



Higher Education Loan Authority of the State of Missouri ("MOHELA")

---

# Investor Presentation

January 2012

## Legal Statements

### THE INFORMATION CONTAINED IN THIS PRESENTATION IS FOR DISCUSSION PURPOSES ONLY.

No securities are being offered hereby. This information is not an offer to sell or a solicitation of an offer to buy these securities in any state where such offer, solicitation or sale is not permitted.

The following information may contain general, summary discussions of certain tax, regulatory, accounting and/or legal issues relevant to various transactions. Any such discussion is necessarily generic and may not be applicable to or complete for any particular recipient's specific facts and circumstances. MOHELA is not offering and does not purport to offer tax, regulatory, accounting or legal advice and this information should not and cannot be relied upon as such. Prior to entering into any transaction, recipients should determine, in consultation with their own legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction.

These materials contain forward-looking statements, such as projections or other estimates, including estimates of returns or performance, and are based upon certain assumptions and are preliminary in nature. Actual results are difficult to predict and may depend upon events outside MOHELA's control. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events which were not taken into account may occur and may significantly affect the analysis. Certain assumptions may have been made for modeling purposes only to simplify the presentation and/or calculation of any projections or estimates, and MOHELA does not purport that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not be materially different than those estimated herein. Any such estimated returns and projections should be viewed as hypothetical. Recipients should conduct their own analysis, using such assumptions as they deem appropriate, and should fully consider other available information in making a decision regarding these transactions. Past performance is not necessarily indicative of future results. Price and availability are subject to change without notice. MOHELA undertakes no obligation to revise these forward-looking statements to reflect subsequent events or circumstances, and MOHELA do not undertake or have any responsibility to notify you of any changes to the attached information.

The offer or sale of securities or transactions may be restricted by law. Additionally, transfers of any such securities or instruments may be limited by law or the terms thereof. Unless noted herein, MOHELA has neither taken nor will take any action in any jurisdiction that would permit a public offering of the securities, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for such purpose is required. Recipients are required to inform themselves of and comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any transaction. MOHELA does not undertake or have any responsibility to notify you of any changes to the attached information. MOHELA works with investment banks that may have positions in, and may effect transactions in, securities and instruments of MOHELA and may also perform or seek to perform investment banking services for MOHELA. Additional information is available upon request.

By accessing or using these materials, each viewer shall be deemed to have agreed not to copy, download, record, print reproduce or distribute or retransmit the materials in any way, in whole or in part, to any other person. If hard copies of these materials are provided, they must be returned to the presenters immediately after completion of the presentation.

## Highlights

- **MOHELA has consistently been a presence in the student loan industry since 1981**
  - A committed holder of student loans with \$3.9 billion of student loans owned <sup>(1)</sup>
  - Experienced management team with extensive student loan experience
- **Experienced and capable servicer and back-up servicer**
  - MOHELA servicers nearly 98% of the portfolio, with the Pennsylvania Higher Education Assistance Agency (“PHEAA”) servicing less than 2% of the portfolio and acting as back-up servicer with respect to the student loans serviced by MOHELA while a backup servicer is required by the Indenture
  - Great Lakes services less than 1% of the portfolio
- **First Federal Not-For-Profit Servicer**
  - MOHELA was the first not-for-profit (NFP) to sign a federal direct loan servicing contract under the SAFRA Act on September 27, 2011
  - MOHELA was the first NFP to receive loan volume on October 20, 2011
  - MOHELA is currently servicing over 230,000 borrower accounts for the US Department of Education (USDE)
  - MOHELA currently has four signature only subcontractor NFP’s approved by the USDE and an additional three team members pending USDE approval
  - MOHELA expects it’s team will be servicing 800,000 to 1 million borrower accounts for USDE in the next 6 to 12 months

Notes

1. As of December 31, 2011



# Financial Summary

Period Ended December 31, 2011  
 Unaudited, Non GAAP, Non GASB

**Straight A Conduit**

Assets: \$230,928,881  
 Loans: \$215,794,794  
 Line of Credit:  
 \$216,511,994  
 Unamortized COI: \$302,599  
 YTD Inc.: \$797,612

