

CHESLA

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

September 28, 2015

His Excellency, Dannel P. Malloy
Governor
State of Connecticut
State Capitol
Hartford, CT 06106

Dear Governor Malloy:

Pursuant to Chapter 187b of the Connecticut General Statutes, Section 10a-240, I am submitting the Connecticut Higher Education Supplemental Loan Authority's Annual Report for the Fiscal Year Ended June 30, 2015.

Sincerely,



Jeanette W. Weldon
Executive Director

cc: Robert M. Ward
John C. Geragosian
Auditors of Public Accounts (2 copies)

Program Review and Investigations Committee (2 copies)
Education Committee (2 copies)
Finance, Revenue and Bonding Committee (2 copies)
Higher Education and Employment Advancement Committee (2 copies)
Connecticut State Library (2 copies)
Legislative Library (2 copies)



Annual Report
Fiscal Year Ended June 30, 2015

www.chesla.org

10 Columbus Boulevard
Hartford, CT 06106
860-520-4001

Helping Students and their Families Invest in the Future.



www.chesla.org

Connecticut Higher Education Supplemental Loan Authority
10 Columbus Boulevard, 7th Floor, Hartford, Connecticut 06106
(860) 520-4001 Outside CT • (800) 252-3357 in CT • FAX (860) 520-4004

Message from the Executive Director:

FY 2015 was a significant year for the Connecticut Higher Education Supplemental Loan Authority (CHESLA). With the sale of our 2015 Series A bonds, CHESLA was able to offer a loan rate of 4.95%, the lowest in our history. We believe that this low rate will help make a college education affordable for more Connecticut students. We also realize that helping more Connecticut students means not only offering a low loan rate, but also making our loans more accessible. To that end, we revised one of our key lending criteria, the debt-to-income ratio, so that more students can qualify for a CHESLA loan.

CHESLA also embarked on a new initiative this year, the CHESLA Need-Based Scholarship Program. Our goal is to provide need-based scholarships to Connecticut residents seeking undergraduate degrees from Connecticut state or non-profit institutions of higher education. We started the program with \$2 million, with allocations ranging from \$25,000 to \$88,500 made to schools based on their enrollment. Each school can award scholarships to students based on CHESLA criteria up to a maximum of \$3,000 per student. We believe that this program is helping ease the financial burden for students in the 2015-2016 academic year and we hope to make this program available annually.

In the spring and with the support of the Governor, the Connecticut General Assembly passed Public Act No. 15-200, An Act Concerning the Duties and Authority of the Connecticut Higher Education Supplemental Loan Authority. This Act gives CHESLA the ability to make loans that can refinance existing student loans, so that borrowers can lower their loan rate and make their loan payments more affordable. We appreciate the Governor's and the legislature's support and look forward to launching this new product in 2016.

I want to close by thanking the CHESLA Board of Directors for their dedication and hard work. Their time and energy were critical to our success this year and their commitment to the organization and to Connecticut students is greatly appreciated.

Jeanette W. Weldon
Executive Director
September, 2015

Overview and Governance

CHESLA was established by Public Act No. 82-313, codified as Chapter 187B of the General Statutes of the State of Connecticut, Sections 10a-221 through 10a-246, inclusive, as amended (the “Act”). The purpose of the Act is “to provide a measure of financial assistance to students in or from the state, their parents and others responsible for the cost of their education and an alternative method to enable Connecticut institutions for higher education to assist qualified students to attend such institutions.” The Authority is submitting this Annual Report in accordance with Sections 1-123 and 10a-240 of the Connecticut General Statutes.



CHESLA 2013-2015 Strategic Plan: Mission & Vision Statement

- **Mission:** to expand higher educational opportunities for students in or from the State of Connecticut by offering a cost-effective alternative financing program.
- **Vision:** to become a resource for students as they plan for their college education, not only by providing financing, but by providing information and tools for students to make informed decisions; to enhance the competitiveness of Connecticut institutions of higher education by providing additional financing options; and to encourage interest in higher education to help the state meet its workforce needs.

Consolidation Savings

CHESLA became statutorily consolidated with the Connecticut Health and Educational Facilities Authority (CHEFA) on July 1, 2012. Additional information about CHEFA may be found in its Annual Report available at www.chefa.com.

The CHESLA consolidation with CHEFA allowed certain previously outsourced CHESLA functions to be provided by CHEFA staff. FY 2015, CHESLA paid CHEFA approximately \$149,000 for management and support services. This compares favorably to approximately \$216,000 paid by CHESLA for outsourced services in FY 2012, prior to the consolidation. CHESLA’s subsidiary relationship with CHEFA is reflected in the unaudited financial statements which are presented on a component unit basis and are included in this report.

CHESLA's Board Members FY 2015

Statutorily Designated:

Ex Officio Members

Member's Designee



The Honorable Denise L. Nappier
State Treasurer

Sarah K. Sanders
Assistant Treasurer of Debt
Management



Benjamin Barnes
Secretary
Office of Policy & Management

Steven Kitowicz
Principal Budget Specialist



Dr. Gregory W. Gray
President, Board of Regents
for Higher Education

Erika H. Steiner
Chief Financial Officer



Barbara Rubin*
Chair of the Board of CHESLA



Jeffrey A. Asher(1)
Executive Director of CHEFA

(1)retired effective June 30, 2015

The remaining members are appointed by the CHEFA Board of Directors based on their qualifications, as specified in the enabling legislation.

Appointed Members

Expiration of Term

Statutory Qualifications



Julie B. Savino
Vice Chair of the Board of CHESLA

July 1, 2018

Experience in Higher Education
Loan Field



Martin L. Budd, Esq.

July 1, 2017

Experience in State and Municipal Finance



Dr. Peter W. Lisi

Coterminous**

Member of Board of CHEFA who is an Employee of a Connecticut Institution for Higher Education***



Paul Mutone

Coterminous**

Member of Board of CHEFA who is an Employee of a Connecticut Institution for Higher Education***

*Ms. Rubin and Mr. Asher have terms coterminous with their service as Chair of the CHEFA Board and Executive Director of CHEFA, respectively.

**Messrs. Mutone and Lisi have terms coterminous with their service on the CHEFA Board unless a successor is appointed earlier by the CHEFA Board.

*** Public Act 15-200 revises this statutory requirement and allows CHEFA to name any individual with expertise in higher education to this board position. Membership on the CHEFA board is no longer required.

CHESLA Staff Members



Jeanette W. Weldon
Executive Director

Email address: jweldon@chesla.org



Samuel E. Rush
Deputy Director

Email address: srush@chesla.org



Joshua Hurlock
Loan Portfolio and
Marketing Associate

Email address: jhurlock@chesla.org

Non-discrimination and Equal Employment Opportunity Policy

The Authority is an Equal Opportunity Employer and it is the Authority's policy not to tolerate discrimination or sexual harassment in any form. The Authority does not discriminate against any person in regard to any term or condition of employment based on race, color, religious creed, age, gender, sexual orientation, gender identity or expression, marital status or civil union status, national origin, ancestry, pregnancy, present or past history of mental disorder, intellectual disability, mental or physical disability (including, but not limited to, blindness), veteran's status, prior conviction of a crime, or any other reason prohibited by any applicable law or regulation. Further, it bases its employment decisions, including recruiting, hiring, training and promoting, on this nondiscriminatory principle.

