



The 255th meeting of the Rhode Island Student Loan Authority was held on **Friday, June 6, 2008** in the 2nd floor Conference Room, 560 Jefferson Boulevard, Warwick Rhode Island. Dr. Anthony Santoro called the meeting to order at 10:33 A.M.

Board Members in attendance:

Dr. Anthony Santoro
Dr. William Croasdale
Mr. John Howell
Dr. Robert McKenna
Mr. Frank Caprio, General Treasurer

Board Members absent:

Ms. Patti Doyle

Others in attendance:

Charles P. Kelley, Executive Director, RISLA
Noel Simpson, Chief Financial Officer, RISLA
Joseph Palumbo, General Counsel
Jennifer Dutch, RISLA
Kevan McAleer, RISLA
Karen Grande, Bond Counsel
David Souto, Deputy Director, RISLA
Chad Pastorius, RISLA
Gail Mance-Rios, RIHEAA
Nancy Dooley, RIHEAA
Xay Khamsyvovong, Treasurer's Office
Peter Kerwin, Treasurer's Office

Action Item #1

Approval of minutes of previous meetings

On a motion made by Dr. McKenna, and seconded by Dr. Croasdale, it was unanimously

VOTED to approve the minutes from both meetings.

Chairman's Report

Dr. Santoro publicly thanked Treasurer Caprio for taking the time to travel to New York with Mr. Kelley & Mr. Simpson to work on the RIFEL loan financing. Mr. Caprio commended the staff for all their hard work on this.

Executive Director's Report

Mr. Kelley informed the Board that the Sherlock Scholarship Award ceremony has been scheduled at the State House for Tuesday, June 24th at 6:00PM. Dr. Santoro stated that he would not be available to attend. Dr. McKenna and Mr. Caprio both stated that they would be available. Mr. Kelley stated that RISLA has been selected as a preferred lender by Babson College and LaSalle in Massachusetts, and that he and Mr. Hurry, Erin DiMaggio and Nancy Dooley will be meeting with Babson on Tuesday.

Item #4

Results of Fixed Rate RIFEL Bond Issue

Mr. Kelley stated that RISLA has issued \$64Million in bonds to finance RIFEL loans. The interest rate on the loans is 7.74% fixed – which is lower than the Federal direct loan program. The FICO score for these loans needs to be at least 725. The average FICO score has been 760 for the past three years. The average default rate on RIFEL loans is just over 2%. Dr. McKenna thanked both the staff and the Treasurer for their great work.

Action Item #5

Public Awareness Campaign for RIFEL loans

Mr. Kelley stated that many people are being driven to the internet to find financing, so RISLA would like to use a combination of radio, print and television to promote the RIFEL loans. Out of the \$60 million available, RISLA has used about \$12 million so far. Mr. Howell suggested that perhaps Ms. Doyle should take a look at this proposal to offer her expertise. Mr. McKenna suggested that local Newport radio station WADK be included in the packet, and Dr. Croasdale suggested that perhaps Spanish television Telemundo and radio station 99.7 in Westerly should be included also. On a motion made by Dr. Croasdale, and seconded by Mr. Howell it was unanimously

VOTED to approve the public awareness campaign with a \$130,000 cap.

Item #6

Federal Update/Reauthorization

Mr. Kelley explained the new loan purchase program announced by the Department of Education.

Item#7

Strategic Financing Plan for Federal Loans

Mr. Kelley described future plans for financing federal loans.

Action Item #8

Bond Issue Resolutions for next transaction

Karen Grande explained the bond upcoming transaction.

On motion made by Dr. Croasdale and seconded by Dr. McKenna, it was unanimously

VOTED to adopt the resolutions as presented.

Action Item #9

Bond Issue Budget – issuance of new bonds under the 1995 and 1996 trust indentures

Mr. Simpson presented the budget for both the \$95 million and \$105 million bond issues. Mr. Kelley stated that the Authority would enjoy savings of approximately \$1.3 to \$1.4 million per year for a number of years.

On a motion made by Dr. McKenna, and seconded by Dr. Croasdale it was unanimously

VOTED to approve the proposed budget of \$602,000 for the bond issuance.

Item #10

Update on SWAP/Derivative policy development

Xay gave everyone information about the SWAP policy from RI Housing. Mr. Palumbo will be working with the finance subcommittee on this issue. RISLA has never had a SWAP policy but there is potential in the future to utilize one.

Item #11

Presentation on Student Loan Costs & Spread Analysis

Chad Pastorius and David Souto gave information regarding the revenue side on federal loans.

Item #12

Investor Presentation & Dissemination Strategy

Mr. Kelley talked about doing what the underwriters are not doing for us – talking to investors. RISLA needs to do this to get the word out and market our bonds. Both Mr. Kelley and Mr. Simpson are working on this.

Action Item #13

Issue RFP for private loan servicing

Mr. Kelley stated that the Authority's servicing agreement with Granite State for alternate loans is nearing its end and we will need to go out to bid on this every few years. This is not an action item, just for general information.

ON MOTION duly made by Dr. Croasdale and seconded by Dr. McKenna, it was unanimously **VOTED** to adjourn.

Adjournment occurred at 11:44A.M.

John Howell

Secretary