IOWA STUDENT LOAN LIQUIDITY CORPORATION
MINUTES OF SEPTEMBER 24, 2019 TEFRA HEARING
STUDENT LOAN REVENUE BOND SERIES 2019 B AND C

The Tax Equity and Fiscal Responsibility Act (TEFRA) hearing for Iowa Student Loan’s Student Loan Revenue Bonds was called to order at 1:00 p.m. on September 24, 2019 by Rob Denson, Chair of the Board of Director’s Tax-exempt Bond Issuance Committee.

In attendance were Rob Denson, Adam Voigts, Dan Clute, Nancy Dunkel, Chris Hensley, Steve McCullough, Erin Lacey, Tammy Botos, Mary Kay DeBolt, Ron Foresman, Cindy Bartz, Greg Nichols, John Bunz and Elizabeth Bergman.

Mr. Denson made the following opening remarks:

“When Iowa Student Loan issues tax-exempt bonds, it follows the procedures mandated by Section 7C.13 of the Code of Iowa and Section 147(f) of the Internal Revenue Code, which requires a public TEFRA hearing to gather public input about Iowa Student Loan’s planned use of tax-exempt bond proceeds. Official notice of this hearing appeared on the front page of the Iowa Student Loan website www.iowastudentloan.org September 10, 2019.

My name is Rob Denson. I am a member of the Iowa Student Loan board of directors and chair of its Tax-exempt Bond Issuance Committee. I will be presiding over this hearing.

Iowa Student Loan plans to issue tax-exempt Student Loan Revenue Bonds, Series 2019 B and C, in an aggregate principal amount not to exceed $110M, all of which will use private activity cap allocation.

To organize this hearing, I will proceed as follows:

- Comments on behalf of Iowa Student Loan, Steve McCullough, President and CEO
- Written Comments will be provided by Mary Kay DeBolt, Corporate Secretary and Open Records Administrator

When I ask for public comment, if you want to be recognized, I ask that you hand Steve McCullough a note listing your name, title, who you are representing and your contact information to ease our inclusion of your comments in the minutes of this hearing. Verbal comments will be limited to three to four minutes per presenter. I will enforce this rule. Note pads and paper are available in the back of the room. You can make your comments verbally or submit them in writing.

I would like to call on Steve McCullough, President and CEO of Iowa Student Loan, to provide more detail on the use of the bond proceeds.”

Steve McCullough entered the following statement for the record:
"In my remarks today, I want to provide the rationale and some background on the potential need for additional financing for student loans for Iowans and how we believe Iowa Student Loan might be able to help. A more detailed commentary on these issues is provided in a document I am also submitting for the record of this hearing as Attachment I titled "Proposed Tax-Exempt Bond Issuance, Benefits to Students and Families".

Let me address our mission here at Iowa Student Loan and how that mission relates to what appears to be needed by Iowans at this time.

Iowa Student Loan is pursuing a tax-exempt bond issuance in support of student loan programs. This bond issue is needed to meet the three key purposes--1) provide a long-term and sustainable funding source for recently originated, supplemental, private, student loans and refinancing loans; 2) make additional supplemental private student loans and refinancing loans with upfront terms and competitive rates available to Iowa students and families; and 3) provide stable and sustainable funding sources to support Iowa Student Loan’s various borrower benefit and community reinvestment programs, which help Iowans prepare for and succeed in college, and assist those out of college in repaying their loans.

The $110M in tax-exempt bonds that Iowa Student Loan is issuing are part of the State’s unused allocation for federal tax-exempt, private, activity bond authority originally allocated to Iowa Student Loan in 2017 and 2018 and carried forward, as well as a portion of the amount allocated to Iowa Student Loan in 2019.

Successfully concluding this bond issue will help ensure the programs Iowa Student Loan offers which benefit Iowa students and families--availability of supplemental loans on reasonable terms and funding ongoing programs to help Iowans prepare for and succeed in college--can be sustained in the coming years. Thank you."

Mr. Denson asked Mary Kay DeBolt, Corporate Secretary and Open Records Administrator, if there were any written statements to include for the record. Ms. DeBolt read the following statement from Gary Steinke, President of the Iowa Association of Independent Colleges and Universities:

"I am pleased to submit comments on behalf of Iowa’s not-for-profit colleges and universities, and to endorse Iowa Student Loan’s plans to use their bonding capability to expand the pool of available funds and available financial options for Iowa students and families.

Iowans have benefited for many years from the work Iowa Student Loan has done to help students and families pay for their college education, and our association and the institutions across the state that are a part of our group are very much aware of that fact. The Partnership program was enormously successful and vital to thousands of students who would not have been able to attend college without the benefit of this loan program. The financial aid counseling services and informational centers operated by Iowa Student Loan are stellar and effective and appreciated by the customers who utilize those services to understand how the loans work and how they can be easily accessed.

While other supplemental, private loan programs are available on our campuses, not all families qualify and those that do often must pay high interest rates. There is a very real need for Iowa
Student Loan’s Partnership Loan, because it offers loans where more families can qualify and at lower interest rates known at the time our families apply for their loans.”

As there were no other comments or written statements, Mr. Denson recapped the events of the hearing as follows:

“It appears we have no further comments or any further written statements at this point to enter into the record of this hearing. Before I adjourn the hearing, however, I want to briefly recap what we have heard this afternoon.

The information provided today details the proposed issuance of tax-exempt bonds by Iowa Student Loan, pursuant to state and federal law authorizing such issuance. It was noted this represents the use of private activity bond cap allocation.

The amount, not to exceed $110M, was described and detailed, as was the three intended purposes of the funding to be made available through the bonds which is to: 1) provide a long-term and sustainable funding source for recently originated, supplemental, private, student loans and refinancing loans; 2) make additional supplemental private student loans and refinancing loans with upfront terms and competitive rates available to Iowa students and families; and 3) provide stable and sustainable funding sources to support Iowa Student Loan’s various borrower benefit and community reinvestment programs, which help Iowans prepare for and succeed in college, and assist those out of college in repaying their loans.

The need for the types of programs and services outlined by Iowa Student Loan was the subject of documents entered into the record from interested third parties.

All the information provided today and the minutes of today’s meeting, once completed, are public records and will be a part of the official record of these proceedings. Successfully concluding this bond issue will help ensure the programs Iowa Student Loan offers which benefit Iowa students and families can be sustained in the coming years.”

Mr. Denson then adjourned the hearing at 1:15 p.m.

Mary Kay DeBolt, Corporate Secretary