If at any time an employee feels that she or he has been discriminated against or that the above guidelines have been in any way violated, the employee should immediately inform any officer of the Authority. Any employee found to have engaged in discriminatory conduct in violation of the above may be subject to disciplinary action up to and including dismissal. The ultimate responsibility for the implementation of this policy rests with the Executive Director.

Please be advised that, in addition to the above, the Authority will not tolerate disparaging comments about any of the above classes of individuals even if the person to whom the comments are made is not a member of such a class. Any Authority employee found to have made such comments or to have exhibited discriminatory behavior based on any of these or any other classifications may be subject to disciplinary measures up to and including dismissal.

As of June 30, 2015, CHESLA had two employees: a Deputy Director (1 African-American Male) and a Portfolio and Marketing Associate (1 Caucasian Male). CHESLA's Executive Director is an employee of the Connecticut Health and Educational Facilities Authority

Fiscal Year 2015 Strategic Initiative Highlights

Core Goal 1 – Superior Client Service

- A \$2 million equity contribution derived from a transfer from the Connecticut Student Loan Foundation (also a CHEFA subsidiary) and a refunding of some existing CHESLA debt combined to help produce an historically low 2015 Series A loan rate of 4.95% for CHESLA's student borrowers.
- The maximum allowable debt-to-income ratio for borrowers was modified from 40% to 43% to allow more applicants to qualify for CHESLA loans.

million need-based scholarship program was established, funded by a transfer from the



Connecticut Student Loan Foundation.

- CHESLA participated in and sponsored College Goal Sunday. Financial aid workshops were conducted statewide in a coordinated effort with the Connecticut Association of Professional Financial Aid Administrators (CAPFAA). CHESLA provided a \$200.00 scholarship to one student at each of the 15 College Goal Sunday sites.

Core Goal 2 – Programs and Services that Meet the Demands of a Changing Market

- CHESLA received authority from the legislature with the support of the Governor’s office to develop a loan refinancing program and a scholarship program.
- CHESLA staff participated in the National Association for College Admission Counseling (NACAC) Hartford College Fair held at the Connecticut Convention Center on March 25-26, 2015. CHESLA also met with various financial aid officers to inform them of its programs and remaining loan funds available to their students. The plan is to visit schools yearly, on a rotating basis.



Core Goal 3 – Partner in Public Policy

- Staff and management are members of the Education Finance Council (EFC), a national trade association representing nonprofit and state agency student loan organizations; the National Association of School Financial Aid Administrators (NASFAA), which provides focus on student aid legislation, regulatory analysis and training for financial aid professionals, and the Connecticut Association of Professional Financial Aid Administrators (CAPFAA), which assists in promoting and developing effective programs for student financial aid.
- CHESLA staff met with state legislators throughout the legislative session regarding relevant legislation.



Core Goal 4 – Sustainable and Ethical Organization

A clean opinion is expected from Crowe Horwath, LLP for the FY 2015 audit of CHEFA and its component units (CHESLA and the Connecticut Student Loan Foundation).



Bond Issuance

The Authority priced \$21,465,000 in Revenue Bonds on June 10, 2015. The transaction closed on July 2, 2015. The 2015 Series A Bonds were sold through a negotiated underwriting with RBC Capital Markets as the sole managing underwriter and FirstSouthwest Company as the Authority's financial advisor.

As of June 30, 2015, the Authority had issued Revenue Bonds and Revenue Refunding Bonds in the aggregate original principal amount of \$502,925,000. The principal amounts of the Authority's outstanding bonds as of June 30, 2015 total \$154,090,000, as shown below:

Bond Series*	Principal Issued*	Principal Outstanding*
1983 Series	\$15,500,000	\$0
1985 Series	\$15,500,000	\$0
1990 Series A	\$18,000,000	\$0
1990 Series B	\$420,000	\$0
1991 Series A	\$25,000,000	\$0
1991 Series B	\$445,000	\$0
1992 Series A	\$6,600,000	\$0
1993 Series A	\$10,000,000	\$0
1994 Series A	\$25,000,000	\$0
1996 Series A	\$25,000,000	\$0
1998 Series A	\$15,000,000	\$0
1998 Series B	\$3,560,000	\$0
1999 Series A	\$12,500,000	\$0
1999 Series B	\$4,390,000	\$0
2000 Series A	\$16,410,000	\$0
2000 Series B	\$5,975,000	\$0
2001 Series A	\$25,000,000	\$0
2003 Series A	\$18,000,000	\$4,780,000
2003 Series B	\$12,915,000	\$2,875,000
2005 Series A	\$31,455,000	\$9,065,000
2005 Series B	\$5,900,000	\$0
2006 Series A	\$33,270,000	\$9,900,000
2007 Series A	\$41,000,000	\$20,700,000
2009 Series A	\$30,000,000	\$19,120,000
2010 Series A	\$45,000,000	\$36,140,000
2012 Series A	\$13,085,000	\$4,830,000
2013 Series A	\$25,000,000	\$23,680,000
2014 Series A	\$23,000,000	\$23,000,000
Total	\$502,925,000	\$154,090,000

*Excludes \$21,465,000 2015 Series A Bonds which closed on July 2, 2015.

The State's contingent liability, in connection with the outstanding bonds, is the Special Capital Reserve Fund requirement for such bonds, as defined in Connecticut General Statutes Section 10a-232.

