

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

Minutes of Authority
Consultant/Vendor Committee Meeting
March 7, 2017

The State of Connecticut Higher Education Supplemental Loan Authority (CHESLA) Consultant/Vendor Committee met at 10:30 a.m. on Tuesday, March 7, 2017.

Those present and absent were as follows:

Present: Steven Kitowicz (Rep. for Secretary Benjamin B. Barnes)
Dr. Peter Lisi
Sarah K. Sanders (Rep. for Honorable Denise L. Nappier),
Committee Chair
Julie Savino

Also Present: Denise E. Aguilera, General Counsel, CHEFA
Joshua Hurlock, Assistant Director, CHESLA
Kathleen Owens, Administrative Assistant, CHEFA
Debra M. Pinney, Manager of Administrative Services, CHEFA
Samuel Rush, Deputy Director, CHESLA
Jeanette Weldon, Executive Director, CHESLA

Guests: Tim Webb, Vice President, Hilltop Securities

CALL TO ORDER

The meeting was called to order by Ms. Sanders, Committee Chair, at 10:38 a.m.

Ms. Sanders turned the floor over to Mr. Rush.

Recommendation and Summary of Tax Arbitrage Rebate, Loan Yield and Universal Cap Analysis Provider Proposals

Mr. Rush stated that the Request for Proposal (RFP) was posted to the Department of Administrative Services portal and CHESLA website on January 4, 2017. In addition, the RFP was sent to 10 companies.

The following two firms responded to the RFP:

AMTEC
Hawkins Delafield & Wood

Mr. Rush stated that Staff evaluated each of the RFP responses based on the firms' reputation and experience in serving as arbitrage rebate, loan yield and universal cap analysis provider, expertise and compliance with tax and regulatory matters focusing on private activity financing and student loans.

Mr. Rush recommended appointment of AMTEC for arbitrage rebate, loan yield and universal cap analysis services for a period of three years. He stated that AMTEC has provided exceptional service and demonstrates a keen understanding and knowledge of the codes and regulations governing the calculations necessary for CHESLA filings. A discussion ensued.

Recommendation and Summary of Bond Counsel Provider Proposals

Mr. Rush stated that the RFP was posted to the Department of Administrative Services portal and CHESLA website on January 11, 2017. In addition, the RFP was sent to 21 firms.

The following eight firms responded to the RFP for bond counsel services:

Day Pitney LLP
Hawkins Delafield & Wood LLP
Hinckley, Allen & Snyder LLP
Kutak Rock LLP

Locke Lord LLP
McCarter & English LLP
Nixon Peabody LLP
Robinson & Cole LLP

Mr. Rush provided a summary of each firm's reputation and experience serving as bond counsel in tax-exempt financings and supplemental student loan financings.

Mr. Rush stated that Staff recommends appointing Day Pitney as Bond Counsel for a period of 3 years. He stated that Day Pitney has a thorough understanding of the Authority. Its experience, good track record and professional counsel to the Authority are their most valuable characteristics. A discussion ensued.

Recommendation and Summary of Default Loan Collection Provider Proposals

Mr. Rush stated that the Request for Proposal (RFP) was posted to the Department of Administrative Services portal and CHESLA website on January 4, 2017. The following seven companies responded to the RFP:

Account Control Technologies, Inc. (ACT)	EOS-Collection Co. of America
HS Financial Group	National Enterprise System (NES)
Regional Adjustment Bureau (RAB)	Solomon & Solomon
Windham Professionals	

Mr. Rush reported that Staff evaluated each of the RFP responses on the basis of the following criteria: Reputation and experience of the company in serving as collection agent of defaulted student loans, regulatory compliance, expertise of attorneys, staff training and utilization of technology to collect and protect data necessary to pursue defaulted revenue, fee structure and collection rate.

Mr. Rush recommended the appointment of EOS-Collection Company of America for a period not to exceed three years.

Recommendation and Summary of Loan Origination/Servicing Provider Proposals

Mr. Rush reported that the RFP was posted to the Department of Administrative Services portal and CHESLA website on January 11, 2017. In addition, the RFP was sent to 14 companies.

The following six companies responded to the RFP:

Aspire Resources	Campus Door
Firstmark Services	Kentucky Higher Ed. Student Loan Corp.
PHEAA/AES	University Accounting Services (USA)

Mr. Rush reported that Staff evaluated each of the RFP responses on the basis of the following criteria: Reputation and experience of the company in serving as loan originator and/or servicer for a private loan program, expertise and compliance with regulatory matters focusing on student loan/consumer lending, customer service, staff training, technology, ability to collect and protect data, fee structure, and ability to provide CHESLA with timely report data.

Mr. Rush recommended appointing Firstmark Services as Loan Originator and Servicer for a period of two years, with the option to renew for third year.

Ms. Sanders requested a motion to approve Staff recommendations for the following four resolutions:

Ms. Sanders introduced Resolution #2017-01, appointing AMTEC as Tax Arbitrage Rebate Loan Yield and Universal Cap Analysis services for a period of three years.

Mr. Kitowicz moved for adoption of Resolution #2017-01. Ms. Savino seconded the motion.

Upon roll call, the “Ayes,” “Nays” and “Abstentions” were as follows:

AYES

Steven Kitowicz
Sarah Sanders
Julie Savino
Dr. Peter Lisi

NAYS

None

ABSTENTIONS

None

Ms. Sanders introduced Resolution #2017-02, reappointing Day Pitney to provide Bond Counsel services for a period of three years and to negotiate fees and encourage additional attorneys to be involved. Dr. Lisi moved for adoption of Resolution #2017-02. Ms. Savino seconded the motion

Upon roll call, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Steven Kitowicz Sarah Sanders Julie Savino Dr. Peter Lisi	None	None

Ms. Sanders introduced Resolution #2017-03, reappointing EOS Collection Company of America to provide Default Loan Collection services for a period of three years and to negotiate fees. Mr. Kitowicz moved for adoption of Resolution #2017-03. Ms. Savino seconded the motion.

Upon roll call, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Steven Kitowicz Sarah Sanders Julie Savino Dr. Peter Lisi	None	None

Ms. Sanders introduced Resolution #2017-04, reappointing Firstmark Services as Loan Origination/Servicing provider for a period of two years with the Executive Director’s authority to consider Firstmark Services for an additional year. Ms. Savino moved for adoption of Resolution #2017-04. Mr. Kitowicz seconded the motion.

Upon roll call, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Steven Kitowicz Sarah Sanders Julie Savino Dr. Peter Lisi	None	None

OTHER BUSINESS

There being no other business, Ms. Sanders moved to adjourn the meeting; Dr. Lisi seconded her motion.

Upon roll call, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Steven Kitowicz Dr. Peter Lisi Sarah Sanders Julie Savino	None	None

The meeting adjourned at 11:40 a.m..

Respectfully submitted

Sarah K. Sanders, Committee Chair