BOARD OF DIRECTORS  
Meeting Minutes  
July 18, 2019  

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

Corporate Staff: Steve McCullough, Erin Lacey, Tammy Botos, Joe Bird, Ron Foresman, Mary Kay Debol6t, Cindy Bartz and Greg Nichols.

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

The Iowa Student Loan Liquidity Corporation (Iowa Student Loan) Board of Directors met in the John Pappajohn Business Building on the University of Iowa campus in Iowa City on July 18, 2019.

Chris Hensley asked Lorraine Groves, as Chair of the Nominating Committee, to give this year’s board election results. Ms. Groves stated elections were for three seats on the Executive Committee (current incumbents are Adam Voigts, Scott Schneidermann and Dan Clute) and the Corporate Officers (Steve McCullough, Erin Lacey and Mary Kay DeBolt). The Chair and Vice-chair seats are concurrent, two-year terms, which will be up for election in 2020. Ms. Groves reported there were no requested or suggested changes to the Executive Committee or Corporate Officers.

Ms. Hensley asked if there were any other nominations. Hearing none Ms. Hensley 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 standing committee members Chris Hensley and Tammy Bramley.

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.

Lorraine Groves moved to approve. Rob Denson provided the second, and the Executive Committee and Corporate Officers were elected with a unanimous vote.
Ms. Groves reviewed the Aspire Resources Inc. board of directors and discussion took place regarding the open seat and that further discussion would take place at a later board meeting whether or not to fill the seat. Ms. Groves then called 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.

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

Ms. Hensley called the meeting to order at 11:48 a.m. and for a motion to approve the agenda.

Jim Schipper 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 16, 2019 board meeting.

Rob Denson moved to approve the previous meeting’s minutes. Jim Schipper 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 four forms still to collect, and she would touch base with them to collect before the end of the month.

**PRESIDENT’S REPORT**
Steve McCullough discussed a recent Op Ed piece that was distributed to Iowa newspapers last week. The purpose of the Op Ed piece was to publicize the need for families to figure out how to borrow less money for college and the Corporation’s efforts to help them do so. Students and families have the ability to avoid being overwhelmed by student loan debt through the choices they make. Iowa Student Loan encourages students and parents to choose wisely so they avoid having a personal student loan crisis.

**Delinquency Report**
Mary Kay DeBolt reported on June 2019 delinquencies, as follows: Private Loan rates were at 2.8%; FFELP rates were at 5.7%; and Bootcamps were 4.5%. Ms. DeBolt also reviewed FFELP claims summary from FY19.
Financial Report
Erin Lacey reported on financials as of the end of May 2019. Asset to liability ratio was 1.57%. Student loan interest was below budget, due to smaller than anticipated loan balances. Debt services expenses were below budget, also due to lower balances. General and administrative expenses were very close to budget. Net change in assets was positive and above budgeted expectations.

FINANCE COMMITTEE REPORT
Scott Schneidermann began his report by moving to ratify action of the Finance Committee on June 17, 2019, as follows:

BE IT RESOLVED that the Board of Directors of Iowa Student Loan Liquidity Corporation hereby approves changing the interest rate to zero on defaulted loans in the following situations:

- Upon receipt of a signed confession of judgment, settlement agreement or payment arrangement, the interest rate on applicable loan(s) will be permanently set to zero effective the date the signed form is received.
- Upon placement of a loan(s) with a law firm or collection agency, the interest rate on applicable loans will be permanently set to zero effective the date the placement is made.
- All loans with a court issued judgement will have their interest rate set permanently to zero, if not already at zero, effective the date the judgment was issued.

Adam Voigt provided the second. The actions of the Finance Committee were approved by a unanimous vote.

Mr. Schneidermann then reported that staff presented the proposed FY20 budget to the Committee for its consideration and first review at its telephonic meeting held on July 10, 2019. In today’s meeting, staff provided more information about the questions raised on the previous call and also referenced the multi-year cash flow and financial statement projections discussed during yesterday’s strategic planning update. The Committee was satisfied with staff’s explanations and presentations.

Scott Schneidermann moved to approve the following resolution:

BE IT RESOLVED that the Board of Directors of Iowa Student Loan Liquidity Corporation hereby approves the FY20 budget, as presented by staff on July 18, 2019.

Adam Voigt provided the second, and the FY20 budget was approved with a unanimous vote.

