
**MINUTES OF A MEETING OF THE MEMBERS OF
THE HIGHER EDUCATION LOAN AUTHORITY
OF THE STATE OF MISSOURI
ON AUGUST 20, 2007**

The Members of the Higher Education Loan Authority of the State of Missouri, a public instrumentality and body politic and corporate under the laws of the State of Missouri (the "Authority"), held a meeting of the Authority on Monday, August 20, 2007 at 10:30 a.m. at the office of the Authority, located at 633 Spirit Drive in Chesterfield, Missouri. Proper notice of the meeting was forwarded to the State for publication, mailed and otherwise provided to the Members, posted at the office of the Authority and on the Authority's website in advance of and during the meeting and provided to certain other individuals. On a roll call of the meeting, the following Members of the Authority were found to be present in person unless otherwise stated:

Present

Dr. Robert H. Spence
Mr. John W. Greer
Mr. W. Thomas Reeves (by telephone)
Mr. Randy L. Etter
Dr. Robert Stein (by telephone)
Mr. Gregory Upchurch
Dr. John F. Smith

Absent

None

A quorum of the Members was present for the purposes of conducting business and exercising the powers of the Authority. Present in person and representing the staff of the Authority were Mr. Raymond H. Bayer, Jr., Executive Director, Chief Executive Officer and Assistant Secretary; Mr. Scott D. Giles, Director of Finance/Chief Financial Officer; Mr. William C. Shaffner, Director of Business Development; Ms. Mary J. Stewart, Director of Loan Origination and Servicing; Mr. Quentin C. Wilson, Associate Director of Access and Success; Ms. Susan Crump, Assistant Director of Administration; Ms. Jennifer Farmer, Assistant Director, Loan Servicing; Ms. Penny J. Hagan, Assistant Director & Controller; Mr. Bruce Ives, Assistant Director of Telemarketing Sales; Mr. Harry W. Lohse, Assistant Director of Information Systems and Information Security Officer; Mr. Terry Bland, Senior Manager of Lender Development; Ms. Bethany Moran, Account Executive; Ms. Angela Davis, Account Executive; Mr. Terry Finney, Account Executive; Mr. Mark Hudson, Account Executive; Ms. Jody Schwartz-Butrick, Account Executive; Ms. Kathy Dixon, Business Development Coordinator; Mr. Daniel DeBoer, Human Resources Coordinator; Ms. Sonya J. Vann, Executive Assistant; Dr. James L. Matchefts, General Counsel; and Ms. Alison Carter, Paralegal. Also present in person were Mr. Michael F. Lause and Ms. Lisa K. Thorp of Thompson Coburn LLP, Special Counsel to the Authority; Dr. Lynn Walker of Boundary Management Consulting; Mr. Dustin Allison of the Missouri Attorney General's Office and Mr. Ed Watkins. Also present by telephone were Mr. Joseph Santoro and Mr. Lekith Lokesh of Bank of America; Mr. Bob Irvin of Kutak Rock LLP; and Ms. Zora AuBuchon of the Missouri Department of Higher Education. Ms. Carter of the Authority staff assisted Mr. Bayer in taking minutes of the meeting. Dr. Smith acted as Chair of the

meeting and Mr. Bayer acted as Assistant Secretary.

Call to Order and Student Loan Revenue Bond Resolutions

The Chair called the meeting to order at approximately 10:00 a.m., welcomed the guests to the meeting, and asked if there were any public comments. There being none, he stated that the next item on the agenda was the discussion, consideration and vote on two resolutions in connection with the issuance of the Authority's \$245,775,000 Student Loan Revenue Bonds, Senior Series 2007G-J (Tax-Exempt), and Subordinate Series 2007K (Tax-Exempt), (collectively, the "Bonds"). The Chair asked Mr. Bayer to lead the discussion.

Mr. Bayer stated that the Members had been presented with the Issuance Resolution and the Twenty-Third Supplemental Resolution in their substantially final forms. Mr. Giles then reviewed the salient points of the proposed bond issue including (i) a description of the finance team and (ii) the structural format of the bond issue. Mr. Santoro reviewed the several series of Bonds being issued and the anticipated initial pricing and pricing trends as well as anticipated advantages of the structure of the Bonds.

The Chair asked if there were any questions or comments on the proposed resolutions, there being none, he called for a motion. Mr. Reeves moved and Mr. Etter seconded a motion to approve the Twenty-Third Supplemental Resolution of the Eleventh General Student Loan Program Bond Resolution (the "Twenty-Third Supplemental Resolution"), presented as Exhibit A attached hereto and incorporated by reference herein, approving the issuance of the Bonds and supplementing the Eleventh General Student Loan Program Bond Resolution adopted by the Authority on February 4, 1994, as previously supplemented and amended (the "General Resolution"). The Chair asked if there was any discussion on the motion. There being none, he called for a vote on said motion. Upon said motion being put to a vote, the following vote was recorded in favor of adoption of such motion:

Yeas

Mr. Randy L. Etter
Mr. John W. Greer
Mr. W. Thomas Reeves
Dr. John F. Smith
Dr. Robert H. Spence
Dr. Robert Stein
Mr. Gregory Upchurch

Nays

None

The Chair announced that the Twenty-Third Supplemental Resolution had been unanimously approved.

