subaccounts	\$ 17,338,408.14	\$ 16,699,897.63
	iv Reserve Account	\$ 9,233,250.00	\$ 8,953,830.00
	v Surplus Subaccount	\$ 2,716,714.48	\$ 2,456,791.42
	vii Total Trust Accounts	\$ 31,278,749.08	\$ 29,438,612.53

Parity Calculations		5/31/2016	8/31/2016
B	Value of the Indenture		
	i Portfolio Balance	\$ 905,464,296.34	\$ 879,863,579.98
	ii Pending System Adjustments	(193.76)	-
	iii Accrued Borrower Interest	13,800,981.03	13,842,769.03
	iv Accrued Subsidized Interest	489,163.34	452,475.22
	v Less: Unguaranteed Amount Uncollectibles	(430,722.33)	(429,095.62)
	vi Trust Cash and Investments	31,278,749.08	29,438,612.53
	vii Payments in Transit	926,910.82	689,783.96
	viii Other Cash and Assets	-	-
	ix Total Trust Value	\$ 951,529,184.52	\$ 923,858,125.10
	Less:		
	x Accrued Payables	1,938,841.98	1,836,543.80
	xi Net Asset Value - Indenture Percentage	\$ 949,590,342.54	\$ 922,021,581.30

Bond Interest Outstanding		5/31/2016	8/31/2016
C	i Senior Interest	\$ 508,680.19	\$ 443,029.79
	ii Subordinate Interest	\$ 115,825.75	\$ 113,582.34
	iii Total Bond Interest	\$ 624,505.94	\$ 556,612.13

Bonds Outstanding		5/31/2016	8/31/2016
D	i Senior Bonds	\$ 885,825,000.00	\$ 857,883,000.00
	ii Subordinate Bonds	\$ 37,500,000.00	\$ 37,500,000.00
	iii Total Bonds	\$ 923,325,000.00	\$ 895,383,000.00

Distribution Amounts - Following Monthly Payment Date		5/31/2016	8/31/2016
E	i Senior Distribution Amount	\$ 18,842,000.00	\$ 17,996,000.00

Indenture Percentage		5/31/2016	8/31/2016
F	i Senior Parity $B_{xi} / (C_i + D_i)$	107.14%	107.42%
	ii Subordinate Parity $B_{xi} / (C_{iii} + D_{iii})$	102.78%	102.91%

Monthly Trigger Percentage		5/31/2016	8/31/2016
G	i Senior Percentage $B_i / (D_i - E_i)$	104.44%	104.76%
	ii Subordinate Percentage $B_i / (D_{iii} - E_i)$	100.11%	100.28%

Six Month Average Trigger Percentage		Current Distribution		Next Monthly Distribution	
		Senior	Subordinate	Senior	Subordinate
H	i 1st Month Prior	104.76%	100.33%	104.76%	100.28%
	ii 2nd Month Prior	104.75%	100.36%	104.76%	100.33%
	iii 3rd Month Prior	104.44%	100.11%	104.75%	100.36%
	iv 4th Month Prior	104.34%	100.05%	104.44%	100.11%
	v 5th Month Prior	104.52%	100.26%	104.34%	100.05%
	vii 6th Month Prior	104.26%	100.07%	104.52%	100.26%
	viii Six Month Average Trigger Percentage	104.51%	100.20%	104.59%	100.23%

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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	9/20/2016	3M LIBOR	0.12%	0.64660%	0.85711%	0.76660%	0.97711%
2006-A	612130HP2	9/20/2016	3M LIBOR	0.10%	0.64660%	0.85711%	0.74660%	0.95711%
2006-C	612130HR8	9/20/2016	1M LIBOR	1.20%	0.51244%	0.53178%	1.71244%	1.73178%
2012-A2	61205PAK5	9/20/2016	1M LIBOR	1.00%	0.51244%	0.53178%	1.51244%	1.53178%
2012-A3	61205PAL3	9/20/2016	1M LIBOR	1.05%	0.51244%	0.53178%	1.56244%	1.58178%
2012-B	61205PAM1	9/20/2016	1M LIBOR	1.20%	0.51244%	0.53178%	1.71244%	1.73178%

