



The 268th meeting of the Rhode Island Student Loan Authority was held on **Thursday, May 28, 2009** in the 1st floor Conference Room, 560 Jefferson Boulevard, Warwick, Rhode Island.

Board Members in attendance:

Dr. Anthony Santoro
Dr. Robert McKenna
Dr. William Croasdale
Mr. John Howell
Mr. Xay Khamsyvovong, designee for General Treasurer Caprio

Board Members Absent:

Ms. Patti Doyle

Others in attendance:

Mr. Charles P. Kelley, Executive Director, RISLA
Mr. Noel Simpson, Chief Financial Officer, RISLA
Mr. Dave Souto, Deputy Director, RISLA
Ms. Gail Mance-Rios, Deputy Director, RIHEAA
Ms. Lindie Thibodeau, RISLA
Mr. Chad Pastorius, RISLA

The meeting was opened by Dr. Santoro at 9:30AM.

It was noted that there were no minutes to review.

Chairman's Report:

Dr. Santoro thanked Mr. Howell for arranging the meeting with Senator Reed last week. It appears that the FFELP program will be disappearing by July 1, 2010, so there is no good news there. It does seem, however, that the CPC and Way2Go could be funded out of the \$2.5 billion in the national stimulus package. The Chairman noted that this all started with SallieMae, Nelnet, etc... and that now they will be making the most money out of it. Dr. McKenna stated that the Pell grants will be increased substantially.

Executive Director's Report:

Mr. Kelley also thanked the Treasurer's office for attending the meeting with Senator Reed, and Mr. Howell for setting up the meeting. Mr. Kelley brought attention to the USNews article mentioning RISLA on page 3, and the article about the nurses' rewards program, and that we are no longer offering any new programs.

Update: Washington Report

Mr. Kelley stated that other state non-profit groups (New Mexico, Nebraska, Montana, North Dakota) are working together to lobby DC around the FFELP program, but there is not much hope. Both EFC and NCHELP are also lobbying and a letter went to Congress from several state Treasurer's. Ms. Mance-Rios stated that all the lobbying has had SOME effect in DC, but not much. Mr. Howell asked if both RISLA and RIHEAA might approach the New York Times or Washington Post to do a story on the big lenders being the ones who will benefit around the end of the FFELP program. Xay made a comparison to the Countrywide company being awarded all the mortgages and RI Housing going out of business. Mr. Howell agreed to organize the effort to contact Time magazine.

College Planning Center Update

Dr. Croasdale stated that the CPC subcommittee met last week. The CPC has served almost 6,000 families and students this year, with 25% being served in Bristol, 75% in Warwick. An agreement has been reached with the Boys & Girls Club of Cumberland to house a CPC site there. Dr. Croasdale mentioned meeting with the Bradford Group and they are looking in to the costs of hiring a plane trailing a banner about the CPC to be seen at RI beaches this summer. Mr. Kelley mentioned a positive article written by Neil Downing of the Providence Journal about the CPC in May. Also, that NCAN featured the CPC Hispanic outreach in their Spring newsletter.

Financial Markets Update

Mr. Kelley noted a NY Times article mentioning America's rising debt issue. He stated that it looks like AMT exemptions will be good, but only for new bonds coming up.

Restructuring of Broker Dealers

Mr. Kelley stated that this item does not require action. Due to reduction of about 2/3 of auction rate bonds, should be able to save about \$500,000 per year. Many thanks to Joe Palumbo and Noel Simpson for their work on this. Both Dave Souto and Gail Walker have met with Johnson & Wales and instead of funding through ELM, it will be done directly through RISLA, saving us about \$120,000 per year.

Mr. Kelley stated that we will convert away from RBC, UBS to other firms. Currently would like to start working with Kildare and Ramieriz as brokers.

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

VOTED: to work with Kildare and Ramieriz as broker dealers.

RIFEL Bond Issue Referendum

Dr. Santoro stated that the money brought in by the RIFEL program will be put into trust to increase the rating. Mr. Kelley stated that Banc of America, rating agencies and Chad are working together on that. The infusion should be about \$4.7 million if a \$30 million bond is done, but probably less than that. Dr. Croasdale asked how this would affect RIHEAA?

Upon a motion duly made by Mr. Howell and seconded by Dr. McKenna, it was unanimously

VOTED: to allow an amount not to exceed \$4.7 million from the sale of not over \$50 million in RIFEL loans.

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

VOTED: to adjourn.

Adjournment occurred at 10:23 A.M.

John Howell
Secretary