



**BOARD OF DIRECTORS
Meeting Minutes
January 17, 2019**

Board Members: Chris Hensley, Tammy Bramley, Lauri Hempen, Adam Voigts, Dan Clute, Scott Schneidermann (via phone), Rob Denson, Jim Schipper and Marcia Rogers (via phone).

Corporate Staff: Steve McCullough, Erin Lacey, Tammy Botos, Ron Foresman, Mary Kay DeBolt, Joe Bird, Greg Nichols and Chris Hammerstrom.

Guests: John Hintze, Ahlers Law Firm, and Elizabeth Bergman, Springsted, Inc.

The Iowa Student Loan Liquidity Corporation (Iowa Student Loan) Board of Directors met in the board room of Iowa Student Loan in West Des Moines on January 17, 2019. Chris Hensley called the meeting to order at 2:44 pm.

Ms. Hensley called for a motion to approve the agenda.

Adam Voigts moved to approve the agenda. Rob Denson provided the second. The agenda passed with a unanimous vote.

Ms. Hensley called for a motion to approve the minutes from the September 13, 2018; September 25, 2018 and October 12, 2018 board meetings.

Rob Denson moved to approve previous meetings' minutes. Adam Voigts provided the second. The minutes passed with a unanimous vote.

PRESIDENT'S REPORT

Steve McCullough discussed a recently published study by the Brookings Institute, Parent PLUS Loan Study, noting the report's view on the lack of borrower protections in PLUS loans as compared to federal student loans and collection techniques upon troubled, delinquent parent borrowers. The report also emphasized that the parents who were struggling the most had students that attended for-profit colleges and historically black college and universities. Mr. McCullough was thankful to state policymakers and board members who helped construct the Corporation's Partnership Loan Program and for the specific terms included.

Delinquency Report

Mary Kay DeBolt reported on delinquencies as of the end of December 2018. The FFEL Program was 7.15%, compared to 7.32% at this time last year. The Rehab portfolio was at 24.51%, compared to 22.51% at this time last year. And the Private Loan portfolio was at 3.21%, compared to 3.11% at this time last year.

Financial Report

Erin Lacey reported on finances as of November 30, 2018. Total assets were \$1.5B. Total revenue were almost exactly at budget. Debt services expenses were above budget, mostly due to a faster bond pay down. General and administrative expenses were very close to budget, and the change in net position was positive.

FINANCE COMMITTEE REPORT

Erin Lacey reported on plans to finance the final portfolio of loans to be purchased from Skills Fund. Two banks have indicated a willingness to finance this portfolio: Great Western Bank and Umpqua Bank. Both of these banks have previously financed Skills Fund loans for Iowa Student Loan and are willing to do so again under similar terms and conditions. Staff asked for flexibility in determining the best option after the total to be financed solidifies, based on some capacity limitations at Great Western. The Committee concurred, and puts forth the following resolution to empower staff to act:

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 transaction with either Umpqua Bank or Great Western Bank to finance the remaining loans to be purchased from Skills Fund LLC, up to \$40 million, and to execute all needed documentation after its review by legal counsel.

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

Ms. Lacey explained the need to replace MWA Bank as the originating lender for Iowa Student Loan's out-of-state borrowers, due to the acquisition of MWA Bank's deposits by Axos Bank. Staff has negotiated a purchase contract with Bank of Lake Mills, under similar terms to the agreement in place with MWA Bank. The Committee therefore puts forth the following resolution for board consideration:

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 Loan Purchase Agreement with Bank of Lake Mills and to sign all necessary documents after their review by legal counsel.

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

Chris Hensley then called for a motion to adjourn the board meeting at 2:51 p.m.



Mary Kay DeBolt, Corporate Secretary