

MINUTES OF MEETING

The 308th meeting of the Rhode Island Student Loan Authority was held on Tuesday, November 26, 2013 in the McKenna Conference Room, 1st Floor, 560 Jefferson Boulevard, Warwick, Rhode Island.

Members in attendance:

Mr. Robert J. Delaney
Mr. Robert R. Theroux
Mr. Dennis J. Duffy, Esq.
Mr. Daniel P. Egan
Mr. Chris Feisthamel, Designee of the General Treasurer

Member Absent:

Ms. Christine Barnes Jenkins

Others in attendance:

Mr. Charles Kelley
Mr. Noel Simpson
Ms. Jennifer Dutch
Mr. Kevan McAleer
Ms. Deborah Machowski
Mr. Joseph Palumbo
Mrs. Lindie Johnson
Mr. Blake Collins
Ms. Laurie Brayton
Ms. Christina Batastini

The meeting was called to order at 10:24 a.m.

Upon a motion made by Mr. Feisthamel and seconded by Mr. Duffy, it was unanimously

VOTED to approve the minutes from the Board of Directors meeting held on October 25, 2013.

Chairman's Report

Mr. Delaney reported that he and Mr. Kelley met with House Oversight Committee Chairman Marcello and that there would be no need to formally meet with the House Oversight Committee.

Executive Director's Report

Mr. Kelley told the Board that the leases for the College Planning Centers have been renewed and finalized.

Mr. Kelley discussed the meeting with Chairman Marcello. He mentioned that at prior House Oversight Committee meetings, members mentioned that they would like to see the opportunity to refinance education loans and Chairman Marcello expressed his desire to introduce legislation to change RISLA's enabling act to provide for a refinancing program. Mr. Kelley has asked RISLA's attorney to draft legislation to bring back to the Board for review.

Mr. Kelley pointed out to the members of the Board that there were materials in their board packets that were going to be presented to the House Oversight Committee that might be of value to the Board.

Mr. Kelley stated that there was not a hand out for the goals and objectives, but that he wanted to give the Board members the opportunity to bring to the December or January meeting any goals or objectives they would like the RISLA staff to focus on.

#6 Action Item: Amended Budget for Public Information Campaign

Mr. Kelley spoke about the challenges RISLA faces. He said the main challenges are making the public aware of RISLA's existence and of RISLA's programs.

Ms. Johnson provided an overview of the budgeted adjustments for public awareness and social media and noted that the budget adjustment included mailings for the refinancing program.

Board members emphasized that the objective for amending the budget to include a public information campaign was to make the public aware of RISLA'S borrower benefit programs.

Upon a motion made by Mr. Egan and seconded by Mr. Feisthamel, it was unanimously

VOTED to amend the budget to include expenditures for a Public Information Campaign.

#7 Discussion Proforma Financials for the Refinancing Program &

#8 Action Item: b) Refinancing Program

Mr. Kelley began by stating that the refinancing program cannot help all borrowers, including those that have over borrowed. It is a program to help those who borrowed from others with high rates and want to lock in a low fixed rate to reduce their interest costs and protect themselves from future interest rate increases.

Mr. Duffy stated that RISLA's primary mission is to help borrowers with the cost of going to school and he wants to be sure that the refinancing program does not detract from that mission. Mr. Duffy inquired about the standards for consolidation loans. Mr. Kelley explained that these loans would have the same standards as RISLA's existing credit based loan programs, except that the consolidation loans would not necessarily require a co-signer; and that typically the repayment term would be a shorter term at a lower rate. Mr. Duffy asked if this program would be limited to RI residents. Mr. Kelley indicated that he's already submitted a private letter ruling to the IRS to determine whether making such loans to non-residents would fall within the requirements for the use of non-taxable bond proceeds or if loans to non-residents would have to be made with taxable funds. Mr. Kelley said he estimates approximately \$10 million of volume in the first year of the program.

Upon a motion made by Mr. Theroux and seconded by Mr. Duffy, it was unanimously

VOTED to authorize the development and implementation of the Refinancing Program.

#7 Discussion Proforma Financials for the LOC Program &

8 Action Item: Line of Credit

Mr. Kelley discussed a new low-cost line of credit education loan program for graduate and continuing education students that is under development. He explained that many students pay tuition and fees, etc. with high rate credit cards because many of these students and/or programs do not qualify for federal aid. As a student goes online to register for a class, they need to make the payment at that time. RISLA would like to add the alternative of the RISLA line of credit for the payment of such tuition and fees go directly to the school. He stated that the line of credit would start out as a pilot program at Roger Williams University.

Upon a motion made Mr. Theroux and seconded by Mr. Duffy, it was unanimously

VOTED to authorize the Line of Credit Program and to authorize the expenditure of up to \$500,000 as a pilot program for students attending RWU and at other schools in Rhode Island who desire to participate.

Financials

Mr. McAleer reviewed the September 30, 2013 financials with the board.

Upon a motion made by Mr. Duffy and seconded by Mr. Theroux it was unanimously

VOTED to accept the September 30, 2013 Financial Statements.

Mr. Simpson announced that there will be a Guidance Counselor's Breakfast on December 5th that will be cosponsored by RIHEAA and RISLA.

Upon a motion made by Mr. Duffy and seconded by Mr. Theroux it was unanimously

VOTED to adjourn at 11:52 a.m.

Mr. Robert Theroux
Secretary