



**Brazos Higher Education Authority, Inc.**

**Quarterly Student Loan Report**

**Indenture 1999 Securing the 2011 Notes**

**Reporting Period October 1, 2011 through December 31, 2011**

DEAL PARAMETERS							
Student Loan Portfolio Characteristics							
		9/30/2011	Loans Acquired	Activity	12/31/2011		
A-I	Portfolio Balance	\$ 1,348,659,641.02	\$ 285,601.69	\$ (35,985,532.31)	\$ 1,312,959,710.40		
A-II	Interest to be Capitalized	15,530,100.70	-	(1,531,349.40)	13,998,751.30		
A-III	Pool Balance	\$ 1,364,189,741.72	\$ 285,601.69	\$ (37,516,881.71)	\$ 1,326,958,461.70		
A-IV	Reserve Fund Account Balance	3,622,500.00			3,443,215.00		
A-V	Cash & Payments In Transit	76,008,307.58			40,854,748.23		
A-VI	Total Adjusted Pool	\$ 1,443,820,549.30			\$ 1,371,256,424.93		
B-I	Weighted Average Coupon (WAC)	4.27%			4.27%		
B-II	Weighted Average Remaining Term	177.45			177.26		
B-III	Number of Loans	214,883			208,090		
B-IV	Number of Borrowers	97,631			94,554		
B-V	Aggregate Outstanding Principal Balance - T-Bill	71,919,311			68,174,506		
B-VI	Percentage Outstanding Principal Balance - T-Bill	5.33%			5.19%		
B-VII	Aggregate Outstanding Principal Balance - Commercial Paper	1,276,740,330			1,244,785,204		
B-VIII	Percentage Outstanding Principal Balance - Commercial Paper	94.67%			94.81%		
Notes	CUSIPS	3 Month LIBOR	Spread	Adjusted Rate	Spread	9/30/2011	12/31/2011
C-I	2011-II-A-1 10620NCJ5	0.41833%	+ 0.55%	= 0.96833%	3 Month LIBOR + 0.45%	\$ 441,000,000.00	\$ 369,286,000.00
C-II	2011-II-A-2 10620NCK2	0.41833%	+ 0.85%	= 1.26833%	3 Month LIBOR + 0.80%	712,300,000.00	712,300,000.00
C-III	2011-II-A-3 10620NCL0	0.41833%	+ 1.00%	= 1.41833%	3 Month LIBOR + 1.05%	236,000,000.00	236,000,000.00
C-IV	2011-II-B-1 10620NCM8	0.41833%	+ 1.15%	= 1.56833%	3 Month LIBOR + 1.25%	40,700,000.00	40,700,000.00
C-V	2011-II-C-1 106238MD7	0.41833%	+ 1.20%	= 1.61833%	3 Month LIBOR + 1.25%	19,000,000.00	19,000,000.00
C-IX	Total Notes Outstanding					\$ 1,449,000,000.00	\$ 1,377,286,000.00
Reserve Account <sup>1</sup>							
		9/30/2011				12/31/2011	
D	Required Reserve Acct Deposit						
D-I	Reserve Acct Initial Deposit (\$)			\$ 4,045,000.00		\$ 4,045,000.00	
D-II	Specified Reserve Acct Balance (\$)			3,622,500.00		3,443,215.00	
D-III	Reserve Account Floor Balance (\$)			2,427,000.00		2,427,000.00	
D-IV	Current Reserve Acct Balance (\$)			\$ 3,622,500.00		\$ 3,443,215.00	
Parity <sup>1</sup>							
		9/30/2011				12/31/2011	
E-I	Class A Parity Percentage			103.80%		104.12%	
E-II	Class B Parity Percentage			100.85%		101.00%	
E-III	Class C Parity Percentage			99.52%		99.61%	

