

Minutes

VSAC Finance Committee Meeting

Monday, November 23, 2015
2:00 p.m.

Board Room, VSAC Offices
10 East Allen Street
Winooski, Vermont

Attendance:

Committee Members Present: Michael Smith (Chair), Beth Pearce, and David Coates

Other Board Members Present: Dodie Mitchell

Committee Members Absent: None

Staff: Scott Giles, Mike Stuart, Marilyn Cargill, Bruce Hicken,
Patrick Leduc, Tom Little, and Kristi Rocheleau

The meeting was called to order at 2:05 p.m. A quorum was declared present, and the Committee proceeded to take up the first item of business.

1. Approval of Minutes

Upon a motion made by David Coates and seconded by Beth Pearce, the Committee voted unanimously to approve the minutes of the Committee meeting of September 25, 2015, as presented.

2. President's Report

Scott reported on two federal updates that affect VSAC operations. The first, the Telephone Communications Protection Act (TCPA) that previously restricted businesses from making using automated telephone equipment to contact cell phones of student loan borrowers without their express consent was amended as part of the budget agreement. Many young borrowers do not have landlines and the inability to reach them resulted in unnecessary delinquencies and defaults. VSAC will have greater ability to contact these borrowers to counsel them and offer repayment plans that meet their needs. Second, the Treasury has revised the IRS policy language related to tax-exempt bond financing. The updated policy now allows VSAC to offer parent loans and loans that refinance any other education loan. The revision does still leave some technical questions outstanding with regard to education refinance loan financing. Mike Stuart is researching options and will keep the committee and Board informed of progress.

3. FY16 Financial Information

Mike Stuart and Bruce Hicken reported on the Financial Statements, Variance Analysis, and Operating Budget, noting nothing new or unexpected from prior meetings and reports. Committee members discussed line item trends, and Mike Stuart reported that if the actual-to-actual operating budget continues to trend positive, then adjustments to the operating budget will be made mid-year. Mike Stuart also communicated that the operating budget has been updated to reflect the actual amount contributed to the 2015-A bond.

4. Private Loan Volume Update

Scott summarized private loan activities underway, noting that the private loan volume continues to exceed target projections and that additional funds to support the demand are in place. In addition, VSAC is ramping up to offer a parent loan option for spring semester as a result of updated Treasury guidelines that now support parent loan financing.

5. Vermont Scholarship Fund

Mike Stuart provided the Committee with an update on the Endowment investment policy review, and led a discussion with regard to the performance of the investment manager for the fund. The Committee provided guidance on investment management options and asset allocation options. As a follow-up, Mike Stuart will share scenarios for alternate investment management strategies with the Finance Committee in January to review during the January 25 meeting.

6. Other Business

There was no other business, the meeting adjourned at 2:58 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary