

Minutes

VSAC Finance Committee Meeting

April 15, 2024
12:30 p.m.

Boardroom, VSAC Offices
10 East Allen Street
Winooski, Vermont 05404

Committee Members Present: Michael Smith (Chair), John McSoley, Caleb Elder, Clarence Davis

Committee Members Absent: Mike Pieciak

Other Board Members Present: Dodie Mitchell, Ann Cummings, Martha Heath, Ryan Dulude

VSAC Staff: Scott Giles, Mike Stuart, Patrick Leduc, Tom Little, Brad Fallon, Bruce Hicken

Chair Michael Smith called the meeting to order at 12:30 p.m. With a quorum established, the Committee reviewed and proceeded with the agenda.

Public Comment

There were no public comments given during the public comment period.

Authorizing Resolutions for 2024 Revenue Bonds

Mike Stuart had Tom Little present to the Committee members the proposed Memorandum, and the attachments to it, that were made available to the Board on April 11, 2024 for their April 15, 2024 meeting. Tom then walked the Committee through the proposed Authorizing Resolution for the bonds, including what parameters it sets for the total dollar amount of the bonds and the funds VSAC itself will use for making eligible student loans. He explained that the form and content of the Authorizing Resolution are comparable to those of the last severable bond issuances. The bonds will not be a debt or obligation of the State of Vermont, nor a general obligation of VSAC. His Memorandum covered the principal other documentation for the bonds, all to be finalized prior to closing the transaction. Tom concluded his remarks by explaining the Reimbursement Resolution's purpose.

Mike Stuart then described the financial dynamics of the proposed bonds, projected interest rates for the bonds, and initial rates for the student loans. He also reviewed cash flow scenarios based on interest rates and options to secure the bond.

Board members asked questions about the factors in play pending finalization of the transaction, including the setting of the interest rates on the new bonds and on the student loans to be made with the bond proceeds; the relationship between these interest rates and the new rate of interest for federal PLUS loans to be set on May 8. Mike Stuart and Tom Little responded to the questions. Following Board discussion,

Upon a motion made by John McSoley and seconded by Clarence Davis, the Finance Committee voted unanimously to approve the resolutions for the 2024 Private Loan Bond Authorizing Resolution, and Declaring it Official Intent to Reimburse the Corporation with Proceeds of Future Taxable or Tax-Exempt Borrowing, as circulated and attached to these Minutes, and to recommend the adoption of the Authorizing Resolution to the full Board of Directors.

Other Business

There being no other business, the meeting adjourned at 1:00 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary

AUTHORIZING RESOLUTION
OF THE
VERMONT STUDENT ASSISTANCE CORPORATION

BE IT RESOLVED BY the Board of Directors (the "Board") of Vermont Student Assistance Corporation (the "Corporation"), this April 15, 2024, as follows:

Section 1. Subject to Section 10 hereof, a supplemental indenture of trust (referred to herein as the "Series 2024 Supplemental Indenture of Trust") supplementing and amending the Indenture of Trust, dated as of July 1, 2012 (the "2012 Master Indenture" and, together with the Series 2024 Supplemental Indenture of Trust and all other supplements and amendments to the 2012 Master Indenture, the "Indenture"), is hereby adopted in order to provide for the issuance of bonds, notes or other debt obligations (the "Bonds"), the proceeds of which are to be used for the purpose of any, all, or any combination of the following: (i) originating and acquiring education loans (and reimbursing the Corporation for any education loans it makes from its own funds prior to the issuance of the Bonds as may be set forth in a declaration of the Corporation's official intent made by the Corporation's President and CEO or by its Vice President and CFO), (ii) funding reserves and/or interest on the Bonds, (iii) paying costs of issuing the Bonds and (iv) for other purposes allowed by the Indenture, which Series 2024 Supplemental Indenture of Trust shall be substantially in the form presented to this meeting, subject to completion and subject to the parameters set forth in Section 2 hereof.

