

# CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

## Minutes of Authority Board Meeting

March 1, 2018

The State of Connecticut Higher Education Supplemental Loan Authority met at 11:30 a.m. on Thursday, March 1, 2018.

The meeting was called to order at 11:34 a.m. by Dr. Peter Lisi, Chair, of the CHESLA Board of Directors. Those present and absent were as follows:

Present: Martin L. Budd<sup>1</sup>  
Steven Kitowicz (*Designee for Benjamin Barnes, OPM Secretary*)  
Dr. Peter W. Lisi, Chair  
Sheree Mailhot (*Designee for Denise Nappier, State Treasurer*)<sup>2</sup>  
Julie Savino  
Erika Steiner (*Designee. for Mark Ojikian, President, Connecticut State Colleges & Universities*)<sup>3</sup>  
Jeanette Weldon

Also Present: Denise Aguilera, General Counsel, CHEFA  
Joshua Hurlock, Assistant Director, CHESLA  
Carlee Levin, Sr. Accountant, CHEFA/CHESLA  
JoAnne Mackewicz, Controller, CHEFA  
Debra M. Pinney, Manager of Administrative Services, CHEFA  
Natalia Rozio, Administrative Intern, CHESLA  
Cynthia Peoples, Managing Director, CHEFA

Guests: Judith Blank, Esq., Day Pitney LLP  
Lisa Cohen, Vice President of Trust Admin, Controller & Treasurer,  
Goal Structured Solutions<sup>4</sup>  
Glen Rybacki, Esq., Day Pitney LLP  
Joseph Santoro, Director, Merrill Lynch, Pierce, Fenner & Smith, Inc.,  
Bank of America, N.A.<sup>5</sup>  
Thomas H. Webb, Vice President, Hilltop Securities<sup>6</sup>

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<sup>1</sup> Mr. Budd participated in the meeting via conference telephone that permitted all parties to hear each other.

<sup>2</sup> Ms. Mailhot participated in the meeting via conference telephone that permitted all parties to hear each other.

<sup>3</sup> Ms. Steiner participated in the meeting via conference telephone that permitted all parties to hear each other.

<sup>4</sup> Ms. Cohen participated in the meeting via conference telephone at 12:15 p.m. that permitted all parties to hear each other.

<sup>5</sup> Mr. Santoro participated in the meeting via conference telephone at 11:55 a.m. that permitted all parties to hear each other.

<sup>6</sup> Mr. Webb participated in the meeting via conference telephone at 11:37 a.m. that permitted all parties to hear each other.

## **MINUTES**

Dr. Lisi requested a motion to approve the January 26, 2018 Board of Directors Retreat minutes. Ms. Steiner indicated that her name was excluded as a meeting attendee in the draft. Ms. Savino moved to approve the minutes with the amended change and Dr. Lisi seconded the motion.

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

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTENTIONS</u></b>
Martin Budd Dr. Peter Lisi Sheree Mailhot Julie Savino Erika Steiner Jeanette Weldon	None	Steven Kitowicz <sup>7</sup>

Dr. Lisi requested a motion to approve the December 18, 2017 Special Board of Directors Meeting minutes. Mr. Kitowicz moved to approve the minutes and Dr. Lisi seconded the motion.

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

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTENTIONS</u></b>
Martin Budd Steven Kitowicz Dr. Peter Lisi Sheree Mailhot Jeanette Weldon	None	Julie Savino <sup>8</sup> Erika Steiner <sup>9</sup>

Dr. Lisi requested a motion to approve the December 5, 2017 Special Board of Directors Meeting minutes. Mr. Kitowicz moved to approve the minutes and Dr. Lisi seconded the motion.

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

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTENTIONS</u></b>
Steven Kitowicz Dr. Peter Lisi Sheree Mailhot Erika Steiner Jeanette Weldon	None	Martin Budd <sup>10</sup> Julie Savino <sup>11</sup>

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<sup>7</sup> Mr. Kitowicz abstained from voting as he did not attend the January 26, 2018 Board Retreat.

<sup>8</sup> Ms. Savino abstained from voting as she did not attend the December 18, 2017 Special Board Meeting.

<sup>9</sup> Ms. Steiner abstained from voting as she did not attend the December 18, 2017 Special Board Meeting.

<sup>10</sup> Mr. Budd abstained from voting as he did not attend the December 5, 2017 Special Board Meeting.

<sup>11</sup> Ms. Savino abstained from voting as she did not attend the December 5, 2017 Special Board meeting.

## **QUARTERLY FINANCIAL REPORT**

Ms. Levin provided a report on the CHESLA financial statements for the six months ending December 31, 2017.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Hurlock provided an update on the following items:

- Portfolio Fact Sheet
- CCA Default Collections; CT Income Tax Intercepts through December 2017 and Bond Series Issued to Provide CHESLA Loans
- Loan disbursements
- Market segment data
- Loan origination comparison to cash flow assumptions
- Refi CT disbursements
- Strategic Plan dashboard with marketing highlights

Ms. Weldon stated that there were two pages included in the handouts which describe the current eligibility language on the CHESLA website for U.S. citizens and eligible non-citizens for CHESLA loans and proposed revisions to the language. Ms. Weldon had asked Ms. Aguilera to review and update the language.