S&A Draw: 0.70%

**11th General Resolution Trust Estate**

Assets: \$1,113,148,562  
 Loans: \$964,195,670  
 Bonds Outstanding:  
 \$1,040,700,000  
 Unamortized COI:  
 \$1,660,389  
 Unamortized Premiums:  
 \$302,279  
 Arbitrage Rebate:  
 \$1,672,997  
 YTD Inc.: \$3,031,411  
 Parity: 105.65%  
 Senior Parity: 115.97%  
 Other:  
 Recycling Ended 11/1/09  
 Senior Sub Structure  
 ARS, LIBOR Indexed  
 S&A Draw: 1.10%

**12th General Resolution Trust Estate**

Assets: \$289,443,677  
 Loans: \$262,650,059  
 Bonds Outstanding:  
 \$254,325,000  
 Unamortized COI:  
 \$1,046,472  
 Unamortized Premiums:  
 \$0  
 Arbitrage Rebate:  
 \$0  
 YTD Inc.: \$216,931  
 Parity: 112.77%  
 Other:  
 Recycling Suspended  
 ARS  
 77.7% Cash Loans  
 AMBAC Insured  
 S&A Draw: 0.79%

**2009-1 Trust Indenture**

Assets: \$167,913,071  
 Loans: \$159,253,798  
 Bonds Outstanding:  
 \$151,240,980  
 Unamortized COI:  
 \$1,500,991

YTD Inc.: \$178,912  
 Parity: 109.45%

Other:  
 No Recycling  
 LIBOR Indexed  
 Full Turbo  
 S&A Draw: 0.55%

**2010-1 Trust Indenture**

Assets: \$657,599,727  
 Loans: \$617,625,440  
 Bonds Outstanding:  
 \$593,262,949  
 Unamortized COI:  
 \$3,685,396

YTD Inc.: \$993,749  
 Parity: 109.37%

Other:  
 No Recycling  
 LIBOR Indexed  
 S&A Draw: 0.85%

**2010-2 Trust Indenture**

Assets: \$720,865,006  
 Loans: \$675,783,671  
 Bonds Outstanding:  
 \$659,797,599  
 Unamortized COI:  
 \$5,488,386

YTD Inc.: \$1,236,229  
 Parity: 107.82%

Other:  
 No Recycling  
 LIBOR Indexed  
 Full Turbo  
 S&A: 0.85%

**2010-3 Trust Indenture**

Assets: \$461,998,563  
 Loans: \$432,113,437  
 Bonds Outstanding:  
 \$423,267,684  
 Unamortized COI:  
 \$3,078,227

YTD Inc.: (\$130,980)  
 Parity: 107.44%

Other:  
 No Recycling  
 LIBOR Indexed  
 Full Turbo  
 S&A Draw: 0.85%

Assets: \$4,255,427,592  
 Net Assets: \$292,067,437  
 Liabilities: \$3,963,360,155  
 Loans Owned: \$3,907,263,119  
 YTD Income: (\$13,604,749) \*  
 YTD Expenses as % of loans owned: 0.60%  
 Unamortized COI: \$20,109,566  
 Unamortized Premiums: \$2,387,688  
 Arbitrage Rebate: \$1,672,997  
 Equity Ratio: 6.86%  
 ROAA: (0.62%)  
 Lender Loans Serviced: \$258,410,086  
 Weighted Average Tax-Exempt Rate: 0.49%  
 Weighted Average Taxable Rate: 1.14%  
 Weighted Average Total Rate: 1.12%  
 Bonds Outstanding Taxable: \$3,564,024,884  
 Bonds Outstanding Tax-Exempt: \$109,500,000  
 Servicing & Admin Draw Weighted Average Rate: 0.89%  
 DL Borrowers Serviced: 95,701  
 DL Revenue as a % of DL Borrowers Serviced: \$2.31

\*Includes \$31 million for Missouri Scholarship Fund

**General Fund Total**

Loans: \$17,496,782  
 Assets: \$13,199,318

**Line of Credit Total**

Loans: \$16,991,873  
 Assets: \$17,416,922  
 Line of Credit: \$16,000,000  
 Available Credit: \$34,000,000  
 Parity: 108.49%

**2011-1 Trust Indenture**

Assets: \$582,913,866  
 Loans: \$545,357,595  
 Bonds Outstanding:  
 \$550,930,670  
 Bond Discount: (\$4,707,557)  
 Unamortized COI:  
 \$3,347,106  
 YTD Inc.: (\$284,119)  
 Parity: 105.53%  
 Other:  
 Recycling Ended: 8/19/2011  
 LIBOR Indexed  
 Full Turbo  
 S&A Draw: 0.85%

