



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 December 01, 2012 through December 31, 2012
Distribution Date: January 22, 2013

MHESAC 1993 Master Indenture

I. Deal Parameters

Student Portfolio Characteristics				11/30/2012	Activity	12/31/2012
A	i	Principal Balance		\$ 1,300,639,104.02	\$ (9,427,657.26)	\$ 1,291,211,446.76
	ii	Accrued Interest		\$ 15,008,763.23	\$ (25,052.83)	\$ 14,983,710.40
	iii	Total Student Loan Pool		\$ 1,315,647,867.25		\$ 1,306,195,157.16
	iv	Pending Portfolio adjustments		\$ (315.82)		\$ (43,846.30)
	v	Trust Cash		\$ 22,662,168.40		\$ 14,510,253.53
	vi	Specified Reserve Account Balance		\$ 13,359,740.00		\$ 13,171,180.00
	vii	Total Adjusted Pool		\$ 1,351,669,459.83		\$ 1,333,832,744.39
B	i	Weighted Average Coupon (WAC)		4.460%		4.450%
	ii	Weighted Average Remaining Term		187.89		187.32
	iii	Number of Loans		161,914		160,519
	iv	Number of Borrowers		64,900		64,433
	v	Outstanding Principal Balance - T-Bill		\$ 19,147,871.55		\$ 18,996,428.70
	vi	Outstanding Principal Balance - LIBOR		\$ 1,281,491,232.47		\$ 1,272,215,018.06

Bonds	CUSIP	Original Issue Amount	Rate	Balance 11/30/2012	Pool Factor 11/30/2012	Balance 12/31/2012	Pool Factor 12/31/2012		
C	i	2005-B Bonds Senior	612130HN7	\$ 119,140,000.00	3 Mo Libor + 0.12%	\$ 94,672,000.00	7.09%	\$ 90,823,000.00	6.90%
	ii	2006-A Bonds Senior	612130HP2	\$ 226,775,000.00	3 Mo Libor + 0.10%	\$ 129,726,000.00	9.71%	\$ 122,887,000.00	9.33%
	iii	2006-C Bonds Subordinate	612130HR8	\$ 30,000,000.00	1M LIBOR + 1.20%	\$ 18,000,000.00	1.35%	\$ 18,000,000.00	1.37%
	iv	2012-A1 Bonds Senior	61205PAJ8	\$ 191,000,000.00	1M LIBOR + 0.60%	\$ 119,776,000.00	8.97%	\$ 111,608,000.00	8.47%
	v	2012-A2 Bonds Senior	61205PAK5	\$ 649,000,000.00	1M LIBOR + 1.00%	\$ 649,000,000.00	48.58%	\$ 649,000,000.00	49.27%
	vi	2012-A3 Bonds Senior	61205PAL3	\$ 305,300,000.00	1M LIBOR + 1.05%	\$ 305,300,000.00	22.85%	\$ 305,300,000.00	23.18%
	vii	2012-B Bonds Subordinate	61205PAM1	\$ 19,500,000.00	1M LIBOR + 1.20%	\$ 19,500,000.00	1.46%	\$ 19,500,000.00	1.48%
	viii	Total Bonds Outstanding Senior		\$ 1,298,474,000.00		\$ 1,279,618,000.00	97.19%	\$ 1,279,618,000.00	97.15%
	ix	Total Bonds Outstanding Taxable Subordinate		\$ 37,500,000.00		\$ 37,500,000.00	2.81%	\$ 37,500,000.00	2.85%
	x	Total Bonds Outstanding 1993 Master Indenture - Taxable		\$ 1,335,974,000.00		\$ 1,317,118,000.00			

Indenture Percentage		11/30/2012	12/31/2012	
D	i	Senior Parity	103.92%	104.00%
	ii	Subordinate Parity	101.00%	101.04%

Monthly Trigger Percentage		11/30/2012	12/31/2012	
E	i	Senior Percentage	101.64%	101.77%
	ii	Subordinate Percentage	98.75%	98.85%

Reserve Account		11/30/2012	12/31/2012	
F	i	Required Reserve Acc Deposit (%)	1.00%	1.00%
	ii	Reserve Acct Initial Deposit (\$)	\$ -	\$ -
	iii	Specified Reserve Acct Requirement (\$)	\$ 13,359,740.00	\$ 13,171,180.00
	iv	Reserve Account Floor Balance (\$)	\$ -	\$ -
	v	Current Reserve Balance - (\$)	\$ -	\$ 13,171,180.00
	vi	Draws on Reserve - Current Month(\$)	\$ -	\$ 188,560.00

