

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

Minutes of Special Board Meeting
November 9, 2007
Goldman, Sachs & Co.
85 Broad Street, 22nd Floor – New York, New York

Authority Members Present: Michael E. McKeeman, Chair; Julie Savino, Vice Chair; John Mengacci (for Robert Genuario); Sarah Sanders (via conference call - for Denise Nappier); Valerie Lewis, Kathleen Woods

Authority Staff and Advisors Present: Gloria F. Ragosta, Executive Director; Samuel E. Rush, Deputy Director; Judith Blank and Edmund See, Day Pitney (General and Bond Counsel); Mark Kim, Kemp Lewis and Dan Goldberg, Goldman, Sachs & Co. (Underwriter); Christine Doyle and Robert Guadagno, PFM (Financial Advisor)

Rating Agency Representatives Present: Linda Stesney, Pedro Sancholuz, and Chantel Moses, Moody's Investor Services; Gary Santos, Andrea Murad, Jeffrey Prackup, and Irma Amador-Robinson, Fitch Ratings

A quorum being present, the Chairman called the meeting to order at 10:15 a.m.

Mr. Kim welcomed the Authority to Goldman Sachs. He reviewed possible financing options for the Board to consider for future bond deals. Mr. Kim indicated that the options focused on potential program changes (lending to proprietary schools, FICO-based credit underwriting and risk based pricing), credit enhancements (SCRIF and bond insurance) and future loan rate drivers (servicing fees, refunding, administrative fees, variable rate debt structure, equity contributions).

Board members met with Ms. Stesney and her associates from Moody's Investor Services. Ms. Ragosta provided an overview of the Authority and the CT FELP loan program. Mr. Rush summarized CT FELP's origination, disbursement and collection data. Ms. Stesney provided a brief review of Moody's observation of the student lending and bond insurance markets. Ms. Stesney indicated Moody's was satisfied with CHESLA's utilization of SCRIF backing, bond insurance and its credit underwriting standards vs. using FICO scores.

Board members took a tour of Goldman's municipal trading floor. Mr. Kim provided an overview of auction rate securities.

Board members met with Ms. Murad and her associates from Fitch Ratings. Ms. Ragosta provided an overview of the Authority and the CT FELP loan program. Mr. Rush summarized CT FELP's origination, disbursement and collection data. Ms. Murad and Mr. Santo provided a brief review of Fitch's observation of the student lending and bond insurance markets.

Board members met with Mr. Lewis to discuss the utilization of SWAPS on bond deals. Mr. Kim wrapped up the meeting with an overview of the future trends in the private loan industry. Ms. Ragosta thanked Mr. Kim for the presentation and Board members for their participation.

The meeting adjourned at 4:10 p.m.