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	\$ 85,898.21	\$ 85,898.21	\$ -	\$ -	\$ -	\$ -	7.41%
2006-A	612130HP2	\$ 49,950.86	\$ 49,950.86	\$ -	\$ -	\$ -	\$ -	4.31%
2006-C	612130HR8	\$ 24,830.46	\$ 24,830.46	\$ -	\$ 46,003.38	\$ -	\$ 46,003.38	2.14%
2012-A2	61205PAK5	\$ 587,923.32	\$ 587,923.32	\$ -	\$ -	\$ -	\$ -	50.69%
2012-A3	61205PAL3	\$ 384,259.74	\$ 384,259.74	\$ -	\$ -	\$ -	\$ -	33.13%
2012-B	61205PAM1	\$ 26,899.67	\$ 26,899.67	\$ -	\$ 49,836.96	\$ -	\$ 49,836.96	2.32%
TOTAL		\$ 1,159,762.26	\$ 1,159,762.26	\$ -	\$ 95,840.34	\$ -	\$ 95,840.34	

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	\$ 2,884,000.00	\$ 2,884,000.00	\$ -	\$ -	\$ -	\$ -	24.01%
2006-A	612130HP2	\$ 6,228,000.00	\$ 6,228,000.00	\$ -	\$ -	\$ -	\$ -	51.85%
2006-C	612130HR8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2012-A2	61205PAK5	\$ 2,899,012.24	\$ 2,899,012.24	\$ -	\$ 440,470,256.15	\$ 5,984,987.76	\$ 434,485,268.39	24.14%
2012-A3	61205PAL3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2012-B	61205PAM1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
TOTAL		\$12,011,012.24	\$ 12,011,012.24	\$ -	\$ 440,470,256.15	\$ 5,984,987.76	\$ 434,485,268.39	

TOTAL PRINCIPAL DISTRIBUTION	\$ 17,996,000.00
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IV. MHESAC System Activity from: 6/1/2016 through: 8/31/2016

A	Student Loan Principal Activity		
i	Regular Principal Collections	\$	25,638,187.91
ii	Principal Collections from Guarantor	\$	4,111,877.03
iii	Returned Disbursements	\$	-
iv	Other System Adjustments	\$	(28,768.67)
v	Repurchases of Rehabilitated Loans	\$	(1,408,750.89)
vi	Additional Disbursements/Purchases		
vii	Total Principal Collections	\$	<u>28,312,545.38</u>
B	Student Loan Non-Cash Principal Activity		
i	Other Adjustments	\$	48,056.50
ii	Capitalized Interest	\$	(2,759,885.52)
iii	Total Non-Cash Principal Activity	\$	<u>(2,711,829.02)</u>
C	Total Student Loan Principal Activity	\$	<u>25,600,716.36</u>
D	Student Loan Interest Activity		
i	Regular Interest Collections	\$	6,197,936.84
ii	Interest Claims Received from Guarantors	\$	125,789.17
iii	Other System Adjustments	\$	(13.97)
iv	Accrued Borrower Interest on Purchased Loans	\$	-
v	Total Interest Collections	\$	<u>6,323,712.04</u>
E	Student Loan Non-Cash Interest Activity		
i	Interest Accrual Adjustments	\$	301,670.33
ii	Capitalized Interest	\$	2,759,885.52
iii	Interest Accrued During Period	\$	(9,427,055.89)
iv	Total Non-Cash Interest Adjustments	\$	<u>(6,365,500.04)</u>
F	Total Student Loan Interest Activity	\$	<u>(41,788.00)</u>

Trust Activity from: 6/1/2016 through: 8/31/2016

G	Trust Balances less Reserve - Beginning of Period	\$	22,045,499.08
H	Released Funds in Excess of Reserve Requirement	\$	279,420.00
I	Funds Collected During Period		
i	Student Loan Principal Received	\$	29,869,396.47
ii	Student Loan Interest Received	\$	6,415,837.30
iii	Subsidized Interest Received	\$	759,217.55
iv	Investment Income on Trust Accounts	\$	25,360.03
J	Funds Remitted During Period		
i	Bond Principal	\$	27,942,000.00
ii	Bond Interest	\$	3,394,898.91
iii	Consolidation Loan Rebate Fees	\$	1,911,648.41
iv	Management and Servicing Fees	\$	1,382,257.74
v	Administrative Fees (trustee, listing, etc.)	\$	2,289.62
vi	Special Allowance Rebate	\$	2,881,470.24
vii	Repurchases of Rehabilitated Loans	\$	1,395,382.98
K	Funds Reserved During Period		
i	Acquisition Funds for Rehabilitated Loans	\$	262,393.48
ii	Administration Funds	\$	1,065,700.00
L	TOTAL AVAILABLE FUNDS FOR DISTRIBUTION	\$	<u>19,156,689.05</u>

