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

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

Guests: John Hintze, Corporate Counsel, Ahlers Law Firm; and Elizabeth Bergman, Financial Advisor, Baker Tilly.

The Iowa Student Loan Liquidity Corporation (Iowa Student Loan) Board of Directors met in the Iowa Student Loan board room on September 19, 2019. Ms. Hensley called the meeting to order at 1:50 p.m. and then called for a motion to approve the agenda and the minutes from the July 18, 2019 board meeting.

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

Chris Hensley called for a motion to approve the following:

BE IT RESOLVED that the Board of Directors of Iowa Student Loan Liquidity Corporation hereby ratifies additional changes to the rates for the Partnership Advance Education Loans, as presented by staff on July 23, 2019.

Jim Schipper moved to approve the resolution. Lorraine Groves provided the second. The resolution passed with a unanimous vote.

PRESIDENT’S REPORT
Steve McCullough’s report focused on a bill recently enacted in the Connecticut legislature that provides a tax credit to employers equal to 50% of the payments they make on the student loans of their employees, for up to five years. The student loans are only those refinanced by the Connecticut Higher Education Student Loan Authority (CHESLA). This limitation was intended to hold down the cost of the tax credits.

A similar bill will become law in 2023 in Iowa which will make student loan payments by employers non-taxable for the employee for state taxes. This puts student loan repayment benefits on the same state tax treatment as employee tuition assistance plans, and it benefits the employees that receive the employer benefit. It does not, however, provide any tax advantage to
the employer. The Connecticut bill provides a tax credit to the employer as an incentive for them to offer this employee benefit.

Staff was asked about this additional, employee recruitment tool for Iowa employers by Debbie Durham, the Director of the Iowa Economic Development Authority, and by the Greater Des Moines Chamber Alliance. Board members may have an opportunity to discuss how to provide reasonable cost restraint for the State should this be pursued, at the December 5th board meeting when Ms. Durham is scheduled to be a speaker at the joint Board lunch.

**Delinquency Report**
Mary Kay DeBolt reported on August 2019 delinquencies, as follows: the overall delinquency rate was 4.1%; the Private Loan rate was 2.7%; FFELP was 6.1%; and the Bootcamps rate was 6.1%.

**Financial Report**
Erin Lacey reported on financials as of the end of July 2019. Assets were $1.3B, which is 1.63 times liabilities. Revenues were slightly below budget as rates are lower than budgeted. Debt services is below budget as balances are below budget and rates are also lower than expected. General and administrative expenses are very close to budget. And the change in net assets was positive.

**FINANCE COMMITTEE REPORT**
Scott Schneidermann reported that based on previous board approvals, staff recently closed a term note transaction with Umpqua Bank, collateralized by Skills Fund loans. Umpqua Bank has requested approval by the Board of its form of authorizing resolution. Scott Schneidermann moved to approve the following resolution:

\[\text{RESOLUTIONS OF BOARD OF DIRECTORS OF} \]
\[\text{Iowa Student Loan Liquidity Corporation} \]
\[\text{(the "Corporation")} \]

WHEREAS, it is proposed that the Corporation continue to obtain credit accommodations from Umpqua Bank (the "Lender") and to modify the terms of such credit accommodations from time to time, which may include, without limitation, term and revolving loans, letters of credit, acceptances, and other bank products, including purchase and credit card arrangements, cash management agreements, rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity and equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, other foreign exchange contracts or any other similar transaction (including any option with respect to any such transactions and any combination of the foregoing) and modifications thereto; and

WHEREAS, in order to evidence such obligations and liabilities and to secure or otherwise assure the payment and performance thereof, it is proposed that the Corporation execute and deliver to the Lender one or more loan or credit agreements, letter agreements,
promissory notes, guaranties, support agreements, comfort letters, security agreements, financing statements, mortgages, deeds of trust, assignments, indemnities, master derivatives agreements, confirmations of derivatives and other documents, instruments, agreements and certificates and modification agreements (collectively, the "Credit Documents");

NOW, THEREFORE, RESOLVED, that the execution, delivery and performance by the Corporation of the Credit Documents are in the best interests of the Corporation and are reasonably expected to benefit the Corporation, directly or indirectly, and the consideration to be received by the Corporation in connection therewith is and shall be reasonably equivalent to the obligations and liabilities of the Corporation thereunder;

RESOLVED FURTHER, that any one of the following:

a. Steven W. McCullough, the President + CEO,
b. Erin Lacey, the Corporate Treasurer,
c. Mary Kay DeBolt, the Corporate Secretary

of this corporation, acting individually (the "Authorized Officers"), are hereby authorized and directed, in the name of this corporation, to execute and deliver to Lender, and Lender is requested to accept, the Credit Documents;

