

WARNING-UNAPPROVED MINUTES

These minutes have not been reviewed or accepted by the RISLA Board of Directors. This draft is being supplied in order to be in compliance with the State Open Meetings Law. Board approved minutes will be submitted when available.

The 275th meeting of the Rhode Island Student Loan Authority was held on **Friday, December 18, 2009** in the 2nd floor Conference Room, 560 Jefferson Boulevard, Warwick, Rhode Island.

Members in attendance:

Dr. Anthony Santoro

Mr. John Howell

Honorable Frank Caprio, General Treasurer

Dr. Robert J. McKenna

Members Absent:

Ms. Patti Doyle

Dr. William Croasdale

Others in attendance:

Mr. Charles Kelley, Executive Director, RISLA

Mr. Noel Simpson, Chief Financial Officer, RISLA

Mr. Joseph R. Palumbo, Jr., General Counsel

Mr. Kevan McAleer, RISLA

Ms. Gail Walker, RISLA

Mr. David Souto, RISLA

Ms. Delia Rodriguez, RISLA

The meeting was opened by Dr. Santoro at 9:31 A.M.

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

VOTED: to accept the minutes of the November 2009 Board of Directors meeting.

Chairman's Report:

Dr. Santoro stated that he would like to arrange a joint meeting of the RISLA and RIHEAA Boards relative to the agencies' strategic plans..

Executive Director's Report:

Mr. Kelley stated that the plan for utilizing staff at both the College Planning Center and RISLA during the busy season has worked very well so far. Mr. Kelley noted that there is a lot of cross training among the staff.

Mr. Kelley indicated that AmeriCorps has funded a \$20,000 grant for the Latino College Access Network working with minorities in Rhode Island.

Mr. Kelley noted that he recently attended a college planning meeting at the Woonsocket Community Action Center.

Mr. Kelley stated that an RFP was recently issued for firms to provide services on a public solicitation for tenders of RISLA adjustable rate bonds.

Mr. Kelley indicated that RISLA staff will be meeting with the rating agencies in early January about the fixed rate bond issue. Mr. Kelley also noted that Mr. Palumbo is continuing to work on a new conduit offering.

Dr. Santoro asked if RISLA is still able to originate FFELP loans and if RIHEAA is still able to guarantee FFELP loans. Mr. Kelley stated that Congress has not yet passed the bill to abolish the FFELP program, so no one is quite sure how this will work for next school year. There has been discussion about the education bill being packaged with the healthcare reform bill in Washington.

Kevan McAleer gave an overview of the financials through 9/30/2009. Mr. McAleer noted that they are significantly better than the prior year, and to date net is up \$2.4 million, which is mostly due to collection activity in-house. Mr. McAleer also noted that defaulted loans last year had a 65% drop, which produced a large savings (\$1 million less of bad debts than last year).

Mr. Palumbo stated that he has been meeting with Carrie Abatiello and Karen weekly and they are doing a remarkable job.

Item #4: Bond Resolutions

Mr. Kelley stated that the initial resolution for the RIFEL bond issue would allow a not to exceed \$30 million in bonds. Dr. Santoro observed that RISLA will not be able to offer private loans without this bond issue.

Upon a motion duly made by Mr. Howell and seconded by Treasurer Caprio, it was unanimously

VOTED: to approve moving forward with the RIFEL bond issue and to authorize the Chairman and Executive Director are to approve any final changes in the transaction.

Treasurer Caprio excused himself from the meeting due to other commitments.

Item #5: Servicing

Mr. Kelley stated that servicing negotiations for an in-house servicing platform are still ongoing. Mr. Souto stated that eleven companies have answered the RFP and eight have presented on-site demonstrations. It was noted that the field has been narrowed down to three firms, and RISLA is currently working on a non-compete clause and negotiating fees...

Dr. Santoro stated that the next Board meeting should be a joint meeting of the RISLA and RIHEAA Boards.

Mr. Chris Reilly from The Bradford Group spoke about the annual budget for the College Planning Center advertising campaign. Mr. Reilly noted that the College Planning Center has seen an almost 30% increase in customers since last year. Dr. Santoro stated that this contract does not have to go out to bid because the media buy is part of the State's Master Price list.

Mr. Howell asked if TV ads and print ads are the best level of investment for RISLA and whether more money should be spent on Web advertising.

Dr. Santoro asked about targeting the Hispanic market. Mr. Reilly stated that Spanish radio and TV advertisements have been planned.

Dr. Santoro asked if RISLA should add \$10,000 to the budget for Web advertising..

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

VOTED: to add \$10,000 to the advertising budget of the College Planning Center to increase its web presence.

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

VOTED: to go into executive session pursuant to RIGL §42-46-5(a)(1).

The open session was reconvened at 11:10 A.M.

Chairman Santoro announced that no votes were taken in the closed session. Upon a motion and seconded by Mr. Howell, it was unanimously

VOTED: to seal the minutes from the executive session.

Upon a motion duly made, it was unanimously

VOTED: To adjourn

Adjournment occurred at 11:11 A.M.

John Howell
Secretary