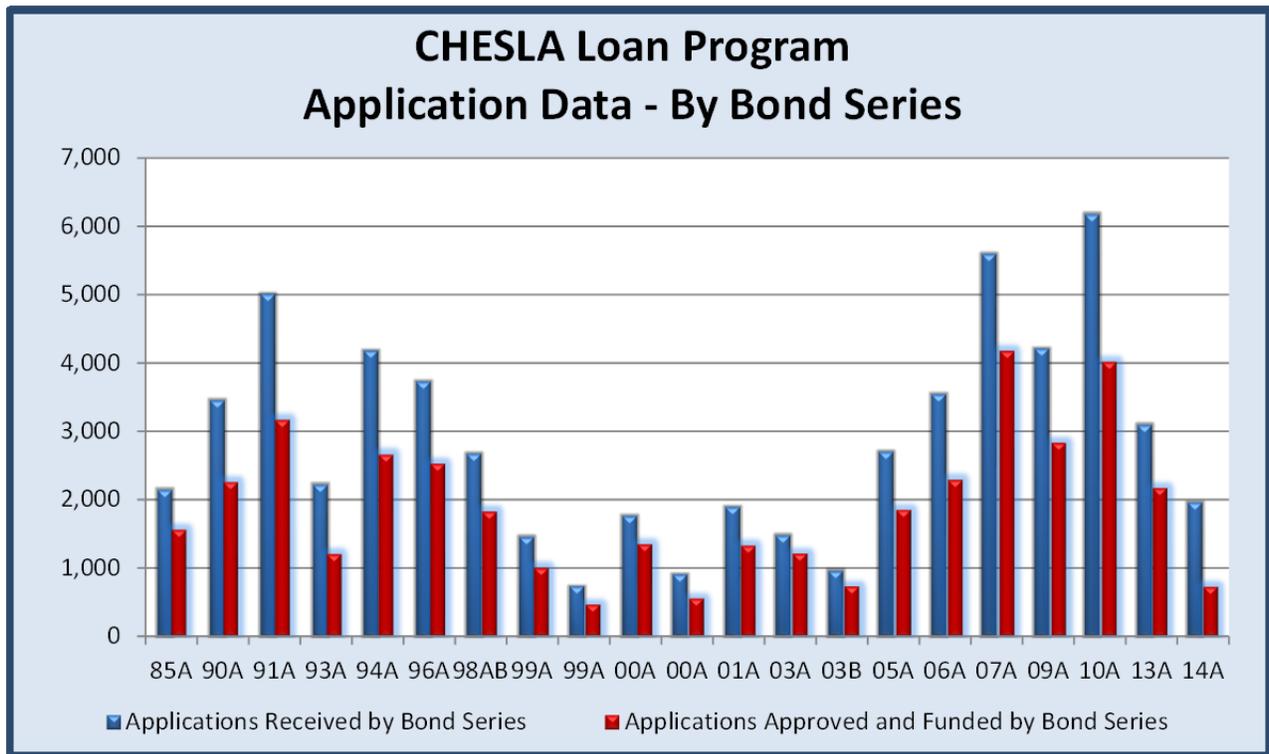
Projected Activities

The Authority will continue to focus on its Core Goals and related strategic objectives. CHESLA's Strategic Plan is included as Exhibit D. All activities are expected to be consistent with the Fiscal Year 2016 operating budget, included as Exhibit E.

Payments in Excess of \$5,000 (excluding loans for education):

Services and Account Disbursements in Excess of \$5,000 Fiscal Year End June 30, 2015
Paid from CHESLA Operating Budget
Bank of America Connecticut Health and Educational Facilities Authority (CHEFA) Education Finance Council, Inc. Live Nation Marketing, Inc. Willis of Connecticut, LLC WTNH
Paid from CHESLA 1990 & 2003 Bond Resolution Revenue Accounts
AMTEC Collection Company of America (CCA) Day Pitney, LLP Firstmark Services FirstSouthwest Moody's Investors Service U.S. Bank (Trustee Fees)

Loan Volume and Funding for the CHESLA Loan Program

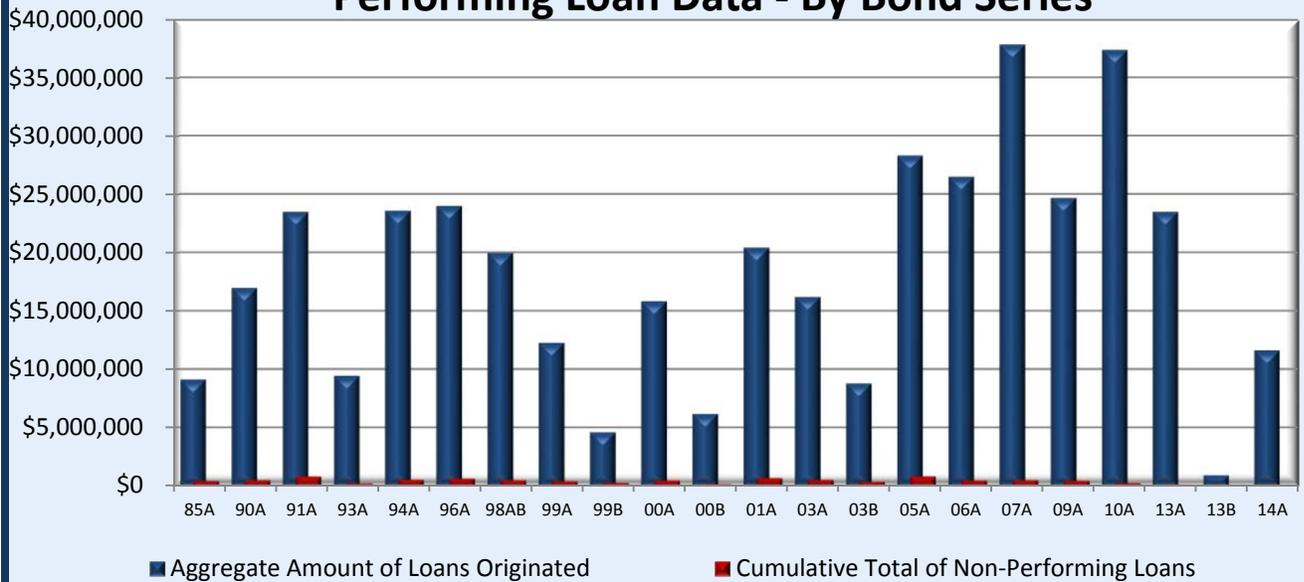


Applications Received by Bond Series – 85A (2,150), 90A (3,462), 91A (5,022), 93A (2,226), 94A (4,193), 96A (3,737), 98AB (2,681), 99A (1,460), 99B (739), 00A (1,771), 00B (915), 01A (1,900), 03A (1,484), 03B (964), 05A (2,710), 06A (3,552), 07A (5,607), 09A (4,223), 10A (6,188), 13A (3,104), and 14A (1,969).

Applications Approved and Funded by Bond Series – 85A (1,575), 90A (2,275), 91A (3,181), 93A (1,215), 94A (2,676), 96A (2,542), 98AB (1,840), 99A (1,014), 99B (475), 00A (1,360), 00B (564), 01A (1,341), 03A (1,225), 03B (743), 05A (1,866), 06A (2,308), 07A (4,188), 09A (2,848), 10A (4,029), 13A (2,187), and 14A (736).



CHESLA Loan Program Origination Amount and Non-Performing Loan Data - By Bond Series



Aggregate Amount of Loans Originated – 85A (\$9,138,627), 90A (\$16,978,127), 91A (\$23,509,883), 93A (\$9,457,002), 94A (\$23,601,441), 96A (\$24,002,867), 98AB (\$19,989,330), 99A (\$12,283,780), 99B (\$4,628,969), 00A (\$15,853,387), 00B (\$6,200,067), 01A (\$20,433,303), 03A (\$16,212,316), 03B (\$8,813,427) 05A (\$28,321,052) 06A (\$26,527,184) 07A (\$37,871,341), 09A (\$24,703,581), 10A (\$37,389,234), 13A (\$23,498,640), 13B (\$952,536) and 14A (\$11,638,880). Total cumulative amount originated: \$402,004,974.

