

MINUTES OF MEETING

The 310th meeting of the Rhode Island Student Loan Authority was held on Friday, January 17, 2014 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
Ms. Christine Barnes Jenkins
Mr. Chris Feisthamel, Designee of the General Treasurer

Others in attendance:

Mr. Charles Kelley
Mr. Noel Simpson
Ms. Jennifer Dutch
Mr. Kevan McAleer
Ms. Deborah Machowski
Mr. Joseph Palumbo
Mr. Blake Collins

The meeting was called to order at 10:20 a.m.

Upon a motion made by Ms. Jenkins and seconded by Mr. Theroux, it was

VOTED to approve the minutes from the Board of Directors meeting held on December 20, 2013.

Mr. Feisthamel abstained from voting because he was not present at the meeting in December.

Chairman's Report

Mr. Delaney spoke briefly about the bridge.jobs event held at GTECH headquarters in Providence on January 9, 2014.

Executive Director's Report

Mr. Kelley pointed out that each board member received a copy of RISLA's annual report in their board packet for their review.

Mr. Kelley mentioned that the New England Board of Higher Education will be holding its annual dinner on March 7th in Boston and will be honoring RISLA's Adrian Van Alphen for his work with the internship program and bridge.jobs. This recognition was a direct result of the efforts of Mr. Egan and Adam Leonard of AICURI

He highlighted the bridge.jobs event at GTECH and said it was to announce the efforts to have more employer involvement and to recognize the RI Foundation \$100,000 grant.

Mr. Delaney mentioned that there is a summer youth program sponsored by the Providence-Cranston Workforce Investment Board that he would like to tie to the internship program run by RISLA. He asked the staff to look for the RFP for vendors that will be coming out within the next few weeks.

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

VOTED to recognize Adrian Van Alphen for his fine work creating, supporting and maintaining a visible, meaningful internship program with a written letter from the board members.

Update on Private Letter Ruling

RISLA had been seeking a private letter ruling from the IRS to use tax exempt bonds to finance the refinancing program. Mr. Simpson said that RISLA has not yet received anything in writing from the IRS, but based on initial conversations with the lawyers it appears that the Internal Revenue Code would not permit use of tax exempt bonds to finance the program.

Update on Refinancing Program and Next Bond Offering

Mr. Kelley explained the rate differential between taxable and tax exempt funding.

Review of Draft Authorizing Resolution and Bond Issue Budget

Copies of the previous authorizing resolution and bond issue budget were provided to board members to give them an idea of what to expect for their first bond issue. Mr. Kelley said he expects to bring these items up on the agenda at the February or March Board meeting.

Action Item #7: Office Lease with RIHEAA

Mr. Delaney stated that the RIHEAA board received a letter from the State Oversight Committee in which Chairman Marcello has requested that RIHEAA not to move forward in signing a long term lease in light of the potential future federal financial changes facing the agency.

Mr. Theroux inquired what the notice clause for termination of the lease. Mr. Delaney suggested that a letter be sent to Chairman Marcello from both agencies explaining the rationale for a new lease. Mr. Palumbo stated that a lease could be developed which would be terminable under certain circumstances that might be acceptable to the Oversight Committee.

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

VOTED to authorize legal counsel with RISLA staff to draft a lease with appropriate termination terms and express the changes in the form of a cover letter to Chairman Marcello and to request a meeting in conjunction with RIHEAA to express RISLA's concerns and the need for some level of formal lease agreement to maintain the agency's stability.

Update on Consumer Finance Protection Bureau (CFPB)

Mr. Simpson gave a brief overview of RISLA's customer complaint system as prescribed by the CFPB. He mentioned that most complaints are from borrowers who have run into financial trouble and are having difficulty repaying their loans. Mr. Simpson stated there is certain protocol that RISLA follows and noted that RISLA is subject to audit by the CFPB regarding its customer complaint procedures among other things. Mr. Simpson also stated that the staff would continue to update the Board on consumer complaints at future meetings in accordance with the requirements of the CFPB.

Scheduling of Board Retreat

Mr. Delaney said he would like to invite RISLA partners to give them a snapshot of what RISLA does. The tentative date for the retreat is March 21, 2014 at 8:30 a.m. at NE Tech.

Mr. Kelley asked board members to submit bios for the next bond offering to Ms. Machowski. Mr. Delany asked if they could also be added to RISLA's website.

Upon a motion made by Mr. Egan and seconded by Ms. Jenkins it was unanimously

VOTED to adjourn at 11:10 a.m.

Mr. Robert Theroux
Secretary