

VSAC Finance Committee Meeting

March 25, 2019

12:30 p.m.

Boardroom, VSAC Offices

10 East Allen Street

Winooski, Vermont

Attendance:

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

Committee Members Absent: Matt Trieber

Other Board Members Present: Dodie Mitchell

Staff: Scott Giles, Mike Stuart, Tom Little, Marilyn Cargill, Patrick Leduc, Sabina Haskell, Jodie Ducharme

The meeting was called to order at 12:32 p.m. With a quorum established, Chair Michael Smith took up the first order of business.

Approval of Minutes

Upon a motion made by Beth Pearce and seconded by David Coates, the Committee Members present voted unanimously to approve the minutes of the Committee meeting of January 28, 2019, as presented.

FY19 Financials

Mike Stuart reported on Financial Statements, Variance Analysis, and Operating Budget through February 2019 and responded to Committee questions. He pointed out there are no new trends emerging and an overarching theme that the FFEL portfolio is paying down and the private loan portfolio is growing slightly. He drew attention to additional revenue as a result of the recent lease of building space. When comparing results against the FY19 Operating budget to date, Mike reported the financials are typical for this time of year with no unexpected or large variances.

Private Loan Volume Update

Mike Stuart directed the Committee's attention to the private loan volume reports previously distributed, noting that the student loan product new volume is running slightly below projected targets, while parent loan product volume is above projected targets. Mike also noted the significant shift in borrower selected repayment option toward immediate repayment and he credited the new Originations system, launched last May, which clearly lays out the terms for each of the 3 repayment options (immediate, interest-only, and deferred).

2019/2020 AY Private Loan Bond Update

Mike Stuart transitioned to discussing the Rating Agency Presentation, drawing the Committees attention to the Series 2019 A Transaction Summary which outlined a transaction timeline and key milestones. He also pointed out that VSAC's Fixed Rate Advantage Loan Program has been performing well below the base case default assumptions provided for VSAC's 2018 A bond.

Mike Stuart mentioned the possible need to have a special committee meeting after we've received rating agency assumptions.

Other Business

Scott Giles provided a federal update regarding Gear Up, SEOG, and Public Service Loan Forgiveness.

Scott also updated the Committee on the Governor's budget address, which included an additional \$1 million to VSAC for the purposes of expanding the Vermont non-degree grant.

There being no other business, the meeting adjourned at 1:10 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary