



CONNECTICUT STUDENT LOAN FOUNDATION

MINUTES OF THE BOARD OF DIRECTORS

September 17, 2015

A meeting of the Connecticut Student Loan Foundation's Board of Directors was held on Thursday, September 17, 2015 at 12:00 p.m., at the office of the Connecticut Health and Educational Facilities Authority, 10 Columbus Boulevard, Hartford, Connecticut 06106.

Members Present:

Barbara Rubin, Chair of the Board
Sarah Sanders (designee of the Honorable Denise Nappier), Vice Chair of the Board
Steven Kitowicz (designee of the Honorable Benjamin Barnes)
Dr. Peter Lisi
Julie Savino
Jeanette Weldon, Executive Director

Members Absent:

Martin Budd
Paul Mutone
Erika Steiner (designee of Dr. Gregory Gray)

Other Attendees:

Paula Herman, General Counsel, CHEFA
Darlene Dimitrijevs, Principal, Education Solution Partners, LLC
Randy Behm, Principal, Education Solution Partners, LLC
Joshua Hurlock, Portfolio and Marketing Associate, CHESLA
Samuel Rush, Deputy Director, CHESLA (via phone)
Cynthia Peoples, Managing Director, CHEFA
JoAnne Mackewicz, Controller, CHEFA
Carlee Levin, Sr. Accountant, CHEFA
Tim Webb, Vice President, FirstSouthwest (via phone)
Judith Blank, Esquire, Day Pitney, LLP
Jeff Wagner, Managing Director, RBC Securities (via phone)

I. Call to Order:

Ms. Rubin called the meeting to order at 12:51 p.m.

II. Approval of June 9, 2015 Minutes:

A motion was made by Mr. Kitowicz and seconded by Ms. Savino that the Board of Directors of the Connecticut Student Loan Foundation approves the minutes of the June 9, 2015 meeting as presented.

The motion passed unanimously, with abstentions by Ms. Rubin and Dr. Lisi who were absent from the June 9, 2015 meeting.

III. Election of Vice Chairperson

A motion was made by Ms. Rubin and seconded by Mr. Kitowicz that the Board of Directors of the Connecticut Student Loan Foundation elects Sarah Sanders as Vice Chair of the Board of Directors of the Connecticut Student Loan Foundation.

The motion passed unanimously.

IV. Appointment of Authorized Officers

A motion was made by Dr. Lisi and seconded by Mr. Kitowicz that the Board of Directors of the Connecticut Student Loan Foundation appoints Jeanette Weldon, Paula Herman, Michael Morris and Cynthia Peoples as Authorized Officers of the Connecticut Student Loan Foundation.

The motion passed unanimously.

V. Review of Draft CHEFA Audited Financials (June 30, 2015)

Ms. Weldon noted that the Draft Audited Financials of CHEFA include CSLF as a component unit and as such the financials of CSLF are a portion of the report produced for CHEFA. The Draft Audited Financials of CHEFA were reviewed by the Audit Committee of CHEFA on September 16th, but were not approved at that time.

Ms. Dimitrijevs directed the Board to the pages of the Draft Audited Financials of CHEFA that pertained to CSLF. She noted that due to the change in the fiscal year for CSLF, to coincide with CHEFA's fiscal year that ends June 30th, the information for CSLF overlaps with the prior year audited financials for CSLF for a three month period. Ms. Dimitrijevs indicated that CSLF had redeemed \$50.8 million of bonds for FY 2015 and had completed the legislatively mandated funding of \$25.0 million of Connecticut higher education related programs. CSLF also achieved a \$3.0 million Change in Net Position prior to the extraordinary items of the Legislative Mandates (\$25 million), an equity contribution to the CHESLA trust (\$2 million) and funding of the CHESLA Scholarship Fund (\$2 million). Ms. Dimitrijevs noted that as of the end of June 2015, CSLF Net Position stood at \$32.0 million.

Ms. Weldon indicated that the auditors have not yet completed two additional items that are part of the engagement for CSLF. The IRS Form 990, which is required of CSLF due to its 501(c)(3) status, has not been produced. Normally it would be due November 15, 2015. Since this is two days before the next scheduled Board meeting, an extension has been requested so that the Form 990 can be reviewed with the Board prior to submission. The auditors must also complete a Specified Procedures report that is filed with the U.S. Department of Education annually as part of CSLF maintaining its Eligible Lender status under the Federal Student Loan Program. This report, which must be filed by the end of December, requires a supporting audit report from the loan servicer for CSLF. That supporting report will be available at the end of September.

VI. Executive Director's Report

Ms. Weldon informed the Board that an unsolicited proposal had been received by the CSLF Financial Advisor from an underwriting firm to refinance the existing bonds of CSLF. Mr. Webb indicated the proposed structure would repurchase the existing bonds at a discount and create new, publicly offered bonds using a LIBOR floating rate structure. He indicated that the underwriting firm would initially purchase all of the new bonds and then proceed to sell them in the market.

Mr. Webb indicated that the underwriting firm would like to receive loan level data in order to refine the proposal. Legal counsel for CSLF and the underwriting firm are currently working to complete a Non-Disclosure Agreement that is acceptable to both parties, prior to releasing any data to the underwriting firm. Mr. Webb further noted that it has been stressed to the underwriting firm that any proposal needs to include flexibility for the CSLF Board to manage the use of funds similar to the flexibility it has under the existing bond structure.

VII. Bond and Student Loan Portfolio Information

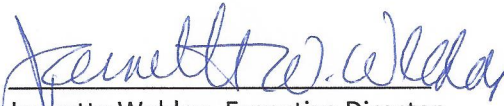
Ms. Dimitrijevs reviewed the redemption of bonds for the quarter, noting that \$12.0 million of bonds were redeemed. She further indicated that since June additional redemptions would result in the 2004 A-1 tranche being retired on September 29th. In response to a question by Ms. Rubin, Ms. Dimitrijevs indicated that the parity ratio stood at 110.35%.

VIII. Adjournment

Dr. Lisi made a motion, which was seconded by Ms. Savino to adjourn the meeting.

The motion passed unanimously and the meeting was adjourned at 1:16 p.m.

Respectfully Submitted by:


Jeanette Weldon, Executive Director