

MEETING SUMMARY

STUDENT ASSISTANCE FOUNDATION OF MONTANA (SAF) BOARD OF DIRECTORS CONFERENCE CALL

September 27, 2007

The Board of Directors of the Student Assistance Foundation of Montana (SAF) convened via conference call at 11:30 a.m.

CALL TO ORDER: The meeting was called to order at 11:30 a.m. by Chair Jim Bell.

ROLL CALL: Upon roll call, Members Jim Bell, Kim Cunningham, Ed Jasmin, Russ Ritter, and Lila Taylor were present. Member Lynn Hamilton and Ex Officio Member Sheila Stearns joined the call at 11:40 a.m. Members Ernest Bergsagel, Kerra Melvin, and Royal Johnson were absent.

Officers Present:

Jim Stipcich, President
Mick Hanson, Vice President
Mick Robinson, Secretary (joined at 11:40 a.m.)
Craig Roloff, Treasurer

Others Present:

Jolene Selby, Executive Vice President/Chief Financial Officer
Lowell Wollitz, Executive Vice President of Borrower Services
Don Oliver, Executive Vice President of Sales and Marketing
Dennis Doherty, Executive Vice President of Human Resources
Scott Todorovich, Executive Vice President/Chief Information Officer
Simon Poole, Executive Vice President/Chief Operating Officer
Kelly Chapman, Executive Vice President of Foundation Activities (joined at 11:50 a.m.)
Lori Hultin, Administrative Affairs Coordinator
Sharon Eslick, Administrative Affairs Manager (Recorder)

Guests:

Mike Reeslund, Dorsey and Whitney
Suzan Scott, Governor's Office

PUBLIC COMMENT - None

LOAN PURCHASE OPPORTUNITIES

Jim Stipcich updated the group on the opportunity to purchase approximately \$925 in non-Montana consolidation loans. In working with the liquidity providers over the last week, it became apparent that the price of funding at this time made the purchase not profitable. The seller later informed us that at least \$120 million were encumbered by another trust and could not be sold. The deal has been terminated at this time. However, the seller is interested in repricing the smaller portfolio and continuing discussions for a possible sale. This is expected to occur within the next 2 weeks.

FEDERAL UPDATES

Jim Stipcich also updated the group on activity on the federal level. President Bush signed the bill today that becomes effective October 1. This legislation will significantly reduce yield. In anticipation of this, many consolidators have pushed to originate loans prior to the October 1 date.

CONCERN EXPRESSED BY THE GOVERNOR'S OFFICE

Jim Stipcich also indicated that he has heard that the Governor's office is concerned about the possible purchase of additional non-Montana loans. An update of the meeting between Sheila Stearns, Mick Robinson, David Ewer and Jan Lombardi was provided. Sheila Stearns also indicated that a special Board of Regents meeting is being scheduled within the next week to discuss the individual regent responsibility on each of the boards.

The Board agreed to the following next steps:

1. Jim Stipcich will continue attempts to meet with the Governor's office
2. Jim Stipcich will let the Board know if there is additional assistance needed from the Board in discussions with the Governor's office.
3. Sheila Stearns will keep the SAF Board apprised of when the special Board of Regents meeting is scheduled and its outcome.

ADJOURNMENT

Being no further business, the meeting was adjourned at 12:23 p.m.