Cumulative Total of Non-Performing Loans – 85A (\$433,731), 90A (\$492,607), 91A (\$809,190), 93A (\$237,783), 94A (\$553,131), 96A (\$635,191), 98AB (\$509,654), 99A (\$420,508), 99B (\$287,225), 00A (\$484,857) 00B (\$170,233), 01A (\$670,222), 03A (\$520,524), 03B (\$374,773), 05A (\$843,659), 06A (\$484,594), 07A (\$506,502), 09A (\$472,009), 10A (\$249,852), 13A (\$100,221), and 14A (\$28,770). Total non-performing loans: \$9,285,438.

Net Non-Performing Default Rate – 85A (4.75%), 90A (2.90%), 91A (3.44%), 93A (2.51%), 94A (2.34%), 96A (2.65%), 98AB (2.55%), 99A (3.42%), 99B (6.20%), 00A (3.06%), 00B (2.75%), 01A (3.28%), 03A (3.21%), 03B (4.25%), 05A (2.98%), 06A (1.83%), 07A (1.34%), 09A (1.91%), 10A (0.67%), 13A (0.41%), and 14A (0.25%).

Total net non-performing default rate (2.31%)

Activity information was compiled from loans originated as follows:	
1985 Series A – 10/01/85 to 10/30/88	2001 Series A – 05/01/02 to 08/31/05 includes recycling
1990 Series A – 08/22/90 to 09/06/91	2003 Series A & B – 07/23/03 to 07/13/05
1991 Series A – 09/12/91 to 08/05/93	2005 Series A & B – 07/13/05 to 11/14/06
1993 Series A – 08/12/93 to 08/20/94	2006 Series A – 09/20/06 to 07/14/08 includes recycling
1994 Series A – 08/26/94 to 09/20/96	2007 Series A – 09/05/07 to 03/26/10 includes recycling
1996 Series A – 10/05/96 to 09/05/98	2009 Series A – 09/04/09 to 05/24/13 includes recycling
1998 Series A & B – 09/11/98 to 06/30/99	2010 Series A – 05/06/11 to 07/19/13 includes recycling
1999 Series A & B Bonds – 10/27/99 to 11/24/00	2013 Series A – 05/10/13 to 01/31/15
2000 Series A & B – 12/15/00 to 05/01/02	2013 Series B – 10/1/14 to 04/30/15
	2014 Series A – 7/1/14 to 06/30/15

- A table showing loan disbursements by School and Bond Series, from proceeds of the 1985 through 2013 Series A bond sales is attached as Exhibit B to this Annual Report.
- A copy of the Loan Program Manual is attached as Exhibit C to this Annual Report.

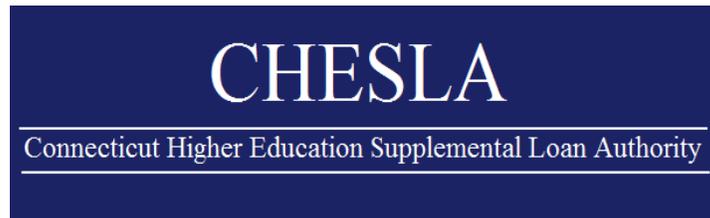


Exhibit A – Financials

The Authority's financial statements are formatted on a discrete basis and reflect the operations of CHEFA, CHESLA, and CSLF.

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
STATEMENT OF NET POSITION
Unaudited June 30, 2015
(Amounts Expressed in Thousands)

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>CHEFA</u> (Business-type Activities)	<u>CHESLA</u>	<u>CSLF</u>
ASSETS			
Current assets:			
Unrestricted assets:			
Cash	\$ 441	\$ 48	\$ 965
Investments	-	1,278	-
Accounts receivable, less allowance of \$86	155	-	-
Interest receivable on investments	-	134	-
Board-designated investments	5,413	1,000	-
Due from CSLF	-	2,000	-
Prepaid expenses and other assets	74	14	34
Total unrestricted assets	6,083	4,474	999
Restricted assets:			
Fund investments	323,724	-	-
Investments - Trust/Estate	-	28,512	11,758
Current portion of loans receivable, net of allowances for loan losses of \$2,787	-	16,754	-
Current portion of loans receivable, net of allowances for loan losses of \$1,335	-	-	21,787
Loan interest receivable	-	465	5,390
Total restricted assets	323,724	45,731	38,935
Total current assets	329,807	50,205	39,934
Non-current assets:			
Unrestricted assets:			
Prepaid bond insurance premiums	-	155	-
Capital assets, net	169	-	-
Restricted assets:			
Restricted investments	10,407	23,557	-
Loans receivable, net of current portion	-	102,988	307,638
Total non-current assets	10,576	126,700	307,638
Total assets	\$ 340,383	\$ 176,905	\$ 347,572

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORIT
STATEMENT OF NET POSITION
Unaudited June 30, 2015
(Amounts Expressed in Thousands)

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>CHEFA</u> (Business-type Activities)	<u>CHESLA</u>	<u>CSLF</u>
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable and accrued expenses	\$ 2,297	\$ 2,073	\$ 94
U.S. Department of Education payable	-	-	1,676
Trust Estate payable	-	-	541
Current portion of bonds payable	-	11,105	-
Accrued interest payable	-	814	-
Due to CHESLA	-	-	2,000
Amounts held for institutions	320,224	-	-
Total current liabilities	322,521	13,992	4,311
Non-current liabilities:			
Bonds payable, net of current portion	-	144,573	311,226
Amount held on behalf of the State of Conn	2,172	-	-
Total non-current liabilities	2,172	144,573	311,226
Total liabilities	324,693	158,565	315,537
Net position:			
Net investment in capital assets	169	-	-
Restricted	11,735	15,784	7,891
Unrestricted	3,786	2,556	24,144
Total net position	15,690	18,340	32,035
Total liabilities and net position	\$ 340,383	\$ 176,905	\$ 347,572

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Unaudited For the Year Ended June 30, 2015

(Amounts Expressed in Thousands)