<sup>1</sup> See detail Page 2

<b>II Required Reserves and Parity Calculations</b>							
<b>Required Reserves</b>							
		<b>Outstanding Principal Balance 9/30/2011</b>	<b>Required Reserve %</b>	<b>Required Reserves 9/30/2011</b>	<b>Outstanding Principal Balance 12/31/2011</b>	<b>Required Reserve %</b>	<b>Required Reserves 12/31/2011</b>
A- I	2011-II-A-1	\$ 441,000,000.00	0.25%	\$ 1,102,500.00	\$ 369,286,000.00	0.25%	\$ 923,215.00
A- II	2011-II-A-1	712,300,000.00	0.25%	1,780,750.00	712,300,000.00	0.25%	1,780,750.00
A- III	2011-II-A-1	236,000,000.00	0.25%	590,000.00	236,000,000.00	0.25%	590,000.00
A- IV	2011-II-B-1	40,700,000.00	0.25%	101,750.00	40,700,000.00	0.25%	101,750.00
A- V	2011-II-C-1	19,000,000.00	0.25%	47,500.00	19,000,000.00	0.25%	47,500.00
A- IX	<b>Total</b>	<b>\$ 1,449,000,000.00</b>		<b>\$ 3,622,500.00</b>	<b>\$ 1,377,286,000.00</b>		<b>\$ 3,443,215.00</b>
B- I	Specified Reserve Account Balance			\$ 3,622,500.00			\$ 3,443,215.00
B- II	Required Reserve Account Floor			2,173,500.00			2,173,500.00
B- III	Required Reserve Balance (Greater of B-I or B-II)			3,622,500.00			3,443,215.00
B- IV	Reserve Account Balance			3,622,500.00			3,443,215.00
B- V	Reserve Account funds released during collection period						\$ 179,285.00
<b>Parity Calculations</b>							
				<b>9/30/2011</b>		<b>12/31/2011</b>	
C	<b>Value of the Trust Estate</b>						
C- I	Portfolio Balance			\$ 1,348,659,641.02		\$ 1,312,959,710.40	
C- II	Accrued Interest on Investments			586.84		313.07	
C- III	Accrued Borrower Interest			21,414,522.83		20,305,844.84	
C- IV	Accrued Government Interest and Special Allowance			(3,070,001.60)		(2,886,600.95)	
C- V	Accrued Receivables Related to Outstanding Notes			-		-	
C- VI	Less:						
C- VII	Unguaranteed portion in claims			(156,439.62)		(180,228.82)	
C- VIII	Cash and Investments			79,630,807.58		44,297,963.23	
C- IX	Payments In Transit			1,070,068.52		1,598,964.02	
C- X	<b>Total Trust Estate Value</b>			<b>\$ 1,447,549,185.57</b>		<b>\$ 1,376,095,965.79</b>	
D	Less:						
D- I	Accrued interest on Outstanding Notes			4,479,068.32		3,192,840.53	
D- II	Accrued fees related to Outstanding Notes			986,000.00		986,000.00	
E	<b>Net Asset Value</b>			<b>\$ 1,442,084,117.25</b>		<b>\$ 1,371,917,125.26</b>	
<b>Notes Outstanding</b>							
				<b>9/30/2011</b>		<b>12/31/2011</b>	
F- I	Senior Notes			\$ 1,389,300,000.00		\$ 1,317,586,000.00	
F- II	Class B Notes			\$ 40,700,000.00		\$ 40,700,000.00	
F- III	Class C Notes			19,000,000.00		19,000,000.00	
F- IV	<b>Total Notes</b>			<b>\$ 1,449,000,000.00</b>		<b>\$ 1,377,286,000.00</b>	
<b>Parity</b>							
				<b>9/30/2011</b>		<b>12/31/2011</b>	
G- I	Senior Parity Percentage (E / F-I)			103.80%		104.12%	
G- II	Class B Parity Percentage (E / F-I)			100.85%		101.00%	
G- III	Class C Parity Percentage (E / F-I)			99.52%		99.61%	

III TRANSACTIONS FROM:		10/1/2011 THROUGH 12/31/2011
A	Student Loan Principal Activity:	
A-I	Regular Principal Collections	\$ 29,898,077.06
A-II	Principal Collections from Guarantor	11,439,408.71
A-III	Loans Acquired	(285,601.69)
A-IV	Loans Sold	5,006.65
A-V	Other System Adjustments	-
A-VI	Total Cash Principal Activity	\$ 41,056,890.73
B	Student Loan Non-Cash Principal Activity:	
B-I	Capitalized Interest	\$ (5,320,621.51)
B-II	Other Adjustments	(36,338.60)
B-III	Total Non-Cash Principal Activity	\$ (5,356,960.11)
C	<b>Total Student Loan Principal Activity (-)</b>	<b>\$ 35,699,930.62</b>
D	Student Loan Interest Activity:	
D-I	Regular Interest Collections	\$ 7,686,675.38
D-II	Interest Claims Received from Guarantors	395,150.51
D-III	Interest Purchased	(40.11)
D-IV	Interest Sold	480.67
D-V	Other System Adjustments	-
D-VI	Special Allowance Payments Receipts (Rebates)	(4,448,129.90)
D-VII	Government Interest Subsidy Payments	1,206,549.33
D-VIII	Total Cash Interest Activity	\$ 4,840,685.88
E	Student Loan Non-Cash Interest Activity:	
E-I	Capitalized Interest	\$ 5,375,835.86
E-II	Interest Accrual Adjustment	(5,556,271.56)
E-III	Total Non-Cash Interest Adjustments	\$ (180,435.70)
F	<b>Total Student Loan Interest Activity (-)</b>	<b>\$ 4,660,250.18</b>

