

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

Minutes of Meeting

December 16, 2008

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

Authority Members Present: Michael E. McKeeman, Chairman; Julie Savino, Vice Chairman; Sarah Sanders (via conference call for Denise Nappier); Delores Graham; Mary Johnson (for Michael Meotti); 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, Day Pitney LLP (General and Bond Counsel); Julie Gillespie, Simone, Macca & Larrow (Auditor); Robert Guadagno (via conference call) and Christine Doyle, PFM (Financial Advisor); Elizabeth Hammer, U.S. Bank (Trustee); Joe Popevis, Firstmark Services (via conference call – Loan Servicer)

Authority Advisory Committee Members Present: Catherine Boone; Martin Budd; Frank R.A. Resnick; and Richard Savage

A quorum being present, the Chairman called the meeting to order at 10:30 a.m. The minutes of the September 23, 2008 Board meeting were unanimously approved.

The minutes of the November 19, 2008 Special Board meeting regarding the renewal of the CHESLA/CCIC contract for personal services were unanimously approved.

Ms. Ragosta presented the executive director's report. She indicated that the Authority had \$9.8 million (gross) available to lend from the 2007 Series A Loan Fund. Ms. Ragosta reported that Collection Company of America (CCA) had collected approximately \$13.8 million through September 2008 and that they had done a superb job collecting on behalf of the Authority (first placement collection rate increased by 0.2% to 73.3%, second placement collection rate increased by 0.8% to 73.2%). Ms. Ragosta noted that the authority collected \$82,481.43 from the CT tax. Intercept funds from defaulted borrowers and that the Authority had won all three tax appeals from borrowers contesting the attachments. Mr. Rush reviewed the quarterly marketing data.

Ms. Ragosta reported that the Authority had redeemed \$4,175,000 in Bonds on November 15th consisting of: \$515,000 for 1998A; \$345,000 for 1999A; \$720,000 for 2000A; \$595,000 for 2001A; \$700,000 for 2005A; and \$1.3 million for 2006A.

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.

Ms. Ragosta indicated that the State Bond Commission approved her request to carry forward CHESLA's \$45 million Private Activity Bond allocation from 2008 to 2009 for the next bond deal.

Ms. Ragosta reported that the Board packet contained a draft of the marketing plan which would be updated as CHESLA monitors the student loan market and the availability of funds. She noted that the staff had participated in a number of financial aid fairs with school counselors and financial aid officers to promote CT FELP. Ms. Ragosta noted that she would also include CHESLA's web page in the marketing plan since it is used by families and aid administrators.

Ms. Ragosta reported that the Board packet contained a copy of her December 5th response to Attorney General Richard Blumenthal regarding his concern with the repayment options available to defaulted borrowers and families encountering financial hardship. Ms. Ragosta distributed a copy of Attorney General Blumenthal's December 15th response. Mr. McKeeman indicated that the Attorney General's recommendations would be reviewed by the Bond committee and that it would report back to the full Board during the March 2009 Board meeting. Mr. McKeeman asked Ms. Ragosta and Ms. Blank to arrange a meeting with the Attorney General's office to discuss the matter further and to seek specifics regarding the families and complaints his office had received to further assist the Authority in its response. The Board asked Counsel and its financial advisor to review the existing bond documents for any options to assist current borrowers with financial hardships and options for future bond deals.

Ms. Ragosta reported that the Board packet contained an announcement from Governor Rell regarding the loan program being offered through Credit Unions in the state. She indicated that some of the mechanics regarding the program have yet to be worked out and that the program would not have an immediate impact on CHESLA.

Ms. Ragosta noted that she received a letter from the State Auditor indicating that the 2008 CHESLA state audit would begin on December 23rd.

Mr. McKeeman presented the Authority's proposed Advisory Committee for 2009. Mr. Mengacci made a motion to approve the 2009 Advisory Committee members. Seconded by Dr. Pizzuto, the motion passed unanimously. (A copy is attached to and becomes a permanent part of these minutes.)

Mr. McKeeman presented the Authority's proposed meeting dates for 2009. Mr. Mengacci made a motion to approve the 2009 Authority meeting dates. Seconded by Ms. Savino, the motion passed unanimously.

Ms. Ragosta reported that the Board packet contained a quote estimate from Firstmark Services pertaining to changing the name of the program from CT FELP to one approved by the Board. Ms. Ragosta provided an overview of the name CT FELP and noted that it now sounds more like a federal program than an alternative loan. Following discussion, the Board opted to table Firstmark's price quote pending additional research by Mr. Popevis. Mr. Mengacci made a motion to change the name of CT FELP to CHESLA Loan Program. Seconded by Dr. Pizzuto, the motion passed unanimously.

Ms. Ragosta reported that the 2% Loan Yield group met and recommended an interest rate reduction for the 1996 and 1998 loans. AMTEC will be running numbers to determine which rate reduction would resolve the yield issues for those portfolios. She noted that the group recommended that the Authority wait to take action on the 2006A portfolio until the 1996 and 1998 issues were resolved. Ms. Ragosta indicated that more information would be shared with the Board during the March 2009 Board meeting.

Ms. Savino made a motion to approve AMTEC' proposal to serve as the Authority's arbitrage rebate service provider. Seconded by Mr. Mengacci, the motion passed unanimously.

Mr. McKeeman reported that he would be meeting with CCIC President Judy Greiman regarding the renewal of the CHESLA/CCIC contract that expires June 2009. He thanked the Board members for their input and noted that he would keep them advised of contract discussions.

Public Participation/New Business

Ms. Ragosta reported that there would be a retirement dinner for Rep. William Dyson to benefit an endowed chair in humanities including scholarships in memory of Rep. Tulisano. Ms. Graham made a motion authorizing \$1,500 for a full-page program ad from CHESLA with the proceeds ear marked for scholarships and a ticket for the event. Seconded by Ms. Woods, the motion passed unanimously.

The meeting adjourned at 12:00 noon

Connecticut Higher Education Supplemental Loan Authority
Proposed Advisory Committee Members - 2009

The membership of the Advisory Committee includes representatives from specific groups and agencies, 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** – Kristen White, Director of Admissions, Westover School, Middlebury

Higher Education Finance Field

- **One from a public institution** –
- **One from an independent institution** – Edwin Below, Project Manager, Wesleyan University, Middletown and former Chairman of CHESLA
- **Student Loan Finance Provider/Service** – Joseph Martinkovic, Regional Account Executive, American Student Assistance
- **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