



BOARD OF DIRECTORS
Meeting Minutes
July 19, 2018

Board Members: Chris Hensley, Tammy Bramley, Laurie Hempen, Adam Voigts, Dan Clute, Scott Schneidermann, Lorraine Groves, Rob Denson, Jim Schipper and Marcia Rogers.

Corporate Staff: Steve McCullough, Tammy Botos, Erin Lacey, Joe Bird, Ron Foresman, Mary Kay DeBolt, Cindy Bartz (via telephone) and Greg Nichols.

Guests: John Hintze, Corporate Counsel from Ahlers Law Firm, and Steven Scharff and Elizabeth Bergman, Financial Advisors from Springsted Inc.

The Iowa Student Loan Liquidity Corporation (Iowa Student Loan) Board of Directors met in the Mercy Medical meeting room at Honey Creek State Park Resort in Moravia, Iowa on July 19, 2018.

Chris Hensley asked Marcia Rogers, as Chair of the Nominating Committee, to give this year's board election results. Ms. Rogers stated this year's elections were for the Board Chair and Vice-chair seats, as well as the Executive Committee, of the Iowa Student Loan board. Also up for re-election were the board seats for Aspire Services Inc. and the Corporate Officers for both corporations. Ms. Rogers reported there were no requested or suggested changes to any of the open seats. As such, Chris Hensley and Tammy Bramley will continue as Chair and Vice-chair, respectively. Ms. Rogers then called for a motion to approve the following resolutions:

BE IT RESOLVED that the Board of Directors of Iowa Student Loan Liquidity Corporation hereby elects the following individuals to its Executive Committee: Adam Voigts, Scott Schneidermann and Dan Clute, in addition to the re-elected, standing committee members Chris Hensley and Tammy Bramley.

Rob Denson moved to approve. Marcia Rogers provided the second, and the Board Chair, Vice-chair and Executive Committee members were elected with a unanimous vote.

and

BE IT RESOLVED that the Board of Directors of Iowa Student Loan Liquidity Corporation hereby appoints the following corporate officers: Steve McCullough, president; Mary Kay DeBolt, secretary; and Erin Lacey, treasurer.

Rob Denson moved to approve. Tammy Bramley provided the second, and the Corporate Officers were elected with a unanimous vote.

Ms. Rogers reviewed the Aspire Resources Inc. board of directors, calling for approval of the following resolution:

BE IT RESOLVED that the Board of Directors of Iowa Student Loan Liquidity Corporation hereby appoints the following slate of board officers to the Aspire Resources Inc. Board of Directors: Norm Nielsen, John Hartung, John Hintze, Kay Beyerink and Tony Kaska.

Lorraine Groves moved to approve said resolution. Dan Clute provided the second, and the motion was approved with a unanimous vote.

Ms. Hensley called the meeting to order at 2:35 pm and for a motion to approve the agenda.

Rob Denson moved to approve the agenda. Lorraine Groves provided the second, and the motion was approved with a unanimous vote.

Ms. Hensley called for a motion to approve the minutes from the May 17, 2018 board meeting.

Marcia Rogers moved to approve the previous meeting's minutes. Tammy Bramley provided the second. The minutes passed with a unanimous vote.

Conflict of Interest

Chris Hensley asked John Hintze to review the annual Conflict of Interest form the board's assistant previously mailed to board members. Mr. Hintze reminded that this form is required for the Form 990 filed with the Internal Revenue Service to identify whether or not there are any conflicts of interest with serving board members. There were no questions for Mr. Hintze, and the board's assistant reported there were two forms still to collect, and she would touch base with them to collect before the end of the month.

PRESIDENT'S REPORT

Steve McCullough talked about a common theme of the Corporation's smart borrowing tools: Don't borrow more than you can afford, based on the career you are targeting after college. He also reviewed the Corporation's "Parent Handbook" and discussed ACT research he has been reviewing about indicators and predictors of future college success. He also talked about how the Corporation needs to continue to credential itself to parents. Iowa Student Loan has worked with hundreds of thousands of borrowers, and as a lender on the hook for bad loans, the Corporation has a vested interest in helping families follow the best practices. These include taking the right courses in high school to be prepared for college.

