

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

Student Portfolio Characteristics		5/31/2005	Activity	8/31/2005
A	i Portfolio Balance	\$ 305,424,703.47	\$ (8,731,846.94)	\$ 296,692,856.53
	ii Interest to be Capitalized	\$ 1,316,180.91	\$ 193,600.78	\$ 1,509,781.69
	iii Total Pool	<u>\$ 306,740,884.38</u>		<u>\$ 298,202,638.22</u>
	iv Specified Reserve Account Balance	\$ -		\$ -
	v Total Adjusted Pool	<u>\$ 306,740,884.38</u>		<u>\$ 298,202,638.22</u>
B	i Weighted Average Coupon (WAC)	3.790%		3.980%
	ii Weighted Average Remaining Term	268.5		268.1
	iii Number of Loans	22,209		21,246
	iv Number of Borrowers	11,176		10,731
	v Outstanding Principal Balance - T-Bill	\$ 5,443,456.87		\$ 4,920,884.80
	vi Outstanding Principal Balance - Comercial Paper	\$ 299,981,246.60		\$ 291,771,971.73

	Notes	CUSIP	Spread	Balance	Pool Factor	Balance	Pool Factor
				5/31/2005	5/31/2005	8/31/2005	8/31/2005
C	i	2000-C Notes 612130GV0	ARS	\$ 11,200,000.00	3.53%	\$ 11,200,000.00	3.53%
	ii	2001-C Notes 612130GY4	ARS	\$ 29,500,000.00	9.31%	\$ 29,500,000.00	9.31%
	iii	2002-D Notes 612130HB3	ARS	\$ 10,300,000.00	3.25%	\$ 10,300,000.00	3.25%
	iv	2003-C Notes 612130HG2	ARS	\$ 13,300,000.00	4.20%	\$ 13,300,000.00	4.20%
	v	2005-A Notes 61205PAF6	0.040%	\$ 133,508,000.00	42.12%	\$ 133,508,000.00	42.12%
	vi	2005-B Notes 61205PAG4	0.120%	\$ 119,140,000.00	37.59%	\$ 119,140,000.00	37.59%

Reserve Account		5/31/2005	8/31/2005
D	i Required Reserve Acc Deposit (%)	0.00%	0.00%
	ii Reserve Acct Initial Deposit (\$)	0	0
	iii Specified Reserve Acct Balance (\$)	\$ -	\$ -
	iv Reserve Account Floor Balance (\$)	\$ -	\$ -
	v Current Reserve Acct Balance (\$)	\$ -	\$ -

Capitalized Interest Account		5/31/2005	8/31/2005
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	\$ 1,472,742.44	\$ 1,472,742.44	\$ -	\$ -	\$ -	\$ -	52.26%	3.394%	3.93000%
2005-B	61205PAG4	\$ 1,345,223.74	\$ 1,345,223.74	\$ -	\$ -	\$ -	\$ -	47.74%	3.474%	4.01000%
TOTAL		\$ 2,817,966.17	\$ 2,817,966.17	\$ -	\$ -	\$ -	\$ -			

CUR LIBOR	3.354%
NEXT LIBOR	3.890%

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	\$ 10,169,000.00	\$ 10,169,000.00	\$ -	\$ -	\$ -	\$ -	100.00%
2005-B	61205PAF6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
TOTAL		\$ 10,169,000.00	\$ 10,169,000.00	\$ -	\$ -	\$ -	\$ -	

III. MHESAC		Transactions from:	6/1/2005	through:	8/31/2005
A	Student Loan Principal Activity				
i	Regular Principal Collections	\$	8,056,297.82		
ii	Principal Collections from Guarantor	\$	248,627.56		
iii	Returned Disbursements	\$	1,053,194.99		
iv	Other System Adjustments	\$	-		
v	Additional Disbursements	\$	(218,329.50)		
vi	Total Principal Collections	\$	9,139,790.87		
B	Student Loan Non-Cash Principal Activity				
i	Other Adjustments	\$	(3,978.20)		
ii	Capitalized Interest	\$	(403,965.73)		
iii	Total Non-Cash Principal Activity	\$	(407,943.93)		
C	Total Student Loan Principal Activity	\$	8,731,846.94		
D	Student Loan Interest Activity				
i	Regular Interest Collections	\$	2,140,313.19		
ii	Interest Claims Received from Guarantors	\$	8,737.79		
iii	Collection Fees / Returned Items	\$	-		
iv	Late Fee Reimbursements	\$	-		
v	Interest Reimbursements	\$	-		
vi	Other System Adjustments	\$	2.92		
vii	Special Allowance Payments	\$	697,691.54		
viii	Subsidy Payments	\$	97,562.60		
ix	Total Interest Collections	\$	2,944,308.04		
E	Student Loan Non-Cash Interest Activity				
i	Interest Accrual Adjustments	\$	32,796.29		
ii	Capitalized Interest	\$	404,150.40		
iii	Total Non-Cash Interest Adjustments	\$	436,946.69		
G	Total Student Loan Interest Activity	\$	3,381,254.73		
H	Non-Reimbursable Losses During Collection Period	\$	-		
I	Cumulative Non-Reimbursable Losses to Date	\$	-		

