May 26, 2023

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The attached notice (the "Notice") is being provided by Computershare Trust Company, N.A., as agent for or successor to Wells Fargo Bank, N.A., as trustee (the "Trustee"), at the direction of Montana Higher Education Student Assistance Corporation. Please be advised that the Trustee:

- Makes no representations or warranties as to the information contained in the Notice.

- Makes no recommendations or gives any investment, accounting, financial, legal or tax advice regarding any matters related to this Notice.

Computershare Trust Company, N.A., as agent for
or successor to Wells Fargo Bank, N.A., as Note Administrator

Enclosure

MONTANA HIGHER EDUCATION STUDENT ASSISTANCE CORPORATION

EVENT NOTICE

MODIFICATION TO THE RIGHTS OF SECURITY HOLDERS

May 26, 2023

Montana Higher Education Student Assistance Corporation ("MHESAC") has previously issued its Student Loan Revenue Bonds, Subordinate Series 2006-C (Taxable) (the "Series 2006-C Bonds"), Student Loan Revenue Bonds, Senior Series 2012-A3 (the "Series 2012-A3 Bonds"), and Student Loan Revenue Bonds, Subordinate Series 2012-B (the "Series 2012-B Bonds" and together with the Series 2006-C Bonds and the Series 2012-A3 Bonds, the "Bonds") pursuant to an Indenture of Trust, dated as of August 1, 1993 (as supplemented and amended from time to time, the "Indenture"), between MHESAC and Wells Fargo Bank, National Association, as trustee (the "Trustee"). Capitalized terms used herein but not otherwise defined shall have the respective meanings given such terms in the Indenture.

The Bonds bear interest at One-Month LIBOR plus an applicable spread. U.S. dollar LIBOR is scheduled to be phased out by June 30, 2023 (the "LIBOR replacement date"). The Indenture does not include provisions that contemplate the possibility of a permanent discontinuation of LIBOR and does not specify a method for transitioning interest on the Bonds to an alternative benchmark rate.

On March 15, 2022, President Biden signed the Adjustable Interest Rate (LIBOR) Act into law (the "LIBOR Act"), which contains a framework for addressing the discontinuation of LIBOR under U.S. federal law. The LIBOR Act provides a statutory mechanism to automatically replace LIBOR with a benchmark rate based on the Secured Overnight Financing Rate ("SOFR"), as published by the Federal Reserve Bank of New York, for financial contracts that reference LIBOR and contain no fallback provision or contain a fallback provision that does not provide for the use of a clearly defined or practicable replacement benchmark rate. On December 16, 2022, the Federal Reserve Board adopted a final rule (the "Final Rule") that implements the LIBOR Act by, among other things, identifying benchmark rates based on SOFR that will replace LIBOR in certain financial contracts after the LIBOR replacement date.

Pursuant to the LIBOR Act and the Final Rule, any reference in any fallback provision of a financial contract to the following shall be disregarded as if not included in the fallback provisions of such financial contract and shall be deemed null and void and without any force or effect:

(i) A benchmark replacement that is based in any way on any LIBOR value, except to account for the difference between LIBOR and the benchmark replacement; or

(ii) A requirement that a person (other than a benchmark administrator) conduct a poll, survey, or inquiries for quotes or information concerning interbank lending or deposit rates (including, but not limited to, Eurodollar deposit or lending rates).

As a result, the benchmark replacement language in the Indenture with respect to the Bonds is deemed null and void. Pursuant to the Final Rule, if more than 50% of the collateral pool for the Bonds consists of Federal Family Education Loan Program ("FFELP") loans as reported in the most recent servicer report available on the LIBOR replacement date, then the Bonds will constitute FFELP asset-backed securities ("ABS"), and therefore, pursuant to the Final Rule, the LIBOR benchmark with respect to the Bonds will be automatically replaced with 30-day Average SOFR, adjusted daily by adding a 0.11448% tenor spread adjustment. As reported in MHESAC's April 30, 2023 servicer report (published May 22, 2023), more than 50% of the collateral for the Bonds constitutes FFELP loans. Provided that MHESAC's May 31, 2023 servicer report (to be published on or about June 20, 2023 and which will be the last servicer report available on the LIBOR replacement date) shows that more than 50% of the collateral for the Bonds continues to constitute FFELP loans, the Bonds will constitute FFELP ABS under the Final Rule and the LIBOR benchmark with respect to the Bonds will be automatically replaced with 30-day Average SOFR, adjusted daily by adding a 0.11448% tenor spread adjustment. MHESAC does not anticipate any changes to the collateral for its Bonds, however, if there are any changes that would result in the Bonds not qualifying as FFELP ABS, MHESAC will provide a further notice to bondholders prior to the LIBOR replacement date.

The LIBOR Act also amends Section 438(b)(2)(I) of the Higher Education Act of 1965. This provision requires FFELP lenders or an entity that holds a beneficial ownership interest in a FFELP loan to transition away from LIBOR based Special Allowance Payments (SAP) to the new formula set by the law based on SOFR. The transition may occur any time up to the LIBOR replacement date and is a condition of continued participation in FFELP. MHESAC will substitute the current SAP rate-setting mechanism for FFELP Program loans from one-month LIBOR to the 30-day average SOFR in effect for each of the days in an applicable quarter, adjusted daily by adding a tenor spread adjustment. Transition of the SAP rate-setting mechanism from LIBOR to SOFR is expected to occur July 1, 2023.

The transition away from LIBOR may impact MHESAC's existing transaction data, systems, operations, pricing, and risk management processes, and require significant efforts to transition to or develop appropriate systems and analytics to reflect the new benchmark rate environment. There can be no assurance that such efforts will successfully mitigate the financial and operational risks associated with the transition away from LIBOR. Accordingly, MHESAC's transition away from LIBOR could have a material adverse impact on its business, financial condition, or results of operations.