IV AVAILABLE FUNDS		12/31/2011
G	Other Collections & Reserve Releases	
G-I	Late Fees	\$ 105,369.76
G-II	Investment Income	1,353.32
G-III	Recoveries	516.58
G-IV	Reserve Account	179,285.00
G-V	Total Other Collections & Reserve Releases	\$ 286,524.66
H	Total Funds Received (A-VI + D-VIII + G-V)	\$ 46,184,101.27
I	Less Funds Previously Remitted for Monthly Waterfall:	
I-I	DOE Rebate and Lender Fees	\$ 1,808,941.03
I-II	Subservicing Fees	862,860.18
I-III	Trustee Fees	45,281.25
I-IV	Master Servicing Fees	852,005.00
I-V	Other Payments	842.57
I-VI	Total	\$ 3,569,930.03
J	<b>Total Available Funds (H - I-VI)</b>	<b>\$ 42,614,171.24</b>

Waterfall, Cash, and Note Information							
<b>V Quarterly Waterfall for Quarterly Distributions</b>							
				<b>12/31/2011</b>			
A	Total available funds		\$ 42,614,171.24	\$		\$ 42,614,171.24	
A-I	Undesignated Distribution Account funds				338.39	42,614,509.63	
B	Noteholders Interest Distribution Amount						
B-I	2011-II-A-1		913,842.93			41,700,666.70	
B-II	2011-II-A-2		2,308,769.28			39,391,897.41	
B-III	2011-II-A-3		855,410.58			38,536,486.83	
B-IV	2011-II-B-1		163,123.75			38,373,363.09	
B-VIII	2011-II-C-1		78,578.91			38,294,784.17	
B-VIII	Class B Interest Shortfall		-			38,294,784.17	
B-VIII	Class C Interest Shortfall		-			38,294,784.17	
C	Noteholders Principal Distribution Amount						
C-I	2011-II-A-1		38,294,000.00			784.17	
C-II	2011-II-A-2		-			784.17	
C-III	2011-II-A-3		-			784.17	
C-IV	2011-II-B-1		-			784.17	
C-VIII	2011-II-C-1		-			784.17	
E	Undesignated Distribution Account funds				784.17	-	
<b>VI Account Balance Rollforward</b>							
				<b>9/30/2011</b>		<b>12/31/2011</b>	
	Account	Beginning Balance	Deposits	Withdrawals	Ending Balance		
F-I	Collection Account	\$ 71,444,936.35	\$ 49,333,730.53	\$ 84,643,896.90	\$ 36,134,769.98		
F-II	Distribution Account	4,563,371.23	6,633,574.72	6,476,967.70	4,719,978.25		
F-III	Reserve Account	3,622,500.00	88.65	179,373.65	3,443,215.00		
F-IV	Total	\$ 79,630,807.58			\$ 44,297,963.23		
<b>VII Rollforward of Undesignated Distribution Account Funds</b>							
				<b>12/31/2011</b>			
G-I	Beginning Balance				\$	338.39	
G-II	Additions					445.78	
G-III	Withdrawals					-	
G-IV	Ending Balance				\$	784.17	
<b>VIII Note Balances</b>							
				<b>10/25/2011</b>		<b>1/25/2012</b>	
	Security Description	CUSIP	Original Issue Amt	Note Balance	Note Pool Factor	Note Balance	Note Pool Factor
H-I	2011-II-A-1	10620NCJ5	\$ 441,000,000.00	\$ 369,286,000.00	0.8373832	\$ 330,992,000.00	0.7505488
H-II	2011-II-A-2	10620NCK2	712,300,000.00	712,300,000.00	1.0000000	712,300,000.00	1.0000000
H-III	2011-II-A-3	10620NCL0	236,000,000.00	236,000,000.00	1.0000000	236,000,000.00	1.0000000
H-IV	2011-II-B-1	10620NCM8	40,700,000.00	40,700,000.00	1.0000000	40,700,000.00	1.0000000
H-V	2011-II-C-1	106238MD7	19,000,000.00	19,000,000.00	1.0000000	19,000,000.00	1.0000000
H-IX	Total		\$ 1,449,000,000.00	\$ 1,377,286,000.00		\$ 1,338,992,000.00	
<b>IX Total Note Factor</b>							
				<b>10/25/2011</b>		<b>1/25/2012</b>	
I-I	Original Issue Amount		\$ 1,449,000,000.00		\$	1,449,000,000.00	
I-II	Outstanding Note Balance		1,377,286,000.00			1,338,992,000.00	
I-III	Total Note Pool Factor		0.9505079			0.9240801	

