

I. MONTANA HIGHER EDUCATION STUDENT ASSISTANCE CORPORATION (MHESAC)
Deal Parameters

Student Portfolio Characteristics		5/31/2006	Activity	8/31/2006
A	i Portfolio Balance	\$ 573,741,394.45	\$ (13,595,376.72)	\$ 560,146,017.73
	ii Interest to be Capitalized	\$ 3,292,930.64	\$ (12,793.81)	\$ 3,280,136.83
	iii Total Pool	\$ 572,549,209.73		\$ 563,426,154.56
	iv Specified Reserve Account Balance	\$ -		\$ -
	v Total Adjusted Pool	\$ 572,549,209.73		\$ 563,426,154.56
B	i Weighted Average Coupon (WAC)	3.789%		3.842%
	ii Weighted Average Remaining Term	275.88		274.03
	iii Number of Loans	35,259		33,628
	iv Number of Borrowers	18,210		17,480
	v Outstanding Principal Balance - T-Bill	\$ 3,608,581.97		\$ 2,993,016.27
	vi Outstanding Principal Balance - Commercial Paper	\$ 570,132,812.48		\$ 557,153,001.46

	Notes	CUSIP	Spread	Balance	Pool Factor	Balance	Pool Factor	
				5/31/2006	5/31/2006	8/31/2006	8/31/2006	
C	i	2000-C Notes	612130GV0	ARS	\$ 11,200,000.00	1.79%	\$ 11,200,000.00	1.81%
	ii	2001-C Notes	612130GY4	ARS	\$ 29,500,000.00	4.72%	\$ 29,500,000.00	4.77%
	iii	2002-D Notes	612130HB3	ARS	\$ 10,300,000.00	1.65%	\$ 10,300,000.00	1.67%
	iv	2003-C Notes	612130HG2	ARS	\$ 13,300,000.00	2.13%	\$ 13,300,000.00	2.15%
	v	2005-A Notes	61205PAF6	0.040%	\$ 109,891,000.00	17.59%	\$ 103,298,000.00	16.71%
	vi	2005-B Notes	61205PAG4	0.120%	\$ 119,140,000.00	19.07%	\$ 119,140,000.00	19.27%
	vii	2006-A Notes	612130HP2	0.100%	\$ 226,775,000.00	36.30%	\$ 226,775,000.00	36.68%
	viii	2006-B Notes	612130HQ0	ARS	\$ 74,700,000.00	11.96%	\$ 74,700,000.00	12.08%
	ix	2006-C Notes	612130HR8	ARS	\$ 30,000,000.00	4.80%	\$ 30,000,000.00	4.85%

% Subordinate Bonds of Total Bonds Outstanding - Master Indenture	7.12%
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Reserve Account		5/31/2006	8/31/2006
D	i Required Reserve Acc Deposit (%)	1.00%	1.00%
	ii Reserve Acct Initial Deposit (\$)	0	0
	iii Specified Reserve Acct Balance (\$)	\$ -	\$ -
	iv Reserve Account Floor Balance (\$)	\$ -	\$ -
	v Current Reserve Acct Balance (\$)		\$ 2,035,000.00
	vi Current Reserve Balance - Indenture (\$)		\$ 30,521,182.80
	vii Draws on Reserve - Current Quarter (\$)		\$ -

Capitalized Interest Account		5/31/2006	8/31/2006
E	i Capitalized Interest Account Balance	\$ -	\$ -

II. MHESAC

Distributions

Interest										
Class	CUSIP	Quarterly Interest Due	Quarterly Interest Paid	Interest Shortfall	Interest Carryover Due	Interest Carryover Paid	Interest Carryover	Interest Factor	Rate	Next Rate
2005-A	61205PAF6	\$ 1,439,701.53	\$ 1,439,701.53	\$ -	\$ -	\$ -	\$ -	18.43%	5.454%	5.43000%
2005-B	61205PAG4	\$ 1,684,854.71	\$ 1,684,854.71	\$ -	\$ -	\$ -	\$ -	21.57%	5.534%	5.51000%
2006-A	612130HP2	\$ 4,687,042.39	\$ 4,687,042.39	\$ -	\$ -	\$ -	\$ -	60.00%	5.277%	5.49000%
TOTAL		\$ 7,811,598.63	\$ 7,811,598.63	\$ -	\$ -	\$ -	\$ -			