Section 2. The Bonds shall be issued as fixed rate bonds in one or more series on a tax-exempt basis in an aggregate principal amount not to exceed \$45,000,000. The Bonds may be issued as both senior Bonds (on a parity with other bonds currently outstanding under the Indenture as senior bonds) and subordinate Bonds (on a parity with other bonds currently outstanding under the Indenture as subordinate bonds), in such respective principal amounts as an Authorized Officer (as hereinafter defined), upon advice of counsel, shall approve, the execution and delivery thereof to constitute such Authorized Officer's approval thereof, except that the aggregate principal amount of any subordinate Bonds shall not exceed \$3,000,000. The maximum yield on the Bonds (giving effect to any original issue discount or original issue premium) shall at no time exceed 8.00% per annum in the case of senior Bonds and 9.00% per annum in the case of any subordinate Bonds. The Bonds shall mature no later than December 31, 2053. In lieu of issuing subordinate Bonds, the Corporation may make a contribution to the trust estate established by the Indenture in an amount not to exceed \$3,000,000.

Section 3. The Series 2024 Supplemental Indenture of Trust and the Bonds shall include details with respect to such other matters as the President and CEO, or any other Authorized Officer, upon advice of counsel, shall approve, with such additional changes as may be approved by the Authorized Officer executing or delivering the Series 2024 Supplemental Indenture of Trust and the Bonds, the execution and delivery thereof to constitute such person's approval thereof.

Section 4. Each of the Chair, the Vice Chair, the President and CEO, the Secretary of the Corporation and each Assistant Secretary of the Corporation is designated an Authorized Officer of the Corporation ("Authorized Officer") for the purposes of this Authorizing Resolution. Any action taken or document signed by a person who is an Authorized Officer at the time of such action or signing of a document authorized by this Authorizing Resolution shall remain effective whether or not such person, at the time of the issuance of the Bonds, is the incumbent of such office when the Bonds are issued.

Section 5. Each Authorized Officer is authorized to execute and deliver to BofA Securities, Inc. (together with its successors and assigns, the "Underwriter") a purchase contract or contracts for the Bonds (the "Bond Purchase Contract") providing for the sale of the Bonds to the Underwriter at a price equal in the aggregate to par less an underwriting discount of not to exceed one percent (1.00%) of the aggregate principal amount of the Bonds (or such amount may be paid as a fee rather than as an underwriting discount), plus any original issue premium and less any original issue discount (provided that the yield on the Bonds, taking into account any such original issue discount and original issue premium, shall not exceed the maximum yield set forth in Section 2 above), plus reasonable costs and fees acceptable to and approved by an Authorized Officer.

Section 6. A Preliminary Official Statement in substantially the form presented at this meeting, with such changes as the President or one or more other Authorized Officers, upon advice of counsel, shall approve for distribution and a final Official Statement, in substantially the form of the Preliminary Official Statement, is hereby approved, with such changes and completions as shall be deemed by the President and CEO or one or more other Authorized Officers to be necessary or appropriate. The President and CEO of the Corporation is authorized to execute and deliver a final Official Statement. Use by the Underwriter of one or more Preliminary Official Statements, final Official Statements and any supplements thereto in connection with the Bonds is hereby approved.

Section 7. The Bonds shall be special, limited obligations of the Corporation and shall only be payable out of the trust estate pledged therefor pursuant to the Indenture. The Bonds issued under the Indenture shall not constitute a debt, liability or obligation of the State of Vermont or any of its political subdivisions and none of the faith and credit, the taxing power or the moral obligation of the State of Vermont or any political subdivision thereof shall be pledged to the payment of the principal of and the interest on the Bonds. For the sake of clarity, the Bonds shall not be supported by a moral obligation of the State of Vermont under Title 16, Chapter 87, Section 2867 of the Vermont Statutes Annotated.

Section 8. Each Authorized Officer is authorized to execute and deliver such additional documents or certificates as counsel to the Corporation or Kutak Rock LLP, Bond Counsel, shall advise as necessary or desirable, including, without limitation, a tax certificate, one or more continuing disclosure agreements and other closing documents.

Section 9. Any document or certificate executed or delivered by an Authorized Officer, including the Series 2024 Supplemental Indenture of Trust, the Bonds, the Bond Purchase Contract and the final Official Statement, shall be conclusive evidence of the approval of any modifications of terms submitted at this meeting of the Board and of the due authorization, execution and approval by the Corporation of any such document or certificate, subject to the provisions of Sections 2 and 5 hereof.

Section 10. This Authorizing Resolution shall take effect immediately upon its adoption, provided that the Indenture (or a new and separate indenture of trust and supplement or a supplement to any other previous indenture of the Corporation as referred to in Section 1 hereof) shall take effect immediately upon the delivery of a certified copy of the Indenture or such new and separate indenture of trust or supplement to any other previous indenture to the trustee designated therein.

