

**MONTANA HIGHER EDUCATION STUDENT ASSISTANCE CORPORATION (MHESAC)
BOARD OF DIRECTOR'S ANNUAL MEETING**

Student Assistance Foundation Offices

2500 Broadway

October 29, 2010

9:00 a.m.

REVISED AGENDA

1. Call to Order

2. Roll Call

CALL FOR PUBLIC COMMENT

3. Approval of Minutes

- June 23, 2010 Board Meeting Minutes (Item 3)
- July 28, 2010 Board Conference Call (Item 3a)
- August 17, 2010 Board Conference Call (Item 3b)
- September 8, 2010 Board Conference Call (Item 3c)
- October 6, 2010 Board Conference Call (Item 3d)

4. Committee Reports

- Review of Audit Reviews and Reports
 - MHESAC SAS Letter (Item 4a)
 - MHESAC Audited Financial Statements (Item 4b)
 - MHESAC Operational Review of Loan Servicing (Item 4c)
 - MHESAC Agreed Upon Procedures Regarding the FFEL Program (Item 4d)
 - MHESAC Agreed Upon Procedures Regarding the "Put" to the Department of Education (Item 4e)
 - MHESAC Special Allowance Payment Review (Item 4f)
 - MHESAC Management Letter from AZ and Management's Response (Item 4g)
 - SAF Report on Controls Placed in Operation and Tests of Operating Effectiveness of Student Loan Services (SAS 70) – (Item 4h)
 - MHESAC Form 990 - (to follow)

• ***Acceptance of Committee Reports***

5. MHESAC Performance Reports

- Questions on MHESAC FY 11 YTD Performance Reports

- a. FY11 YTD MHESAC Strategy Checkup - (Item 5a)
- b. FY11 YTD Financial Statements and Narrative – (Item 5c)
- c. FY11 YTD Management Reports – (Item 5d)
- d. Recent Net Interest Margin and Bond Performance (Item 5e)

6. Industry Items

- a. Update on Direct Loans Transition and Servicing Items
- b. Update on Industry Legal and Tax Actions
 - Consolidation Rebate Fee IRS Audits Issue
 - Taxable Bond Option

- ***Board Discussion of Industry Issues***
- ***Call for Public Comment on Industry Items***
- ***Board Action, if any, on Industry Items***

7. Operations Items

- a. Report on MHESAC Auction Bond Purchase Program (Item 7a)
- b. Report on Consolidation Loan Impact (Item 7b)

- ***Board Discussion of Operations Items***
- ***Call for Public Comment on Operation Items***
- ***Board Action, if any, on Operations Items***

8. MHESAC Strategic Issues

- a. 2011 Legislative Session
- b. Introduction of Morgan Stanley
- c. Discussions on Market Conditions and Financing Restructuring Environment

- ***Board Discussion of MHESAC Strategic Items***
- ***Call for Public Comment on Strategic Items***
- ***Board Action, if any, on Strategic Items***

BREAK

9. Executive Session, if needed (Financing Strategic Issues)

- ***Presentation of Potential Action Items, if any, from Executive Session, if any***
- ***Call for Public Comment***
- ***Board Action, if any, on Potential Action Items, if any, from Executive Session***

10. Board Questions on Information on SAF Activities

- a. SAF's Loan Servicing Transaction Activity Report - (Item 10a)

11. Other Items from Board Members

12. Upcoming Meeting Schedule for FY 10-11

- a. December 8, 2010 Board Call – 2:00 p.m.
- b. January 19, 2011 Board Meeting - 9:00 a.m. - Helena

13. Adjournment

LUNCH – Noon