



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 September 01, 2012 through September 30, 2012
Distribution Date: October 22, 2012

MHESAC 1993 Master Indenture

I. Deal Parameters

Student Portfolio Characteristics				8/31/2012	Activity	9/30/2012
A	i	Principal Balance		\$ 1,331,993,918.90	\$ (11,683,120.74)	\$ 1,320,310,798.16
	ii	Accrued Interest		\$ 16,472,391.12	\$ (257,869.55)	\$ 16,214,521.57
	iii	Total Student Loan Pool		\$ 1,348,466,310.02		\$ 1,336,525,319.73
	iv	Pending Portfolio adjustments		\$ (19,701.10)		\$ (17,979.59)
	v	Trust Cash		\$ 30,464,737.83		\$ 16,982,675.54
	vi	Specified Reserve Account Balance		\$ 13,794,480.00		\$ 13,526,010.00
	vii	Total Adjusted Pool		\$ 1,392,705,826.75		\$ 1,367,016,025.68
B	i	Weighted Average Coupon (WAC)		4.460%		4.460%
	ii	Weighted Average Remaining Term		189.62		189.05
	iii	Number of Loans		166,082		164,534
	iv	Number of Borrowers		66,510		65,937
	v	Outstanding Principal Balance - T-Bill		\$ 19,635,939.53		\$ 19,363,922.04
	vi	Outstanding Principal Balance - LIBOR		\$ 1,312,357,979.37		\$ 1,300,946,876.12

Bonds	CUSIP	Original Issue Amount	Rate	Balance 8/31/2012	Pool Factor 8/31/2012	Balance 9/30/2012	Pool Factor 9/30/2012		
C	i	2005-B Bonds Senior	612130HN7	\$ 119,140,000.00	3 Mo Libor + 0.12%	\$ 98,578,000.00	7.15%	\$ 94,672,000.00	7.00%
	ii	2006-A Bonds Senior	612130HP2	\$ 226,775,000.00	3 Mo Libor + 0.10%	\$ 136,408,000.00	9.89%	\$ 129,726,000.00	9.59%
	iii	2006-C Bonds Subordinate	612130HR8	\$ 30,000,000.00	1M LIBOR + 1.20%	\$ 18,000,000.00	1.30%	\$ 18,000,000.00	1.33%
	iv	2012-A1 Bonds Senior	61205PAJ8	\$ 191,000,000.00	1M LIBOR + 0.60%	\$ 152,662,000.00	11.07%	\$ 136,403,000.00	10.08%
	v	2012-A2 Bonds Senior	61205PAK5	\$ 649,000,000.00	1M LIBOR + 1.00%	\$ 649,000,000.00	47.05%	\$ 649,000,000.00	47.98%
	vi	2012-A3 Bonds Senior	61205PAL3	\$ 305,300,000.00	1M LIBOR + 1.05%	\$ 305,300,000.00	22.13%	\$ 305,300,000.00	22.57%
	vii	2012-B Bonds Subordinate	61205PAM1	\$ 19,500,000.00	1M LIBOR + 1.20%	\$ 19,500,000.00	1.41%	\$ 19,500,000.00	1.44%
	viii	Total Bonds Outstanding Senior		\$ 1,341,948,000.00		\$ 1,315,101,000.00	97.28%	\$ 1,315,101,000.00	97.23%
	ix	Total Bonds Outstanding Taxable Subordinate		\$ 37,500,000.00		\$ 37,500,000.00	2.72%	\$ 37,500,000.00	2.77%
	x	Total Bonds Outstanding 1993 Master Indenture - Taxable		\$ 1,379,448,000.00		\$ 1,352,601,000.00			

Indenture Percentage		8/31/2012	9/30/2012	
D	i	Senior Parity	103.72%	103.76%
	ii	Subordinate Parity	100.90%	100.88%

Monthly Trigger Percentage		8/31/2012	9/30/2012	
E	i	Senior Percentage	101.28%	101.41%
	ii	Subordinate Percentage	98.48%	98.57%

Reserve Account		8/31/2012	9/30/2012	
F	i	Required Reserve Acc Deposit (%)	1.00%	1.00%
	ii	Reserve Acct Initial Deposit (\$)	\$ -	\$ -
	iii	Specified Reserve Acct Requirement (\$)	\$ 13,794,480.00	\$ 13,526,010.00
	iv	Reserve Account Floor Balance (\$)	\$ -	\$ -
	v	Current Reserve Balance - (\$)	\$ -	\$ 13,526,010.00
	vi	Draws on Reserve - Current Month(\$)	\$ -	\$ 268,470.00