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>CHEFA</u>	<u>CHESLA</u>	<u>CSLF</u>
	(Business-type Activities)		
Operating revenues:			
Interest income on loans receivable	\$ -	\$ 8,368	11,586
Administrative fees	7,513	-	-
Bond issuance fees	90	-	-
Not-for-profit servicing income	-	-	183
Other revenues	215	-	9
Total operating revenues	<u>7,818</u>	<u>8,368</u>	<u>11,778</u>
Operating expenses:			
Interest expense	-	6,690	4,256
Salaries and related expenses	2,896	192	-
General and administrative expenses	1,014	484	334
Loan service fees	-	563	1,454
Consolidation fee expense	-	-	2,013
Contracted services	-	-	557
Bond issuance costs	-	104	-
Provision for loan losses	-	760	150
Total operating expenses	<u>3,910</u>	<u>8,793</u>	<u>8,764</u>
Total operating income	3,908	(425)	3,014
Non-operating revenues (expenses):			
Investment income	13	1,148	67
Legislative mandate	-	-	(25,000)
Revenues from CSLF to CHESLA	-	4,000	(4,000)
Scholarship expense	-	(2,000)	-
Grant expense	(2,993)	-	-
Total non-operating expense	<u>(2,980)</u>	<u>3,148</u>	<u>(28,933)</u>
Change in net position from continuing operations	928	2,723	(25,919)
Discontinued operations:			
Change in net position from discontinued operations	-	-	1,259
Increase (decrease) in net position	<u>928</u>	<u>2,723</u>	<u>(24,660)</u>
Net position, beginning of year (restated)	<u>14,762</u>	<u>15,617</u>	<u>56,695</u>
Net position, end of year	<u>\$ 15,690</u>	<u>\$ 18,340</u>	<u>\$ 32,035</u>

CHESLA

Connecticut Higher Education Supplemental Loan Authority

**Exhibit B – Loans Disbursed to Schools
by Bond Series**

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY - HISTORICAL LENDING (06/15)

Institution	[1990 Resolution] Pre-2003 Series AB		[2003 Resolution] 2003 Series A		[2003 Resolution] 2003 Series B		[2003 Resolution] 2005 Series A		[2003 Resolution] 2006 Series A		[2003 Resolution] 2007 Series A		[1990 Resolution] 2009 Series A		[1990 Resolution] 2010 Series A		[1990 Resolution] 2013 Series B		[1990 Resolution] 2014 Series A		Total Number Of Students	Total Distribution to Students		
	Number Loans	Amount Loans	Number Loans	Amount Loans	Number Loans	Amount Loans	Number Loans	Amount Loans	Number Loans	Amount Loans	Number Loans	Amount Loans	Number Loans	Amount Loans	Number Loans	Amount Loans	Number Loans	Amount Loans	Number Loans	Amount Loans				
	Disb. (1)	Disb. (1)	Disb. (2)	Disb. (2)	Disb. (3)	Disb. (3)	Disb. (4)	Disb. (4)	Disb. (5)	Disb. (5)	Disb. (6)	Disb. (6)	Disb. (7)	Disb. (7)	Disb. (8)	Disb. (8)	Disb. (9)	Disb. (9)	Disb. (10)	Disb. (10)	Disb. (10)	Disb. (10)		
CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY - HISTORICAL LENDING (Percentage Basis)																								
Albertus Magnus College	1.09%	0.84%	0.33%	0.22%	0.54%	0.51%	0.54%	0.44%	0.48%	0.52%	1.00%	0.67%	0.88%	0.59%	0.30%	0.21%	0.24%	0.17%	0.00%	0.00%	0.32%	0.34%	0.82%	0.61%
ARC - Alt. Route to Cert. (CT DHE)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.49%	0.23%	0.57%	0.23%	0.48%	0.20%	0.00%	0.16%	0.07%	0.12%	0.05%
Assnuntuck Community College	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.03%	0.05%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%
Capital Community College	0.00%	0.00%	0.24%	0.07%	0.00%	0.00%	0.11%	0.04%	0.09%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%
Charter Oak State College	0.05%	0.02%	0.00%	0.00%	0.00%	0.00%	0.11%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.02%
Central Connecticut State University	1.96%	1.10%	3.51%	2.33%	2.42%	1.48%	4.07%	2.40%	4.55%	2.56%	3.01%	1.55%	1.97%	0.96%	1.84%	1.12%	2.83%	1.60%	1.92%	0.51%	2.76%	1.81%	2.42%	1.43%
Connecticut College	1.52%	1.79%	0.08%	0.15%	0.40%	0.40%	0.27%	0.31%	0.00%	0.00%	0.17%	0.13%	0.00%	0.00%	0.32%	0.24%	0.40%	0.33%	0.00%	0.00%	0.16%	0.19%	0.85%	0.93%
Eastern Connecticut State University	2.15%	1.21%	3.10%	1.60%	4.04%	2.32%	2.47%	1.54%	3.55%	1.66%	3.20%	1.80%	2.95%	1.68%	3.20%	1.84%	2.71%	1.49%	3.85%	2.45%	3.63%	1.76%	2.65%	1.48%
Fairfield University	6.49%	7.53%	4.49%	4.87%	4.71%	4.33%	4.34%	5.20%	5.33%	5.67%	4.56%	5.68%	4.56%	5.70%	3.57%	2.94%	2.27%	2.45%	0.00%	0.00%	1.97%	2.48%	5.22%	5.99%
Gateway Community College	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.02%	0.00%	0.00%	0.04%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%
Goodwin College, Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.05%	0.02%	0.01%	0.07%	0.05%	0.22%	0.16%	0.08%	0.03%	0.00%	0.00%	0.24%	0.07%	0.05%	0.03%
Graduate Institute	0.00%	0.00%	0.33%	0.21%	0.54%	0.47%	0.16%	0.09%	0.26%	0.31%	0.33%	0.32%	0.81%	0.98%	0.62%	0.55%	0.80%	0.80%	0.00%	0.32%	0.38%	0.82%	0.24%	0.00%
Hartford Seminary	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.02%	0.00%	0.05%	0.06%	0.00%	0.00%	2.88%	3.15%	0.00%	0.00%	0.00%	0.05%	0.01%
Housatonic Community College	0.00%	0.00%	0.08%	0.02%	0.00%	0.00%	0.00%	0.00%	0.13%	0.03%	0.02%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%
Rensselaer at Hartford	0.09%	0.07%	0.00%	0.00%	0.00%	0.00%	0.05%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.04%
Lyme Academy of Fine Arts	0.01%	0.01%	0.08%	0.07%	0.00%	0.00%	0.21%	0.14%	0.13%	0.06%	0.31%	0.24%	0.39%	0.31%	0.37%	0.19%	0.20%	0.12%	0.00%	0.00%	0.00%	0.00%	0.13%	0.09%
Manchester Community College	0.02%	0.01%	0.00%	0.00%	0.27%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.12%	0.08%	0.00%	0.00%	0.16%	0.09%	0.03%	0.01%
Mitchell College	0.18%	0.18%	0.08%	0.11%	0.13%	0.19%	0.21%	0.34%	0.17%	0.27%	0.60%	0.44%	1.23%	0.98%	0.74%	0.61%	0.36%	0.38%	0.00%	0.00%	0.16%	0.06%	0.35%	0.32%
Naugatuck Valley Community College	0.04%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.02%	0.00%	0.00%	0.00%	0.00%	0.07%	0.02%	0.00%	0.00%	0.00%	0.00%	0.16%	0.06%	0.04%	0.01%
Northwestern CT Community College	0.80%	1.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.04%	0.00%	0.00%	0.00%	0.00%	0.16%	0.04%	0.41%	0.53%
Norwalk Community College	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%	0.05%	0.00%	0.00%
Quinnbaug Valley Community College	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Quinnipiac University	6.91%	6.75%	8.33%	8.83%	10.63%	12.49%	16.35%	18.44%	15.81%	17.82%	11.58%	13.42%	7.48%	8.78%	9.11%	11.23%	5.15%	6.71%	5.77%	6.19%	5.36%	6.13%	8.51%	9.66%
Quinnipiac University School of Law	1.80%	2.55%	0.08%	0.10%	0.00%	0.11%	0.12%	0.22%	0.12%	0.23%	0.02%	0.04%	0.11%	0.10%	0.00%	0.12%	0.21%	1.92%	1.15%	0.24%	0.28%	0.28%	0.94%	1.24%
Sacred Heart University	6.89%	7.09%	23.67%	26.27%	18.84%	21.28%	20.31%	23.51%	12.82%	19.50%	16.12%	18.10%	13.87%	15.60%	12.73%	15.27%	14.53%	16.73%	5.77%	5.56%	11.91%	13.85%	11.13%	13.23%
Southern Connecticut State University	1.11%	0.66%	1.80%	1.06%	1.35%	0.87%	1.88%	0.95%	2.21%	0.94%	1.48%	0.65%	1.12%	0.52%	1.86%	1.03%	2.71%	1.46%	3.85%	2.47%	1.74%	1.10%	1.46%	0.81%
Saint Joseph College (Univ. of Saint Joseph)	2.10%	1.69%	1.31%	0.83%	1.75%	1.35%	1.13%	0.91%	1.21%	0.77%	1.34%	1.04%	1.65%	1.19%	1.32%	1.13%	1.56%	1.34%	1.92%	1.26%	1.10%	1.09%	1.73%	1.35%
Saint Vincent College	0.10%	0.07%	0.00%	0.00%	0.00%	0.00%	0.16%	0.12%	0.04%	0.04%	0.21%	0.17%	0.00%	0.00%	0.00%	0.08%	0.04%	0.00%	0.00%	0.00%	0.06%	0.09%	0.09%	0.06%
Teikyo Post University	0.38%	0.27%	0.49%	0.23%	0.67%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.14%
Three Rivers Community College	0.05%	0.07%	0.08%	0.04%	0.27%	0.08%	0.00%	0.00%	0.04%	0.01%	0.07%	0.03%	0.07%	0.03%	0.05%	0.01%	0.08%	0.05%	0.00%	0.00%	0.00%	0.00%	0.06%	0.05%
Trinity College	1.10%	1.27%	0.33%	0.12%	0.00%	0.00%	0.38%	0.30%	0.22%	0.12%	0.50%	0.42%	0.39%	0.54%	0.52%	0.67%	0.40%	0.60%	0.00%	0.00%	0.08%	0.02%	0.74%	0.80%
Tunxis Community College	0.07%	0.04%	0.16%	0.04%	0.00%	0.00%	0.05%	0.01%	0.04%	0.02%	0.10%	0.03%	0.04%	0.06%	0.10%	0.04%	0.00%	0.00%	0.00%	0.00%	0.16%	0.04%	0.07%	0.03%
University of Bridgeport	1.01%	0.79%	0.24%	0.17%	0.13%	0.06%	0.11%	0.11%	0.00%	0.00%	0.10%	0.05%	0.56%	0.60%	0.35%	0.20%	0.40%	0.25%	0.00%	0.00%	0.16%	0.15%	0.62%	0.46%
University of Conn. - School of Law	0.08%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.03%
University of Conn. - School of Social Work	0.12%	0.07%	0.08%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.03%
University of Conn. - Dental/Health Center	0.44%	0.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.16%
University of Conn. - School of Medicine	0.22%	0.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.11%	0.08%
University of Conn. - Storrs Campus	10.33%	7.31%	6.12%	3.75%	5.11%	3.39%	2.73%	1.70%	5.85%	3.72%	5.32%	3.28%	4.56%	3.22%	4.79%	3.58%	5.83%	4.94%	0.00%	0.00%	7.10%	5.47%	7.69%	5.26%
University of Hartford	9.66%	10.44%	13.47%	13.93%	17.90%	17.26%	15.65%	16.14%	16.81%	14.50%	13.85%	12.77%	10.92%	10.28%	4.42%	4.25%	3.95%	3.60%	9.62%	9.06%	4.26%	4.36%	10.08%	10.46%
University of New Haven	1.82%	1.61%	1.14%	1.00%	1.21%	0.94%	0.91%	0.72%	0.52%	0.48%	1.36%	1.48%	4.18%	3.93%	4.54%	4.29%	5.67%	5.55%	7.69%	4.95%	7.26%	6.98%	2.47%	2.21%
Wesleyan University	3.03%	3.77%	0.16%	0.23%	0.13%	0.17%	0.54%	0.42%	0.56%	0.77%	1.12%	1.34%	1.12%	1.12%	0.60%	0.82%	0.32%	0.44%	0.00%	0.00%	0.32%	0.47%	1.83%	2.15%
Western Connecticut State University	0.34%	0.20%	0.82%	0.54%	0.67%	0.41%	0.48%	0.33%	0.95%	0.54%	1.34%	0.70%	1.44%	0.63%	1.14%	0.65%	1.16%	0.76%	1.92%	1.21%	1.58%	0.88%	0.74%	0.42%
Wilcox College of Nursing	0.75%	1.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.37%	0.66%
Yale University - College	7.16%	10.10%	8.00%	10.53%	7.81%	10.18%	7.02%	8.09%	7.58%	9.85%	8.26%	10.39%	4.35%	5.77%	4.79%	6.82%	4.59%	7.81%	3.85%					

