

MINUTES OF MEETING

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

The 320th meeting of the Rhode Island Student Loan Authority was held on Friday, November 21, 2014 in the McKenna Conference Room, 1st Floor, 560 Jefferson Boulevard, Warwick, Rhode Island.

Members in attendance:

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

Others in attendance:

Mr. Charles Kelley
Ms. Jennifer Dutch
Mr. Kevan McAleer
Ms. Deborah Machowski
Mrs. Jane Creta
Mr. Michael Joyce

The meeting was called to order at 9:40 a.m. by Mr. Delaney.

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

VOTED to approve the minutes from the October 17, 2014 Board of Director's Meeting.

Chairman's Report

Mr. Delaney spoke briefly about continued outreach efforts via social media, testimonials and local newspapers for brand building of RISLA.

Executive Director's Report

Mr. Kelley passed around a brochure for a financial literacy conference.
Mr. Kelley drew the Board's attention to the agenda for Senator Reed's Annual Financial Aid Night in the board packets and mentioned that RISLA has participated in Senator Reed's financial aid nights since 1992 and the tradition continues into 2014.
Mr. Kelley also reported that the loan originations volume is up 19.5% compared to last year.

Review Status of Requirements for Quasi Public Legislation and Specifically the Following 2 Action Items

Mr. Kelley presented the board members with RISLA's investment policy and procedures as required by the quasi public legislation. He noted that each bond indenture sets forth specific investments that are authorized for investment of funds. He further noted that derivative products would require the specific approval of the board prior to the execution of any agreement.

Mr. Kelley reviewed the policy concerning indemnification of directors and officers in the By-Laws and mentioned that RISLA also has directors and officers liability insurance. Mr. Feisthamel suggested modifying the by-laws to include a reference to the directors and officers liability insurance.

ACTION ITEM – Review and Adoption of Revised Investment Policy

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

VOTED to adopt the RISLA Investment Policy.

ACTION ITEM – Review and Approval of Indemnification Policy As Set Forth in RISLA’s By-Laws

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

VOTED to approve the Indemnification of Directors and Officers policy contingent upon adding a reference to the directors and officers liability insurance and making certain other grammatical corrections.

Review of Underwriter Bids

A request for proposals had been issued for underwriting services. Mr. Kelley mentioned that RISLA will be issuing new bonds and possibly refinancing an older trust during the first quarter of 2015 for which underwriter services will be needed. He said RISLA typically issues RFP’s for such services every two years. He stated that unlike 2012 where RISLA received six responses, RISLA only received one response by the deadline from Bank of America Merrill Lynch (BAML). However, BAML’s bid represented savings across the board from its 2012 bid when it was selected as the low cost bidder.

ACTION ITEM – Appointment of Underwriter

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

VOTED to appoint, based on the recommendation of the staff, Bank of America Merrill Lynch as Lead Underwriter.

Review of Santander Bank Proposal

Mr. Kelley discussed the Santander agreement for a line of credit and term financing for RISLA’s Refi Program. He stated that there is a substantial demand from borrowers to help them refinance their high cost education loans. RISLA went out to bid in March 2014 and received a proposal from Santander Bank, but there were a number of issues that needed to be negotiated before staff would present it to the Board. The most significant issue involved Santander’s request that the financing constitute a general obligation of the Authority, which staff has steadfastly resisted. The Bank finally agreed to limit its recourse to a limited pool of assets comprising mostly new and existing loans.

ACTION ITEM – Approval of Santander Agreement

Deferred until December 2014 meeting

ACTON ITEM – Approval of the 2015 RISLA Board Meeting Schedule

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

VOTED to approve the 2015 RISLA Board Meeting Schedule.

ACTION ITEM – Continuing Disclosure Filings and Procedures

Mr. Kelley discussed the municipal continuing disclosure cooperative (MCDC) initiative involving the requirement that issuers of bonds and underwriters file notices of material events in a timely manner on the Electronic Municipal Market Access (EMMA) website. The MCDC initiative is designed to address

instances in which underwriters and issuers may have made materially inaccurate statements in bond offering documents regarding failure to file a notice of material events. To be eligible for the MCDC initiative, an issuer must self report any final official statement that failed to disclose any such instances in the past five years. In reviewing RISLA's 1209 EMMA filings, there were five bond issues where RISLA filed rating changes late with EMMA. Some of these were rating upgrades and RISLA was not aware of changes in order to file on a timely basis. Mr. Kelley said RISLA's staff has been working closely with the law firm of Hawkins, Delafield & Wood in evaluating the issues and that Hawkins Delafield has concluded that the failures are relatively minor but recommends that RISLA self report anyway just to be safe. RISLA has had procedures in place for years and they have been updated to address the SEC's recently expressed concerns. A system of checks and balances has been established to assure that all filing deadlines are strictly adhered to and portfolio manager Jenn Dutch will monitor all rating agency activity in the future.

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

VOTED to authorize RISLA to self-report pursuant to the Municipal Continuing Disclosure Cooperation Initiative.

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

VOTED to adjourn at 10:30 a.m.

Mr. Robert Theroux
Secretary