MHESAC 1993 Master Indenture
II. Trust Balances and Parity Calculations

Trust Accounts		8/31/2012	9/30/2012
A	i Acquisition Account	\$ -	\$ 550,000.00
	ii Administration Account	\$ 1,949,000.00	\$ 1,949,000.00
	iii Bond- Interest, Principal, Retirement Subaccounts	\$ 25,124,548.54	\$ 14,483,675.54
	iv Reserve Account	\$ 13,794,480.00	\$ 13,526,010.00
	v Surplus Subaccount	\$ 3,391,189.29	\$ -
	vii Total Trust Accounts	\$ 44,259,217.83	\$ 30,508,685.54

Parity Calculations		8/31/2012	9/30/2012
B	Value of the Indenture		
	i Portfolio Balance	\$ 1,331,993,918.90	\$ 1,320,310,798.16
	ii Pending System Adjustments	(19,701.10)	(17,979.59)
	iii Accrued Borrower Interest	16,472,391.12	16,214,521.57
	iv Accrued Subsidized Interest	1,195,606.98	1,605,450.53
	v Less: Unguaranteed Amount Uncollectibles	(586,601.00)	(592,734.36)
	vi Trust Cash and Investments	44,259,217.83	30,508,685.54
	vii Payments in Transit	848,808.32	673,800.35
	viii Other Cash and Assets	1,036,281.00	1,310,242.01
	ix Total Trust Value	\$ 1,395,199,922.05	\$ 1,370,012,784.21
	Less:		
	x Accrued Payables	2,566,647.00	5,007,155.04
	xi Net Asset Value - Indenture Percentage	\$ 1,392,633,275.05	\$ 1,365,005,629.17
	Bond Interest Outstanding		
C	i Senior Interest	\$ 715,748.79	\$ 427,487.31
	ii Subordinate Interest	17,962.50	16,253.65
	iii Total Bond Interest	\$ 733,711.29	\$ 443,740.96
	Bonds Outstanding		
D	i Senior Bonds	\$ 1,341,948,000.00	\$ 1,315,101,000.00
	ii Subordinate Bonds	\$ 37,500,000.00	\$ 37,500,000.00
	iii Total Bonds	\$ 1,379,448,000.00	\$ 1,352,601,000.00
	Distribution Amounts - Following Monthly Payment Date		
E	i Senior Distribution Amount	\$ 26,847,000.00	\$ 13,197,000.00
	Indenture Percentage		
F	i Senior Parity $Bxi / (Ci + Di)$	103.72%	103.76%
	ii Subordinate Parity $Bxi / (Ciii + Diii)$	100.90%	100.88%
	Monthly Trigger Percentage		
G	i Senior Percentage $Bi / (Di - Ei)$	101.28%	101.41%
	ii Subordinate Percentage $Bi / (Diii - Ei)$	98.48%	98.57%

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	12/20/2012	3M LIBOR	0.12%	0.37850%	0.37850%	0.49850%	0.49850%
	2006-A	612130HP2	12/20/2012	3M LIBOR	0.10%	0.37850%	0.37850%	0.47850%	0.47850%
	2006-C	612130HR8	10/22/2012	1M LIBOR	1.20%	0.21850%	0.21070%	1.41850%	1.41070%
	2012-A1	61205PAJ8	10/22/2012	1M LIBOR	0.60%	0.21850%	0.21070%	0.81850%	0.81070%
	2012-A2	61205PAK5	10/22/2012	1M LIBOR	1.00%	0.21850%	0.21070%	1.21850%	1.21070%
	2012-A3	61205PAL3	10/22/2012	1M LIBOR	1.05%	0.21850%	0.21070%	1.26850%	1.26070%
	2012-B	61205PAM1	10/22/2012	1M LIBOR	1.20%	0.21850%	0.21070%	1.41850%	1.41070%