# Series 2009-1 Note Overview

Class	Original Par Amount	Current Par Amount	Legal		Benchmark	Spread
			Maturity			
Notes	\$67,700,000	\$32,940,980	8/25/2019	3M LIBOR	0.60%	
Notes	\$118,300,000	\$118,300,000	2/25/2036	3M LIBOR	1.05%	

## Transaction Status <sup>(1)</sup>

Series 2009-1 Notes

Student Loan Portfolio Overview	
Student Loan Principal Balance	\$161,202,297
Weighted Average Coupon	4.165%
Weighted Average Remaining Months	186
Borrowers	9,636
Average Borrower Indebtedness	\$16,729

## Repayment Status

In-School/ Grace Status	\$6,000
Deferment	\$23,272,492
Forbearance	\$16,386,695
In Repayment 0-30	\$108,731,306
Delinquent 31-150	\$8,966,614
Delinquent 151-270	\$2,216,298
Delinquent 271+	\$222,544
Claims In Progress	\$1,400,348

## Parity Calculations

Adjusted Pool Balance Parity Ratio	107.82%
Parity Ratio	109.04%

Notes

1. As of October 31, 2011

# Series 2010-1 Note Overview

Taxable FRN	Class	Original Par Amount	Current Par Amount	Legal		Benchmark	Spread
				Maturity			
Notes		\$761,400,000	\$593,262,949	11/26/2032		3M LIBOR	0.95%

## Transaction Status <sup>(1)</sup>

Series 2010-1 Notes

### Student Loan Portfolio Overview

Student Loan Principal Balance	\$629,795,224
Weighted Average Coupon	5.106%
Weighted Average Remaining Months	142
Borrowers	59,590
Average Borrower Indebtedness	\$10,568

### Repayment Status

In-School/ Grace Status	\$24,731,611
Defement	\$103,712,392
Forbearance	\$83,489,465
In Repayment 0-30	\$339,211,542
Delinquent 31-150	\$48,308,611
Delinquent 151-270	\$17,863,227
Delinquent 271+	\$2,298,656
Claims In Progress	\$10,179,720

### Parity Calculations

Adjusted Pool Balance Parity Ratio	107.92%
Parity Ratio	108.89%

Notes  
1. As of October 31, 2011

# Series 2010-2 Note Overview

Taxable FRN		Legal			
Class	Original Par Amount	Current Par Amount	Maturity	Benchmark	Spread
Notes	\$822,500,000	\$659,797,599	8/27/2029	3M LIBOR	0.85%

## Transaction Status <sup>(1)</sup>

Series 2010-2 Notes

### Student Loan Portfolio Overview

Student Loan Principal Balance	\$688,839,885
Weighted Average Coupon	5.628%
Weighted Average Remaining Months	115
Borrowers	70,538
Average Borrower Indebtedness	\$9,766

### Repayment Status

In-School/ Grace Status	\$28,269,692
Deferment	\$116,849,376
Forbearance	\$92,586,821
In Repayment 0-30	\$361,362,165
Delinquent 31-150	\$53,262,572
Delinquent 151-270	\$21,393,688
Delinquent 271+	\$3,063,372
Claims In Progress	\$12,052,197

### Parity Calculations

Adjusted Pool Balance Parity Ratio	106.12%
Parity Ratio	107.50%

Notes  
1. As of October 31, 2011

# Series 2010-3 Note Overview

Taxable FRN		Legal		Benchmark	Spread
Class	Original Par Amount	Current Par Amount	Maturity		
Notes	\$495,200,000	\$423,267,684	8/26/2030	3M LIBOR	0.85%

## Transaction Status <sup>(1)</sup>

Series 2010-3 Notes

### Student Loan Portfolio Overview

Student Loan Principal Balance	\$440,267,213
Weighted Average Coupon	4.841%
Weighted Average Remaining Months	133
Borrowers	47,575
Average Borrower Indebtedness	\$9,254

### Repayment Status

In-School/ Grace Status	\$28,068,684
Deferment	\$31,842,284
Forbearance	\$70,937,986
In Repayment 0-30	\$202,241,842
Delinquent 31-150	\$34,303,061
Delinquent 151-270	\$13,096,714
Delinquent 271+	\$2,218,961
Claims In Progress	\$7,557,682

