

## **MINUTES OF THE BOARD OF DIRECTORS**

**March 18, 2024**

**A meeting of the Connecticut Student Loan Foundation's Board of Directors was held on Monday, March 18, 2024 at 2:00 p.m., virtually via video conference. \***

### **Members Present:**

Dr. Peter Lisi, Chair of the Board  
Bettina Bronisz (designee of the Connecticut Treasurer)  
Andrew Foster  
Michael Izadi (designee of the Connecticut OPM Acting Secretary)  
Kerry A. Kelley (designee of the President of Connecticut State Colleges and Universities)  
Julie B. Savino, Vice Chair  
Jeanette Weldon, Executive Director, CHEFA/CHESLA

### **Members Absent:**

Laura M. Baker (designee of the Connecticut Chief Workforce Officer)  
Martin L. Budd

### **Other Attendees:**

Denise Aguilera, General Counsel, CHEFA  
Charles Bodie, Managing Director of Finance and Operations, CHEFA  
Rebecca Hrdlicka, Administrative Services Assistant, CHEFA  
Joshua Hurlock, Assistant Director, CHESLA  
Carlee Levin, Senior Accountant, CHEFA  
JoAnne Mackewicz, Controller, CHEFA  
Shannon Reynolds, Portfolio Assistant, CHESLA  
Kara Stuart, Manager, Administrative Services, CHEFA  
Yesenia Torres-Rivera, Program Coordinator, CHESLA  
Andrea Lenox, Vice President, Structured Finance, Goal Structured Solutions, LLC  
Justin Schwartz, Financial Reporting Manager, Goal Structured Solutions, LLC  
Robert Johnson, Accounting Analyst II, Goal Structured Solutions, LLC  
Tim Webb, Vice President, Hilltop Securities N.A

\* All attendees 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 2:24 p.m.

**II. Approval of Minutes:**

Ms. Savino moved to approve the minutes from the November 14, 2023, board meeting, which was seconded by Mr. Foster. The motion passed unanimously.

**III. Executive Directors Report**

Ms. Weldon noted that there was nothing specific to discuss during the current meeting.

**IV. Financial Report**

**A. December 31, 2023**

Mr. Barry reviewed the financials for the quarter ended December 31, 2023. Unrestricted assets decreased by about \$754,000 from this period last year as a result from STIF investment funds being transferred to CHESLA initiatives. Loans receivable decreased to \$78.6 million from \$96.1 million, due to continued student loan repayments. Bonds payable also decreased by \$20.6 million as CSLF continues to use available trust cash to redeem its liabilities. Total net position was \$21 million, down from \$24.1 million the prior fiscal year.

Loan interest income was \$3.5 million during the fiscal year, compared to \$2.9 million last year, with the increase attributed to higher interest rates and the quarterly SAP accrual becoming a receivable instead of the usual payable. Bond interest expense was \$2.4 million, up from \$1.9 million last year, also due to interest rate increases. Overall, change in net position was \$570,000, compared to \$300,000 last year.

**B. Bond Redemption Activity**

Mr. Schwartz reviewed the bond activity for the quarter ended December 31, 2023. Total redemptions for the quarter equaled \$1.7 million, compared to \$6.85 million last quarter. This consisted of \$500,000 for the 2006 A-1 tranche and \$1.2 million for the 2006 A-2 tranche. The outstanding bond balance at the end of the quarter stood at approximately \$67.4 million, representing a 2.5% decline. Mr. Schwartz reminded the board that the prior quarter's redemption total was inflated due to a calculation error, the details of which were presented at the last meeting. As a result, the subsequent quarter experienced lower redemption levels.

The Weighted Average Coupon (WAC) increased from 7.14% to 7.20% and the Weighted Average Remaining Maturity (WARM) of the portfolio increased from 213.85 months to 216.82 months. Forbearance rates slightly decreased from 10.52% to 10.22% and loans in repayment decreased slightly from 86.39% to 86.32%.

**V. Internal Audit Testing Results**

Ms. Weldon stated that the CSLF board heard the internal audit results with regard to the bond redemption policies and procedures during the CHESLA board meeting that took place prior to this meeting.

**VI. Servicer Review**

Mr. Schwartz introduced the annual servicer review, which was completed remotely, similarly to those in the past. However, it was noted that the timing of this review was different from prior years as a result of the FFELP servicing transfer from EdFinancial to PHEAA. Since PHEAA's SOC year ends in September rather than June, Goal's presentation couldn't be prepared ahead of the November board meeting.

The PHEAA review was presented first, which covered the period beginning on the conversion date, May 15, 2023, through December 31, 2023. No material exceptions were found, including no rejected claims or uninsured loans due to lender or servicer error. Although, PHEAA did slightly miss its average borrower correspondence metric in August 2023, this was attributed to expected higher customer service needs during that time of year and the metrics returned to normal levels the following month.

The EdFinancial review covered the period from September 1, 2022, through its final month-end as CSLF's FFELP servicer, June 30, 2023. No material exceptions were noted. Of the 27 accounts identified as rejected claims, all of them were adequately resolved or withdrawn. Additionally, EdFinancial met all its contractual standards for most months, with two exceptions during September 2022 and June 2023, both periods with higher call volume from the Biden Administration's Student Loan Forgiveness announcement and CSLF's deconversion notices, respectively.

Goal also conducted a separate review of Launch, the private loan servicer for CSLF, from September 1, 2022, through December 31, 2023. Overall, Launch continued to have difficulty meeting its contractual standards for Call Answer Rates and Call Abandonment rates, however, Goal noted that performance did improve compared to last year. When asked about these deficiencies, Launch indicated that servicing volume growth still constrains their available staffing and that they will work to improve.

**VII. Contribution to CHESLA's Scholarship Program**

Ms. Weldon introduced the resolution for a \$500,000 contribution to be made in June 2024 to the CHESLA administered scholarship program. Ms. Weldon noted that this amount had already been budgeted and that this action formally authorizes the cash release.

Ms. Bronisz moved to approve the contribution, with Ms. Savino seconding. The motion passed unanimously.

**VIII. Adjournment**

Ms. Izadi made a motion, which was seconded by Ms. Kelley, to adjourn the meeting.

The motion passed unanimously, and the meeting was adjourned at 2:43 p.m.

Respectfully Submitted by:

  
Jeanette Weldon, Executive Director