



# CONNECTICUT STUDENT LOAN FOUNDATION

## MINUTES OF THE BOARD OF DIRECTORS

**June 24, 2021**

**A meeting of the Connecticut Student Loan Foundation's Board of Directors was held on Thursday, June 24, 2021 at 12:30 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

**Members Absent:**

Benjamin Barnes (designee of the President of Connecticut State Colleges and Universities)  
Steven Kitowicz (designee of the Secretary of the Office of Policy and Management)  
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  
Daniel Giungi, Communications and Government Affairs Specialist, CHEFA  
Joshua Hurlock, Assistant Director, CHESLA  
Carlee Levin, Senior Accountant, CHEFA  
JoAnne Mackewicz, Controller, CHEFA  
Shannon Reynolds, Portfolio Assistant, CHESLA  
Natalia Rozio, Portfolio Administrative Assistant, CHESLA  
Kara Stuart, Administrative Services Assistant, CHEFA  
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

**I. Call to Order**

Mr. Lisi called the meeting to order at 1:30 p.m.

**II. Approval of Minutes:**

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 minutes of the March 25, 2021 meeting.

The motion passed unanimously.

**III. Executive Directors Report**

Ms. Weldon noted that there were no items to currently address.

**IV. Loan Loss Analysis**

Mr. Lin asked the board to alternate the order of the agenda and review the Loan Loss Analysis prior to the overall budget. No board member opposed this change.

The Loan Loss Reserve Analysis was conducted in a manner like the prior year, which involved looking at both portfolios to determine the change in the loss allowance for each. The results of the analysis recommended a \$28,000 allowance increase for the FFELP portfolio and a \$115,000 decrease for the private loan portfolio.

The motion was made by Mr. Budd and seconded by Mr. Foster.

The motion passed unanimously.

**V. Budget**

Mr. Lin continued to review the budget proposal for the upcoming fiscal year 2021-2022. The proposal followed the same methodology as the previous year, which examined recent trends in portfolio performance and carried them out over the next year. The main drivers of this forecast were the estimated amount of loan paydowns and the estimated total redemption of bonds. Mr. Lin noted that all other income and expense items are directly affected by those two balances.

On the balance sheet, projected June 2021 loan receivable is expected to come in higher than budgeted, at \$134 million instead of \$131 million due to increased forbearances during the year that resulted in slower paydowns. Over the next year the loans are projected to pay down by about \$18 million. A similar trend can be seen in the bond redemptions, which are \$2.9 higher than previously budgeted. A \$18.8 million reduction in bonds outstanding is projected for June 2022. On the income statement, the main variables are the loan interest receivable and bond interest payable. Overall, the net change the position is expected to drop by \$1.1 million due to the balance sheet shrinking.

Ms. Savino made a motion to approve the budget proposal as presented. Mr. Foster seconded.

The motion passed unanimously.

**VI. Financial Report**

**A. March 31, 2021**

Mr. Barry explained that operating revenue for the fiscal YTD is \$3.9 million, down from \$6.4 million from this time last year. Mr. Barry noted that, as usual, this was primarily due to a decrease in student loan interest income. Operating expenses were \$2.7 million from this period, which is a decrease from \$5.3 million at this point in 2020, due to lower servicing fees and lower bond interest rates. It was also noted that expenses were \$1.4 million underbudget for the period. Total change in net position was about \$1.1 million.

Mr. Barry noted that while year-over-year assets declined from \$172 million to \$151 million because of decreased student loan receivable, \$23 million in outstanding bond liability was reduced as well. CSLF's overall net position was \$23 million, which is a \$1.5 million increase from the prior year.

**B. Bond Redemption Activity**

Ms. Lenox reviewed the bond activity for the quarter ended March 31, 2021 and indicated that \$1.8 million in 2006 A-1 bonds and \$1.3 million 2006 A-2 bonds were redeemed. Total for the quarter equaled \$3.1 million, compared to \$6.95 million last quarter, totaling \$127.075 million in outstanding bond balance. Ms. Lenox noted that as the portfolio continues to pay down, the amount of cash available for bond redemptions can vary from month to month so lower redemption amounts should be anticipated going forward.

Ms. Lenox noted that interest rates for both the loan receivables and bond liabilities went up during the quarter. The Weighted Average Coupon (WAC) increased from 6.23% to 6.25% and the Weighted Average Remaining Maturity (WARM) of the portfolio also increased from 162.94 months to 166.04 months. Both portfolios experienced decreases in forbearance rates, with the FFELP portfolio decreasing from 16.08% to 15.30% and the private loan portfolio decreasing from 1.84% to 1.02%.

**VII. Adjournment**

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

The motion passed unanimously, and the meeting was adjourned at 1:52 p.m.

Respectfully Submitted by:

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Jeanette Weldon, Executive Director