

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

June 19, 2008

Call to Order	The meeting was called to order at 8:30 a.m. by Chair Fred Flanders.
Members Present	Fred Flanders, Royal Johnson, Stephen Barrett, Kerra Melvin, Mark Semmens, Lila Taylor, Bill Thomas
Members Absent	None
Officers Present	Sheila Stearns, President; Mick Robinson, Vice President; Judy Chapman, Secretary; Bruce Marks, Treasurer
Others Present	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)
Guests	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

- | Date/Location | Time |
|--|-------------|
| • 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.