



CONNECTICUT STUDENT LOAN FOUNDATION

MINUTES OF THE BOARD OF DIRECTORS

September 20, 2021

A meeting of the Connecticut Student Loan Foundation's Board of Directors was held on Monday, September 20, 2021 at 12:00 p.m., virtually via video conference. *

Members Present:

Dr. Peter Lisi, Chair of the Board
Julie Savino, Vice-Chair of the Board
Martin L. Budd
Andrew Foster
Benjamin Barnes (designee of the President of Connecticut State Colleges and Universities)
Darrell V. Hill (designee for Connecticut State Treasurer)
Jeffrey R. Beckham (designee of the Connecticut OPM Secretary)
Kelli-Marie Vallieres

Members Absent:

None

Other Attendees:

Jeanette Weldon, Executive Director, CHEFA/CHESLA
Denise Aguilera, General Counsel, CHEFA
Daniel Giungi, Communications and Government Affairs Specialist, CHEFA
Joshua Hurlock, Assistant Director, CHESLA
Carlee Levin, Senior Accountant, CHEFA
JoAnne Mackewicz, Controller, CHEFA
Cynthia Peoples, Managing Director, CHEFA
Shannon Reynolds, Portfolio Assistant, CHESLA
Kara Stuart, Administrative Services Assistant, CHEFA
Yesenia Torres-Rivera, Program Coordinator, CHESLA
Andrea Lenox, Vice President, Goal Structured Solutions, LLC
Jacob Lin, Senior Financial Reporting Manager, Goal Structured Solutions, LLC
Robert Johnson, Accounting Analyst, Goal Structured Solutions, LLC
Tim Webb, Vice President, Hilltop Securities N.A
Judith Blank, Esq., Pullman & Comley LLC
Kristen Brown, CPA, Director CohnReznick
Melissa Ferrucci, CPA, Partner, CohnReznick
Josh Labonte, CPA, Senior Associate, CohnReznick
Joseph Santoro, Director-Education Finance Team Leader, Bank of America

* All attendees participated in the meeting via conference telephone that permitted all parties to hear each other

in forbearance rates, with the FFELP portfolio decreasing from 15.30% to 11.49% and the private loan portfolio decreasing from 1.02% to zero loans in forbearance.

Additionally, Ms. Lenox shared that on August 11, S&P affirmed their AAA ratings on the senior notes and AA+ rating on the subordinate notes. Factors into this affirmation included (1) stable or improving credit enhancement levels (most notably relatively high senior and total parity levels of 139.73% and 118.10% respectively, an increase since their last review in April 2020), (2) collateral profiles with highly seasoned portfolio that is predominantly FFELP, and (3) available liquidity with the rate of principal paydown on notes being enough to expect that the notes will be paid in full by legal final maturity date in June 2046.

VI. Trust Cash Flows

Mr. Webb, Financial Advisor to CSLF, provided comments and an explanation of the trust cash flows, which has been done periodically to analyze the liquidity of the trust. This analysis was performed using the 3/31 bond and loan balances as well as the respective collateral ratios. Mr. Webb pointed out that these ratios will continue to rise as senior bonds get paid down, which will slowly build CSLF's equity of the trust overtime. Mr. Webb also confirmed that the trust can still release collateral for scholarships as desired provided the parity ratio stays above the required limits (no rating affirmation needed). Expense models for the cash analysis assumed a base rate for trustee expenses along with a fixed trust admin fee and the same annual CHESLA scholarship.

The interest rate on the bonds continues to be set at the 91-day T-Bill plus 120 basis points, with the T-Bill averaging 4.8 basis points over the last year (thus 1.25% bond rate). Mr. Budd asked for further explanation on how the coupon rates and yields are calculated. Mr. Webb clarified that while students could be paying fixed interest rates, the yield for the lender can vary based on delinquency rates, income-based repayment (IBR) use, and historical FFELP rebate changes, which all affect the cash inflow for the trust.

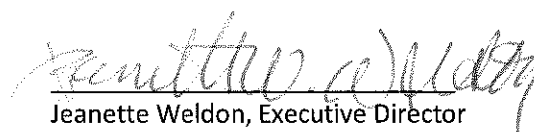
Several different cash flows were ran in the analysis, with assumptions ranging from a base case with minimal IBR utilization (higher cash inflow) to a more extreme 30% IBR (slower cash inflow). Mr. Webb indicated that even under both scenarios, the trust should have no problems making debt service payments, and given the conditions under the base case, all bond obligations could be paid by July 1, 2030, well ahead of the legal maturity date. Mr. Webb emphasized that because these models are based on assumptions, any unforeseen real-life event could have an impact on the cash flows. He encouraged the continuation of period cash flow modeling so that the board could reassess its liquidity position if needed as the dynamics shift.

VII. Adjournment

Mr. Hill made a motion, which was seconded by Ms. Savino, to adjourn the meeting.

The motion passed unanimously, and the meeting was adjourned at 12:38 p.m.

Respectfully Submitted by:


Jeanette Weldon, Executive Director