



**BOARD OF DIRECTORS  
Meeting Minutes  
May 16, 2019**

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

**Corporate Staff:** Steve McCullough, Erin Lacey, Tammy Botos, Ron Foresman, Mary Kay DeBolt, Cindy Bartz, Greg Nichols and Tara Kamin.

**Guests:** John Hintze, Corporate Counsel, Ahlers Law Firm.

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 May 16, 2019. Chris Hensley called the meeting to order at 3:04 p.m.

**Chris Hensley moved to approve the day's agenda. Rob Denson provided the second, and the agenda was approved with a unanimous vote.**

Chris Hensley called for a motion to approve the previous meeting's minutes.

**Rob Denson moved to approve the minutes from the March 28, 2019 meeting. Adam Voigts provided the second, and the minutes were approved with a unanimous vote.**

**PRESIDENT'S REPORT**

Steve McCullough discussed varied and alternative ways policymakers are suggesting to lower the cost of college and/or reduce the burdens of student loans. He also discussed ways Iowa Student Loan has been working hard to encourage students and families to effect change for themselves.

**Delinquency Report**

Mary Kay DeBolt reported on delinquencies as of the end of April 2019 as follows: FFEL Program was at 5.3%; Private Loan portfolio was at 2.3%. Bootcamps delinquency was at 3.8%. The overall delinquency rate was 3.4%.

**Financial Report**

Erin Lacey reported on finances as of the end of March 2019. Total assets were \$1.4B. Total net revenues are below budget primarily due to lower than budget loan portfolio balances. Debt service expenses are below budget, largely due to faster than anticipated bond pay downs. General and administrative expenses are below budget, primarily due to tax return and unrelated business income from 2017. The change in net position was positive.

## **AUDIT COMMITTEE REPORT**

Adam Voigts provided the Audit Committee report, stating that the Committee approved the presented audits and decided to forego the SOC 2 audit in the future. The Committee also reviewed risk inventory and had discussion on mitigating tactics.

**BE IT RESOLVED** that the Board of Directors of Iowa Student Loan Liquidity Corporation hereby accepts the following audit and review reports:

1. Service Organization Controls (SOC) 1 audit pursuant to Statement on Standards for Attestation Engagements No. 18.
2. Service Organization Controls (SOC) 2 audit pursuant to Statement on Standards for Attestation Engagements No. 18.
3. Iowa Division of Banking examination.

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

## **COMMUNITY RELATIONS REPORT**

Chris Hensley provided the Community Relations Committee report. A brief review of the status of priority legislative issues was presented. While neither the bill to provide greater oversight of student loan debt relief scammers nor the bill to advance the implementation date of the tax law change to provide relief for employees accepting student loan repayment assistance were enacted, both will be alive for the 2020 session, and significant funding for Future Ready Iowa scholarships was approved this session. An update on a current Attorney General's office project to collect and publish information on private loan rates available to Iowans was provided, and there was additional discussion of upcoming plans with state officials. Regarding federal issues, an update on interactions with federal officials by Iowa Student Loan representatives which occurred during the April EFC event and the May Greater Des Moines Partnership DC trip was presented. A key federal priority, legislation providing tax relief for employees accepting student loan repayment benefits from employers, is now co-sponsored by Representatives Loeb sack, Finkenauer and Axne, and soon is to also be co-sponsored by Senator Ernst. While there is not yet an introduced Higher Education Act (HEA) bill in either house of Congress, staff continues to work with Senator Grassley's team on moving forward the Know Before You Owe legislation as either a component of HEA or a stand-alone bill.

Community reinvestment programs was the next topic of the Committee. Most notable was the senior scholarship program recently concluded, providing thirty students with the highest demonstrated financial literacy skills relating to college funding with \$2000 scholarships. The Corporation is grateful to Governor Reynolds for her active participation in the awards program. Finally, the Committee was provided with preliminary direction on budget and program parameters for community reinvestments in the coming fiscal year. Committee consensus supported staff recommendations to continue to fund the suite of financial literacy tools and contests, investments in UI REACH scholarships, By Degrees Foundation programs in the Des Moines public schools and add award and promotion costs for the new parent reminder service program (SP3) which is to be launched by early 2020. Additionally, the consensus was to

support the recommendation by the Board's ICAN Task Force to reduce slightly, but keep as our largest annual reinvestment item, funding for ICAN.

Chris Hensley called for a motion to adjourn the board meeting at 3:22 p.m.

  
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Mary Kay DeBott, Corporate Secretary