Section 11. All prior acts and doings of the officers, agents and employees of the Corporation which are in conformity with the purposes and intent of this Authorizing Resolution, and in furtherance of the purposes of this Authorizing Resolution, shall be and the same hereby are in all respects ratified, approved and confirmed.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
VERMONT STUDENT ASSISTANCE CORPORATION**

**DECLARING ITS OFFICIAL INTENT TO REIMBURSE THE
CORPORATION WITH PROCEEDS OF FUTURE TAXABLE
OR TAX-EXEMPT BORROWINGS**

BE IT RESOLVED BY the Board of Directors (the “Board”) of the Vermont Student Assistance Corporation (the “Corporation”) this 15th day of April, 2024 as follows:

WHEREAS, the Corporation is a non-profit public corporation organized as an instrumentality of the State of Vermont; and

WHEREAS, from time to time, the Corporation makes student loans (which may include loans made to a parent for the benefit of the parent’s child who is a student) with its own funds prior to the availability of proceeds from its revenue bonds, and may desire to be reimbursed for such expenditure from the proceeds of such revenue bonds; and

WHEREAS, Section 1.150-2 of the United States Treasury Regulations (the “Regulations”) provides that proceeds of tax-exempt bonds may be used to reimburse the issuer of such bonds for expenditures incurred prior to the issuance of the bonds for qualifying expenditures, which include the funding of student loans, subject to certain limitations, provided that the issuer adopts an “official intent” to reimburse itself (in which case reimbursement may be made for expenditures made after the date of the declaration of such official intent and during the sixty days immediately preceding such official intent); and

WHEREAS, the Board has been apprised that up to \$45,000,000 in principal amount of such student loans may need to be made prior to the issuance by the Corporation of revenue bonds in calendar years 2024 through 2026 (the “Bonds”); and

WHEREAS, the Corporation currently intends and reasonably expects to issue Bonds and to use up to \$45,000,000 of the proceeds of such Bonds to reimburse the Corporation for expenditures it makes from its own funds to make student loans incurred subsequent to sixty days prior to the date hereof, and the Board hereby desires to declare its official intent, pursuant to Section 1.150-2 of the Regulations, to reimburse the Corporation for such expenditures incurred with respect to such student loans from the proceeds of such Bonds; and

WHEREAS, similar circumstances could arise in the future, where the Corporation determines to make student loans with the intention of being reimbursed for such expenditure of moneys from future issuances of revenue bonds; and

WHEREAS, since the official intent may be in any reasonable form, including action by an appropriate representative of the issuer (*e.g.*, a person authorized or designated to declare official intent on behalf of the issuer), the Board has determined to appoint a representative of the Corporation to declare the Corporation’s official intent in the future with respect to the

reimbursement of expenditures for future student loans and related issuance costs, all in accordance with Section 1.150-2 of the Regulations;

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Corporation presently intends and reasonably expects to make up to \$45,000,000 in principal amount of student loans with moneys currently contained in its operating, general or other funds, which funds have not been, and are not reasonably expected to be, allocated to such student loans on a long-term basis.

2. The Corporation presently intends and reasonably expects to issue Bonds in calendar years 2024 through 2026 and to allocate an amount not to exceed \$45,000,000 of the proceeds of such Bonds to reimburse the Corporation for its expenditures in connection with making such student loans.

3. The Board hereby determines to and does now appoint and authorize Michael R. Stuart or his successor as Vice President and CFO, and Scott A. Giles or his successor as President and CEO, each acting individually as the representative of the Corporation, to declare the Corporation's official intent with respect to the reimbursement of expenditures in the future for student loans and related issuance costs to be reimbursed from future taxable or tax-exempt borrowings, all in accordance with Section 1.150-2 of the Regulations.

4. All prior acts and doings of the officers, agents and employees of the Corporation which are in conformity with the purposes and intent of this Resolution, and in furtherance of the purposes of this Resolution, shall be and the same hereby are in all respects ratified, approved and confirmed.

5. This Resolution shall take effect immediately upon adoption.

The foregoing resolution of the Board of Directors of Vermont Student Assistance Corporation was adopted the 15th day of April, 2024.

VERMONT STUDENT ASSISTANCE
CORPORATION