### Parity Calculations

Adjusted Pool Balance Parity Ratio	105.98%
Parity Ratio	107.14%

Notes  
1. As of October 31, 2011



## Series 2011-1 Note Overview

Taxable FRN		Legal		Benchmark		Spread	
Class	Original Par Amount	Current Par Amount	Maturity	Benchmark	Spread		
Notes	\$576,800,000	\$550,930,670	6/25/2036	3M LIBOR	0.85%		

### Transaction Status <sup>(1)</sup>

Series 2011-1 Notes

#### Student Loan Portfolio Overview

Student Loan Principal Balance	\$552,948,827
Weighted Average Coupon	4.246%
Weighted Average Remaining Months	130
Borrowers	65,118
Average Borrower Indebtedness	\$8,491

#### Repayment Status

In-School/ Grace Status	\$34,692,329
Deferment	\$105,532,115
Forbearance	\$78,246,264
In Repayment 0-30	\$259,579,884
Delinquent 31-150	\$46,651,210
Delinquent 151-270	\$15,193,646
Delinquent 271+	\$3,361,198
Claims In Progress	\$9,692,180

#### Parity Calculations

Adjusted Pool Balance Parity Ratio	103.40%
Parity Ratio	105.16%

---

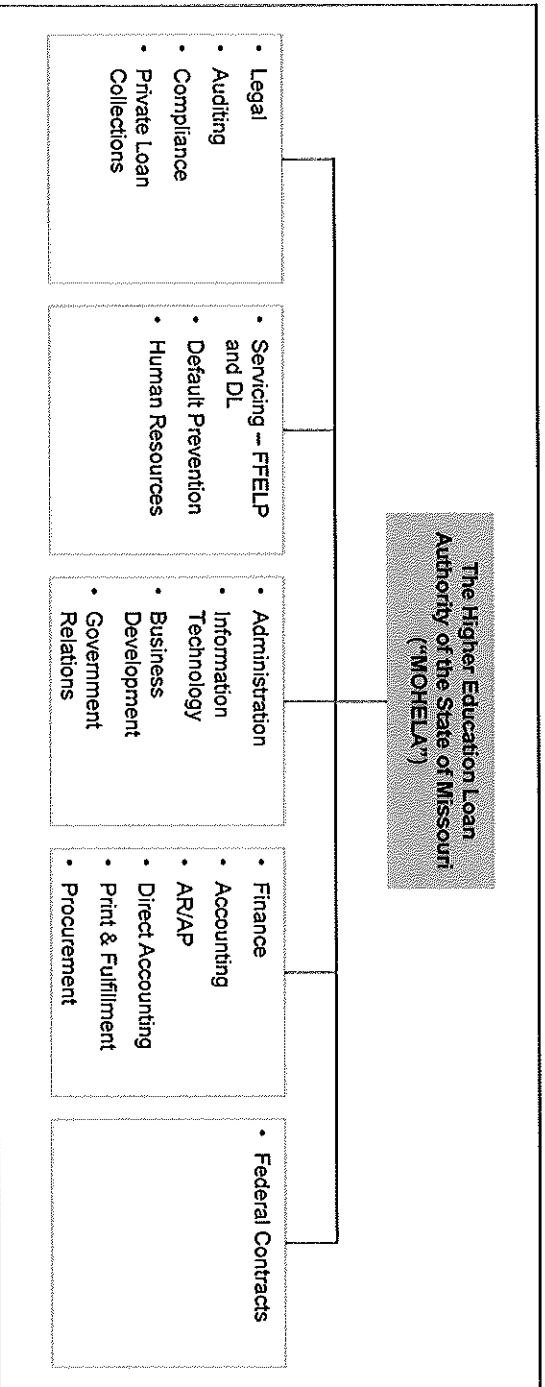
## Issuer Overview

# MOHELA Overview and Structure

## Company Description

- MOHELA is a governmental student loan authority
  - Headquartered in Chesterfield, Missouri
  - Approximately 300 employees
- MOHELA has consistently been a presence in the student loan industry since 1981
  - A large holder of student loans with \$3.9 billion of student loans owned <sup>(1)</sup>
- The notes are not an obligation of the state of Missouri

- Since 1981, MOHELA has been providing students access to higher education
- Established pursuant to the Authorizing Act <sup>(2)</sup> for the purpose of ensuring that all eligible post-secondary students have access to guaranteed student loans, with a dual directive to:
  - Finance and acquire loans
  - Administer and service student loans
- Also a servicer and originator of alternative student loans
- Staff of approximately 230 employees, performing customary loan servicing, administrative and related functions
- MOHELA entered into a Contract with the U.S. Department of Education relative to servicing Direct Loans on September 27, 2011