Following discussion by the Members relative to the Bonds and the foregoing presentations, the Chairman called for a motion. Mr. Etter moved and Mr. Reeves seconded a motion to approve a final issuance resolution approving the proposed issuance of the Bonds and the execution and delivery of documents in connection therewith (the "Issuance Resolution"), presented as Exhibit B attached hereto and incorporated by reference herein. The Chair asked if there was any discussion on the motion. There being none, he called for

a vote on said motion. Upon said motion being put to a vote, the following vote was recorded in favor of adoption of such motion:

Yeas

Mr. Randy L. Etter
Mr. John W. Greer
Mr. W. Thomas Reeves
Dr. John F. Smith
Dr. Robert H. Spence
Dr. Robert Stein
Mr. Gregory Upchurch

Nays

None

The Chair announced that the motion to approve the Issuance Resolution had been unanimously approved. He thanked the staff, counsel and finance team for their efforts and assistance.

Higher Education Scholarships for Kindergarten Students

The Chair stated that the next item on the agenda was the discussion, consideration and possible vote on a proposed new program to provide higher education scholarships to kindergarten students in accordance with the Authority's powers under Senate Bill 389. He asked Mr. Bayer to lead the discussion.

Mr. Bayer introduced Mr. Ed Watkins and Mr. Wilson to discuss the program. Messrs. Watkins and Wilson distributed the "MOHELA College and Career Bound Kindergarten Model" attached hereto and incorporated herein as Exhibit C. Mr. Watkins stated that the program would enable kindergartners would jump start the College and Career Club initiative. The Members raised some concerns with the model program including starting the model program in St. Louis rather than incorporating programs in Kansas City, Springfield and Southeastern Missouri; the method for choosing schools to participate; the participation criteria for the students; how the partnerships with other organizations such as the United Way would function; exploring other partnerships such as the MOST program; and the need for a budget. The Chair directed the staff to prepare a presentation for the September 7, 2007 meeting addressing the Members' concerns.

Public Relations

The Chair stated that the next item on the agenda was the discussion, consideration and possible vote on retaining a public relations firm. He asked Mr. Bayer to lead the discussion. Mr. Bayer stated that the Authority has used the services of a public relations firm in the past. He further stated that he sought guidance from the Members on if they wanted to be involved with the process of hiring such a firm. The Members concluded that they did want to be involved with selecting a public relations firm. Mr. Bayer stated that the Authority's procurement policy allowed for retaining a vendor due to an emergency situation. The Members stated that any such arrangement should allow for a clear approval process and a termination provision.

Location of the September 7, 2007 Meeting

The Chair stated that the next item on the agenda was the discussion, consideration and possible vote on changing the location of the meeting scheduled for September 7, 2007. He stated that Dr. Bourisaw invited the Authority to conduct its next meeting at the Clyde C. Miller Career Academy High School. The Members discussed the cancellation of the Authority's open house and the possibility of a press conference for that same day. The Members decided to conduct the next meeting at the office of the Authority.

Legislation Update and Vote to Close Meeting

The Chair stated that the next item on the agenda was a vote to close the meeting and asked Dr. Matchefts to announce the reason for same. Dr. Matchefts stated that pursuant to the tentative agenda for the meeting, the meeting may be closed in connection with the discussion of legal actions, causes of action or litigation and any confidential or privileged communications with attorneys and/or personnel matters, including the hiring, firing, disciplining and/or promoting of personnel and possible review of records related thereto pursuant to Sections 610.021 (1), (3) and (13) of the Revised Statutes of Missouri. The Chair asked if there were any questions or comments from the Members. There being none, he called for a motion. Mr. Etter moved and Mr. Upchurch seconded a motion to close this portion of the meeting for the reasons stated pursuant to Sections 610.021 (1), (3) and (13) of the Revised Statutes of Missouri. The Chair called for any discussion on the motion. There being none, he called for a vote on the motion. Upon said motion being put to a vote, the following vote was recorded in favor of the adoption of such motion:

Yeas

Mr. Randy L. Etter
Mr. John W. Greer
Mr. W. Thomas Reeves
Dr. John F. Smith
Dr. Robert H. Spence
Dr. Robert Stein
Mr. Gregory Upchurch

Nays

None


The Chair announced that the motion to move the meeting into closed session was unanimously approved, whereupon the meeting moved into closed session at approximately 11:53 a.m. and everyone except the Members, Mr. Bayer, Dr. Matchefts and Mr. Lause exited the meeting.

The Members reconvened the regular meeting at approximately 1:35 p.m. after properly making a motion to do so which was made, seconded and was unanimously approved.

Informational Items and Adjournment

The Chair asked if there were any additional items and, hearing none, he called for a motion to adjourn. The motion was made, seconded, and unanimously approved by voice-vote. The meeting adjourned at approximately 1:40 p.m.

Approved:


Raymond H. Bayer, Jr.
Assistant Secretary