Mr. Schneidermann also reported that staff presented proposed changes to interest rates, FICO bands and underwriting criteria. The Committee took some comfort in the fact that the rating
agencies will also be giving feedback on these changes as part of the Corporation’s upcoming bond issue. Based on staff’s presentation and the Committee’s assessment of the potential impact of these changes, the Committee recommends the following for approval:

**BE IT RESOLVED** that the Board of Directors for Iowa Student Loan Liquidity Corporation hereby approves the Loan Program Changes as presented by staff on July 18, 2019, subject to changes indicated via interaction with the rating agencies.

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

Staff and Bond Counsel explained that Iowa Student Loan will be making private student loans temporarily using the Corporation’s balance sheet and will reimburse by the upcoming bond issue.

"RESOLUTION DECLARING AN OFFICIAL INTENT UNDER TREASURY REGULATION 1.150-2 TO ISSUE DEBT TO REIMBURSE IOWA STUDENT LOAN LIQUIDITY CORPORATION FOR CERTAIN ORIGINAL EXPENDITURES PAID IN CONNECTION WITH ITS PRIVATE LOAN PROGRAM AND CONSOLIDATION LOAN PROGRAM."

WHEREAS, the Iowa Student Loan Liquidity Corporation, (the "Corporation") is a private nonprofit corporation organized pursuant to the general nonprofit laws of the State of Iowa (the "State") created for the purpose of providing a system of financial assistance, consisting of loans for qualified students to enable them to obtain a post-secondary education by attending public or private educational institutions both within and without the State; and

WHEREAS, the Corporation intends to issue bonds, notes or other evidence of indebtedness in order to finance new private loans pursuant to its Private Loan Program and the Corporation’s College Family Loan Program.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE IOWA STUDENT LOAN LIQUIDITY CORPORATION AS FOLLOWS:

Section 1. That this Resolution be and does hereby serve as a declaration of official intent under Treasury Regulation 1.150-2.

Section 2. That it is reasonably expected that originations of student loans will be made in connection with the Corporation’s Private Loan Program and the Corporation’s College Family Loan Program from time to time and in such amounts as the Board determines to be necessary or desirable under the circumstances then and there existing.
Section 3. That the Board reasonably expects to reimburse all or a portion of such amounts made in connection with the Corporation’s Private Loan Program and the Corporation’s College Family Loan Program with the proceeds of bonds, notes or other indebtedness.

Section 4. That the total estimated amount of student loans made pursuant to the Private Loan Program and the Corporation’s College Family Loan Program is $68,000,000, and the estimated maximum principal amount of the bonds, notes or other indebtedness to be issued for the Private Loan Program and the Corporation’s College Family Loan Program is $115,000,000.

Section 5. That the Board reasonably expects to reimburse the Corporation’s General Account for the above-mentioned amounts incurred in connection with the Consolidation Loan Program.

Section 6. That this Resolution be maintained in an Official Intent File maintained in the office of the President and available at all times for public inspection, subject to such revisions as may be necessary.

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

COMMUNITY RELATIONS COMMITTEE REPORT
Chris Hensley reported that the Community Reinvestments budget and program for fiscal year 2020 not previously presented were reviewed. The first item was a sponsorship and participation in the Junior Achievement of Central Iowa Finance Park program. The second update was a staff recommendation to extend the Armed Forces Interest Reduction program from July 1, 2019 through June 30, 2021.

BE IT RESOLVED that the Board of Directors of Iowa Student Loan Liquidity Corporation hereby approves a two-year renewal of the Armed Forces Interest Reduction Program, effective July 1, 2019 through June 30, 2021, as presented by staff on July 18, 2019.

Chris Hensley moved to approve the resolution. Nancy Dunkel provided the second. The resolution passed with a unanimous vote.

The Committee received an update on federal relations and federal policy issues and activities planned in the coming months, as well as state relations and state policy issues and activities, including a study being conducted by the Iowa Attorney General and a briefing paper being authored by the Iowa Legislative Services Bureau. Ms. Hensley gave thanks for the opportunity to meet University of Iowa REACH Program Director William Lloyd and to discuss the program ISL supports with scholarship assistance for Iowa students. She likewise gave thanks for the opportunity to meet and converse with State Senator Zach Wahls on state issues of mutual interest.
Chris Hensley then adjourned the board meeting at 12:22 p.m.

Mary Kay DeBolt, Corporate Secretary