MHESAC 1993 Master Indenture
II. Trust Balances, Parity Calculations, and Trigger Percentages

Trust Accounts		11/30/2012	12/31/2012
A	i Acquisition Account	\$ 482,883.74	\$ 460,948.86
	ii Administration Account	\$ 1,949,000.00	\$ 1,949,000.00
	iii Bond- Interest, Principal, Retirement Subaccounts	\$ 17,951,697.94	\$ 12,100,304.67
	iv Reserve Account	\$ 13,359,740.00	\$ 13,171,180.00
	v Surplus Subaccount	\$ 2,278,586.72	\$ -
	vii Total Trust Accounts	\$ 36,021,908.40	\$ 27,681,433.53

Parity Calculations		11/30/2012	12/31/2012
B	Value of the Indenture		
	i Portfolio Balance	\$ 1,300,639,104.02	\$ 1,291,211,446.76
	ii Pending System Adjustments	(315.82)	(43,846.30)
	iii Accrued Borrower Interest	15,008,763.23	14,983,710.40
	iv Accrued Subsidized Interest	1,051,086.70	1,627,281.74
	v Less: Unguaranteed Amount Uncollectibles	(591,807.69)	(618,141.57)
	vi Trust Cash and Investments	36,021,908.40	27,681,433.53
	vii Payments in Transit	986,624.92	1,351,323.76
	viii Other Cash and Assets	142,006.29	-
	ix Total Trust Value	\$ 1,353,257,370.05	\$ 1,336,193,208.32
	Less:		
	x Accrued Payables	3,271,076.00	4,874,282.15
	xi Net Asset Value - Indenture Percentage	\$ 1,349,986,294.05	\$ 1,331,318,926.17

Bond Interest Outstanding		11/30/2012	12/31/2012
C	i Senior Interest	\$ 604,962.27	\$ 450,113.49
	ii Subordinate Interest	16,127.60	17,633.75
	iii Total Bond Interest	\$ 621,089.87	\$ 467,747.24

Bonds Outstanding		11/30/2012	12/31/2012
D	i Senior Bonds	\$ 1,298,474,000.00	\$ 1,279,618,000.00
	ii Subordinate Bonds	37,500,000.00	37,500,000.00
	iii Total Bonds	\$ 1,335,974,000.00	\$ 1,317,118,000.00

Distribution Amounts - Following Monthly Payment Date		11/30/2012	12/31/2012
E	i Senior Distribution Amount	\$ 18,856,000.00	\$ 10,869,000.00

Indenture Percentage		11/30/2012	12/31/2012
F	i Senior Parity $B_{xi} / (C_i + D_i)$	103.92%	104.00%
	ii Subordinate Parity $B_{xi} / (C_{iii} + D_{iii})$	101.00%	101.04%

Monthly Trigger Percentage		11/30/2012	12/31/2012
G	i Senior Percentage $B_i / (D_i - E_i)$	101.64%	101.77%
	ii Subordinate Percentage $B_i / (D_{iii} - E_i)$	98.75%	98.85%

Six Month Average Trigger Percentage		Current Distribution		Next Distribution Report	
		Senior	Subordinate	Senior	Subordinate
H	i 1st Month Prior	101.64%	98.75%	101.77%	98.85%
	ii 2nd Month Prior	101.67%	98.79%	101.64%	98.75%
	iii 3rd Month Prior	101.41%	98.57%	101.67%	98.79%
	iv 4th Month Prior	101.28%	98.48%	101.41%	98.57%
	v 5th Month Prior	100.81%	98.05%	101.28%	98.48%
	vii 6th Month Prior	100.93%	98.21%	100.81%	98.05%
	viii Six Month Average Trigger Percentage	101.29%	98.48%	101.43%	98.58%

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	3/20/2013	3M LIBOR	0.12%	0.30900%	0.30900%	0.42900%	0.42900%
	2006-A	612130HP2	3/20/2013	3M LIBOR	0.10%	0.30900%	0.30900%	0.40900%	0.40900%
	2006-C	612130HR8	1/22/2013	1M LIBOR	1.20%	0.21070%	0.20470%	1.41070%	1.40470%
	2012-A1	61205PAJ8	1/22/2013	1M LIBOR	0.60%	0.21070%	0.20470%	0.81070%	0.80470%
	2012-A2	61205PAK5	1/22/2013	1M LIBOR	1.00%	0.21070%	0.20470%	1.21070%	1.20470%
	2012-A3	61205PAL3	1/22/2013	1M LIBOR	1.05%	0.21070%	0.20470%	1.26070%	1.25470%
	2012-B	61205PAM1	1/22/2013	1M LIBOR	1.20%	0.21070%	0.20470%	1.41070%	1.40470%

