

## VSAC Finance Committee Meeting

September 23, 2019  
1:30 p.m.

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

### Attendance:

Committee Members Present: Michael Smith (Chair), Beth Pearce, John McSoley

Committee Members Absent: Matt Trieber

Other Board Members Present: Dodie Mitchell

Staff: Scott Giles, Mike Stuart, Marilyn Cargill, Tom Little, Patrick Leduc, Bruce Hicken, Jodie Ducharme

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Michael Smith called the meeting to order at 1:44 p.m. A quorum was declared present and the Committee proceeded to take up the first item of business.

### Approval of Minutes

*Upon a motion made by Beth Pearce and seconded by Michael Smith, the Committee voted to approve the Committee meeting minutes of May 20, 2019, as presented, with John McSoley abstaining.*

### FY19 Financial Statements

The Committee reviewed the FY19 year-end financials, previously distributed, covering the Income Statement, Balance Sheet, Variance Analysis, and Operating Budget. Mike Stuart noted there were no unexpected trends.

### FY20 Financial Statements through August

The Committee transitioned to the FY20 Income Statement, Balance Sheet, and Operating Budget covering July 1, 2019 through August 31, 2019. Mike Stuart noted that there was nothing unexpected and nothing of note to report for these first two months. Bruce Hicken reviewed the Variance Analysis noting that the Year over Year for State Appropriations is \$500,000 ahead of last year due to a one-time increase in the grant appropriation.

### Private Loan Volume Update

Mike Stuart directed the Committee's attention to the 2019 bond sale results, previously distributed, which compare VSAC's student loan revenue bond sale results with three other similar entities.

### Loan Rehabilitation Indenture Changes

Mike Stuart announced that VSAC plans to offer a loan rehabilitation program for defaulted private loans. Once a customer meets the criteria for rehabilitation, the loan would be removed

from default and the derogatory credit information tied to that loan would be repaired. Mike explained that in the recent bond financing under the 2012 Indenture, we made changes to permit the rehabilitation of defaulted loans under that Indenture. He noted that two other bond trust indentures do not allow rehabilitation loans and will require amending. Mike indicated that the previously distributed Resolution and accompanying Supplemental Indentures make the necessary changes to the 2014A and 2015A trusts – he noted we would provide these documents, after the Board’s approval, to the applicable rating agencies.

***Upon a motion made by Beth Pearce and seconded by John McSoley, the Finance Committee voted to approve the Loan Rehabilitation Indenture Changes Resolution as circulated and attached to these Minutes, and to recommend the adoption of the Resolution to the full Board of Directors.***

**Other Business**

There being no other business, the meeting adjourned at 2:12 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary

RESOLUTION  
OF THE  
VERMONT STUDENT ASSISTANCE CORPORATION

WHEREAS, Vermont Student Assistance Corporation (the “Corporation”) has established a program to permit the rehabilitation of defaulted student loans; and

WHEREAS, in order to implement the same with respect to student loans under certain of the Corporation’s indentures identified below, it is necessary to supplement and amend the same;

THEREFORE BE IT RESOLVED BY the Board of Directors (the “Board”) of the Corporation this \_\_\_ day of \_\_\_\_\_, 2019, as follows:

Section 1. A supplemental indenture of trust (referred to herein as the “Series 2014A Third Supplemental Indenture of Trust”) supplementing and amending the Indenture of Trust, dated as of June 1, 2014 (the “2014A Master Indenture” and, together with all other supplements and amendments to the 2014A Master Indenture, the “2014A Indenture”), is hereby adopted and approved in order to permit the rehabilitation of Financed Eligible Loans (as defined in the 2014A Master Indenture) which constitute, from time to time, Defaulted Loans (as defined therein), such Series 2014A Third Supplemental Indenture of Trust to become effective when executed and delivered, but no sooner than 20 business days after the rating agencies providing ratings on the bonds issued under the 2014A Indenture (Fitch and S&P) have been given notice thereof, which Series 2014A Third Supplemental Indenture of Trust shall be substantially in the form presented to this meeting, subject to completion thereof and subject to any other changes otherwise deemed necessary or desirable.

Section 2. A supplemental indenture of trust (referred to herein as the “Series 2015A First Supplemental Indenture of Trust”) supplementing and amending the Indenture of Trust, dated as of June 1, 2015 (the “2015A Master Indenture” and, together with all other supplements and amendments to the 2015A Master Indenture, the “2015A Indenture”), is hereby adopted and approved in order to permit the rehabilitation of Financed Eligible Loans (as defined in the 2015A Master Indenture) which constitute, from time to time, Defaulted Loans (as defined therein), such Series 2015A First Supplemental Indenture of Trust to become effective when executed and delivered, but no sooner than 20 business days after the rating agencies providing ratings on the bonds issued under the 2015A Indenture (Moody’s and S&P) have been given notice thereof, and, in the case of Moody’s, Moody’s shall have confirmed the rating on the bonds issued under the 2015A Indenture giving effect to the Series 2015A First Supplemental Indenture of Trust, which Series 2015A First Supplemental Indenture of Trust shall be substantially in the form presented to this meeting, subject to completion thereof and subject to any other changes otherwise deemed necessary or desirable .

Section 3. The Series 2014A Third Supplemental Indenture of Trust and the Series 2015A First Supplemental Indenture of Trust (collectively, the “Supplemental Indentures”) may also include other details or changes thereto as the President or any other Authorized Officer,

upon advice of counsel, shall approve, the execution and delivery of the Supplemental Indentures to constitute such person's approval thereof.

Section 4. Each of the Chair, the Vice Chair, the President, the Vice President and CFO, the Secretary of the Corporation and each Assistant Secretary of the Corporation is designated an Authorized Officer of the Corporation ("Authorized Officer") for the purposes of this Resolution. Each Authorized Officer is authorized to execute and deliver the Supplemental Indentures and such additional documents or certificates as counsel to the Corporation or Kutak Rock LLP, Bond Counsel, shall advise as necessary or desirable.

Section 5. Any document or certificate executed or delivered by an Authorized Officer, including the Supplemental Indentures, shall be conclusive evidence of the approval of any modifications of terms submitted at this meeting of the Board and of the due authorization, execution and approval by the Corporation of any such document or certificate.

Section 6. This Resolution shall take effect immediately upon its adoption, provided that the Series 2014A Third Supplemental Indenture of Trust and the Series 2015A First Supplemental Indenture of Trust shall become effective as provided in Section 1 and Section 2, respectively.

Section 7. All prior acts and doings of the officers, agents and employees of the Corporation which are in conformity with the purposes and intent of this Resolution, and in furtherance of the purposes of this Resolution, shall be and the same hereby are in all respects ratified, approved and confirmed.