CUR LIBOR	5.414%
NEXT LIBOR	5.390%

Principal								
Class	CUSIP	Quarterly Principal Due	Quarterly Principal Paid	Quarterly Principal Shortfall	Principal Carryover Due	Principal Carryover Paid	Principal Carryover	Principal Factor
2005-A	61205PAF6	\$ 6,593,000.00	\$ 6,593,000.00	\$ -	\$ -	\$ -	\$ -	100.00%
2005-B	61205PAF6	\$ -		\$ -	\$ -	\$ -	\$ -	0.00%
2006-A	612130HP2	\$ -		\$ -	\$ -	\$ -	\$ -	0.00%
TOTAL		\$ 6,593,000.00	\$ 6,593,000.00	\$ -	\$ -	\$ -	\$ -	

III. MHESAC		Transactions from:	6/1/2006	through:	8/31/2006
A	Student Loan Principal Activity				
	i	Regular Principal Collections	\$		27,079,060.23
	ii	Principal Collections from Guarantor	\$		1,559,444.77
	iii	Returned Disbursements	\$		32,471.53
	iv	Other System Adjustments	\$		-
	v	Additional Disbursements	\$		(14,015,301.06)
	vi	Total Principal Collections	\$		14,655,675.47
B	Student Loan Non-Cash Principal Activity				
	i	Other Adjustments	\$		387,803.70
	ii	Capitalized Interest	\$		(1,448,102.45)
	iii	Total Non-Cash Principal Activity	\$		(1,060,298.75)
C	Total Student Loan Principal Activity		\$		13,595,376.72
D	Student Loan Interest Activity				
	i	Regular Interest Collections	\$		3,843,539.03
	ii	Interest Claims Received from Guarantors	\$		63,499.44
	iii	Collection Fees / Returned Items	\$		-
	iv	Late Fee Reimbursements	\$		-
	v	Interest Reimbursements	\$		-
	vi	Other System Adjustments	\$		-
	vii	Special Allowance Payments	\$		3,765,818.20
	viii	Subsidy Payments	\$		331,316.44
	ix	Accrued Borrower Interest on Purchased Loans	\$		(32,074.49)
	x	Total Interest Collections	\$		7,972,098.62
E	Student Loan Non-Cash Interest Activity				
	i	Interest Accrual Adjustments	\$		41,657.44
	ii	Capitalized Interest	\$		1,448,102.48
	iii	Total Non-Cash Interest Adjustments	\$		1,489,759.92
F	Total Student Loan Interest Activity		\$		9,461,858.54
G	Non-Reimbursable Losses During Collection Period		\$		-
H	Cumulative Non-Reimbursable Losses to Date		\$		-

IV. MHESAC Repayment Account Activity:		6/1/2006	through:	8/31/2006
A	Principal Repayment			
i	Principal Payments Received		\$	31,365,595.17
ii	Returned Disbursements		\$	229,438.86
iii	Borrower Benefits Reimbursements			
iv	Reimbursements by Servicer			
v	Additional Disbursements		\$	(14,444,071.97)
vi	Total Principal Repayments		\$	17,150,962.06
B	Interest Repayment			
i	Interest Payments Received		\$	8,940,167.90
ii	Collections from Guarantor		\$	-
iii	Reimbursements by Seller		\$	-
iv	Borrower Benefits Reimbursements		\$	-
v	Reimbursements by Servicer		\$	-
vi	Re-purchased Interest		\$	-
vii	Collection Fees / Returned Items		\$	-
viii	Late Fees		\$	-
ix	Total Interest Repayments		\$	8,940,167.90
C	Other Reimbursements		\$	-
D	Reserves in Excess of Reserve Requirement		\$	-
E	Trust Account Investment Income		\$	420,896.75
F	Administrator Account Investment Income		\$	-
G	Funds Received from Bond Proceeds		\$	-
	TOTAL FUNDS RECEIVED		\$	26,512,026.71
	LESS FUNDS REMITTED/SET ASIDE:			
i	Consolidation Loan Rebate Fees		\$	(1,429,952.54)
ii	Management and Servicing Fees		\$	(1,162,113.16)
iii	Administrative Fees (trustee, listing, broker, lender/orig, etc)		\$	(1,149,445.02)
iv	Funds Allocated to the Future Distribution Account		\$	-
v	Funds Released from the Future Distribution Account		\$	-
	PLUS FUNDS ALLOCATED FROM REMAINING ACQUISITION FUNDS		\$	-
	LESS FUNDS IN ACQUISITION FUND FOR ADDITIONAL DISBURSEMENTS		\$	(1,006,642.63)
H	TOTAL AVAILABLE FUNDS		\$	21,763,873.36
I	Management and Servicing Fees Due for Current Period		\$	-
J	Carryover Servicing Fees Due		\$	-
K	Administration Fees Due		\$	-
L	Total Fees Due for Period		\$	-

V. MHESAC Waterfall for Distributions

A	Total Available Funds (IV-H)	\$	21,763,873.36
B	Management and Servicing Fees Due	\$	-
C	Administration Fees Due	\$	-
D	Interest Distributions and accruals		
i	2000-C Notes	\$	196,403.20
ii	2001-C Notes	\$	390,113.90
iii	2002-D Notes	\$	136,001.20
iv	2003-C Notes	\$	176,919.26
v	2005-A Notes	\$	1,439,701.53
vi	2005-B Notes	\$	1,684,854.71
vii	2006-A Notes	\$	4,687,042.39
viii	2006-B Notes	\$	972,238.50
ix	2006-C Notes	\$	346,184.00
x	Total Interest Distributions	\$	10,029,458.69
E	Principal Distribution Amount		
i	2000-C Notes	\$	-
ii	2001-C Notes	\$	-
iii	2002-D Notes	\$	-
iv	2003-C Notes	\$	-
v	2005-A Notes	\$	6,593,000.00
vi	2005-B Notes	\$	-
vii	2006-A Notes	\$	-
viii	2006-B Notes	\$	-
ix	2006-C Notes	\$	-
x	Total Noteholder's Principal Distribution	\$	6,593,000.00
F	Increase to the Specified Reserve Account Balance	\$	-
G	Carryover Servicing Fees	\$	-
H	Noteholder's Interest Carryover		
v	2005-A Notes	\$	-
vi	2005-B Notes	\$	-
vii	2006-A Notes	\$	-
viii	2006-B Notes	\$	-
ix	2006-C Notes	\$	-
x	Total Noteholder's Interest Carryover	\$	-
I	Noteholder's Principal Carryover		
v	2005-A Notes	\$	-
vi	2005-B Notes	\$	-
vii	2006-A Notes	\$	-
viii	2006-B Notes	\$	-
ix	2006-C Notes	\$	-
x	Total Noteholder's Principal Carryover	\$	-
J	Excess Distribution	\$	5,141,414.67

	9/1/05 - 11/30/05	12/1/05 - 2/28/06	3/1/06 - 5/31/06	6/1/06 - 8/31/06
Beginning Student Loan Portfolio Balance	\$ 296,692,856.53	\$ 289,840,217.10	\$ 282,202,897.48	\$ 573,741,394.45
Student Loan Principal Activity				
i Regular Principal Collections	\$ 7,073,868.45	\$ 7,493,865.87	\$ 20,876,417.04	\$ 27,079,060.23
ii Principal Collections from Guarantor	\$ 336,952.38	\$ 617,488.44	\$ 1,174,873.54	\$ 1,559,444.77
iii Returned Disbursements	\$ 17,762.67	\$ 0.00	\$ 0.00	\$ 32,471.53
iv Other System Adjustments	\$ -	\$ -	\$ -	\$ -
v Additional Disbursements	\$ (131,868.28)	\$ 10,550.89	\$ (308,522,794.04)	\$ (14,015,301.06)
vi Total Principal Collections	\$ 7,296,715.22	\$ 8,121,905.20	\$ (286,471,503.46)	\$ 14,655,675.47
Student Loan Non-Cash Principal Activity				
i Other Adjustments	\$ 52,951.03	\$ 9,437.62	\$ 172,611.73	\$ 387,803.70
ii Capitalized Interest	\$ (497,026.82)	\$ (494,023.20)	\$ (768,426.02)	\$ (1,448,102.45)
iii Total Non-Cash Principal Activity	\$ (444,075.79)	\$ (484,585.58)	\$ (595,814.29)	\$ (1,060,298.75)
(-) Total Student Loan Principal Activity	\$ 6,852,639.43	\$ 7,637,319.62	\$ (287,067,317.75)	\$ 13,595,376.72
Student Loan Interest Activity				
i Regular Interest Collections	\$ 2,093,403.44	\$ 2,044,000.17	\$ 2,541,067.03	\$ 3,843,539.03
ii Interest Claims Received from Guarantors	\$ 13,177.70	\$ 21,325.26	\$ 43,874.16	\$ 63,499.44
iii Collection Fees / Returned Items	\$ -	\$ -	\$ -	\$ -
iv Late Fee Reimbursements	\$ -	\$ -	\$ -	\$ -
v Interest Reimbursements	\$ 45.62	\$ -	\$ -	\$ -
vi Other System Adjustments	\$ 25.19	\$ -	\$ -	\$ -
vii Special Allowance Payments	\$ 697,691.54	\$ 1,467,416.98	\$ 2,542,823.74	\$ 3,765,818.20
viii Subsidy Payments	\$ 97,562.60	\$ 130,522.54	\$ 219,672.66	\$ 331,316.44
ix Accrued Borrower Interest on Purchased Loans	\$ -	\$ -	\$ (1,593,213.32)	\$ (32,074.49)
x Total Interest Repayments	\$ 2,901,906.09	\$ 3,663,264.95	\$ 3,754,224.27	\$ 7,972,098.62
Student Loan Non-Cash Interest Activity				
i Interest Accrual Adjustments	\$ 2,058.51	\$ 17,804.27	\$ 24,644.23	\$ 41,657.44
ii Capitalized Interest	\$ 498,005.74	\$ 494,023.20	\$ 768,426.02	\$ 1,448,102.48
iii Total Non-Cash Interest Adjustments	\$ 500,064.25	\$ 511,827.47	\$ 793,070.25	\$ 1,489,759.92
Total Student Loan Interest Activity	\$ 3,401,970.34	\$ 4,175,092.42	\$ 4,547,294.52	\$ 9,461,858.54
(=) Ending Student Loan Portfolio Balance	\$ 293,242,187.44	\$ 278,740,670.28	\$ 573,817,509.75	\$ 569,607,876.27
(+) Interest to be Capitalized	\$ 1,594,051.75	\$ 1,611,061.30	\$ 3,278,994.50	\$ 3,280,136.83
(=) TOTAL POOL	\$ 291,434,268.85	\$ 283,813,958.78	\$ 572,549,209.73	\$ 563,426,154.56
(+) Reserve Account Balance				
(=) Total Adjusted Pool	\$ 291,434,268.85	\$ 283,813,958.78	\$ 572,549,209.73	\$ 563,426,154.56

