

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

June 24, 2009

Call to Order	The meeting was called to order at 8:30 a.m. by Chair Fred Flanders.
Members Present	Fred Flanders, Royal Johnson, Lila Taylor, Bill Thomas
Members Absent	Stephen Barrett, Mitch Jessen, Mark Semmens
Officers Present	Sheila Stearns, President; 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 Pat Schlauch, SAF Special Assistant to the President for Government and Community Relations Sharon Eslick, Administrative Affairs Manager (Recorder)
Guests	Rob Barnosky, Incoming Student Regent

Informational Items Presented

- Update on FY 09 YTD Loan Acquisition Activity
- Update on FY 09 YTD MHESAC Strategy Checkup
- FY 09 YTD MHESAC Performance Report
- FY 09 YTD Financial Statements and Narrative
- FY 09 YTD Management Reports
- Update on Recent Bond Interest Rate Performance
- Audit Committee Update
- Discussion of Industry Issues
- Update on CP/LIBOR Issue
- Consolidation Rebate Fee IRS Issue Update
- SJ 9 Student Loan Study Bill Update
- Potential Impact of Direct Consolidation
- Bond Refinancing Opportunities Update
- Presentation regarding Market Conditions affecting the Student Loan Industry
- Discussion of long-term business options
- Discussion of potential changes to the Articles of Incorporation and Bylaws
- Update on SAF's Loan Servicing Transaction Activity
- Update on SAF Loan Servicing Volume
- Marketing and Communications Update
- Loan Generation Volume Report for FY 09 YTD

Board Action Taken

- Approval of Chair, Vice Chair and Slate of Officers
- Approval of Board Meeting Minutes of April 22, 2009; Approval of Board Conference Call Meeting Minutes of May 13, 2009; May 27, 2009 and June 11, 2009
- Approval of proposed contract pricing for SAF/MHESAC
- Ratification of Agreement to change terms of Broker-Dealer Fees with Citi
- Approval to create a bond buy-back program
- Approval of annual business plan and proposed budget for FY 09-10
- Reaffirmation of Conflict of Interest and Document Retention Policies. Approval of Whistleblower policy

Future Board Meeting Dates

- July 15, 2009 Board Conference Call – 2:00 p.m.
- August 12, 2009 Board Conference Call – 2:00 pm.
- August 27, 2009 Joint Work Session Conference Call with SAF to Review FY 09 Results - 2:00–4:00 p.m.
- September 16, 2009 MHESAC Board Meeting (tentative)

Adjournment: The meeting was adjourned at 2:50 p.m.