

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-EP0	Senior Series 2004-A1
605-354-FD6	Senior Series 2007-A1
605-354-FE4	Senior Series 2007-A2

Events Reported: Ratings Downgrade by Moody's Investors Service

On or about September 4, 2012, Moody's Investors Service ("Moody's") downgraded its ratings on the Obligations identified above (the "Obligations") from "Aaa" to "A2".

A copy of Moody's press release with respect to the downgrade is attached. Such press release is a statement by Moody's and is being provided for informational purposes only. Providing a copy of such press release should not be interpreted as evidencing that Mississippi Higher Education Assistance Corporation ("MHEAC") agrees with or endorses the information and analysis set forth therein.

The information contained in this Event Notice has been submitted by MHEAC to report certain events with respect to the Obligations. 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 Obligations, or any other securities of MHEAC. General information concerning MHEAC is available at www.esfweb.com/mheac.html.

Date submitted: September 5, 2012

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's downgrades ratings of three senior classes of bonds issued by Mississippi Higher Education Assistance Corporation

Global Credit Research - 04 Sep 2012

Approximately \$93.9 million of asset-backed securities affected

New York, September 04, 2012 – Moody's Investors Service downgraded three classes of bonds issued by Mississippi Higher Education Assistance Corporation ("the Corporation") under a master Indenture established as of June 30, 2004. The underlying collateral consists of student loans originated under the Federal Family Education Loan Program (FFELP), which are guaranteed by the U.S. government for a minimum of 97% of defaulted principal and accrued interest.

RATINGS RATIONALE

The downgrades are a result of increased defaults in the FFELP student loan collateral pools and the consequent increase in Moody's default cash flow assumptions. In addition, in order to align cash flow scenarios used in monitoring FFELP securitizations and in initial rating assignments Moody's introduced a high interest rate scenario. Moody's principal methodology "Moody's Approach to Rating Securities Backed by FFELP Student Loans" published on 2 April, 2012 reflects the increase in defaults and adds a 9% interest rate scenario to cash flows Moody's uses in monitoring Aaa-rated tranches of FFELP student loan securities. In this transaction the interest rates on the outstanding tax-exempt senior bonds are calculated as a product of 175% and an interest rate index. Therefore, under high interest cash flow scenarios the coupon rate increased significantly, leading to negative excess spread for the transaction.

The notes were originally placed under review for downgrade on 16 February 2012 due to an input error that occurred during the rating action on 5 December, 2008. Upon a downgrade of the bonds below Baa3 the coupon rate on the bonds should increase, from the product of an index and 175%, to the product of an index and 265%, subject to a cap of 14%. Although on 5 December 2008 we downgraded the subordinated bonds below Baa3, we continued using 175% instead of 265%. However, on 27 June, 2012, the Corporation paid off all outstanding subordinate bonds, and the senior bonds are rated higher than Baa3. Therefore, no correction to the approach used on 5 December 2008 is necessary.

The principal methodology used in this rating was "Moody's Approach to Rating Securities Backed by FFELP Student Loans", published in April 2012. Please see the Credit Policy page on www.moody.com for a copy of this methodology.

The performance expectations for a given variable indicate Moody's forward-looking view of the likely range of performance over the medium term. From time to time, Moody's may, if warranted, change these expectations. Performance that falls outside the given range may indicate that the collateral's credit quality is stronger or weaker than Moody's had anticipated when the related securities ratings were issued. Even so, a deviation from the expected range will not necessarily result in a rating action nor does performance within expectations preclude such actions. The decision to take (or not take) a rating action is dependent on an assessment of a range of factors including, but not exclusively, the performance metrics.

The ratings of the notes would remain unchanged at A2 (sf) if the spread between the 3 month LIBOR index on the liability side and the 1 month LIBOR on the assets side is 10bps lower or 10bps higher.

To assess rating implications of the higher expected losses, each individual transaction was run through a variety of stress scenarios using the Structured Finance Workstation® (SFW), a cash flow model developed by Moody's Wall Street Analytics

The complete rating actions are as follows:

Issuer: Mississippi Higher Education Assistance Corporation (2004 Indenture)

2004-A-1, Downgraded to A2 (sf); previously on Feb 16, 2012 Aaa (sf) Placed Under Review for Possible Downgrade

2007-A-1, Downgraded to A2 (sf); previously on Feb 16, 2012 Aaa (sf) Placed Under Review for Possible Downgrade

2007-A-2, Downgraded to A2 (sf); previously on Feb 16, 2012 Aaa (sf) Placed Under Review for Possible Downgrade

REGULATORY DISCLOSURES

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For ratings issued on a program, series or category/class of debt, this announcement provides relevant regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides relevant regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides relevant regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com

Information sources used to prepare the rating are the following: parties involved in the ratings, public information, confidential and proprietary Moody's Investors Service information, and confidential and proprietary Moody's Analytics information.

Moody's did not receive or take into account a third-party assessment on the due diligence performed regarding the underlying assets or financial instruments related to the monitoring of this transaction in the past six months.

Moody's considers the quality of information available on the rated entity, obligation or credit satisfactory for the purposes of issuing a rating.

Moody's adopts all necessary measures so that the information it uses in assigning a rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

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Please see ratings tab on the issuer/entity page on www.moodys.com for the last rating action and the rating history.

The date on which some ratings were first released goes back to a time before Moody's ratings were fully digitized

and accurate data may not be available. Consequently, Moody's provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website www.moodys.com for further information.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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