FURTHER RESOLVED, that the officers of the Corporation are each severally authorized and directed to negotiate, execute and deliver the Credit Documents for and on behalf and in the name of the Corporation and for and on behalf and in the name of the Corporation's subsidiaries, with such changes in the terms and provisions thereof as the officer executing the same shall, in such officer's sole discretion, deem necessary or appropriate and in the best interests of the Corporation, and such officer's signature, or such actions by such officer, shall be conclusive evidence that such officer did deem same to be necessary or appropriate and in the best interests of the Corporation; and

FURTHER RESOLVED, that the officers of the Corporation are each severally authorized to sign, execute, certify to, verify, acknowledge, deliver, accept, file and record any and all such additional agreements, instruments, certificates, documents, reports, and schedules (including, but not limited to, any renewals, extensions, amendments, modifications, restatements or waivers of any of the foregoing or of any Credit Document), and to take, or cause to be taken, any and all such action, in the name and on behalf of the Corporation, which shall be required to consummate the transactions contemplated by the Credit Documents (or any renewal, extension, amendment, modification, restatement or waiver thereof) or which any officer shall, in such officer's sole discretion, deem necessary or appropriate and in the best interest of the Corporation in order to effect the purposes of the foregoing resolutions, and such officer's signature, or such actions taken by such officer, shall be conclusive evidence that such officer did deem same to be necessary or appropriate and in the best interest of the Corporation in order to effect such purposes; provided that attestation of any agreement or document by the Secretary or an Assistant Secretary of the Corporation shall not be required for the validity thereof, except to the extent expressly required by applicable law; and
FURTHER RESOLVED, that all acts and deeds done or to be done by any one or more directors or officers of the Corporation in connection with the Credit Documents for and on behalf of the Corporation in negotiating, entering into, executing, acknowledging, delivering or attesting any agreement, document, instrument, certificate, report or schedule as contemplated in the foregoing resolutions or otherwise or in carrying out the terms and intentions of such resolutions are hereby ratified and approved; and

FURTHER RESOLVED, that the foregoing resolutions may be relied upon by the Lender until receipt and written acknowledgment by the Lender of written notice of their amendment or rescission and that such receipt and acknowledgment by the Lender shall not affect any action taken by the Lender in reliance on the foregoing resolutions prior thereto; and

FURTHER RESOLVED, that the Secretary or any other officer of the Corporation be, and such officer hereby is authorized and directed to certify to the Lender the foregoing resolutions and that the provisions thereof are in accordance with the Articles or Certificate of Incorporation and the Bylaws of the Corporation and with applicable law.

Tammy Bramley provided the second. The resolution passed with a unanimous vote.

Mary Kay DeBolt reported that Wells Fargo, document custodian for Iowa Student Loan’s student loan promissory notes held as collateral for its bond transactions, will be moving the loan files out of its vault in downtown Des Moines to a Wells Fargo location in West Des Moines. Staff is monitoring this process to ensure the safekeeping of documents.

Mr. Schneidermann also reported that Erin Lacey provided an update on the annual review of investment brokers utilized by Iowa Student Loan. To facilitate use of DM Kelly, Erin put forth the resolution found on the next page.
RESOLVED —

That the President or any Vice President of this Corporation be and they hereby are, and each of them hereby is, authorized and empowered, for and on behalf of this Corporation (herein called the "Corporation"), to establish and maintain one or more accounts, with introducing firm and its clearing agent (herein called the "Brokers") and to deposit funds in any of said accounts and to deliver to the Brokers for said accounts and any and all forms of securities (including within the meaning of such term as used herein, but not by way of limitation, shares, stocks, bonds, debentures, notes, scrip, participation certificates, rights to subscribe, option warrants, certificates of deposit, mortgages, choses in action, evidences of indebtedness, commercial paper, certificates of indebtedness and certificates of interest of any and every kind and nature whatsoever, secured or unsecured, whether represented by trust, participating and/or other certificates or otherwise); to sell any and all forms of securities which may be in the possession of the Brokers and which they may be carrying for the Corporation in any of said accounts; and to buy any and all forms of securities for the account of the Corporation.

