

MEETING SUMMARY

MONTANA HIGHER EDUCATION STUDENT ASSISTANCE CORPORATION BOARD OF DIRECTOR'S CONFERENCE CALL

July 30, 2007

The Board of Directors of the Montana Higher Education Student Assistance Corporation (MHESAC) convened via conference call on Monday, July 30, 2007.

CALL TO ORDER

Chair Fred Flanders called the meeting to order at 11:15 a.m.

ROLL CALL

Upon roll call, Members Fred Flanders, Royal Johnson, Mark Semmens, Lila Taylor and Bill Thomas were present. Members Stephen Barrett and Kerra Melvin were absent.

Officers Present:

Mick Robinson, Vice President
Judy Chapman, Secretary
Bruce Marks, Treasurer

SAF Management Team:

Jim Stipcich, SAF President/CEO
Jolene Selby, SAF Executive Vice President/Chief Financial Officer
Lowell Wollitz, SAF Executive Vice President of Borrower Services
Dennis Doherty, SAF Executive Vice President of Human Resources
Scott Todorovich, SAF Executive Vice President/Chief Information Officer

Others:

Sharon Eslick, Administrative Affairs Manager (recorder)

CALL FOR GENERAL PUBLIC COMMENT – No public comment was received.

BOARD GOVERNANCE ITEMS

- A. Board action on Execution Authority Resolution – Provided for review was the revised Execution Authority Resolution to update signing authority on behalf of MHESAC.

MOTION: Member Taylor moved and Member Johnson seconded to approve the proposed Execution Authority Resolution was presented. Motion carried.

- B. Update on 509(a)(2) Reclassification Request – Jim Stipcich reported that a preliminary draft of the request to the IRS for change in status was received. It is anticipated that the final draft be submitted by mid-August.

Action: Jim Stipcich will forward a copy of the final request to the Board for review prior to its submission to the IRS.

MHESAC STRATEGIC ITEMS

Proposed FY 08 Revised Budget – At the last Board meeting, the MHESAC Board asked staff to review the proposed budget and further reduce the MHESAC expenditures. The staff submitted a revised budget for review at this meeting.

MOTION: Member Semmens moved and Member Thomas seconded to approve the budget resolution approving the budget and giving spending authority for the first half of the fiscal year. Motion carried.

OPERATIONS ACTION ITEMS

A. MSLF Line of Credit Renewal

The Citibank Line with MSLF had an expiration date of July 25. The MSLF Board approved renewal of the at a meeting on July 25th. MHESAC was asked to amend the Purchase and Sale Agreement.

MOTION: Member Thomas moved and Member Johnson seconded to authorize the renewal and approve the resolution to amend the Purchase and Sale Agreement with MSLF. Motion carried.

A. Update on 2007 Fall Tax-Exempt Financing – A \$200 million tax-exempt financing is scheduled to be completed this fall. Volume cap will need to be requested in conjunction with this financing and will be requested in early September. Jim Stipcich also reported that MHESAC will be doing an RFP for investment banking services.

OPERATIONS AND ACTIVITY REPORTS

- A. July 08 Operation and Activity Reports – These reports will be provided when available.**
- B. Congressional Update – Jim Stipcich provided a brief update on congressional activity. Reauthorization is expected to be passed in late September or early October. It is anticipated that final discussion/action on the budget bills will be held after the August recess.**

OTHER ITEMS FROM BOARD MEMBERS - None

UPCOMING MEETING SCHEDULE

- A. August 9, 2007 10:30 a.m. - Joint Work Session Conference Call with SAF to Review FY 07 Results**

ADJOURNMENT

The meeting adjourned at 11:50 a.m.