Notes

1. As of December 31, 2011  
 2. Authorizing Act is the Missouri Higher Education Loan Authority Act, Title XI, Chapter 173, section 173.350 to 173.445 of the Missouri Revised Statutes, inclusive as amended

## Executive Biographies

### **Raymond H. Bayer, Jr. – C.E.O., Executive Director, and Assistant Secretary to MOHELA**

Raymond H. Bayer, Jr. serves as Executive Director, Chief Executive Officer, and Assistant Secretary of MOHELA. Reporting directly to MOHELA's Board of Directors, he is responsible for all of MOHELA's operations and oversees each of its business units. Mr. Bayer joined MOHELA in 1985. Prior to becoming the Executive Director in 2006, he oversaw various business units including Loan Servicing, Loan Origination and Business Development. He holds a Bachelor of Science degree in Business Administration from the University of Missouri-St. Louis, a Master of Business Administration degree from Webster University, and a Master of Arts in Finance degree from Webster University. Mr. Bayer serves on the Advisory Board of Webster University's School of Business and Technology.

### **Scott D. Giles – C.F.O., Director of Finance, and Assistant Treasurer to MOHELA**

Scott D. Giles serves as the Director of Finance, Chief Financial Officer, and Assistant Treasurer for MOHELA. He is responsible for the Finance, Accounting, Treasury Management, Direct Loan Accounting, Support Services and Lender Services and Reconciliation areas, as well as MOHELA's capital structure strategy, financing transactions, interest rate risk management, cash management, investing and insurance. Mr. Giles previously served as MOHELA's Treasurer. Prior to joining MOHELA, Mr. Giles served as the Director of the Missouri Student Loan Group for the Missouri Department of Higher Education. Mr. Giles has served as a member of the Board of Directors of the National Council of Higher Education Loan Programs and as a member and Chairman of the Board for Mapping-Your-Future. He has also served as a commissioned bank examiner with the Federal Reserve Bank of St. Louis and as an assistant bank examiner with the Missouri Division of Finance. Mr. Giles holds a Bachelor of Science degree in Business Administration with an emphasis in Finance from Southeast Missouri State University and a Master of Public Administration degree from the University of Missouri—Columbia.

## MOHELA as Servicer and PHEAA as Backup Servicer

### Overview

- As of December 31, 2011, approximately 98% of the loans owned by MOHELA (by principal balance) are serviced by MOHELA
  - PHEAA (AES) services approximately 2% of the loans by principal balance as of the December 31, 20011 and serves as a backup servicer with respect to the loans serviced by MOHELA where a back-up servicer is required by the respective Indentures
  - Great Lakes services less than 1% of the portfolio
- MOHELA's servicing operation continues to service education loans for a few other lenders in addition to servicing most of MOHELA's own loan portfolio
- MOHELA utilizes PHEAA's remote servicing platform to perform its operations
  - Primarily involves use of the software platform
  - PHEAA also provides equipment, training and related support
- PHEAA has a large presence in student loan servicing, with total servicing volume of approximately \$102 billion under its full servicing operations and \$19.6 billion for its remote servicing operations as of December 31, 2011
- MOHELA is also servicing over 230,000 borrower accounts on behalf of the US Department of Education utilizing the PHEAA remote servicing platform
- MOHELA has a strong history of providing high quality and exceptionally reliable student loan servicing