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	\$ 22,696.02	\$ 22,696.02	\$ -	\$ -	\$ -	1.90%
	2012-A1	61205PAJ8	\$ 99,241.37	\$ 99,241.37	\$ -	\$ -	\$ -	8.31%
	2012-A2	61205PAK5	\$ 702,938.39	\$ 702,938.39	\$ -	\$ -	\$ -	58.89%
	2012-A3	61205PAL3	\$ 344,244.07	\$ 344,244.07	\$ -	\$ -	\$ -	28.84%
	2012-B	61205PAM1	\$ 24,587.36	\$ 24,587.36	\$ -	\$ -	\$ -	2.06%
	TOTAL	\$ 1,193,707.21	\$ 1,193,707.21	\$ -	\$ -	\$ -	\$ -	

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	\$27,603,898.63	\$ 2,509,000.00	\$ 25,094,898.63	\$ 20,577,283.10	\$ 45,672,181.73	100.00%
	2012-A2	61205PAK5	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
	2012-A3	61205PAL3	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
	2012-B	61205PAM1	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
	TOTAL	\$27,603,898.63	\$ 2,509,000.00	\$ 25,094,898.63	\$ 20,577,283.10	\$ -	\$ 45,672,181.73	

TOTAL PRINCIPAL DISTRIBUTION	\$ 2,509,000.00
-------------------------------------	------------------------

MHESAC 1993 Master Indenture

IV. MHESAC System Activity from: 9/1/2012 through: 9/30/2012

A	Student Loan Principal Activity		
i	Regular Principal Collections	\$	11,977,245.86
ii	Principal Collections from Guarantor	\$	1,303,827.74
iii	Returned Disbursements	\$	-
iv	Other System Adjustments	\$	(65,219.20)
v	Repurchases of Rehabilitated Loans	\$	-
vi	Additional Disbursements/Purchases	\$	-
vii	Total Principal Collections	\$	13,215,854.40
B	Student Loan Non-Cash Principal Activity		
i	Other Adjustments	\$	7,532.89
ii	Capitalized Interest	\$	(1,540,266.55)
iii	Total Non-Cash Principal Activity	\$	(1,532,733.66)
C	Total Student Loan Principal Activity	\$	11,683,120.74
D	Student Loan Interest Activity		
i	Regular Interest Collections	\$	3,011,867.43
ii	Interest Claims Received from Guarantors	\$	35,048.51
iii	Collection Fees / Returned Items	\$	-
iv	Late Fee Reimbursements	\$	-
v	Interest Reimbursements	\$	-
vi	Other System Adjustments	\$	(6.61)
vii	Accrued Borrower Interest on Purchased Loans	\$	-
viii	Total Interest Collections	\$	3,046,909.33
E	Student Loan Non-Cash Interest Activity		
i	Interest Accrual Adjustments	\$	115,357.70
ii	Capitalized Interest	\$	1,540,266.55
iii	Interest Accrued During Period	\$	(4,444,664.03)
iv	Total Non-Cash Interest Adjustments	\$	(2,789,039.78)
F	Total Student Loan Interest Activity	\$	257,869.55

Trust Activity from: 9/1/2012 through: 9/30/2012

G	Trust Balances less Reserve - Beginning of Period	\$	30,464,737.83
H	Released Funds in Excess of Reserve Requirement	\$	268,470.00
I	Funds Collected During Period		
i	Student Loan Principal Received	\$	13,209,250.54
ii	Student Loan Interest Received	\$	2,978,905.73
iii	Subsidized Interest Received	\$	-
iv	Investment Income on Trust Accounts	\$	2,949.47
J	Funds Remitted During Period		
i	Bond Principal	\$	26,847,000.00
ii	Bond Interest	\$	1,532,135.02
iii	Consolidation Loan Rebate Fees	\$	886,465.24
iv	Management and Servicing Fees	\$	668,537.77
v	Administrative Fees (trustee, listing, etc.)	\$	7,500.00
vi	Special Allowance Rebate	\$	-
K	Funds Reserved During Period		
i	Funds Allocated for Accrued Principal 2005-B Bonds	\$	3,849,000.00
ii	Funds Allocated for Accrued Principal 2006-A Bonds	\$	6,839,000.00
iii	Funds Allocated for Accrued Interest 2005-B Bonds	\$	39,785.27
iv	Funds Allocated for Accrued Interest 2006-A Bonds	\$	52,330.34
v	Acquisition Funds for Rehabilitated Loans	\$	550,000.00
vi	Administration Funds	\$	1,949,000.00
L	TOTAL AVAILABLE FUNDS FOR DISTRIBUTION	\$	3,703,559.93

MHESAC 1993 Master Indenture**V. Waterfall for Distributions****Distribution Date:****10/22/2012**

