

Event Notice Pursuant to SEC Rule 15c2-12(b)(5)(C)

Issuer/Obligated Person: Mississippi Higher Education Assistance Corporation

Issues to which this Report relates:

<u>Cusip</u>	<u>Series</u>
605-354-EQ8	Subordinate Series 2004-B1
605-354-FF1	Subordinate Series 2007-B1

Events Reported: Ratings Downgrade by Moody's Investors Service

On or about December 5, 2008, Moody's Investors Service ("Moody's") downgraded its ratings on the Subordinate obligations identified above from "A2" to "Caa1." A copy of Moody's press release with respect to the downgrade is attached.

The information contained in this Event Notice has been submitted by Mississippi Higher Education Assistance Corporation ("MHEAC") to report certain events with respect to the Auction Securities. Nothing contained in this Event Notice is, or should be construed as, a representation by MHEAC that the information included in this Event Notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any of the Securities, or any other securities of MHEAC. General information concerning MHEAC is available at www.esfweb.com/mheac.html.

Date submitted: December 8, 2008

Rating Action: Mississippi Higher Education Assistance Corporation (2004 Indenture)

Moody's downgrades Mississippi Higher Education student loan notes

Approximately \$109 million of asset-backed securities affected

New York, December 05, 2008 -- Moody's Investors Service has downgraded nine tranches from two Mississippi Higher Education Assistance Corporation indentures. The ratings on all nine tranches were placed on review for possible downgrade on August 27th, 2008 and the actions concluded the review.

The ratings on the notes were assigned by evaluating factors determined to be applicable to the credit profile of the notes, such as i) the nature, sufficiency, and quality of historical performance information regarding the asset class as well as for the transaction sponsor, ii) an analysis of the collateral being securitized, iii) an analysis of the transaction's allocation of collateral cashflow and capital structure, and (iv) a comparison of these attributes against those of other similar transactions.

The actions are prompted by the increase in funding cost due to the prolonged and continuing dislocations in the Student Loan Auction Rate Securities (SLARS) market. As most student loan collateral is indexed to the Financial Commercial Paper, LIBOR, or Prime rates, trusts that have issued SLARS have suffered excess spread compression as the yield on the assets has not increased in tandem with the cost of the liabilities. In most structures, excess spread is a primary source of credit enhancement.

As the auction rate market remains under stress and auctions continue to fail, the ability of the trusts that have issued SLARS to accumulate credit enhancement has been negatively impacted.

Both the 1999 and 2004 indentures are primarily funded by auction rate notes. As of September 30, 2008, at the subordinate note level the 1999 trust was undercollateralized by 0.4% and the 2004 trust by 3.4% (i.e. total parity, or the ratio of total assets to total liabilities was 99.6% for the 1999 trust and 96.6% for the 2004 trust). Undercollateralization represented 34% of the outstanding balance of the subordinate notes of the 2004 trust. At the failed auction, Mississippi Higher Education Assistance Corporation (1999 Indenture) is expected to generate zero to slightly negative excess spread. On the other hand, Mississippi Higher Education Assistance Corporation (2004 Indenture) is expected to generate minimally positive excess spread. Absent a restructuring of the trust, it's unlikely that the subordinate notes from the 2004 trust will be fully paid off at the legal maturity.

Other methodologies and factors that may have been considered in the process of rating this issue can also be found at www.moody's.com in the Credit Policy & Methodologies directory.

The complete rating actions are as follows:

Issuer: Mississippi Higher Education Assistance Corporation (1999 Indenture)

Student Loan Revenue Bonds, Subordinate Series 1999B-1, Downgraded to B3 from A2; previously on 8/27/2008 Placed under Review for Possible Downgrade;

Student Loan Asset-Backed Notes, Subordinate Series 2000-B-1, Downgraded to B3 from A2; previously on 8/27/2008 Placed under Review for Possible Downgrade;

Student Loan Revenue Bonds, Subordinate Series 2000-B-2, Downgraded to B3 from A2; previously on 8/27/2008 Placed under Review for Possible Downgrade;

Student Loan Revenue Bonds, Subordinate Series 2000-B-3, Downgraded to B3 from A2; previously on 8/27/2008 Placed under Review for Possible Downgrade;

Student Loan Asset-Backed Notes, Subordinate Series 2003-B-1, Downgraded to B3 from A2; previously on 8/27/2008 Placed under Review for Possible Downgrade;

Student Loan Revenue Bonds, Subordinate Series 2005-B1, Downgraded to B3 from A2; previously on 8/27/2008 Placed under Review for Possible Downgrade;

Student Loan Revenue Bonds, Subordinate Series 2006-B1, Downgraded to B3 from A2; previously on 8/27/2008 Placed under Review for Possible Downgrade.

Issuer: Mississippi Higher Education Assistance Corporation (2004 Indenture)

Student Loan Revenue Bonds, Subordinate Series 2004-B-1, Downgraded to Caa1 from A2; previously on 8/27/2008 Placed under Review for Possible Downgrade;

Student Loan Revenue Bonds, Subordinate Series 2007-B-1, Downgraded to Caa1 from A2; previously on 8/27/2008 Placed under Review for Possible Downgrade.

For more information please see [www. Moodys.com](http://www.Moodys.com)

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