CHESLA

Connecticut Higher Education Supplemental Loan Authority

Exhibit C – Loan Program Manual

CONNECTICUT HIGHER EDUCATION

SUPPLEMENTAL LOAN AUTHORITY

CHESLA LOAN PROGRAM

PROGRAM MANUAL

ADOPTED AUGUST 14, 1996,

AMENDED AS OF DECEMBER 10, 1999

AMENDED AS OF OCTOBER 2, 2001

AMENDED AS OF JULY 30, 2008

AMENDED AS OF MAY 8, 2014

AMENDED AS OF MAY 15, 2015

* * * * *

ADDENDUM, AUGUST 19, 1998

ADDENDUM, OCTOBER 27, 1999

ADDENDUM, NOVEMBER 2, 2000

ADDENDUM, OCTOBER 31, 2001 & NOVEMBER 2, 2001

ADDENDUM, JUNE 30, 2003

ADDENDUM, MARCH 2, 2005

ADDENDUM, AUGUST 2, 2006

ADDENDUM, AUGUST 10, 2007

ADDENDUM, JULY 29, 2009

ADDENDUM, OCTOBER 5, 2010

ADDENDUM, MARCH 19, 2013

ADDENDUM, MAY 15, 2014

ADDENDUM, JUNE 10, 2015

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Education Loan Interest Rates

I. GUIDELINES

A. PURPOSE

The Connecticut Higher Education Supplemental Loan Authority is a public institution founded for the purpose of providing long-term, low interest education loans for Connecticut students attending colleges and universities within the United States of America and its possessions and for out-of-state students attending colleges and universities within Connecticut.

