

**MONTANA HIGHER EDUCATION STUDENT ASSISTANCE CORPORATION (MHESAC)  
BOARD OF DIRECTORS MEETING  
MEETING SUMMARY**

**June 19, 2008**

<b>Call to Order</b>	The meeting was called to order at 8:30 a.m. by Chair Fred Flanders.
<b>Members Present</b>	Fred Flanders, Royal Johnson, Stephen Barrett, Kerra Melvin, Mark Semmens, Lila Taylor, Bill Thomas
<b>Members Absent</b>	None
<b>Officers Present</b>	Sheila Stearns, President; Mick Robinson, Vice President; Judy Chapman, Secretary; Bruce Marks, Treasurer
<b>Others Present</b>	Jim Stipcich, SAF President Jolene Selby, SAF EVP/Chief Financial Officer Don Oliver, SAF EVP of Sales and Marketing Lowell Wollitz, SAF EVP of Borrower Services Scott Todorovich, SAF EVP/Chief Information Officer Dennis Doherty, SAF EVP of Human Resources Simon Poole, SAF EVP/Chief Operating Officer Kelly Chapman, SAF EVP Foundation Activities Sharon Eslick, Administrative Affairs Manager (Recorder)
<b>Guests</b>	Seamus O'Neill, Liscarnan Solutions Suzan Scott, State Budget Director's Office

**Informational Items Presented**

Audit Committee Report

Industry Items

- Overview of Industry and MHESAC Issues
- Update on meeting with Governor's Office
- Update on Legislative Finance Committee meeting
- Update on MHESAC Reply to Regents Task Force
- Update on MHESAC Reply to Senators Baucus and Tester request

MHESAC Strategic Issues

- Update on Student Loan Credit Crisis
- AY 08-09 Montana FFELP Loan Strategy
- Restructuring MHESAC's balance sheet

Operational Items

- Source of Financing for Montana AY 09-10 FFELP Loans
- Potential 2008 take-out financing of MSLF loans

Board Governance Items

- Board Compensation
- Discussion of Conflict of Interest policy

## Reports on General Performance

- FYTD Loan Acquisition Activity
- FYTD Financial Statement and Narrative
- FYTD Management Reports
- FYTD 2008 MHESAC OMTI Scorecard
- FYTD 08 Strategy Checkup

## Information Sharing on SAF Activities

- SAF's Loan Servicing Transaction Activity Report

## Board Action Taken

- Election of Board Chair and Vice Chair
  - Fred Flanders, Board Chair
  - Mark Semmens, Board Vice Chair
- Election of Corporate Officers for 2008-09
  - Sheila Stearns – President
  - Mick Robinson – Vice President
  - Judy Chapman – Secretary
  - Bruce Marks - Treasurer
- Approval of Minutes of the following: 6/21/07 board meeting; 11/8/07 board meeting; 12/14/07 conference call; 4/8/08 board meeting; 4/23/08 conference call; 5/2/08 conference call; 5/14/08 conference call; 5/27/08 conference call; 6/4/08 conference call
- Appointment of Ad Hoc committee to work on proposed legislation
- Approval to proceed with the plan to utilize VRDO monies for AY 08-09 loans unless information regarding the Secretary's liquidity plan determines otherwise
- Approval to offer 25 bps ACH benefit for student loans disbursed after July 1, 2008
- Approval of overall business strategy and FY 09 business plan
- Direction to change specific assumptions in the FY 09 budget

## Other Items from Board Members

- Thank you to Kerra Melvin for service to MHESAC Board as Student Regent

## Future Board Meeting Dates

<b>Date/Location</b>	<b>Time</b>
• July 2, 2008 – Board Conference Call	2:00 p.m.
• July 8, 2008 – Joint Meeting with the Board of Regents – Great Falls – Location to be determined	6:30 p.m.
• July 16, 2008 – Board Conference Call	1:00 p.m.
• July 30, 2008 – Board Conference Call	2:00 p.m.
• August xx, 2008 – Joint Worksession with SAF Board	TBD
• October 17, 2008 – MHESAC Board Meeting	8:30 a.m.

**Adjournment:** The meeting was adjourned at 2:40 p.m.