

## MINUTES OF MEETING

The 316<sup>th</sup> meeting of the Rhode Island Student Loan Authority was held on Friday, August 22, 2014 in the McKenna Conference Room, 1<sup>st</sup> Floor, 560 Jefferson Boulevard, Warwick, Rhode Island.

### Members in attendance:

Ms. Christine Barnes Jenkins  
Mr. Chris Feisthamel, Designee of the General Treasurer  
Mr. Daniel Egan  
Mr. Robert R. Theroux

### Members Absent:

Mr. Robert J. Delaney  
Mr. Dennis R. Duffy, Esq.

### Others in attendance:

Mr. Charles Kelley  
Mr. Noel Simpson  
Ms. Jennifer Dutch  
Mr. Kevan McAleer  
Mr. Joseph Palumbo  
Ms. Deborah Machowski  
Ms. Lindie Thibodeau-Johnson  
Mr. Wally Gernt  
Mr. Jeffrey Gamelin  
Ms. Laurie Brayton

The meeting was called to order at 8:35 a.m. by Ms. Jenkins.

### Executive Director's Report

Mr. Kelley mentioned he attended the open meeting seminar.  
Mr. Kelley announced that RISLA received AAA rating from Fitch Ratings on the 2014-1 bond issuance.  
Mr. Kelley gave a brief update on the status of line of credit negotiations with Santander Bank. He believes that RISLA is the first non-profit to offer its own refinancing program. RISLA would like to use tax exempt financing for but since it is new program there are no rules. RISLA therefore went to the IRS for guidance and their approval letter is included in the Board package

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

VOTED to approve the minutes from the Board of Directors meeting held on July 25, 2014.

#### Review and Adoption of Existing RISLA Financial and Management Control Procedures

Mr. Kelley presented the board with flow charts and written procedures addressing segregation of duties for payroll, receipt of funds, accounts payable disbursements, loan disbursements, and financial reporting duties.

#### Review RISLA Organizational Chart for Inclusion on Web Site (as required)

Mr. Kelley reviewed the RISLA organization chart with the board members. Mr. Egan suggested adding numbers for staff before posting on website.

#### ACTION ITEM – Approval of Organizational Materials

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

VOTED to approve the organizational materials.

#### IRS Private Letter Ruling (PLR) Approving RISLA's Refi Plans

Mr. Kelley discussed the private letter ruling issued by the IRS. He said that RISLA originally asked the IRS to rule on the questions: 1) Can RISLA use tax exempt bond proceeds to fund non federal parent loans for students and 2) Can RISLA use tax exempt bond proceeds to fund non federal student loans that were previously funded by RISLA. Mr. Simpson said that the IRS would not provide RISLA an answer to the first question even though the IRS reviewers think the program meets an important public purpose the statute does not expressly permit that use. Mr. Simpson went on to state that the ruling means that RISLA would need to fund parent loans using RISLA funds. Mr. Kelley said that the private letter ruling provide specific guidance on the second question and approved the use of bond proceeds for refinancing loans as long as other tax exempt bond requirements are met. Mr. Kelley also stated that the private letter ruling also clarifies that RISLA can use tax exempt bond funds to fund borrower principal, accrued, and capitalized interest. Mr. Kelley noted that the ruling cites the importance of funding refinanced loans eligible for tax exempt bond funding with a bank line of credit.

#### Access to Public Records – Certificate of Compliance

Mr. Kelley mentioned that the RISLA certificate of compliance had been executed and filed well in advance of the required deadlines and had provided copies in the board members packets.

#### Revised Auditor Engagement Letter

Mr. Kelley reviewed the revised letter with the board. There was concern that Marcum LLP was limiting its liability to the amount of fees paid by RISLA, but those limitations have now been deleted. He mentioned there were a couple of other minor changes as well.

Mr. Theroux told the members that the audit committee met with the audit firm prior to the audit beginning and received positive feedback regarding RISLA. He said the audit is always straightforward, neat and clean.

#### Chairman's Report

Higher Education Summit - Mr. Feisthamel announced that RISLA's Higher Education Summit is going to be held September 26, 2014 at the RI Convention Center with keynote addresses by RI Senator Jack Reed and Sandy Baum, author of the College Board's annual "Trends in College Pricing" and "Trends and Student Aid" reports.

#### New RISLA and CPC Website

Ms. Thibodeau-Johnson provided a brief presentation of the new RISLA and CPC website.

Upon a motion made by Mr. Egan and seconded by Mr. Feisthamel, it was unanimously  
VOTED to adjourn at 9:20 a.m.

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Mr. Robert Theroux  
Secretary