Class B Interest Subordination Test			
<b>Definition Test (a)</b>			
(i)	Class A Notes Prior to Distribution Date		\$ 1,317,586,000.00
	Less:		
	Available Funds	\$ 42,614,509.63	
	Less: Class A Noteholders' Interest		
	2011-II-A-1	\$ 913,842.93	
	2011-II-A-2	2,308,769.28	
	2011-II-A-3	855,410.58	
	Total Class A Noteholders' Interest	4,078,022.80	
			38,536,486.83
			<b>\$ 1,279,049,513.17</b>
(ii)	Pool Balance	\$ 1,326,958,461.70	
		97.51%	
			<b>\$ 1,293,917,196.00</b>
	Is (i) greater than (ii)		No
<b>Definition Test (b)</b>			
(i)	Class A and Class B Notes Prior to Distribution Date		\$ 1,358,286,000.00
	Less:		
	Available Funds	\$ 42,614,509.63	
	Less: Class A & Class B Noteholders' Interest		
	2011-II-A-1	\$ 913,842.93	
	2011-II-A-2	2,308,769.28	
	2011-II-A-3	855,410.58	
	2011-II-B-1	163,123.75	
	Class B Interest Shortfall	-	
	Total Class A & Class B Noteholders' Interest	4,241,146.54	
			38,373,363.09
			<b>\$ 1,319,912,636.91</b>
(ii)	Pool Balance	\$ 1,326,958,461.70	
		101.42%	
			<b>\$ 1,345,801,271.86</b>
	Is (i) greater than (ii)		No

Class C Interest Subordination Test			
<b>Definition Test (a)</b>			
(i)	Class A Notes Prior to Distribution Date		\$ 1,317,586,000.00
	Less:		
	Available Funds	\$ 42,614,509.63	
	Less: Class A Noteholders' Interest		
	2011-II-A-1	\$ 913,842.93	
	2011-II-A-2	2,308,769.28	
	2011-II-A-3	855,410.58	
	2011-II-B-1	163,123.75	
	Class B Interest Shortfall	-	
	Total Class A Noteholders' Interest	4,241,146.54	
			38,373,363.09
			<b>\$ 1,279,212,636.91</b>
(ii)	Pool Balance	\$ 1,326,958,461.70	
		100.00%	
			<b>\$ 1,326,958,461.70</b>
	Is (i) greater than (ii)		No
<b>Definition Test (b)</b>			
(i)	Class A and Class B Notes Prior to Distribution Date		\$ 1,358,286,000.00
	Less:		
	Available Funds	\$ 42,614,509.63	
	Less: Class A & Class B Noteholders' Interest		
	2011-II-A-1	\$ 913,842.93	
	2011-II-A-2	2,308,769.28	
	2011-II-A-3	855,410.58	
	2011-II-B-1	163,123.75	
	2011-II-C-1	78,578.91	
	Class B Interest Shortfall	-	
	Class C Interest Shortfall	-	
	Total Class A & Class B Noteholders' Interest	4,319,725.46	
			38,294,784.17
			<b>\$ 1,319,991,215.83</b>
(ii)	Pool Balance	\$ 1,326,958,461.70	
		101.06%	
			<b>\$ 1,341,024,221.39</b>
	Is (i) greater than (ii)		No

