



CONNECTICUT STUDENT LOAN FOUNDATION

MINUTES OF THE BOARD OF DIRECTORS

March 1, 2018

A meeting of the Connecticut Student Loan Foundation's Board of Directors was held on Thursday, March 1, 2018 at 12:00 p.m., at the office of the Connecticut Health and Educational Facilities Authority, 10 Columbus Boulevard, Hartford, Connecticut 06106.

Members Present:

Dr. Peter Lisi, Chair of the Board
Julie Savino, Vice-Chair of the Board
Martin Budd*
Steven Kitowicz (designee of the Honorable Benjamin Barnes)
Erika Steiner (designee of the Honorable Mark Ojakian)*
Sheree Mailhot (designee of the Honorable Denise Nappier)*
Jeanette Weldon, Executive Director

Other Attendees:

Lisa Cohen, Vice President, Goal Structured Solutions, Inc.*
Tim Webb, Vice President, Hilltop Securities*
Denise Aguilera, General Counsel, CHEFA
Cynthia Peoples H., Managing Director, CHEFA
JoAnne Mackewicz, Controller, CHEFA
Joshua Hurlock, Assistant Director, CHESLA
Natalia Rozio, Intern, CHESLA
Judith Blank, Esq., Day Pitney LLP
Glenn Rybacki, Esq., Day Pitney LLP

* Participated in the meeting via conference telephone that permitted all parties to hear each other

I. Call to Order

Dr. Lisi called the meeting to order at 12:52 p.m.

II. Approval of Minutes

A motion was made by Ms. Savino and seconded by Mr. Kitowicz that the Board of Directors of the Connecticut Student Loan Foundation approves the minutes of the November 7, 2017 meeting.

The motion was passed unanimously, with abstention by Ms. Steiner who was absent from the November 7, 2017 meeting.

III. Executive Directors Report

Ms. Weldon introduced Lisa Cohen, Vice President Trust Administration, Controller and Treasurer, of Goal Structured Solutions, Inc. as the primary contact for CSLF as the Portfolio Administrator. Ms. Weldon provided an update on the transition from Education Solution Partners, LLC to Goal Structured Solutions, Inc.

IV. Financial Report – December 31, 2017

Ms. Mackewicz reviewed the financial status of CSLF as of December 31, 2017. She presented the Net Change in Position and, Balance Sheet on a consolidated basis, a comparison of the Funds Management ratios to the policy guidelines, the Balance Sheet by fund and information on the current bonds outstanding.

Ms. Mackewicz indicated the Net Change in Position for CSLF was a positive \$633,380 for the six-month period. This was \$706,409 better than budget primarily due to the CHESLA initiatives (\$1 million) which were budgeted to be approved in November 2017 and not yet allocated as of December 2017. The Change in Net Position Before Extraordinary was \$293,591 under budget driven by higher Interest on the Bonds due to the timing of bond redemptions. Higher interest rates, for both Interest Income and Interest on the Bonds, were over budget.

On the Balance Sheet, she indicated the trust cash was \$2.8 million under plan. This is due to an additional \$1.25 million in bond redemptions over budget assumptions. Loan principal and interest receivable was a combined \$1.8 million over budget.

Ms. Mackewicz noted that the Trust Parity Ratio as of December 31, 2017 stood at 111.96% and the Senior Parity Ratio was 149.99%. Assets within the Trust exceed the Funds Management Policy by \$16.9 million.

Ms. Cohen reviewed the bond activity for the quarter ended December 31, 2017 and indicated that \$22.25 million of bonds had been redeemed in the quarter, all of which were senior bonds from the 2004 A-3 tranche. The bond redemptions were significantly higher during the quarter because there was a pooling of funds resulting from no bond redemptions occurring in the preceding quarter.

Mr. Budd inquired how the amount of voluntary bond redemptions were determined. Ms. Weldon spoke of the monthly process performed by Ms. Weldon, Mr. Webb, and Ms. Cohen to determine the redemption amount. Ms. Weldon and Mr. Webb spoke to the various factors considered during the determination process.

Ms. Cohen also reviewed the Weighted Average Coupon (WAC) and the Weighted Average Remaining Maturity (WARM) of the loan portfolio.

It was also noted that Fitch had completed its review of the CSLF bonds and issued a report affirming the current ratings of AAA for the Senior Bonds and AA for the subordinate bonds.

V. CHESLA Funding Request

The following motion was made by Mr. Budd and seconded by Ms. Savino:

The Board of Directors of the Connecticut Student Loan Foundation authorizes contributions up to \$4 million by October 1, 2018 to the Connecticut Higher Education Supplemental Loan Authority (CHESLA) in support of the following programs to improve educational opportunities:

- CHESLA Loan Refinancing Pilot Program
- CHESLA Scholarship Program

The Executive Director shall determine the exact time and amount of each contribution. The Executive Director is authorized to modify the CSLF budget as needed to accommodate these contributions, and

withdraw funds from the trust estate as necessary to complete such contributions, provided all obligations and procedures of the Indenture and Board policies are adhered to when taking such action.

The motion was passed unanimously.

VI. **Other Business**
None

VII. **Adjournment**
Dr. Lisi made a motion, which was seconded by Mr. Kitowicz, to adjourn the meeting.

The motion passed unanimously and the meeting was adjourned at 1:10 p.m.

Respectfully Submitted by:


Jeanette Weldon, Executive Director