

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

Minutes of 2% Loan Yield Working Group Meeting

April 16, 2012

CHESLA

21 Talcott Notch Rd, Suite 1 Farmington, Connecticut

Authority Members Present: Steve Kitowicz (for Ben Barnes) and Michael E. McKeeman

Authority Staff and Advisors Present: Judith B. Greiman, Executive Director; Samuel E. Rush, Deputy Director; Judith Blank and Linda D'Onofrio*, Day Pitney (General and Bond Counsel); Christine Doyle*, PFM (Financial Advisor); Reed Risteen, BlumShapiro (Auditor); Raymond Bentley, Arbitrage and Rebate Analyst (AMTEC)

Public/Other: Jeanette Weldon, Cynthia Peoples and Paula Herman (CHEFA)

A quorum being present, Steve Kitowicz called the meeting to order at 3:30 p.m.

Ms. D'Onofrio reported that the analysis group (Mr. Bentley, Mr. Rush, Ms. Blank and Ms. D'Onofrio) had come up with an advantageous way of repositioning 1990 resolution loan that will meet legal requirements and achieve savings. Mr. Bentley reviewed the recommended portfolio repositioning. He noted that SCRF investments would be moved to the appropriate bond series and that a recalculation of the SCRF requirements will be done after all repositioning is complete. Mr. Bentley stated that the interest rate of the 2001A series loans will need to be reduced to bring them in line with the 2% loan yield rules (a full detail of Mr. Bentley's recommendations are included as a permanent part of these minutes). He noted that he would recommend a reduced rate once the overall repositioning of the portfolio was adopted.

Ms. D'Onofrio reported that further analysis is required to determine the appropriate interest rate for the 2001A series loans and that Mr. Rush will work with CCA and Firstmark Services to change the rates on their systems and inform borrowers once such a rate is determined. Ms. Greiman indicated that she will schedule a meeting to approve the plan and interest rate reduction once the information is available.

The meeting adjourned at 3:23 p.m.

From: Raymond Bentley [mailto:Rbentley@Amteccorp.com]

Good evening all,

Based upon our discussions, we have prepared the attached spreadsheet, along with the recommendations listed below (based upon March 31, 2012 balances) to be transferred as soon as reasonable.

- 1. 1998 Series A**
 - a. Transfer \$375,862 from 98A Revenue Fund to 98A Rebate Fund.
 - b. Transfer \$476,480 from 98A Revenue Fund to 98A Debt Service Fund.
 - c. Transfer \$388,762 from 98A Revenue Fund to 00A Debt Service Fund.

- 2. 1999 Series A**
 - a. Transfer \$3,806 from 99A Rebate Fund to 99B Debt Service Fund.
 - b. Transfer \$145,000 from 99A Debt Service Fund to 12A Debt Service Fund.
 - c. Transfer \$453,338 from 99A Revenue Fund to 00A Debt Service Fund.

- 3. 1999 Series B**
 - a. Transfer \$157,374 from 99B Revenue Fund to 99B Debt Service Fund.

- 4. 2000 Series A**
 - a. Transfer \$1,060,089 from 00A Revenue Fund to 00A Debt Service Fund.

- 5. 2000 Series B**
 - a. Transfer \$21,691 from 00B Revenue Fund to 00B Debt Service Fund.

- 6. 2001 Series A**
 - a. Transfer \$126,132 from 01A Debt Service Fund to 99B Debt Service Fund.
 - b. Transfer \$276,601 from 01A Debt Service Fund to 00A Debt Service Fund.
 - c. Transfer \$450,557 from 01A Debt Service Fund to 00B Debt Service Fund.
 - d. Transfer \$214,329 from 01A Debt Service Fund to 12A Debt Service Fund.
 - e. Transfer \$66,903 from 01A Revenue Fund to 12A Debt Service Fund.

- 7. 2009 Series A**
 - a. Transfer \$873,713 from 09A Revenue Fund to 09A Debt Service Fund.

- 8. 2010 Series A**
 - a. .Nothing needs to be done at this time.

- 9. 2012 Series A**
 - a. Transfer future revenues from 98A, 99A, 99B, 00A, 00B and 01A to 12A Revenue Fund.

I believe this is the most efficient (least number of transfers). Let me know if you have any questions or comments.

Sincerely,
Ray