In accordance with the policy and provisions of Chapter 187b of the Connecticut General Statutes, as amended, the CHESLA Loan Program seeks to provide long-term education loans for students, parents and others responsible for paying the costs of higher education.

B. DEFINITIONS

Unless otherwise expressly stated herein or unless the context otherwise requires, the following definitions shall apply with respect to this Manual:

“Act” means the Connecticut Higher Education Supplemental Loan Authority Act, being Chapter 187b of the General Statutes of Connecticut, Sections 10a-221 through 10a-246, inclusive, as heretofore amended and as further amended from time to time.

“Applicant” means any individual who is an Eligible Undergraduate Student, an Eligible Graduate Student, and any parent, legal guardian, or sponsor of an Eligible Undergraduate Student or Eligible Graduate Student attending an Eligible College or University, who completes, signs and submits an Application on behalf of such student with the intention of being accepted as a Borrower or Co-Borrower under the Program.

“Application” means an application for a CHESLA Loan Program Loan submitted to the Authority in the form prescribed by the Authority from time to time, together with such supporting information and documentation as the Authority may reasonably require prior to a final determination with respect thereto.

“Authority” means the Connecticut Higher Education Supplemental Loan Authority, a body politic and corporate of the State of Connecticut, constituting a public instrumentality created by the Act.

“Bonds” means all bonds issued by the Authority pursuant to the Resolution, or any other bonds of the Authority the proceeds of which are used to fund Loans under the Program.

“Borrower” means any approved Applicant who has agreed to repay a Loan and who obtains a Loan in accordance with the terms and conditions of a Promissory Note (See also Co-Borrower).

“Business Day” means any day other than Saturday, Sunday, or a day on which banks located in the city in which the principal office of the Trustee or the Servicer is located are required or authorized to remain closed.

“Capitalized Interest Loan” means an Education Loan made to an Eligible Graduate Student which provides for the capitalization of interest during the Capitalized Interest Period.

“Capitalized Interest Period” means the period during which interest on a Capitalized Interest Loan is deferred and added to the principal balance of the Capitalized Interest Loan and subject to additional interest, which shall be the period while the Eligible Graduate Student is enrolled in an Eligible College

or University and for a six month period after the Eligible Graduate Student is no longer enrolled, which period shall not exceed five (5) years, or such lesser period specified by the Borrower.

“Carry-Over Amount” means, with respect to the proceeds of Bonds of the Authority issued on or before November 15, 2000, \$200,000 of the proceeds of a Series of Bonds which may be used to make loans bearing a stated interest rate equal to (a) the stated rate of interest borne by Loans originated with proceeds of the Series of Bonds most recently issued by the Authority to originate loans pursuant to the Program or (b) the stated rate of interest borne by Loans originated with proceeds of the immediately succeeding Series of Bonds issued by the Authority to originate Loans pursuant to the Program, as may be determined by the Executive Director; with respect to the proceeds of a Series of Bonds issued after November 15, 2000, “Carry-Over Amount” means up to \$500,000 of the proceeds of a Series of Bonds which may be used to make loans bearing such stated rate of interest as the Authority shall determine in accordance with the provisions of the Resolution and any related Tax Compliance Agreement entered into by the Authority in connection with the issuance of such Series of Bonds.

“Co-Applicant” means any Applicant other than the Eligible Student.

“Co-Borrower” means any parent, legal guardian or sponsor of an Eligible Student attending an Eligible College or University who shall be jointly and severally liable with a Borrower for the repayment of a Loan.

“Cost of Education” means the cost of education for a Loan Year as certified by the financial aid administrator at the Eligible College or University and is to include direct and indirect costs associated with attendance at such Eligible College or University, but shall not exceed the amounts determined by the United States Department of Education to be the cost of education, except as otherwise determined by the Executive Director and the Deputy Director, or either of them.

“Current Year Loan” means a Loan other than a Tuition Prepayment Loan and may include a Loan to cover an Eligible Student’s Cost of Education for the next preceding Loan Year.

“Defaulted Loans” means all Loans for which any payment is one hundred and twenty (120) days or more past due.

“Delinquent Loans” means all Loans for which any payment is thirty (30) days or more past due.

“Education Loan Mortgage” means the Deed of Mortgage or similar instrument recorded on the land records where the mortgaged property is located given by a Borrower or Co-Borrower or both to secure an Education Loan, and any related documents.

“Electronic Fund Transfer” means the electronic method of disbursing proceeds of an Education Loan on behalf of an Eligible Student as set forth in an agreement entered into by the Authority, acting by its duly authorized officer, the Servicer and the Trustee.

“Eligible College or University” means any non-profit degree- granting educational institution within the United States of America and its possessions authorized by law to provide a program of education beyond the high school level and (1) described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any subsequent corresponding Internal Revenue Code, as from time to time amended, and exempt from Federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, or any subsequent corresponding Internal Revenue Code, as from time to time amended, with respect to a trade or business carried on by such institution which is not an unrelated trade or business, determined by applying Section 513(a) of the Internal Revenue Code of 1986, or any subsequent corresponding Internal

Revenue Code, as from time to time amended, to such institution, or a foundation established for its benefit, or (2) exempt from taxation under said code as a governmental unit.

“Eligible Graduate Student” means a student who is a resident of Connecticut and who is enrolled in and pursuing an educational program leading to a post-baccalaureate certificate or a masters, doctorate or professional degree at an Eligible College or University on at least a half-time basis as defined by such college or university, who is in good academic standing and is making satisfactory progress, as determined by such college or university. “Eligible Graduate Student” also means a student who is not a resident of Connecticut, but who is enrolled and pursuing such an educational program at an Eligible College or University in Connecticut, on at least a half-time basis as defined by such college, university, or program, who is in good academic standing and is making satisfactory progress, as determined by such college or university.

“Eligible Student” means an Eligible Graduate Student or an Eligible Undergraduate Student.

“Eligible Undergraduate Student” means a student who is a resident of Connecticut and who is enrolled in and pursuing an educational program leading to a certificate or an associate or baccalaureate degree at an Eligible College or University, or a student enrolled in the Connecticut Alternate Route to Certification Program, on at least a half-time basis as defined by such college, university, or program, who is in good academic standing and is making satisfactory progress, as determined by such college, university, or program. “Eligible Undergraduate Student” also means a student who is not a resident of Connecticut, but who is enrolled and pursuing such an educational program at an Eligible College or University in Connecticut, or a student enrolled in the Connecticut Alternate Route to Certification Program, on at least a half-time basis as defined by such college, university, or program, who is in good academic standing and is making satisfactory progress, as determined by such college, university, or program.