MHESAC 1993 Master Indenture**V. Waterfall for Distributions****Distribution Date:****9/20/2016**

A	Total Available Funds for Distribution(IV-L)	\$	19,156,689.05
B	Interest Distributions		
i	2005-B Bonds	\$	85,898.21
ii	2006-A Bonds	\$	49,950.86
iii	2006-C Bonds	\$	24,830.46
iv	2012-A2 Bonds	\$	587,923.32
v	2012-A3 Bonds	\$	384,259.74
vi	2012-B Bonds	\$	26,899.67
vii	Total Bondholder's Interest Distributions	\$	1,159,762.26
C	Principal Distributions		
i	2005-B Bonds	\$	2,884,000.00
ii	2006-A Bonds	\$	6,228,000.00
iii	2006-C Bonds	\$	-
iv	2012-A2 Bonds	\$	8,884,000.00
v	2012-A3 Bonds	\$	-
vi	2012-B Bonds	\$	-
vii	Total Bondholder's Principal Distribution	\$	17,996,000.00
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)	\$	926.79

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VI. Historical Pool Information

	09/01/15-11/30/15	12/01/15-02/29/16	03/01/16-05/31/16	06/01/16-08/31/16
Beginning Student Loan Pool Balance	\$ 996,929,296.69	\$ 972,699,356.69	\$ 947,350,397.85	\$ 919,265,277.37
Student Loan Principal Activity				
i Regular Principal Collections	\$ 25,628,562.11	\$ 25,161,352.12	\$ 26,551,533.16	\$ 25,638,187.91
ii Principal Collections from Guarantor	\$ 2,900,520.12	\$ 3,454,159.92	\$ 4,770,823.42	\$ 4,111,877.03
iii Returned Disbursements	\$ -	\$ -	\$ -	\$ -
iv Other System Adjustments	\$ (26,349.00)	\$ (23,214.36)	\$ (20,012.83)	\$ (28,768.67)
v Repurchase of Rehabilitated Loans	\$ (1,246,628.03)	\$ (477,042.34)	\$ (364,703.59)	\$ (1,408,750.89)
vi Additional Disbursements/Purchases	\$ -	\$ -	\$ -	\$ -
vii Total Principal Collections	\$ 27,256,105.20	\$ 28,115,255.34	\$ 30,937,640.16	\$ 28,312,545.38
Student Loan Non-Cash Principal Activity				
i Other Adjustments	\$ 3,802.24	\$ 95,912.91	\$ 4,036.18	\$ 48,056.50
ii Capitalized Interest	\$ (3,328,416.85)	\$ (2,874,209.84)	\$ (2,759,751.50)	\$ (2,759,885.52)
iii Total Non-Cash Principal Activity	\$ (3,324,614.61)	\$ (2,778,296.93)	\$ (2,755,715.32)	\$ (2,711,829.02)
(-) Total Student Loan Principal Activity	\$ 23,931,490.59	\$ 25,336,958.41	\$ 28,181,924.84	\$ 25,600,716.36
Student Loan Interest Activity				
i Regular Interest Collections	\$ 6,733,475.40	\$ 6,606,618.78	\$ 6,339,491.14	\$ 6,197,936.84
ii Interest Claims Received from Guarantors	\$ 98,140.90	\$ 84,398.95	\$ 154,215.58	\$ 125,789.17
iii Other System Adjustments	\$ (524.16)	\$ (55.70)	\$ (0.59)	\$ (13.97)
iv Accrued Borrower Interest on Purchased Loans	\$ -	\$ -	\$ -	\$ -
v Total Interest Repayments	\$ 6,831,092.14	\$ 6,690,962.03	\$ 6,493,706.13	\$ 6,323,712.04
Student Loan Non-Cash Interest Activity				
i Interest Accrual Adjustments	\$ 242,958.21	\$ 292,040.17	\$ 307,435.33	\$ 301,670.33
ii Capitalized Interest	\$ 3,329,240.40	\$ 2,874,209.84	\$ 2,759,751.50	\$ 2,759,885.52
iii Interest Accrued During Period	\$ (10,104,841.34)	\$ (9,845,211.61)	\$ (9,657,697.32)	\$ (9,427,055.89)
iv Total Non-Cash Interest Adjustments	\$ (6,532,642.73)	\$ (6,678,961.60)	\$ (6,590,510.49)	\$ (6,365,500.04)
(-) Total Student Loan Interest Activity	\$ 298,449.41	\$ 12,000.43	\$ (96,804.36)	\$ (41,788.00)
(=) TOTAL STUDENT LOAN POOL	\$ 972,699,356.69	\$ 947,350,397.85	\$ 919,265,277.37	\$ 893,706,349.01
(+) Pending Portfolio Adjustments	\$ (1,668.62)	\$ -	\$ (193.76)	\$ -
(+) Trust Cash Available	\$ 17,657,037.97	\$ 20,990,673.28	\$ 22,045,499.08	\$ 20,484,782.53
(+) Reserve Account Balance	\$ 9,737,930.00	\$ 9,512,480.00	\$ 9,233,250.00	\$ 8,953,830.00
(=) TOTAL ADJUSTED POOL	\$ 1,000,092,656.04	\$ 977,853,551.13	\$ 950,543,832.69	\$ 923,144,961.54