Mr. McCullough also included for the minutes a summary of the board/staff planning session that occurred the day prior to the board meeting. It included:

- Review of cash/equity projections for next ten years.
- Review of marketing strategies for ISL and Aspire products and services

- Review of corporation's community reinvestment programs, and discussions about future potential changes.

Delinquency Report

Mary Kay DeBolt discussed June 2018 delinquencies with board members. She stated overall private loan rates were at 2.86%, compared to 2.89% at this time last year. The overall rate for rehab loans was 22.99%, compared to 22.29% at this time last year. The FFELP default rate at the end of June was 0.58%. She also reviewed FFELP claim summary from FY17 to FY18 and the FFELP 5-year annual default rate, which was 4.5%.

Financial Report

Erin Lacey reported on financials as of the end of May 2018. Assets to liabilities ratio was 148%. Revenues were near budget expectations. Debt servicing was very close to budget expectations. General and Administrative Expenses were also very close to budget. The change in net assets was positive.

FINANCE COMMITTEE REPORT

Scott Schneidermann provided this report stating that staff reviewed and answered many questions from board members regarding the budget for the upcoming fiscal year. The finance committee reviewed the first draft of the FY19 budget with staff on a telephonic committee call July 13, 2018. After Ron Foresman provided additional information committee members asked for on July 13th, Scott Schneidermann called for approval of the following resolution:

BE IT RESOLVED that the Board of Directors of Iowa Student Loan Liquidity Corporation hereby approves the Fiscal Year 2019 budget as presented by staff at the July 19, 2018 board meeting, including the insurance coverages, compensations elements, community reinvestments and capital expenditures contained therein.

Rob Denson moved to approve the resolution. Tammy Bramley provided the second, and the motion passed with a unanimous vote.

Mr. Schneidermann then reviewed two actions the finance committee took regarding the Bankers Trust Company term sheet and Umpqua Bank's letter of interest from the telephonic committee meeting of July 13, 2018. Those resolutions follow:

BE IT RESOLVED that the Board of Directors of Iowa Student Loan Liquidity Corporation hereby authorizes the CEO and Executive Vice-president to enter into a term note not to exceed \$55 million with Bankers Trust Company to refinance existing debt of approximately \$16MM related to the Corporation's 2011-B Trust, refinance the Corporation's \$8.5MM note payable to Bankers Trust Company, finance approximately \$19MM in Skills Fund loans and provide approximately \$8.5MM of liquidity for future financings. Such transaction shall be substantially under the terms provided in the term sheet received from Bankers Trust, and the CEO and Executive Vice-president are authorized to take such requisite actions and sign appropriate documents as necessary, following proper review by bond counsel and Springsted Inc.

Scott Schneidermann moved to approve the resolution. Jim Schipper provided the second, and the resolution passed with a unanimous vote.

BE IT RESOLVED that the Board of Directors of Iowa Student Loan Liquidity Corporation hereby authorizes the CEO and Executive Vice-president to enter into a term note not to exceed \$25 million to finance Skills Fund loans with Umpqua Bank substantially under the terms provided in the letter of interest received from Umpqua Bank and to take such requisite actions and sign appropriate documents as necessary, following proper review by bond counsel and Springsted Inc.

BE IT FURTHER RESOLVED that if Umpqua Bank secures participating bank(s) that enable the increase of this transaction, the Board of Directors of Iowa Student Loan Liquidity Corporation hereby authorizes the CEO and Executive Vice-president to enter into such larger transaction on behalf of the Corporation.

Scott Schneidermann moved to approve the resolution. Dan Clute provided the second, and the motion passed with a unanimous vote.

Chris Hensley called for a motion to adjourn the board meeting and move into executive session at 2:53 p.m.

Rob Denson moved to approve and Adam Voigts provided the second. The board meeting adjourned and proceeded to executive session with a unanimous vote.



Mary Kay DeBolt, Corporate Secretary