

**Minutes
of the
VSAC Board of Directors Meeting**

May 22, 2020

9:00 a.m.

(Meeting by Zoom Video Conference)

Members Present: Dodie Mitchell (Chair), Dave Larsen, Pam Chisholm, Chuck Soule, Ann Cummings, Dennis O'Brien, John McSoley, Beth Pearce

Members Absent: Mike Smith, Martha Heath

VSAC Staff Present: Scott Giles, Tom Little, Marilyn Cargill, Patrick Leduc, Mike Stuart, Jodie Ducharme

Others: None.

Chair Dodie Mitchell called the Board of Directors meeting to order at 9:05 a.m. A quorum was established by a call of the roll.

Proposed Authorizing Resolution for 2020 Revenue Bonds

Dodie Mitchell asked Mike Stuart and Tom Little to review the proposed Authorizing Resolution for the 2020 student loan revenue bonds and update the Board on the structure of the proposed debt. Mike Stuart referred the Board members to the May 14, 2020 Memorandum to the Board from Tom Little, and the attachments to it, which explains the purpose and economics of the proposed bond transaction. He then described the financial dynamics of the proposed bonds; briefed the members about two recent student loan bond issuances (New Jersey and Rhode Island); explained the need to revise downward the expected dollar amount of bonds to be issued and the accompanying adjustments, potentially, to the cash flows for the bond trust and the likely interest rates on the bonds and on the student loans to be made with the bond proceeds.

Tom Little walked the Board through the proposed Authorizing Resolution for the bonds, including what parameters it sets for the dollar amount of the bonds, and the amounts of any subordinate bonds and cash contributed to the bond trust by VSAC. He explained that the form and content of the Authorizing Resolution are comparable to those of the last severable bond issuances. The bonds will not be a debt or obligation of the State of Vermont, nor of VSAC itself. His Memorandum covered the principal other documentation for the bonds, all to be finalized prior to closing on the transaction.

Board members asked questions about the factors in play pending finalization of the transaction, including the setting of the interest rates on the new bonds and on the student loans to be made with the bond proceeds; the relationship between these interest rates and the new rate of interest for federal PLUS loans; on Section 10 of the Authorizing Resolution, and on how the amount of a cash contribution will be determined. Scott Giles commented on the setting of the interest rates on the student loans.

Upon a motion made by Dennis O'Brien and seconded by Dave Larsen, the Board voted unanimously to approve the 2020 Private Education Loan Financing Authorizing Resolution as distributed prior to and presented at the meeting.

There being no other business to come before the meeting, upon motion duly made and seconded, the members voted unanimously to adjourn the meeting at 9:26 a.m.

Respectfully submitted,

Thomas A. Little, Assistant Secretary