IV. MHESAC Repayment Account Activity:		6/1/2005	through:	8/31/2005
A	Principal Repayment			
i	Principal Payments Received	\$		8,540,006.57
ii	Returned Disbursements	\$		1,232,226.29
iii	Borrower Benefits Reimbursements	\$		-
iv	Reimbursements by Servicer	\$		-
v	Additional Disbursements	\$		(218,329.50)
vi	Total Principal Repayments	\$		9,553,903.36
B	Interest Repayment			
i	Interest Payments Received	\$		3,049,836.64
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	\$		3,049,836.64
C	Other Reimbursements	\$		-
D	Reserves in Excess of Reserve Requirement	\$		-
F	Trust Account Investment Income	\$		82,938.40
G	Administrator Account Investment Income	\$		-
	TOTAL FUNDS RECEIVED	\$		12,686,678.40
	LESS FUNDS REMITTED/SET ASIDE:			
i	Consolidation Loan Rebate Fees	\$		(711,581.12)
ii	Management and Servicing Fees	\$		(1,862,557.09)
iii	Administrative Fees (trustee, listing, broker, lender/orig, etc)	\$		(681,149.46)
ii	Funds Allocated to the Future Distribution Account	\$		-
iii	Funds Released from the Future Distribution Account	\$		-
	PLUS FUNDS AVAILABLE IN PRIOR TAXABLE BONDS AT 05/31/05	\$		3,868,062.05
	PLUS FUNDS ALLOCATED FROM REMAINING ACQUISITION FUNDS	\$		450,142.22
H	TOTAL AVAILABLE FUNDS	\$		13,749,595.00
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)	\$	13,749,595.00
B	Management and Servicing Fees Due	\$	-
C	Administration Fees Due	\$	-
D	Interest Distributions and accruals		
i	2000-C Notes distributed or accrued 6/1 - 8/31/05	\$	146,433.28
ii	2001-C Notes distributed or accrued 6/1 - 8/31/05	\$	373,694.20
iii	2002-D Notes distributed or accrued 6/1 - 8/31/05	\$	104,505.87
iv	2003-C Notes distributed or accrued 6/1 - 8/31/05	\$	137,995.48
v	2005-A Notes to be distributed 9/20/05	\$	1,472,742.44
vi	2005-B Notes to be distributed 9/20/05	\$	1,345,223.74
xi	Total Interest Distributions	\$	3,580,595.00
E	Principal Distribution Amount Paid		
i	2000-C Notes to be distributed 9/20/05	\$	-
ii	2001-C Notes to be distributed 9/20/05	\$	-
iii	2002-D Notes to be distributed 9/20/05	\$	-
iv	2003-C Notes to be distributed 9/20/05	\$	-
v	2005-A Notes to be distributed 9/20/05	\$	10,169,000.00
vi	2005-B Notes to be distributed 9/20/05	\$	-
xi	Total Noteholder's Principal Distribution	\$	10,169,000.00
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	\$	-
xi	Total Noteholder's Interest Carryover	\$	-
H	Noteholder's Principal Carryover		
v	2005-A Notes	\$	-
vi	2005-B Notes	\$	-
xi	Total Noteholder's Principal Carryover	\$	-
I	Excess Distribution	\$	(0.00)