VII. MHESAC Portfolio Characteristics

STATUS	Weighted Avg Coupon		# of Loans		%		Principal Amount		%	
	5/31/2006	8/31/2006	5/31/2006	8/31/2006	5/31/2006	8/31/2006	5/31/2006	8/31/2006	5/31/2006	8/31/2006
INTERIM:										
In School										
Current	4.71%	6.55%	1194	1120	3.4%	3.3%	\$ 3,815,166	\$ 3,342,410	0.7%	0.6%
Grace										
Current	4.70%	6.54%	677	273	1.9%	0.8%	\$ 2,049,940	\$ 928,335	0.4%	0.2%
TOTAL INTERIM	4.70%	6.55%	1,871	1,393	5.3%	4.1%	\$ 5,865,107	\$ 4,270,745	1.0%	0.8%
REPAYMENT										
Active	3.76%	3.87%	26,404	25,219	74.9%	75.0%	\$ 440,393,169	\$ 429,360,595	76.8%	76.7%
Current	3.71%	3.81%	23,061	22,001	65.4%	65.4%	\$ 402,190,635	\$ 390,432,676	70.1%	69.7%
31-60 Days Delinquent	4.47%	4.58%	1,245	922	3.5%	2.7%	\$ 16,115,358	\$ 11,718,511	2.8%	2.1%
61-90 Days Delinquent	4.53%	4.45%	622	573	1.8%	1.7%	\$ 6,544,026	\$ 7,865,632	1.1%	1.4%
91-120 Days Delinquent	4.32%	4.34%	479	403	1.4%	1.2%	\$ 5,599,952	\$ 5,123,886	1.0%	0.9%
> 120 Days Delinquent	4.31%	4.75%	997	1,320	2.8%	3.9%	\$ 9,943,197	\$ 14,219,890	1.7%	2.5%
Deferment										
Current	3.59%	3.75%	4,970	5,061	14.1%	15.0%	\$ 94,342,813	\$ 94,665,049	16.4%	16.9%
Forbearance										
Current	4.08%	4.28%	1,890	1,841	5.4%	5.5%	\$ 31,243,905	\$ 29,915,723	5.4%	5.3%
TOTAL REPAYMENT	3.75%	3.83%	33,264	32,121	94.3%	95.5%	\$ 565,979,887	\$ 553,941,367	98.6%	98.9%
Claims in Process			124	114	0.4%	0.3%	\$ 1,896,401	\$ 1,933,905	0.3%	0.3%
Aged Claims Rejected			0	0	0.0%	0.0%	\$ -	\$ -	0.0%	0.0%
GRAND TOTAL	3.79%	3.84%	35,259	33,628	100%	100%	\$ 573,741,395	\$ 560,146,018	100%	100%

VIII. MHESAC Payment History and CPRs

Distribution Date	Actual Pool Balances	Since Issued CPR *
12/20/05	\$ 289,840,217	6.83%
03/20/06	\$ 282,202,897	7.37%
06/20/06	\$ 573,741,394	5.89%
09/20/06	\$ 560,146,018	5.95%

* "Since Issued CPR" is based on the current period's ending pool balance calculated against the original pool balance and assuming cutoff date pool data