A	Total Available Funds for Distribution(IV-L)	\$	3,703,559.93
B	Interest Distributions		
i	2005-B Bonds	\$	-
ii	2006-A Bonds	\$	-
iii	2006-C Bonds	\$	22,696.02
iv	2012-A1 Bonds	\$	99,241.37
v	2012-A2 Bonds	\$	702,938.39
vi	2012-A3 Bonds	\$	344,244.07
vii	2012-B Bonds	\$	24,587.36
viii	Total Bondholder's Interest Distributions	\$	1,193,707.21
C	Principal Distributions		
i	2005-B Bonds	\$	-
ii	2006-A Bonds	\$	-
iii	2006-C Bonds	\$	-
iv	2012-A1 Bonds	\$	2,509,000.00
v	2012-A2 Bonds	\$	-
vi	2012-A3 Bonds	\$	-
vii	2012-B Bonds	\$	-
viii	Total Bondholder's Principal Distribution	\$	2,509,000.00
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)	\$	852.72

MHESAC 1993 Master Indenture
VI. Historical Pool Information

	06/01/12-06/30/12	07/01/12-07/31/12	08/01/12-08/31/12	09/01/12-09/30/12
Beginning Student Loan Pool Balance	\$ 1,404,663,658.72	\$ 1,383,661,194.66	\$ 1,358,422,357.40	\$ 1,348,466,310.02
Student Loan Principal Activity				
i Regular Principal Collections	\$ 19,668,388.38	\$ 25,814,754.23	\$ 9,483,737.34	\$ 11,977,245.86
ii Principal Collections from Guarantor	\$ 2,474,062.98	\$ 986,699.25	\$ 1,843,367.32	\$ 1,303,827.74
iii Returned Disbursements	\$ -	\$ -	\$ -	\$ -
iv Other System Adjustments	\$ (59,831.18)	\$ (548,072.65)	\$ (44,918.36)	\$ (65,219.20)
v Repurchase of Rehabilitated Loans	\$ -	\$ -	\$ -	\$ -
vi Additional Disbursements/Purchases	\$ -	\$ -	\$ -	\$ -
vii Total Principal Collections	\$ 22,082,620.18	\$ 26,253,380.83	\$ 11,282,186.30	\$ 13,215,854.40
Student Loan Non-Cash Principal Activity				
i Other Adjustments	\$ 8,766.26	\$ 8,011.47	\$ 4,972.46	\$ 7,532.89
ii Capitalized Interest	\$ (2,044,261.88)	\$ (1,259,885.62)	\$ (1,123,931.11)	\$ (1,540,266.55)
iii Total Non-Cash Principal Activity	\$ (2,035,495.62)	\$ (1,251,874.15)	\$ (1,118,958.65)	\$ (1,532,733.66)
(-) Total Student Loan Principal Activity	\$ 20,047,124.56	\$ 25,001,506.68	\$ 10,163,227.65	\$ 11,683,120.74
Student Loan Interest Activity				
i Regular Interest Collections	\$ 3,285,400.22	\$ 3,468,050.94	\$ 3,066,371.52	\$ 3,011,867.43
ii Interest Claims Received from Guarantors	\$ 53,118.38	\$ 28,920.59	\$ 41,349.47	\$ 35,048.51
iii Collection Fees / Returned Items	\$ -	\$ -	\$ -	\$ -
iv Late Fee Reimbursements	\$ -	\$ -	\$ -	\$ -
v Interest Reimbursements	\$ -	\$ -	\$ -	\$ -
vi Other System Adjustments	\$ -	\$ (1,289.02)	\$ (7.56)	\$ (6.61)
vii Accrued Borrower Interest on Purchased Loans	\$ -	\$ -	\$ -	\$ -
viii Total Interest Repayments	\$ 3,338,518.60	\$ 3,495,682.51	\$ 3,107,713.43	\$ 3,046,909.33
Student Loan Non-Cash Interest Activity				
i Interest Accrual Adjustments	\$ 194,640.31	\$ 171,402.87	\$ 194,438.30	\$ 115,357.70
ii Capitalized Interest	\$ 2,044,261.88	\$ 1,259,885.62	\$ 1,123,931.11	\$ 1,540,266.55
iii Interest Accrued During Period	\$ (4,622,081.29)	\$ (4,689,640.42)	\$ (4,633,263.11)	\$ (4,444,664.03)
iv Total Non-Cash Interest Adjustments	\$ (2,383,179.10)	\$ (3,258,351.93)	\$ (3,314,893.70)	\$ (2,789,039.78)
(-) Total Student Loan Interest Activity	\$ 955,339.50	\$ 237,330.58	\$ (207,180.27)	\$ 257,869.55
(=) TOTAL STUDENT LOAN POOL	\$ 1,383,661,194.66	\$ 1,358,422,357.40	\$ 1,348,466,310.02	\$ 1,336,525,319.73
(+) Pending Portfolio Adjustments	\$ (41,057.19)	\$ (17,880.36)	\$ (19,701.10)	\$ (17,979.59)
(+) Trust Cash Available	\$ 24,913,178.12	\$ 38,791,810.16	\$ 30,464,737.83	\$ 16,982,675.54
(+) Reserve Account Balance	\$ 14,612,406.88	\$ 14,026,790.00	\$ 13,794,480.00	\$ 13,526,010.00
(=) TOTAL ADJUSTED POOL	\$ 1,423,145,722.47	\$ 1,411,223,077.20	\$ 1,392,705,826.75	\$ 1,367,016,025.68

