

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

Minutes of Meeting

December 15, 2009

Meeting Room C – Harry Gray Conference Center
University of Hartford – West Hartford, Connecticut

Authority Members Present: Michael E. McKeeman, Chairman; Julie Savino, Vice Chairman; Delores Graham; John Mengacci (for Robert L. Genuario); William Pizzuto; and Kathleen Woods

Authority Staff and Advisors Present: Gloria F. Ragosta, Executive Director; Samuel E. Rush, Deputy Director; Susan Harlan, Loan Portfolio Analyst; Judith Blank and Ted See, Day Pitney LLP (General and Bond Counsel); Julie Gillespie, Simione, Macca & Larrow (Auditor); Robert Guadagno and Christine Doyle, PFM (Financial Advisor); Elizabeth Hammer, U.S. Bank (Trustee); Jeffrey Wagner, Gary Wolf and Todd Forgione (RBC Capital Markets - Underwriter); Joseph Santoro (Merrill Lynch/Bank of America) Co-Manger;

Authority Advisory Committee Members Present: Martin Budd; and Frank R.A. Resnick

A quorum being present, the Chairman called the meeting to order at 12:35 p.m. The minutes of the September 22, 2009 Board meeting were unanimously approved.

Ms. Ragosta presented the executive director's report. She reported that the Authority had \$20.6 million (gross) available to lend (includes approx. \$2.6 million in pending second disbursement loans). Ms. Ragosta noted that Collection Company of America (CCA) had collected approximately \$15.1 million through September 2009 (first placement collection rate decreased by 0.72% to 74.07%, second placement collection rate increased by 0.18% to 75.57%). She indicated that CCA has officially changed its name as to EOS CCA, as part of a re-branding process with its parent company, the EOS Group. Ms. Ragosta noted that that the authority collected \$145,147 from CT income tax intercepts from defaulted borrowers. Mr. Rush reviewed the quarterly marketing data.

Ms. Ragosta reported that the Authority redeemed \$1,390,000 in Bonds on November 15th including \$710,000 for 2006A and \$680,000 for 2007A.

Ms. Ragosta indicated that the year-to-date budget was included in the meeting packet. She reported that the budget was in line with projections, and a footnote was added to show as of January 1, Ms. Harlan would be added to the health and dental insurance policies.

Ms. Ragosta reported that she requested from OPM that the remaining \$15 million from CHESLA's FY 2010 Private Activity Bond allocation be carried forward for the next bond deal. She also requested \$30 million in additional 2010 funds.

Ms. Ragosta reported that the Board packet contained a draft marketing plan, which would be updated periodically. CHESLA continues to monitor the student loan market and the availability of loan funds. She noted that the staff participated in a number of financial aid fairs with school counselors and financial aid officers to promote the CHESLA loan. Ms. Ragosta noted that she would add CHESLA's web page to the marketing plan.

Ms. Ragosta reported that AMTEC completed new loan yield calculations. She noted that bond issues with an excess loan yield liability were 1996 Series A - \$1,395,800.74 (interest rate reduced from 8.1% to 0%); 1998 Series A & B - \$658,700.97 (interest rate reduced from 7.5% to 2%) and 2007 Series A - \$101,192.91. Ms. Ragosta indicated that AMTEC would perform quarterly calculations of the 2% yield accounts (1996A and 1998A&B) to see if they were reducing the excess loan yield liabilities.

Ms. Ragosta reported that the College Board released a study entitled "Trends in Student Aid 2009". She noted some highlights from the report focused on changes, usage and volume of education borrowing; Federal and non-federal loans; median debt; and private, non-profit and for-profit institutions.

Ms. Ragosta noted that the Authority's State Audit was in process for FY 2009.

Ms. Ragosta presented CHESLA's 2010 marketing plan. She asked for feedback from the members.

Ms. Ragosta introduced a proposed draft of a special Board meeting to discuss CHESLA's strategic plan and management succession. She indicated that a date would be scheduled for the meeting.

Mr. McKeeman presented the Authority's slate for proposed 2010 Advisory Committee members. Dr. Pizzuto made a motion to approve the 2010 Advisory Committee members. Seconded by Ms. Graham, the motion passed unanimously. (A copy is attached to and becomes a permanent part of these minutes.)

Mr. McKeeman presented the Authority's proposed 2010 meeting schedule. The Board agreed to hold the March 23rd meeting at Waterbury UConn. Ms. Savino made a motion to approve the 2010 Authority meeting dates. Seconded by Ms. Woods, the motion passed unanimously. (A copy is attached to and becomes a permanent part of these minutes.)

Ms. Ragosta presented the FY 2010 First Quarter Financial Statements. The Board discussed the item for unrealized gain on treasury, and asked that a representative from Beers Hamerman be present for the next Board meeting. Ms. Ragosta indicated that she would make the request and noted that Mr. Santore said that the financials were in good condition.

Mr. McKeeman presented a Bond Committee resolution recommending RBC Capital Markets to serve as Senior Managing Underwriter and Bank of America Merrill Lynch to serve as Co-Managing Underwriter to the Authority for a period not to exceed three years. Ms. Savino made a motion to approve the Bond Committee's selection of RBC Capital Markets as Senior Managing Underwriter and Bank of America Merrill Lynch as Co-Managing Underwriter to the Authority for a period not to exceed three years. Seconded by Mr. Mengacci, the motion passed unanimously.

Mr. McKeeman introduced a resolution establishing the 2010 Bond Committee. Ms. Savino made a motion to ratify the 2010 Bond Committee: Mr. McKeeman (chair), Mr. Mengacci, Ms. Sanders, and Ms. Savino as committee members and to authorize using up to \$600,000 towards the cost of issuance to lower the interest rate for CHESLA loans. Seconded by Ms. Graham, the motion passed unanimously.

Public Participation/New Business – There was no public participation.

The meeting adjourned at 1:20 p.m.

**Connecticut Higher Education Supplemental Loan Authority
Proposed Advisory Committee Members - 2010**

The membership of the Advisory Committee includes representatives from specific groups and agencies, as follows:

Financial Aid Community

- **One from a public four-year institution** – Richard Savage, Retired Director of Financial Aid, Eastern

High School Guidance Counselor Community

- **One from a public institution** – Arthur Shahverdian, former Counselor, Manager, Early Awareness CSLF
- **One from an independent institution** –

Higher Education Finance Field

- **One from a public institution** –
- **One from an independent institution** –
- **Student Loan Finance Provider/Service** –
- **Higher Education Finance** - Frank R.A. Resnick, CFO Jewish Community Center
- **Student Loan Finance Provider/Service** – Joe Popevis, Manager, Firstmark Services

Department of Higher Education

- **One representative** –

CHESLA Alumni members

- **One representative** - Catherine Boone
- **One representative** - Martin L. Budd

**Connecticut Higher Education Supplemental Loan Authority
Proposed Meeting Dates for 2010**

<u>Meeting Date</u>	<u>Time</u>	<u>Location</u>
Tuesday, March 23, 2010	10:00 a.m. to 11:30 a.m.	Waterbury UConn
Tuesday, June 15, 2010	10:00 a.m. to 11:30 a.m.	Mandell Greater Hartford Jewish Community Center Bloomfield Ave. West Hartford
Tuesday, September 21, 2010	10:00 a.m. to 11:30 a.m.	Dept. of Higher Education 61 Woodland St. Hartford, CT
Tuesday, December 14, 2010	10:30 a.m. to 1:00 p.m.	University of Hartford