

Minutes

VSAC Board of Directors Meeting

February 28, 2022
12:30 p.m. – 3:00 p.m.

Zoom Videoconference Meeting

Members Present: Dodie Mitchell (Chair), Martha Heath, Dave Larsen, Ann Cummings, John McSoley, Ryan Dulude, Clarence Davis, Michael Smith, Beth Pearce

Members Absent: Caleb Elder, Tim Chamberlin

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

Others: N/A

Chair Dodie Mitchell called the Board of Directors meeting to order at 12:33 p.m. on the Zoom virtual meeting platform with all present able to hear one another throughout the meeting. With a quorum established, the Board took up the first order of business.

Approval of Minutes

Upon a motion made by Dave Larsen and seconded by Beth Pearce, the Directors voted to approve the meeting minutes of December 7, 2021, as presented.

Public Comment

There were no public comments given during the public comment period.

Chair's Report

Dodie Mitchell delivered her Chair's report.

President's Report

Scott Giles provided a state and federal update and briefed the Board on work that is being done as VSAC staff prepares to return to work in the office, including the implementation of an updated vaccine and masking policy. Scott pointed out that VSAC continues to follow the guidance provided by the CDC and the Vermont Department of Health. Scott also stated that VSAC has begun conversations with the bond rating agencies as we begin the process of obtaining financing for loan products for the upcoming academic year.

Committee Reports

Programs & Services Committee

Chair Martha Heath summarized the Committee's January 24, 2022 meeting and reviewed each of the following policies for Board approval:

- Refunds
- Participation Agreement

- Defaulted Loans

Upon a motion made by Martha Heath, and seconded by Dave Larsen, the Board of Directors voted unanimously to approve the Refunds, Participation Agreement, and Defaulted Loans policies, as presented.

Governance Committee

Chair Dave Larsen reviewed the Committee's January 24, 2022 meeting, covering the annual Risk Assessment review with Laurie Oliver, bylaw review updates, and the discussion of Board diversity. Dodie Mitchell noted that the Committee will review the CEO evaluation process at the March meeting and explained that the full Board will be involved later in the process.

Audit

Chair John McSoley recapped the Audit Committee meeting record of January 24, 2022, reviewing the previously distributed FY21 NIST Self-Assessment report concerning cyber and data security controls and noting that VSAC's NIST compliant security policies, procedures, and controls are in place, effective, and operating as intended. The Board engaged in a discussion of the report during which the Executive Committee responded to member questions.

Upon a motion made by John McSoley, and seconded by Michael Smith, the Board of Directors voted unanimously to accept the 2020-2021 Guarantor Services and Loan Servicing Information Security Assessment Report, and the revised Red Flags Program document, each as presented.

John transitioned members to a review of the proposed revised Whistleblower Policy, referencing previously distributed materials that include an outline of the existing policy, a summary of the changes to the policy, and a draft of the proposed revised policy. John noted that both the Governance Committee and the Audit Committee have reviewed the revised policy.

Upon a motion made by Michael Smith, and seconded by John McSoley, the Board of Directors voted unanimously to approve the VSAC Employee Anti-Fraud Reporting/Whistleblower Policy, as presented, and as recommended by votes of the Governance Committee on November 22, 2021 and the Audit Committee on January 24, 2022.

John also provided a summary on the Internal Audit & Risk Management Status Report as well as the Charter Review. John outlined the Annual Federal Trade Commission Red Flags Policy Review and the Committee's action to approve the policy, including the summary report and program documents. The Board engaged in a conversation about the policy and members of the Executive Committee responded to questions.

Finance Committee

Chair Michael Smith reviewed the January 24, 2022 Committee meeting, relaying that the meeting focused on the standing reports for FY22, strategic considerations for the FFEL portfolio, private loan origination volume, and a risk management review of interest rates. Beth Pearce noted the increase in borrowers selecting the immediate repayment option, providing them the lowest interest rate, and costing them less over the life to the loan.

Conflict of Interest Disclosures

Tom Little directed the Board to the previously distributed Conflict of Interest disclosure and VSAC Board of Directors Code of Ethics disclosure and requested that Board members complete and return this paperwork to him as soon as possible.

NMLS

Tom Little explained that, for Virginia state licensing requirements, Board members will need to create an individual account in the National Multistate Licensing System (NMLS). Tom directed members to the previously distributed NMLS materials, noting that the overview and NMLS Individual Form will provide an outline of what to expect when completing the electronic process. Tom explained that Greg Severance, from VSAC's Compliance department, will assist members with the NMLS account set up and encouraged members to reach out to Greg directly to schedule an appointment.

Meeting Review

Chair Dodie Mitchell reviewed the meeting with the Board and VSAC staff.

Adjournment

There being no other business, the meeting adjourned at 2:03 p.m.

Respectfully submitted,

David Larsen, Secretary