

## **VSAC Finance Committee Meeting**

**January 27, 2020**

**12:30 p.m.**

**Boardroom, VSAC Offices**

**10 East Allen Street**

**Winooski, Vermont**

### **Attendance:**

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

Committee Members Absent: N/A

Other Board Members Present: Dodie Mitchell, Dave Larsen

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

---

The meeting was called to order at 12:36 p.m. and a quorum was established.

### **Approval of Minutes**

*Upon a motion made by Matt Trieber and seconded by John McSoley, the Committee Members voted unanimously to approve the minutes of the Committee meeting of November 25, 2019, as presented.*

### **FY20 Financial Statements**

Mike Stuart walked the Committee through the previously distributed Income Statement and Balance Sheet and responded to Committee questions. He pointed out there are no new trends emerging and stated that the FFEL portfolio continues to pay down. Mike noted that several vacant staff positions are currently on hold and explained that if those positions aren't filled the variance will increase for that expense.

Bruce Hicken walked the Committee through the six-month variance analysis, by operations and by activity, noting there are no variances over scope.

### **Private Loan Update**

Mike Stuart directed the Committee's attention to the private loan volume reports, previously distributed, noting that loan volume levels are up by approximately 18% with approximately \$50 million in approved loan volume. Mike highlighted a 3% shift in customers selecting the immediate repayment plan rather than the deferred option for the student loan. Scott Giles noted that VSAC is trying to use interest rates to incent customers toward immediate repayment, which gives them the lowest interest rate and saves them money in finance charges.

### **2020-2021 Private Loan Bond**

Mike shared that the Executive Committee is in the process of reviewing bond needs and loan demand for the upcoming fiscal year.

The Committee then reviewed the preliminary financing calendar.

**Vermont House/Senate Economic Development Response**

Mike Stuart directed the Committee to the previously distributed Vermont House/Senate Economic Development Refinance Report and explained that VSAC has been working with the State Treasurer's office to explore options and financing sources. Scott Giles noted that the report will be landing in the Commerce Committee where there will be conversations about making Vermont a better place for young people by helping them manage their student loan debt.

**VSAC 529 Plan – Secure Act Impacts**

Mike Stuart noted that the passage of the federal Secure Act now allows families to use a 529 college savings plan for apprenticeship programs and to make up to \$10,000 in qualified student loan payments. He noted that it is unclear what, if any, effects the Secure Act will have on Vermont's tax credit for 529 plan contributions. Scott Giles stated that VSAC, as the administrator of Vermont's 529 plan, is working with state officials and the Legislature to clarify the impact of the Secure Act on Vermont tax law and policy.

**Default Collection – State Tax Offset**

Mike Stuart provided background on the Vermont Setoff Debt Collection Program, referencing materials previously distributed to the Committee. He noted that VSAC only applies the program to student loan debt in default and follows guidelines set forth by the Vermont Department of Taxes. Mike reviewed proactive staff efforts to work with borrowers to prevent default as well as the efforts made by staff post-default to mitigate the consequences of default. He noted that VSAC does everything we can to help defaulted borrowers avoid inclusion in the Vermont Setoff Debt Collection Program.

**Other Business**

There being no other business, the meeting adjourned at 1:20 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary