

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 278th meeting of the Rhode Island Student Loan Authority was held on **Friday, April 23, 2010** in the 1st floor Conference Room, 560 Jefferson Boulevard, Warwick, Rhode Island.

Members in attendance:

Dr. Anthony Santoro
Mr. John Howell
Mr. Michael Solomon for Treasurer Caprio
Dr. William Croasdale

Members Absent:

Dr. Robert J. McKenna
Ms. Patti Doyle

Others in attendance:

Mr. Noel Simpson, Chief Financial Officer, RISLA
Mr. Joseph Palumbo, General Counsel
Mr. Chad Pastorius, RISLA
Ms. Lindie Thibodeau, RISLA
Ms. Jennifer Dutch, RISLA
Ms. Diane Carlin, RIHEAA
Mr. Peter Kerwin, RIHEAA

The meeting was opened by Dr. Santoro at 11:00 A.M.

Approval of Minutes

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

VOTED: to accept the minutes of the February 19, 2010 Board of Directors meeting.

Chairman's Report

Dr. Santoro welcomed Mr. Michael Solomon from the RI Treasurer's office, who has been designated by the Treasurer to attend the RISLA Board meetings. Dr. Santoro thanked Xay for all of his help.

Executive Director's Report

Mr. Kelley stated that as of July 1, 2010 the FFELP Program will no longer be in existence. Mr. Kelley indicated that RISLA is and will continue to offer private loans to students and schools.

Review of Financials

Mr. Simpson stated that the Federal loan volume is \$214 million and put loan volume is \$23 million which does not include the buyback of Auction Rate Bonds. Mr. Simpson noted that administrative costs are under projection. Dr. Croasdale stated that the office costs are down and asked if it had been straightened out. Mr. Kelley stated that this issue is still being worked out and right now only maintenance costs are being paid. Dr. Santoro stated that this is part of a larger problem and suggested setting up a joint meeting in May to talk about overlap and efficiencies.

College Planning Center Report

Mr. Kelley stated that the College Planning Center has seen almost 7000 people this year. Mr. Kelley noted that due to the flood at the Warwick Mall, the College Planning Center meetings have been taking place in the RISLA offices on Jefferson Boulevard. Mr. Kelley indicated that all three College Planning Center facilities are booked into May. Mr. Kelley also noted that the SAT Prep classes in Providence will start on May 4th.

Update on Adjustable Rate Bond Buybacks

Mr. Kelley stated that \$52.7 million in bonds have been bought back to date.

Federal Grant Applications

Mr. Kelley stated that there are a number of Federal grants available and RISLA and RIHEAA are working together to look at some of these. Mr. Kelley noted that there should be about \$1.5 million available in Rhode Island (1% of \$150 million nationwide) that will be administered throughout the state. Mr. Kelley indicated that this is going to be a collaborative effort with other agencies and noted that the application for same will not be available until May.

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

VOTED: to apply for Federal grant opportunities.

Loan Servicing

Mr. Kelley indicated that there is a push for RISLA to offer private loan servicing Mr. Kelley noted that it could take RISLA about two years to change over to private loan servicing but will not include hiring any new staff.

Loan Servicing Action Item

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

VOTED: to authorize the Executive Director to execute an agreement with University Accounting Services.

RFP for Direct Loan Servicing Feasibility Study

Mr. Kelley indicated that Direct Loan Servicing has been made available to non-profit organizations through the Federal bill which just passed. Mr. Kelley noted that the four companies approved to provide direct loan servicing are Nelnet, Sallie Mae, Great Lakes and PHEAA. Mr. Kelley noted that he and Mr. Simpson recently attended a meeting to go over the parameters of what it would take to provide direct loan servicing. Mr. Kelley stated that this is a completely different realm than what we are used to. We currently don't have the expertise to provide this service. It may be possible to piggyback with one of the big four players. Mr. Kelley stated that this should be approached in stages, with an independent report to the Board. RISLA might be able to collaborate with others in the industry and share consultants.

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

VOTED: to issue an RFP for consultant services regarding the feasibility for Direct Loan servicing.

11. – 14. Financing Update and Options

Discussion ensued about financing options.

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

VOTED: to authorize the sale of 09/10 Stafford loans (and PLUS loans as necessary) to the Department of Education.

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

VOTED: to authorize taking FFELP loans and putting them into the Conduit, contingent upon an analysis of costs.

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

VOTED: to have the remaining PLUS loans put into the State Street trust.

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

VOTED: to close the Dexia trust, contingent upon an analysis of costs.

15. Personnel Issues

Mr. Kelley stated that with the end of the FFELP program, it was decided to terminate five employees from RISLA, and to reassign one part time person to the College Planning Center.

Mr. Kelley indicated that COBRA benefits are available and all are eligible for unemployment benefits.

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

VOTED: To adjourn

Adjournment occurred at 11:05 A.M.

John Howell
Secretary