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	\$ 23,276.52	\$ -	\$ 23,276.52	\$ -	\$ 23,276.52	1.93%
	2012-A1	61205PAJ8	\$ 82,940.37	\$ 82,940.37	\$ -	\$ -	\$ -	6.89%
	2012-A2	61205PAK5	\$ 720,266.69	\$ 720,266.69	\$ -	\$ -	\$ -	59.80%
	2012-A3	61205PAL3	\$ 352,816.89	\$ 352,816.89	\$ -	\$ -	\$ -	29.29%
	2012-B	61205PAM1	\$ 25,216.23	\$ -	\$ 25,216.23	\$ -	\$ 25,216.23	2.09%
	TOTAL	\$ 1,204,516.70	\$ 1,156,023.95	\$ 48,492.75	\$ -	\$ -	\$ 48,492.75	

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	\$26,063,060.00	\$ 188,000.00	\$ 25,875,060.00	\$ 62,256,688.21	\$ 88,131,748.21	100.00%
	2012-A2	61205PAK5	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
	2012-A3	61205PAL3	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
	2012-B	61205PAM1	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
	TOTAL	\$26,063,060.00	\$ 188,000.00	\$ 25,875,060.00	\$ 62,256,688.21	\$ -	\$ 88,131,748.21	

TOTAL PRINCIPAL DISTRIBUTION **\$ 188,000.00**

MHESAC 1993 Master Indenture

IV. MHESAC System Activity from: 12/1/2012 through: 12/31/2012

A	Student Loan Principal Activity		
i	Regular Principal Collections	\$	8,815,455.07
ii	Principal Collections from Guarantor	\$	2,391,673.51
iii	Returned Disbursements	\$	-
iv	Other System Adjustments	\$	(46,699.96)
v	Repurchases of Rehabilitated Loans	\$	(478,390.64)
vi	Additional Disbursements/Purchases	\$	-
vii	Total Principal Collections	\$	<u>10,682,037.98</u>
B	Student Loan Non-Cash Principal Activity		
i	Other Adjustments	\$	9,687.95
ii	Capitalized Interest	\$	(1,264,068.67)
iii	Total Non-Cash Principal Activity	\$	<u>(1,254,380.72)</u>
C	Total Student Loan Principal Activity	\$	<u>9,427,657.26</u>
D	Student Loan Interest Activity		
i	Regular Interest Collections	\$	2,985,563.17
ii	Interest Claims Received from Guarantors	\$	67,257.60
iii	Collection Fees / Returned Items	\$	-
iv	Late Fee Reimbursements	\$	-
v	Interest Reimbursements	\$	-
vi	Other System Adjustments	\$	(17.28)
vii	Accrued Borrower Interest on Purchased Loans	\$	-
viii	Total Interest Collections	\$	<u>3,052,803.49</u>
E	Student Loan Non-Cash Interest Activity		
i	Interest Accrual Adjustments	\$	227,629.13
ii	Capitalized Interest	\$	1,264,068.67
iii	Interest Accrued During Period	\$	(4,519,448.46)
iv	Total Non-Cash Interest Adjustments	\$	<u>(3,027,750.66)</u>
F	Total Student Loan Interest Activity	\$	<u>25,052.83</u>

Trust Activity from: 12/1/2012 through: 12/31/2012

G	Trust Balances less Reserve - Beginning of Period	\$	22,662,168.40
H	Released Funds in Excess of Reserve Requirement	\$	188,560.00
I	Funds Collected During Period		
i	Student Loan Principal Received	\$	11,109,134.34
ii	Student Loan Interest Received	\$	2,782,364.31
iii	Subsidized Interest Received	\$	-
iv	Investment Income on Trust Accounts	\$	2,688.53
J	Funds Remitted During Period		
i	Bond Principal	\$	18,856,000.00
ii	Bond Interest	\$	1,373,917.13
iii	Consolidation Loan Rebate Fees	\$	868,431.58
iv	Management and Servicing Fees	\$	652,422.70
v	Administrative Fees (trustee, listing, etc.)	\$	5,500.00
vi	Special Allowance Rebate	\$	-
vii	Repurchases of Rehabilitated Loans	\$	478,390.64
K	Funds Reserved During Period		
i	Funds Allocated for Accrued Principal 2005-B Bonds	\$	3,788,000.00
ii	Funds Allocated for Accrued Principal 2006-A Bonds	\$	6,893,000.00
iii	Funds Allocated for Accrued Interest 2005-B Bonds	\$	32,469.21
iv	Funds Allocated for Accrued Interest 2006-A Bonds	\$	41,883.99
v	Acquisition Funds for Rehabilitated Loans	\$	460,948.86
vi	Administration Funds	\$	1,949,000.00
L	TOTAL AVAILABLE FUNDS FOR DISTRIBUTION	\$	<u>1,344,951.47</u>

MHESAC 1993 Master Indenture**V. Waterfall for Distributions****Distribution Date:****1/22/2013**

A	Total Available Funds for Distribution(IV-L)	\$	1,344,951.47
B	Interest Distributions		
i	2005-B Bonds	\$	-
ii	2006-A Bonds	\$	-
iii	2006-C Bonds	\$	-
iv	2012-A1 Bonds	\$	82,940.37
v	2012-A2 Bonds	\$	720,266.69
vi	2012-A3 Bonds	\$	352,816.89
vii	2012-B Bonds	\$	-
viii	Total Bondholder's Interest Distributions	\$	1,156,023.95
C	Principal Distributions		
i	2005-B Bonds	\$	-
ii	2006-A Bonds	\$	-
iii	2006-C Bonds	\$	-
iv	2012-A1 Bonds	\$	188,000.00
v	2012-A2 Bonds	\$	-
vi	2012-A3 Bonds	\$	-
vii	2012-B Bonds	\$	-
viii	Total Bondholder's Principal Distribution	\$	188,000.00
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)	\$	927.52

MHESAC 1993 Master Indenture
VI. Historical Pool Information

	09/01/12-09/30/12	10/01/12-10/31/12	11/01/12-11/30/12	12/01/12-12/31/12
Beginning Student Loan Pool Balance	\$ 1,348,466,310.02	\$ 1,336,525,319.73	\$ 1,325,181,864.49	\$ 1,315,647,867.25
Student Loan Principal Activity				
i Regular Principal Collections	\$ 11,977,245.86	\$ 10,712,998.25	\$ 8,586,707.11	\$ 8,815,455.07
ii Principal Collections from Guarantor	\$ 1,303,827.74	\$ 2,445,941.78	\$ 2,633,258.73	\$ 2,391,673.51
iii Returned Disbursements	\$ -	\$ -	\$ -	\$ -
iv Other System Adjustments	\$ (65,219.20)	\$ (124,187.96)	\$ (26,182.27)	\$ (46,699.96)
v Repurchase of Rehabilitated Loans	\$ -	\$ (497,003.63)	\$ (580,112.63)	\$ (478,390.64)
vi Additional Disbursements/Purchases	\$ -	\$ -	\$ -	\$ -
vii Total Principal Collections	\$ 13,215,854.40	\$ 12,537,748.44	\$ 10,613,670.94	\$ 10,682,037.98
Student Loan Non-Cash Principal Activity				
i Other Adjustments	\$ 7,532.89	\$ 18,322.72	\$ 4,504.36	\$ 9,687.95
ii Capitalized Interest	\$ (1,540,266.55)	\$ (1,478,834.82)	\$ (2,023,717.50)	\$ (1,264,068.67)
iii Total Non-Cash Principal Activity	\$ (1,532,733.66)	\$ (1,460,512.10)	\$ (2,019,213.14)	\$ (1,254,380.72)
(-) Total Student Loan Principal Activity	\$ 11,683,120.74	\$ 11,077,236.34	\$ 8,594,457.80	\$ 9,427,657.26
Student Loan Interest Activity				
i Regular Interest Collections	\$ 3,011,867.43	\$ 3,121,567.44	\$ 2,987,366.03	\$ 2,985,563.17
ii Interest Claims Received from Guarantors	\$ 35,048.51	\$ 64,769.82	\$ 100,412.17	\$ 67,257.60
iii Collection Fees / Returned Items	\$ -	\$ -	\$ -	\$ -
iv Late Fee Reimbursements	\$ -	\$ -	\$ -	\$ -
v Interest Reimbursements	\$ -	\$ -	\$ -	\$ -
vi Other System Adjustments	\$ (6.61)	\$ (164.87)	\$ (41.10)	\$ (17.28)
vii Accrued Borrower Interest on Purchased Loans	\$ -	\$ -	\$ -	\$ -
viii Total Interest Repayments	\$ 3,046,909.33	\$ 3,186,172.39	\$ 3,087,737.10	\$ 3,052,803.49
Student Loan Non-Cash Interest Activity				
i Interest Accrual Adjustments	\$ 115,357.70	\$ 153,803.23	\$ 223,898.36	\$ 227,629.13
ii Capitalized Interest	\$ 1,540,266.55	\$ 1,478,834.82	\$ 2,023,694.24	\$ 1,264,068.67
iii Interest Accrued During Period	\$ (4,444,664.03)	\$ (4,552,591.54)	\$ (4,395,790.26)	\$ (4,519,448.46)
iv Total Non-Cash Interest Adjustments	\$ (2,789,039.78)	\$ (2,919,953.49)	\$ (2,148,197.66)	\$ (3,027,750.66)
(-) Total Student Loan Interest Activity	\$ 257,869.55	\$ 266,218.90	\$ 939,539.44	\$ 25,052.83
(=) TOTAL STUDENT LOAN POOL	\$ 1,336,525,319.73	\$ 1,325,181,864.49	\$ 1,315,647,867.25	\$ 1,306,195,157.16
(+) Pending Portfolio Adjustments	\$ (17,979.59)	\$ (181,828.20)	\$ (315.82)	\$ (43,846.30)
(+) Trust Cash Available	\$ 16,982,675.54	\$ 28,625,568.30	\$ 22,662,168.40	\$ 14,510,253.53
(+) Reserve Account Balance	\$ 13,526,010.00	\$ 13,500,920.00	\$ 13,359,740.00	\$ 13,171,180.00
(=) TOTAL ADJUSTED POOL	\$ 1,367,016,025.68	\$ 1,367,126,524.59	\$ 1,351,669,459.83	\$ 1,333,832,744.39

