



CONNECTICUT STUDENT LOAN FOUNDATION

MINUTES OF THE BOARD OF DIRECTORS

March 5, 2019

A meeting of the Connecticut Student Loan Foundation's Board of Directors was held on Wednesday, March 5, 2019 at 12:00 p.m., at the Office of the Connecticut Health and Educational Facilities Authority, 10 Columbus Boulevard, Hartford, Connecticut 06106.

Members Present:

Peter Lisi, Chair of the Board

Julie Savino, Vice-Chair of the Board

Sheree Mailhot (designee of the State Treasurer) *

Jeanette Weldon, Executive Director

Andrew Foster*

Steven Kitowicz (designee of the Secretary of the Office of Policy and Management)

Benjamin Barnes (designee of the President of Connecticut State Colleges and Universities)

Martin L. Budd*

Members Absent:

Paul H. Mounds Jr.

Other Attendees:

Lisa Cohen, Vice President, Goal Structured Solutions, Inc. *

Ian Meade, Senior Financial Reporting Manager, Goal Structured Solutions, Inc. *

Andrea Lenox, Structured Finance Director, Goal Structured Solutions, Inc. *

Tim Webb, Vice President, Hilltop Securities *

Denise Aguilera, General Counsel, CHEFA

JoAnne Mackewicz, Controller, CHEFA

Joshua Hurlock, Assistant Director, CHESLA

Shannon Reynolds, Portfolio Assistant, CHESLA

Natalia Rozio, Student Intern, CHESLA

Carlee Levin, Senior Accountant, CHEFA

Kevin Barry, Accountant, CHEFA

Debra M. Pinney, Manager of Administrative Services, CHEFA

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

I. Call to Order

Mr. Lisi called the meeting to order at 12:53 p.m.

Mr. Lisi announced that Debra Pinney will be leaving her position at CHEFA and thanked her for the last 12 years of service.

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 approve the minutes of the November 6, 2018 meeting.

The motion was passed unanimously, with abstention by Mr. Budd and Mr. Barnes who were not present for the November 6, 2018 meeting

III. Executive Director's Report

Ms. Weldon noted that CSLF will be working with Goal Structured Solutions, Inc. and EdFinancial related to EdFinancial not meeting certain contractual servicing metrics.

IV. Financial Report – December 2018

Ms. Mackewicz reviewed the financial status of CSLF as of December 31, 2018. 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 \$517,000 for the six-month period noting that this was \$109,000 less than budget. The Net Change in Position after transfers was a negative \$1.5 million and \$2.1 million less than budget due to the CHESLA initiatives (\$2.0 million) which were budgeted and approved during the June 2018 board meeting. Agency Cash and Equivalents are \$221,000 as compared to \$677,000 during December 31, 2017. This reflects the transfer of \$790,000 to CHESLA to provide funds for student loans, pending their Bond Issuance, which occurred on September 17, 2018.

On the Balance Sheet, she indicated the trust cash was slightly under budget by \$0.3 million which also included a \$1.2 million transfer to CHESLA for student loans. Loan principal and interest receivable was a combined \$4.2 million over budget compared to \$2.0 million during the previous quarter. Ms. Mackewicz noted that the difference is primarily attributed to the budget not incorporating interest rate increases, along with a slight decrease of student loan payments.

Ms. Mackewicz noted that the Trust Parity Ratio as of December 31, 2018 stood at 111.82% and the Senior Parity Ratio was 133.45%. Assets within the Trust exceed the Funds Management Policy by \$14.5 million.

Mr. Lisi asked Ms. Mackewicz to explain the concept of the Consolidation Fees. Tim Webb of Hilltop Securities provided the background related to FFELP loans and Consolidation Fees.

Ms. Cohen reviewed the bond activity for the quarter ended December 31, 2018, and indicated that \$10.2 million of subordinate bonds from the 2004B tranche had been redeemed. Ms. Cohen noted that the strategy remains to utilize excess cash to prepay the bonds.

Ms. Cohen noted that the Weighted Average Coupon (WAC) increased slightly from 6.24% to 6.27%. The Weighted Average Remaining Maturity (WARM) of the portfolio also increased slightly from 141.95 to 142.89, noting that Consolidation loans, which have longer maturities, continue to represent 63% of the portfolio. Ms. Cohen also noted that there was a decrease in prepayments during the current quarter.

V. Contribution for CHESLA's Scholarship Programs

Mr. Budd moved the following motion, which was seconded by Mr. Kitowicz.

WHEREAS, the Connecticut Student Loan Foundation (the "Foundation") desires to contribute funds in support of the Connecticut Higher Education Supplemental Loan Authority's (CHESLA) scholarship programs, to improve educational opportunities for Connecticut students.

NOW THEREFORE, BE IT RESOLVED, that Board of Directors of the Foundation authorizes a contribution of \$1.5 million, by June 1, 2019, to CHESLA in support of CHESLA's scholarship programs; and be it further

RESOLVED, that Executive Director of the Foundation is authorized to (i) determine the exact time of the contribution, (ii) modify the CSLF budget as needed to reflect the contribution and (iii) withdraw funds from the trust estate as necessary to complete such contribution, provided all obligations and procedures of the Indenture and Board policies are adhered to when taking such action.

The motion was passed unanimously.

VI. Adjournment

Mr. Kitowicz made a motion, which was seconded by Ms. Mailhot, to adjourn the meeting.

The motion passed unanimously and the meeting was adjourned at 1:03 p.m.

Respectfully Submitted by:

Jeanette Weldon, Executive Director