	06/01/05 - 8/31/05	9/1/05 - 11/30/05	12/1/05 - 2/29/06	3/1/06 - 5/31/06
Beginning Student Loan Portfolio Balance	\$ 305,424,703.47			
Student Loan Principal Activity				
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ii Principal Collections from Guarantor	\$ 248,627.56			
iii Returned Disbursements	\$ 1,053,194.99			
iv Other System Adjustments	\$ -			
v Additional Disbursements	\$ (218,329.50)			
vi Total Principal Collections	\$ 9,139,790.87			
Student Loan Non-Cash Principal Activity				
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ii Capitalized Interest	\$ (403,965.73)			
iii Total Non-Cash Principal Activity	\$ (407,943.93)			
(-) Total Student Loan Principal Activity	\$ 8,731,846.94	\$ -	\$ -	\$ -
Student Loan Interest Activity				
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iii Collection Fees / Returned Items	\$ -			
iv Late Fee Reimbursements	\$ -			
v Interest Reimbursements	\$ -			
vi Other System Adjustments	\$ 2.92			
vii Special Allowance Payments	\$ 697,691.54			
viii Subsidy Payments	\$ 97,562.60			
ix Total Interest Repayments	\$ 2,944,308.04			
Student Loan Non-Cash Interest Activity				
i Interest Accrual Adjustments	\$ 32,796.29			
ii Capitalized Interest	\$ 404,150.40			
iii Total Non-Cash Interest Adjustments	\$ 436,946.69			
Total Student Loan Interest Activity	\$ 3,381,254.73			
(=) Ending Student Loan Portfolio Balance	\$ 300,074,111.26			
(+) Interest to be Capitalized	\$ 1,509,781.69			
(=) TOTAL POOL	\$ 298,202,638.22	\$ -	\$ -	\$ -
(+) Reserve Account Balance	\$ -			
(=) Total Adjusted Pool	\$ 298,202,638.22	\$ -	\$ -	\$ -

VII. MHESAC Portfolio Characteristics

STATUS	Weighted Avg Coupon		# of Loans		%		Principal Amount		%	
	5/31/2005	8/31/2005	5/31/2005	8/31/2005	5/31/2005	8/31/2005	5/31/2005	8/31/2005	5/31/2005	8/31/2005
INTERIM:										
In School	2.80%	4.73%	746	515	3.4%	2.4%	\$ 2,307,515	\$ 1,571,492	0.8%	0.5%
Current										
Grace	2.78%	4.73%	347	284	1.6%	1.3%	\$ 881,358	\$ 811,796	0.3%	0.3%
Current										
TOTAL INTERIM	2.79%	4.73%	1,093	799	4.9%	3.8%	\$ 3,188,873	\$ 2,383,288	1.0%	0.8%
REPAYMENT										
Active	3.80%	3.94%	17,418	16,519	78.4%	77.8%	\$ 255,323,104	\$ 239,180,631	83.6%	80.6%
Current	3.78%	3.91%	15,541	14,511	70.0%	68.3%	\$ 237,449,206	\$ 218,600,570	77.7%	73.7%
31-60 Days Delinquent	3.96%	4.25%	792	324	3.6%	1.5%	\$ 10,849,650	\$ 5,699,492	3.6%	1.9%
61-90 Days Delinquent	4.02%	4.32%	339	519	1.5%	2.4%	\$ 2,375,627	\$ 5,540,096	0.8%	1.9%
91-120 Days Delinquent	4.02%	4.19%	227	580	1.0%	2.7%	\$ 1,943,401	\$ 3,886,113	0.6%	1.3%
> 120 Days Delinquent	3.98%	4.43%	434	581	2.0%	2.7%	\$ 2,705,220	\$ 5,454,360	0.9%	1.8%
Deferment										
Current	3.71%	3.89%	2,202	2,585	9.9%	12.2%	\$ 29,817,420	\$ 40,505,351	9.8%	13.7%
Forbearance										
Current	4.00%	4.68%	1,492	1,219	6.7%	5.7%	\$ 16,789,389	\$ 13,893,953	5.5%	4.7%
TOTAL REPAYMENT	3.81%	3.97%	21,027	20,319	94.7%	95.7%	\$ 301,929,913	\$ 293,579,935	98.9%	99.0%
Claims in Process			85	124	0.4%	0.6%	\$ 305,917	\$ 729,634	0.1%	0.2%
Aged Claims Rejected			0	0	0.0%	0.0%	\$ -	\$ -	0.0%	0.0%
GRAND TOTAL	3.79%	3.98%	22,205	21,242	100%	100%	\$ 305,424,703	\$ 296,692,857	100%	100%

VIII. MHESAC Payment History and CPRs

Distribution Date	Actual Pool Balances	Since Issued CPR *
09/20/05	\$ 296,692,857	8.30%
12/20/05		
03/20/06		
06/20/06		

* "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