BOARD OF DIRECTORS
Meeting Minutes
May 21, 2020

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

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

The Iowa Student Loan Liquidity Corporation (Iowa Student Loan) Board of Directors met via Zoom on May 21, 2020. Chris Hensley called the meeting to order at 2:30 p.m. and then called for a motion to approve the agenda.

Rob Denson moved to approve the agenda. Jim Schipper provided the second. The agenda was passed with a unanimous vote.

Chris Hensley called for a motion to approve the minutes from the March 26, 2020 and April 2, 2020 board meetings.

Rob Denson moved to approve the previous meetings’ minutes. Tammy Bramley provided the second, and the minutes passed with a unanimous vote.

PRESIDENT’S REPORT
Steve McCullough reported on protocol the Corporation had in place before Congress and other providers initiated special programs during COVID-19: reduced interest rates, tools to help families borrow less, payment stop-out during disruptions, special repayment relief plans for delinquent borrowers, counseling approaches to customer service and rehabilitation of defaulted borrowers.

Delinquency Report
Mary Kay DeBolt reported on delinquencies from the end of April, as follows: the overall delinquency rate was 0.7%; the FFELP rate was 0.00%; Private Loan rate was 1.2%; Refinance rate was 0.2%; Medical rate was 0% and the Bootcamp rate was 2.6%. Ms. DeBolt reviewed details of each loan type, and provided statistics on the increase in emails and phone calls after the President’s announcements regarding COVID-19. She anticipates spikes in delinquencies around the end of June. Ms. DeBolt reviewed information posted on the corporate website for borrowers to get the most up-to-date options available.

Financial Report
Erin Lacey reported on financials as of the end of March 2020. Total assets were $1.38B, which is approximately 1.59 times liabilities. Total net revenues were approximately $45.7M, which is well below budget due to student loan revenue yields that were below budget. Debt service expenses were below budget by almost $2M. General and administrative expenses were just over budget at approximately $24M, primarily driven by the collection attorney expenses and
additional tax expense for Aspire. Change in net assets was negative at $1.8M, which is driven by the interest rates.

AUDIT COMMITTEE REPORT
Adam Voigts reported that the Committee heard updates from Ron Foresman on the Financial Statement Audit and Jen Hempel on the Compliance Steering Committee. The Committee also reviewed risk inventory with staff.

COMMUNITY RELATIONS COMMITTEE REPORT
Chris Hensley provided an update from the April 24th CR Committee meeting, with the first order of business to receive a presentation on the activities of Iowa College Access Network’s (ICAN) Executive Director, Rob Miller. The second order of business was to receive a report from staff on additional items added at the direction of the Committee chair to the list of federal and state policy advocacy priorities for Iowa Student Loan. These items were added in response to recent governmental actions and discussion of possible near-term actions that could be taken to assist Iowa students and families we serve in light of the economic disruptions caused by the COVID-19 emergency.
She then reviewed items added to the Iowa Student Loan public policy priorities list and gave a status for each item.

At today’s meeting, the first topic of discussion was the anticipated changes in enrollments, methods of instruction, and cost implications for students at Iowa colleges and universities this fall as a result of the COVID-19 pandemic and the resulting economic downturn.
The Committee next received a staff update on state government-related issues, including the upcoming reconvening of the state legislative session on June 3rd. Additionally, it was reported to the Committee that, at the direction of the chair, a contribution from ISL’s community reinvestment funds was made to the Equity in Connectivity Fund at the Greater Des Moines Community Foundation. The purpose of the fund is to help defray costs for needed internet connections for students who are now required to attend school online, but who did not have the capability to do so. She reported that staff provided a federal government update which highlighted ongoing efforts to encourage Congress to pass legislation to provide federal student loan borrower relief equity for those repaying either FFELP or private loans, similar to that earlier provided for federal direct loan borrowers. Preliminary discussion of possible strategies to assist troubled private loan borrowers who are currently delinquent in avoiding default, as well as possible future strategies for those who become severely delinquent in the year ahead was held, and will be the subject of further discussion at a later time. Finally, the Committee held a brief discussion regarding the ICAN organization and how Iowa Student Loan could be supportive in the coming year.

Chris Hensley informed the board members of her conversation with Linda Fandel, Education Liaison with IGov, that she is recommending re-appointment with the Governor for Scott Schneidermann, Dan Clute and Adam Voigts, whose seats are up for re-appointment the end of June. Re-appointments may not be finalized by the end of June due to the pandemic.

Chris Hensley adjourned the meeting at 2:56 p.m.

Mary Kay DeBolt, Corporate Secretary