X Historical Pool Information		6/21/2011 - 9/30/2011	10/21/2011 - 12/31/2011
A	Beginning Student Loan Portfolio Balance	\$ 1,348,659,641.02	\$ 1,303,041,046.01
B	Student Loan Principal Activity:		
B-I	Regular Principal Collections	\$ 36,040,415.03	\$ 29,898,077.06
B-II	Principal Collections from Guarantor	15,372,802.39	11,439,408.71
B-III	Loans Acquired	(0.00)	(285,601.69)
B-IV	Loans Sold	39,241.20	5,006.65
B-V	Other System Adjustments	-	-
B-VI	Total Principal Collections	\$ 51,452,458.62	\$ 41,056,890.73
C	Student Loan Non-Cash Principal Activity:		
C-I	Capitalized Interest	\$ (5,568,895.97)	\$ (5,320,621.51)
C-II	Other Adjustments	(264,967.64)	(36,338.60)
C-III	Total Non-Cash Principal Activity	\$ (5,833,863.61)	\$ (5,356,960.11)
D	Total Student Loan Principal Activity (-)	\$ 45,618,595.01	\$ 35,699,930.62
E	Student Loan Interest Activity:		
E-I	Regular Interest Collections	\$ 8,646,451.96	\$ 7,686,675.38
E-II	Interest Claims Received from Guarantors	604,671.23	395,150.51
E-III	Interest Purchased	0.00	(40.11)
E-IV	Interest Sold	-	480.67
E-V	Other System Adjustments	-	-
E-VI	Special Allowance Payments	(4,746,017.68)	(4,448,129.90)
E-VII	Subsidy Payments	1,647,281.19	1,206,549.33
E-VIII	Total Interest Collections	\$ 6,152,386.70	\$ 4,840,685.88
F	Student Loan Non-Cash Interest Activity:		
F-I	Capitalized Interest	\$ 5,637,421.73	\$ 5,375,835.86
F-II	Interest Accrual Adjustment	(6,350,221.10)	(5,556,271.56)
F-III	Total Non-Cash Interest Adjustments	\$ (712,799.37)	\$ (180,435.70)
G	Total Student Loan Interest Activity (-)	\$ 5,439,587.33	\$ 4,660,250.18
H	(=) Ending Student Loan Portfolio Balance (A - D)	\$ 1,303,041,046.01	\$ 1,267,341,115.39
I	(+) Interest to be Capitalized	15,530,100.70	13,998,751.30
J	TOTAL POOL (=)	\$ 1,318,571,146.71	\$ 1,281,339,866.69
K	Cash Available for Distributions & Payments in Transit	\$ 77,078,376.10	\$ 42,453,712.25
L	Reserve Account Balance	3,622,500.00	3,443,215.00
M	Total Adjusted Pool (=)	\$ 1,399,272,022.81	\$ 1,327,236,793.94



X Total Student Loan Portfolio Characteristics		12/31/2011		
		Title IV Loans		
A	STATUS	\$	%	#
A-I	In School	\$ 13,410,787	1.02%	3,625
A-II	Grace	3,642,514	0.28%	945
A-III	Repay/Current	823,603,697	62.73%	123,519
A-IV	Delinquent:			
A-V	31-60 Days	43,164,229	3.29%	7,780
A-VI	61-90 Days	24,509,166	1.87%	4,226
A-VII	91-120 Days	17,122,280	1.30%	3,156
A-VIII	> 120 Days	56,840,208	4.33%	11,285
A-IX	Total Delinquent	141,635,883	10.79%	26,447
A-X	Deferment	182,015,030	13.86%	34,062
A-XI	Forbearance	139,640,358	10.64%	17,454
A-XII	Claims/Other	9,011,441	0.69%	2,038
A-XIII	Totals	\$ 1,312,959,710	100.00%	208,090

Statistical Analysis of Student Loans		12/31/2011								
The following amounts include Principal + Capitalized Interest at the end of the reporting period										
	Program Type	School Type								
B	Guaranteed	4 Year	4 Year Other	2 Year	2 Year Other	Proprietary	Consolidation	Total	ABI	
B-I	Subsidized	\$ 165,023,620	\$ 21,806,946	\$ 37,767,297	\$ 2,024,045	\$ 11,169,752	\$ -	\$ 237,791,660	\$ 4,560	
B-II	Unsubsidized	166,040,625	25,610,307	46,076,592	1,947,263	12,011,017	-	251,685,804	6,902	
B-III	PLUS	44,837,762	1,002,801	1,510,290	482,665	2,074,928	-	49,908,446	6,218	
B-IV	Consolidated	-	-	-	-	-	773,573,800	773,573,800	27,687	
B-V	Total Title IV	\$ 375,902,007	\$ 48,420,054	\$ 85,354,179	\$ 4,453,973	\$ 25,255,697	\$ 773,573,800	\$ 1,312,959,710	\$ 12,949	
* 4 Year Other and 2 Year other are schools classified by the Dept of Ed as Proprietary but are degree-granting institutions with a Cohort Default Rate of 8% or less, i.e. Univ. of Phoenix.										
C	Guarantor	\$	%							
C-I	PHEAA	\$ 325,360,049	24.78%							
C-II	USAF	303,917,179	23.15%							
C-III	ASA	246,370,984	18.76%							
C-IV	Others	437,311,498	33.31%							
C-V	Total Title IV	\$ 1,312,959,710	100.00%							
	Guarantees									
	Title IV <sup>1</sup>	97/98%								

<sup>1</sup> Claims for loans originated after July 1, 2006 are reimbursed at 97%.