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

STATUS	Weighted Avg Coupon		# of Loans		%		Principal Amount		%	
	11/30/2012	12/31/2012	11/30/2012	12/31/2012	11/30/2012	12/31/2012	11/30/2012	12/31/2012	11/30/2012	12/31/2012
INTERIM:										
In School	6.27%	6.26%	5,772	5,464	3.6%	3.4%	\$ 18,670,370	\$ 17,632,790	1.4%	1.4%
Grace	6.25%	6.31%	688	824	0.4%	0.5%	\$ 2,341,083	\$ 2,851,895	0.2%	0.2%
TOTAL INTERIM	6.27%	6.27%	6,460	6,288	4.0%	3.9%	\$ 21,011,453	\$ 20,484,685	1.6%	1.6%
REPAYMENT										
Active	4.33%	4.33%	121,448	120,015	75.0%	74.8%	\$ 1,058,270,240	\$ 1,052,446,082	81.4%	81.5%
Current	4.21%	4.21%	104,613	102,533	64.6%	63.9%	\$ 941,359,977	\$ 931,623,746	72.4%	72.2%
31-60 Days Delinquent	5.01%	5.07%	4,941	5,240	3.1%	3.3%	\$ 36,168,084	\$ 36,279,878	2.8%	2.8%
61-90 Days Delinquent	4.94%	5.04%	2,794	3,150	1.7%	2.0%	\$ 20,845,043	\$ 21,205,536	1.6%	1.6%
91-120 Days Delinquent	5.07%	4.93%	1,861	2,177	1.1%	1.4%	\$ 13,650,296	\$ 16,503,293	1.0%	1.3%
> 120 Days Delinquent	5.12%	5.10%	7,239	6,915	4.5%	4.3%	\$ 46,246,840	\$ 46,833,629	3.6%	3.6%
Deferment	4.97%	4.96%	24,933	24,521	15.4%	15.3%	\$ 149,566,045	\$ 145,831,024	11.5%	11.3%
Forbearance	5.02%	5.01%	6,252	6,839	3.9%	4.3%	\$ 53,450,840	\$ 55,258,889	4.1%	4.3%
TOTAL REPAYMENT	4.42%	4.42%	152,633	151,375	94.3%	94.3%	\$ 1,261,287,125	\$ 1,253,535,995	97.0%	97.1%
Claims in Process	5.10%	5.11%	2,821	2,856	1.7%	1.8%	\$ 18,340,526	\$ 17,190,767	1.4%	1.3%
Aged Claims Rejected	0.00%	0.00%	0	0	0.0%	0.0%	\$ -	\$ -	0.0%	0.0%
GRAND TOTAL	4.46%	4.45%	161,914	160,519	100%	100%	\$ 1,300,639,104	\$ 1,291,211,447	100%	100%

VIII. MHESAC Cumulative Net Reject Rate	
	12/31/2012
Cumulative Claims submitted (# of loans)	41,862
Cumulative Claims rejected (# of loans)	81
Cumulative Reject Rate	0.19%

VIV. MHESAC Payment History and CPRs		
Distribution Date	Actual Pool Balances	Since Issued CPR *
09/30/12	\$ 1,320,310,798	1.51%
10/31/12	\$ 1,309,233,562	1.55%
11/30/12	\$ 1,300,639,104	1.57%
12/31/12	\$ 1,291,211,447	1.59%

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