Ms. Aguilera explained CHESLA's current eligibility criteria and compared it to the federal student loan criteria listed on the federal website. She highlighted the changes to the proposed language in order to follow the federal model. The following non-citizen revisions were included in the proposed language:

- A permanent resident in the U.S. can submit Form I-551 or I-551c;
- A U.S. national (individuals born in American Samoa or born in the Commonwealth of the Northern Mariana Islands who have chosen to be U.S. nationals instead of U.S. citizens;
- Cuban-Haitian Entrant;
- An individual with T nonimmigrant status (T-visa) (for victims of human trafficking) or a parent holding a T-1 nonimmigrant status;
- A "battered immigrant-qualified" victim of abuse by their citizen or permanent resident spouse, or child of such a victim; or an individual born in Canada and has at least 50% Native American blood.

Mr. Budd inquired if these changes should be made to the Program Manual. Ms. Aguilera stated that the Program Manual is silent on that, however, the eligibility criteria is set forth in the Operating Guidelines with the servicer. A discussion ensued and the Board concluded that using the federal student loan eligibility criteria for non-citizens was an appropriate approach.

Mr. Budd moved to amend the Program Manual to reflect or reference the eligibility criteria for a CHESLA loan and secondly, to use the eligibility criteria for non-citizens as set forth in the federal loan program. Ms. Savino seconded the motion.

Ms. Aguilera pointed out that the Program Manual amendment would be effective 30 days after publication in the Connecticut Law Tribune.

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

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTENTIONS</u></b>
Martin Budd Steven Kitowicz Dr. Peter Lisi Sheree Mailhot Julie Savino Erika Steiner Jeanette Weldon	None	None

Ms. Weldon indicated that she is unsure whether the federal loan program will amend their non-citizen eligibility if DACA students obtain permanent legal status. She also informed the Board that Minnesota permits an undocumented student to apply for a loan as long as the student has a citizen or a permanent resident co-signer. A discussion ensued.

Dr. Lisi stated that as part of the strategic planning process, the Board will be completing a self-evaluation form, either online or on paper. He indicated that after the Board member completes the evaluation on paper, the evaluation form should be sent to Ms. Ann Zucker at Carmody Torrance Sandak & Hennessey LLP. Addressed envelopes will be provided. Ms. Zucker will be contacting each board member for a short telephone conversation to follow-up on certain items covered on the survey. Dr. Lisi indicated that a draft summary will be provided to Ms. Weldon and him. The results will be presented at the CHESLA June Board meeting.

### **DRAFT STRATEGIC PLAN REVIEW**

Ms. Weldon highlighted some of the conceptual changes received from the CHEFA Board review of the draft strategic plan for FY 2019-2021. This draft plan was derived from feedback from the Board and Staff Retreats. The initiatives are listed under each strategic pillar. Specific activities and timeframes are still in development. Ms. Weldon is gathering feedback from the Board and staff on setting priorities for each of the initiatives. She plans to provide the CHEFA Board with a second draft on March 21<sup>st</sup> and present the final plan at the April 18<sup>th</sup> CHEFA Board meeting and the June CHESLA board meeting.

Dr. Lisi encouraged the Board to review the draft and if they had any comments, to get them to Ms. Weldon as soon as possible.

### **REFI CT CSLF TRANSFER AND FUNDING ALLOCATION**

Ms. Weldon stated that since the CSLF Board meeting will be held after the CHESLA Board meeting, the Refi CT CSLF transfer item on the agenda is for CHESLA to specify how the dollars from CSLF will be allocated after the transfer is made. Staff’s request is that \$2 million be transferred to CHESLA for the Refi CT Program as soon as possible and at a later date, at Management’s discretion, \$2 million be transferred to CHESLA for the Scholarship Program.

Mr. Budd moved that if the CSLF Board approves the transfer of \$4 million to CHESLA, \$2 million be used for the Refi CT Program as soon as possible and at a later date, \$2 million be used for the Scholarship Program. Ms. Savino seconded his motion.

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

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTENTIONS</u></b>
Martin Budd Steven Kitowicz Dr. Peter Lisi Sheree Mailhot Julie Savino Erika Steiner Jeanette Weldon	None	None

### **ADJOURNMENT**

There being no further business, Dr. Lisi moved to adjourn the meeting at 12:41 p.m. and Mr. Kitowicz seconded the motion.

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

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTENTIONS</u></b>
Martin Budd Steven Kitowicz Dr. Peter Lisi Sheree Mailhot Julie Savino Erika Steiner Jeanette Weldon	None	None

Respectfully submitted

Jeanette W. Weldon  
Executive Director