The fullest authority at all times with respect to any such commitment of with respect to any transaction deemed by any of the said officers and/or agents to be proper in connection therewith is hereby conferred, including authority (without limiting the generality of the foregoing) to give written or oral instructions to the brokers with respect to said transactions; to bind and obligate the Corporation to and for the carrying out of any contract, arrangement, or transaction, which shall be entered into by any such officer and/or agent for and on behalf of the Corporation with or through the Brokers; to pay in cash or by checks and/or drafts drawn upon the funds of the Corporation such sums as may be necessary in connection with any of the said account; to order the transfer or delivery of funds or securities to any other person whatsoever, including the President, Vice President or other officer giving such instructions or to any officer of the Corporation, or to the account of any officer of the Corporation or to any account in which they may have an interest; and/or to order the transfer or delivery of any securities to any name selected by any of the said officers or agents; to affix the corporate seal to any documents or agreements, or otherwise; to endorse any securities in order to pass title thereto; to direct the sale or exercise of any rights with respect to any securities; to sign for the Corporation all releases, powers of attorney and/or other documents in connection with any such account, and to agree to purpose of effecting any exchange or conversion, or for the purpose of deposit with any protective or similar committee, or otherwise; to accept delivery of any securities; do appoint any other person or persons to do any and all things which any of the said officers and/or agents is hereby empowered to do, and generally to do and take all action necessary in connection with the account, or considered desirable by such officer and/or agent with respect thereto.

SECOND: That the Brokers may deal with any and all of the persons directly or indirectly by the foregoing resolution empowered, as though they were dealing with the Corporation directly.

THIRD: That the Secretary of the Corporation be and hereby is authorized, empowered, and directed to certify, under the seal of the Corporation, or otherwise, to the Brokers:

(a) a true copy of these resolutions;
(b) specimen signatures of each and every person by these resolutions empowered;
(c) a certificate (which, if required by the Brokers, shall be supported by an opinion of the general counsel of the Corporation, or other counsel satisfactory to the Brokers) that the Corporation is duly organized and existing, that its charter empowers it to transact the business by these resolutions defined, and that no limitation has been imposed upon such powers by the By-Laws or otherwise.

FOURTH: That the Brokers may rely upon any certification given in accordance with these resolutions, as continuing fully effective unless and until the Brokers shall receive due written notice of a change in or the recision of authority as evidenced, and the dispatch or receipt of any other form of notice shall not constitute a waiver of the provision, nor shall the fact that any person hereby empowered ceases to be an officer of the corporation or becomes an officer under some other title in any way affect the powers hereby conferred. The failure to supply any specimen signature shall not invalidate any transaction if the transaction is in accordance with authority actually granted.

FIFTH: That in the event of any change in the office of powers of persons hereby empowered, the Secretary shall certify such changes to the Brokers in writing in the manner hereinafore provided, which notification, when received, shall be adequate both to terminate the powers of the persons therefore authorized, and to empower the persons thereby substituted.

SIXTH: That the foregoing resolutions and the certificates actually furnished to the Brokers by the Secretary of the Corporation pursuant thereto, be and they hereby are made irrevocable until written notice of the revocation thereof shall have been received by the Brokers.
Scott Schneidermann moved to approve the resolution. Tammy Bramley provided the second. The resolution passed with a unanimous vote.

EXECUTIVE COMMITTEE REPORT
Chris Hensley reported that Ron Foresman reviewed the attorneys engaged by Iowa Student Loan and their standard rates. After discussion of questions by the Committee, no changes were recommended. Ms. Hensley called for a motion to accept Mr. Foresman's report.

Tammy Bramley moved to approve. Adam Voigts provided the second. The motion was approved with a unanimous committee vote.

Staff and corporate counsel recommended no changes this year to the Articles of Incorporation and By-laws. They did recommend the Committee change its procedure to review the Articles and By-laws every other year. The Committee concurred with this change and asked Tammy Botos to document this change in the Committee Charter and the Board handbook. Ms. Hensley called for a motion to approve the reporting period change at the committee level.

Adam Voigts moved to approve. Tammy Bramley provided the second. The motion was approved at the committee level with a unanimous vote.

The Committee also held discussions on potential, additional board members for the Aspire Board of Directors. The Board Chair and staff will continue to work with the Aspire Board on this effort.

COMMUNITY RELATIONS COMMITTEE REPORT
Chris Hensley reported that the Community Relations Committee met via conference call on August 27th. Staff updated the Committee that the private education loan rate study by the Attorney General has been completed, and the results in Iowa are similar to those shown earlier on a LendEDU report. The actual rates given by the larger for-profit providers are not only substantially above the advertised “as low as” rates, but on average 2-3 percent above the rates Iowa Student Loan offers. These private loan rate differentials were an important part of the discussion with Congresswoman Cindy Axne when she visited Iowa Student Loan earlier in August. The Committee authorized staff to continue that conversation and consider possible federal initiatives to collect and disseminate such information on a broader level while attending meetings in Washington, DC in September. Pursuant to board policy, the Committee took action to formally endorse passage of two pieces of federal legislation: 1) HR 3662, the relief for defrauded students act; and 2) HR 2888/S 1153, the stop student debt relief scams act. The Committee also received reports from staff on state relations activities, including communication with the Legislative Services Agency.

Chris Hensley adjourned the meeting at 2:21 p.m.

Mary Kay DeBolt, Corporate Secretary