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

STATUS	Weighted Avg Coupon		# of Loans		%		Principal Amount		%	
	8/31/2012	9/30/2012	8/31/2012	9/30/2012	8/31/2012	9/30/2012	8/31/2012	9/30/2012	8/31/2012	9/30/2012
INTERIM:										
In School	6.27%	6.29%	6,639	6,322	4.0%	3.8%	\$ 21,891,288	\$ 20,688,308	1.6%	1.6%
Grace	6.32%	6.28%	3,591	3,766	2.2%	2.3%	\$ 11,410,506	\$ 12,157,853	0.9%	0.9%
TOTAL INTERIM	6.28%	6.28%	10,230	10,088	6.2%	6.1%	\$ 33,301,794	\$ 32,846,161	2.5%	2.5%
REPAYMENT										
Active	4.32%	4.31%	119,284	118,934	71.8%	72.3%	\$ 1,060,567,466	\$ 1,059,829,980	79.6%	80.3%
Current	4.19%	4.19%	102,563	102,325	61.8%	62.2%	\$ 951,330,839	\$ 947,335,580	71.4%	71.8%
31-60 Days Delinquent	5.16%	5.00%	4,642	4,487	2.8%	2.7%	\$ 31,468,045	\$ 33,100,697	2.4%	2.5%
61-90 Days Delinquent	5.18%	5.18%	2,980	3,131	1.8%	1.9%	\$ 19,758,484	\$ 20,357,945	1.5%	1.5%
91-120 Days Delinquent	4.97%	5.20%	2,157	2,153	1.3%	1.3%	\$ 14,534,126	\$ 14,502,838	1.1%	1.1%
> 120 Days Delinquent	5.08%	5.02%	6,942	6,838	4.2%	4.2%	\$ 43,475,972	\$ 44,532,920	3.3%	3.4%
Deferment	4.95%	4.96%	25,787	25,673	15.5%	15.6%	\$ 155,904,990	\$ 152,482,047	11.7%	11.5%
Forbearance	5.03%	5.02%	7,816	6,636	4.7%	4.0%	\$ 61,834,282	\$ 53,889,979	4.6%	4.1%
TOTAL REPAYMENT	4.40%	4.40%	152,887	151,243	92.1%	91.9%	\$ 1,278,306,738	\$ 1,266,202,006	96.0%	95.9%
Claims in Process	5.23%	5.23%	2,965	3,203	1.8%	1.9%	\$ 20,385,387	\$ 21,262,631	1.5%	1.6%
Aged Claims Rejected	0.00%	0.00%	0	0	0.0%	0.0%	\$ -	\$ -	0.0%	0.0%
GRAND TOTAL	4.46%	4.46%	166,082	164,534	100%	100%	\$ 1,331,993,919	\$ 1,320,310,798	100%	100%

VIII. MHESAC Cumulative Net Reject Rate	
	9/30/2012
Cumulative Claims submitted (# of loans)	40,916
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 *
06/30/12	\$ 1,367,158,653	1.24%
07/31/12	\$ 1,342,157,147	1.43%
08/31/12	\$ 1,331,993,919	1.46%
09/30/12	\$ 1,320,310,798	1.51%

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