ISSUER OVERVIEW

GROSS CLAIM REJECT RATES 2009-2011									
Qtr	\$ Value placed in cure that were rejected by guarantor	# of Borrower's placed in cure that were rejected by guarantor	# of Loans placed in cure that were rejected by guarantor	\$ Value Claim Filed	# of Borrower's Claim Filed	# of Loan's Claim Filed	% of \$ Value placed in cure that were rejected by guarantor	% of Borrower's in cure that were rejected by guarantor	% of Loan's in cure that were rejected by guarantor
1st 2009	\$85,678.88	18	30	\$46,321,356.17	4,436	6,958	0.18%	0.41%	0.43%
2nd 2009	\$51,843.00	8	20	\$53,453,069.80	5,324	9,530	0.10%	0.15%	0.21%
3rd 2009	\$138,675.06	5	20	\$55,501,062.56	5,733	9,999	0.25%	0.09%	0.20%
4th 2009	\$84,193.24	12	25	\$63,528,697.00	6,069	11,113	0.13%	0.20%	0.22%
Annual 2009	\$360,390.18	43	95	\$218,804,185.53	21,562	37,600	0.16%	0.20%	0.25%
1st 2010	\$162,951.32	16	55	\$48,882,346.00	4,654	12,869	0.33%	0.34%	0.43%
2nd 2010	\$27,215.68	7	11	\$64,775,027.63	5,873	16,914	0.04%	0.12%	0.07%
3rd 2010	\$38,924.58	4	8	\$66,078,933.00	4,904	13,717	0.06%	0.08%	0.06%
4th 2010	\$79,864.23	6	16	\$75,439,575.00	5,986	16,404	0.11%	0.10%	0.10%
Annual 2010	\$308,955.81	33	90	\$255,175,981.63	21,417	59,904	0.12%	0.15%	0.15%
1st 2011	\$275,833.81	15	34	\$89,052,753.52	7,845	20,392	0.31%	0.19%	0.17%
2nd 2011	\$73,847.29	3	26	\$81,103,200.33	6,237	17,589	0.09%	0.05%	0.15%
3rd 2011	\$167,920.97	15	41	\$66,523,612.32	5,194	14,763	0.25%	0.29%	0.28%
4th 2011	\$137,051.15	16	28	\$75,789,483.05	5,372	15,966	0.18%	0.30%	0.18%
Annual 2011	\$654,653.22	49	129	\$312,469,049.22	24,648	68,710	0.21%	0.20%	0.19%

Annual = Calendar Year

# Investor Information

- MOHELA Website at [www.mohela.com](http://www.mohela.com) under the About Us, Investor Information
  - The next slide highlights the information MOHELA includes on the web
- Additional Contact Information –
  - Scott D. Giles, CFO  
636-733-3836  
[scottg@mohela.com](mailto:scottg@mohela.com)

[Skip to Main Content](#)



**Board Meeting Information**

- [Upcoming Meeting Dates](#)
- [Meeting Materials](#)
- [Meeting Minutes](#)

**Financial Documents**

- [Financial Statements](#)
- [Audit Reports](#)
- [FY 2010 Annual Report](#)
- [FY 2009 Annual Report](#)
- [Investor Information](#)

**MOHELA in the News**

- [IMPORTANT: FEEL CHANGES MOHELA Code of Conduct](#)
- [News Archive](#)

**Other Materials**

- [Procurement](#)
- [Public Comment](#)

[> Home](#) [> About Us](#) [> Investor Information](#)

Text Size: [+](#) [-](#)

**Investor Information**

MOHELA undertakes no responsibility for updating, adding or supplementing documents, data or reports provided on this website. If MOHELA does provide any updated, additional or supplementary documents, data or reports, it does not undertake to continue to do so. MOHELA may discontinue the provision of such documents, data and reports at any time without notice. Any reference to the Bonds, and any other securities referenced herein, in the Official Statements referenced above, or in or via any link herein, does not constitute any offer to sell or the solicitation of an offer for the purchase or sale of the Bonds or any other securities. MOHELA is not responsible for the accuracy of any information on any website to which a link is contained herein or on MOHELA's website. Such links are provided merely for the convenience of Bondholders. By accessing and viewing a document, data or report from, or via a link from, this website, the reader acknowledges that you have read and understand the disclaimers included on the MOHELA website and that you accept and agree with the conditions and limitations set forth herein and therein.

- [Event Notice NRSASIBS Filings and Rating Confirmations](#)
- [Bond Resolution Quarterly Financial Data](#)
- [Continuing Financial Disclosures](#)
- [Municipal Securities Rulemaking Board website \(Official Statements\) Information for Owners of MOHELA Bonds 2008-2009](#)
- [Maximum Rate Calculations](#)
- [12th General Bond Resolution](#)
- [11th General Bond Resolution](#)
- [MOHELA Financial Summaries](#)
- [2009-1 Trust Indenture](#)
- [Bond Rates 2010-2012](#)
- [Claim Reject Rates](#)
- [2010-1 Trust Indenture](#)
- [2010-2 Trust Indenture](#)
- [2010-3 Trust Indenture](#)
- [2011-1 Trust Indenture](#)



[about us](#) | [contact us](#) | [employment](#) | [home](#) | [privacy](#) | [sitemap](#) | [login](#)  
 copyright 2010 MOHELA. All Rights Reserved.