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VII. Portfolio Characteristics

STATUS	Weighted Avg Coupon		# of Loans		%		Principal Amount		%	
	5/31/2016	8/31/2016	5/31/2016	8/31/2016	5/31/2016	8/31/2016	5/31/2016	8/31/2016	5/31/2016	8/31/2016
INTERIM:										
In School	6.11%	6.09%	345	309	0.3%	0.3%	\$ 1,074,192	\$ 999,590	0.1%	0.1%
Grace	5.95%	5.96%	137	90	0.1%	0.1%	\$ 446,143	\$ 295,090	0.0%	0.0%
TOTAL INTERIM	6.06%	6.06%	482	399	0.4%	0.4%	\$ 1,520,335	\$ 1,294,680	0.2%	0.1%
REPAYMENT										
Active	4.26%	4.27%	93,341	90,180	85.4%	85.2%	\$ 790,823,554	\$ 768,193,102	87.3%	87.3%
Current	4.15%	4.16%	82,270	79,470	75.3%	75.0%	\$ 704,409,369	\$ 685,605,532	77.8%	77.9%
31-60 Days Delinquent	5.03%	5.03%	2,987	2,842	2.7%	2.7%	\$ 25,257,395	\$ 22,397,176	2.8%	2.5%
61-90 Days Delinquent	5.17%	5.16%	1,947	1,936	1.8%	1.8%	\$ 14,087,183	\$ 14,386,088	1.6%	1.6%
91-120 Days Delinquent	5.09%	4.96%	1,468	1,287	1.3%	1.2%	\$ 12,003,911	\$ 9,864,605	1.3%	1.1%
> 120 Days Delinquent	5.11%	5.17%	4,669	4,645	4.3%	4.4%	\$ 35,065,696	\$ 35,939,701	3.9%	4.1%
Deferment	4.88%	4.88%	9,672	8,951	8.9%	8.5%	\$ 59,888,594	\$ 54,827,534	6.6%	6.2%
Forbearance	5.18%	5.17%	4,373	4,789	4.0%	4.5%	\$ 43,504,383	\$ 44,301,220	4.8%	5.0%
TOTAL REPAYMENT	4.34%	4.35%	107,386	103,920	98.3%	98.1%	\$ 894,216,531	\$ 867,321,856	98.8%	98.6%
Claims in Process	5.08%	5.33%	1,385	1,582	1.3%	1.5%	\$ 9,704,430	\$ 11,224,043	1.1%	1.3%
Aged Claims Rejected	0.00%	0.00%	0	0	0.0%	0.0%	\$ -	\$ -	0.0%	0.0%
GRAND TOTAL	4.35%	4.36%	109,253	105,901	100%	100%	\$ 905,441,296	\$ 879,840,579	100%	100%
In Collections	5.93%	5.93%	6	6	0%	0%	\$ 23,001	\$ 23,001	0%	0%
TOTAL POOL	4.35%	4.36%	109,259	105,907	0%	0%	\$ 905,464,297	\$ 879,863,580	0%	100%

VIII. MHESAC Cumulative Net Reject Rate	
	8/31/2016
Cumulative Claims submitted (# of loans)	51,763
Cumulative Claims rejected (# of loans)	88
Cumulative Reject Rate	0.17%

VIV. MHESAC Payment History and CPRs		
Distribution Date	Actual Pool Balances	Since Issued CPR *
11/30/15	\$ 958,960,179	5.07%
02/29/16	\$ 933,623,220	5.01%
05/31/16	\$ 905,441,296	5.02%
08/31/16	\$ 879,840,579	4.98%

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