



CONNECTICUT STUDENT LOAN FOUNDATION

MINUTES OF THE BOARD OF DIRECTORS

September 17, 2020

A meeting of the Connecticut Student Loan Foundation's Board of Directors was held on Thursday, September 17, 2020 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
Steven Kitowicz (designee of the Secretary of the Office of Policy and Management)
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)

Other Attendees:

Jeanette Weldon, Executive Director, CHEFA/CHESLA
Denise Aguilera, General Counsel, CHEFA
Kevin Barry, Accountant, CHEFA
Debra Galli, Manager, Administrative Services, 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
Natalia Rozio, Student Intern, CHESLA
Kara Stuart, Administrative Services Assistant, CHEFA
Thomas H. Webb, Director, Hilltop Securities
Andrea Lenox, Structured Finance Director, Goal Structured Solutions, Inc.
Jacob Lin, Senior Financial Reporting Manager, Goal Structured Solutions, Inc.
Robert Johnson, Accounting Analyst, Goal Structured Solutions, Inc.
Kristen Brown, CPA, Director, CohnReznick
Melissa Ferrucci, CPA, Partner, CohnReznick
Josh Labonte, CPA, Senior Associate, CohnReznick
Lew DeLuca, Coordinator, Student Financial Literacy and Advising, SCSU

I. Call to Order

Mr. Lisi called the meeting to order at 12:55 p.m.

II. Approval of Minutes:

A motion was made by Mr. Budd and seconded by Mr. Kitowicz that the Board of Directors of the Connecticut Student Loan Foundation approves the minutes of the June 25, 2020 meeting.

The motion was passed unanimously.

III. Executive Directors Report

Ms. Weldon updated on the ongoing servicing transfer of the CSLF private portfolio from EdFinancial to Launch, indicating that all the necessary documentation had been completed. Ms. Weldon deferred to Ms. Lenox, who added that the signed documents have been sent to all appropriate parties, including Bank of New York, Fitch Inc., and S&P. They noted that a conversion plan is underway and that recurring meetings between EdFinancial and Launch commenced on September 9, 2020. The date of conversion is scheduled for November 1, 2020, with no issues of concern as of yet.

IV. Auditor's Report

Compliance Report

Ms. Brown stated that there were no issues in CohnReznick's compliance report and that CSLF met all the necessary requirements.

IRS Form 990

Ms. Brown presented Form 990 to the board, indicating that there were no issues since CSLF is above the threshold to claim tax-exempt nonprofit status.

Financial Report

Mr. Barry reviewed the audited financials that were previously presented in the prior CHESLA meeting.

A motion was made by Mr. Budd and seconded by Ms. Savino that the Board of Directors of the Connecticut Student Loan Foundation approves the filing of the Form 990 with the IRS.

The motion was passed unanimously.

V. Bond Redemption Report

Ms. Lenox reviewed the bond activity for the quarter ended June 30, 2020 and indicated that \$4.6 million in 2006 A-1 bonds and \$1.5 million 2006 A-2 bonds were redeemed. Total for the quarter equaled \$6.1 million, compared to \$6.25 million last quarter, totaling \$143.825 in outstanding bond balance. Ms. Lenox also explained that bond interest paid during the quarter was about \$567,000, which is much lower than the previous period where bond interest was over \$1 million. This is due to the decrease in overall interest rates during the first half of 2020.

Ms. Lenox noted that the Weighted Average Coupon (WAC) had a slight increase from 6.36% to 6.38% and the Weighted Average Remaining Maturity (WARM) of the portfolio also increased slightly from 156 to 158. The most significant change in the portfolio during the quarter was an uptick in forbearances across the board, with FFELP increasing from 7.73% to 22.11% and private

increasing from 3.12% to 7.85%. Ms. Lenox clarified that since April 2020 data, during which forbearances were up to 17.74%, was used to prepare the annual budget and loan loss reserve analysis for FY 2020-21, this increase was somewhat anticipated. Ms. Lenox noted that the portfolio will continue to be monitored closely for changes, regardless of this expectation.

Mr. Budd asked about utilizing more of the CSLF funds since the parity is so high. Mr. Webb responded by stating that it is important to keep parity up especially as more loans enter income-based repayment status, which could slow down repayment rates. Mr. Webb indicated that, in the long term, this decrease could impact CSLF's bond ratings.

VI. Amendments to By-Laws

Ms. Aguilera presented several proposed changes to the CSLF bylaws, including clarifying language for conducting virtual meetings, guidelines for member recusal in cases of conflicts of interest, and updates to referenced sections of the General Statute.

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

BE IT RESOLVED, that

The Board of Directors of the Connecticut Student Loan Foundation (the "Foundation") hereby approves the amendments to the Foundation's By-Laws as set forth in the attachment hereto.

The motion passed unanimously.

VII. Adjournment

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

The motion passed unanimously, and the meeting was adjourned at 1:24 p.m.

Respectfully Submitted by:

Jeanette Weldon, Executive Director