“Interest Only Payment Period” means the period during which a Borrower pays interest only on the Loan, which shall be while the Eligible Student is enrolled in an Eligible College or University and for a six month period after the Student is no longer enrolled, but which period shall not exceed five (5) years.

“Loan” or “Education Loan” means a loan originated by the Authority under the Program and disbursed from the proceeds of the Bonds, including a Capitalized Interest Loan, and any other loan which the Authority determines to originate or administer under the Program.

“Loan Year” means a period of twelve consecutive months, commencing September 1 and ending August 31 each year, in which an Eligible Student is attending an Eligible College or University on at least a half-time basis.

“Net Cost of Education” means the Cost of Education as calculated by the College or University, minus any financial assistance including education loans, work study, grants, scholarships, etc. awarded for the period for which the Loan is requested (Social Security and Veterans’ Administration benefits should not be considered financial aid).

“Prepayable Costs” means tuition and fees, and room and board, as detailed in Section D(3)(a)(i) and (ii) hereof.

“Principal and Interest Repayment Period” means the period during which a Borrower repays the Loan in level monthly installments of principal and interest.

“Program” means the Connecticut CHESLA Loan Program described herein.

“Promissory Note” means the note signed by a Borrower and any Co-Borrower(s) (“Borrowers”) promising to pay the Authority and evidencing a Loan, in the form prescribed by the Authority from time to time.

“Reserve Fee” means the non-refundable fee of four percent (4%) of each Loan, or such other amount, if any, as the Authority shall determine in connection with each Series of Bonds used to finance Education Loans, paid by the Borrower to the Authority out of the proceeds of each such Loan at the time of disbursement thereof.

“Resolution” means the Revenue Bond Resolution of the Authority adopted June 12, 1990, as supplemented and amended June 29, 1990, March 10, 1992, March 16, 1993, June 7, 1994, as supplemented, amended and restated July 19, 1996, as further supplemented and amended June 9, 1998, September 14, 1999, November 2, 2000, and October 31, 2001, and as further supplemented and amended.

“Servicer” means the entity with whom the Authority contracts (which may be the Trustee) for the purpose or providing services with respect to the origination, servicing and administration of Education Loans, Education Loan Mortgages or any other service offered by the Authority under the Program.

“Trustee” means the trustee under the Resolution.

“Truth-in-Lending Disclosure Statement” means the Truth-in-Lending Disclosure Statement sent to each Borrower in connection with the Loan.

“Tuition Prepayment Loan” means a Loan made for payment or reimbursement of a payment made pursuant to a Tuition Prepayment Plan.

“Tuition Prepayment Plan” means any plan adopted by an Eligible College or University whereby an Eligible Student’s Prepayable Costs, or any portion thereof, as determined by the Eligible College or University, may be prepaid.

C. OVERVIEW OF CHESLA LOAN PROGRAM

1. Amount.

- (a) Current Year Loan. A Loan may be made in a principal amount of not less than \$2,000 and not more than any one Eligible Student’s Net Cost of Education in any one Loan Year. In no Loan Year shall the total of all forms of financial assistance (including Loans under the Program) exceed the Cost of Education.
- (b) Tuition Prepayment Loan. A Loan may be made in a principal amount of not less than \$2,000 and not more than \$125,000 in any one Loan Year, for the purpose of prepaying any one Eligible Student’s Prepayable Costs pursuant to a Tuition Prepayment Plan.
- (c) Maximum Borrowing. In no case may any Borrower or Co-Borrower borrow proceeds over the life of the Program for any one Eligible Student in excess of \$125,000.

2. Frequency of Loans. There is no limit on the number of separate Loans a Borrower may apply for and accept during a Loan year.

3. Interest Rate. Loans shall bear interest at the rate or rates as the Authority shall determine in connection with each Series of Bonds used to finance Education Loans. Interest due is calculated daily based on the actual number of days, elapsed, or as otherwise determined by the Authority.
4. Repayment Term and Schedule.
 - (a) For Education Loans other than Capitalized Interest Loans, the initial monthly payment of interest only will be due thirty (30) to sixty (60) days from the date of the disbursement. Interest-only payments shall be paid while the student is enrolled in school and for a six-month period after the student is no longer enrolled, for a maximum period of five (5) years. Thereafter, level payments of principal and interest on the Loans shall be paid monthly until maturity, which shall be 140 months after the date of the first principal payment. All Loans must be repaid in full on or prior to their maturity date. Loans may be prepaid in full, but not in part, subject to a four percent (4%) prepayment fee, waivable at the Authority's option. The Executive Director and the Deputy Director, or either of them are authorized to waive any such prepayment fee on behalf of the Authority.
 - (b) For Capitalized Interest Loans interest will accrue and be added to the principal Loan balance annually beginning on a date which is not more than one year following the date of disbursement and continuing annually thereafter during the Capitalized Interest Period and ending on the last day of the Capitalized Interest Period, so that an increased principal Loan balance shall be computed annually upon which interest shall accrue. Level payments of principal and interest shall commence upon the expiration of the Capitalized Interest Period and shall be paid monthly until maturity, which shall be 140 months after the date of the first principal payment. All Loans must be repaid in full on or prior to their maturity date. Loans may be prepaid in full, but not in part, subject to a four percent (4%) prepayment fee, waivable at the Authority's option. The Executive Director and the Deputy Director, or either of them are authorized to waive any such prepayment fee on behalf of the Authority.
5. Promissory Note. Each Loan will be evidenced by a Promissory Note executed by the Borrower and Co- Borrower(s), if any. A Promissory Note will be sent to the Borrower and any Co-Borrower for execution upon approval of the Application by the Servicer, as authorized by the Authority.
6. Mortgages. In the event the Authority and the Servicer enter into an agreement for the purpose of servicing Loans secured by Mortgages, Borrowers and Co-Borrowers may, to the extent permitted thereby and in accordance with the procedures and subject to the limitations set forth therein, deliver such documents as are specified therein for the purpose of securing an Education Loan.
7. Credit Life Insurance. In the event the Authority and the Servicer enter into an agreement for the purpose of offering Borrowers an option to purchase credit life insurance, Borrowers may include with their Loan payments the cost thereof, in accordance with the terms of such agreement; provided, however, that Loan payments shall first be credited to principal, interest and prepayment fees as set forth herein and in the Promissory Note.

8. Reserve Fee. The non-refundable Reserve Fee will be paid by the Borrower from the proceeds of each Loan at the time of disbursement thereof.
9. Nondiscrimination. The Authority shall not discriminate on the basis of the location within the United States and its possessions of the Eligible College or University or on the basis of the residency of Eligible Students attending Eligible Colleges or Universities located in Connecticut.
10. Borrowers not to Acquire Bonds. Each Borrower shall agree that neither the Borrower, the Co-Borrower, nor any person who is a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, has or will acquire any of the Bonds in an amount related to any Loan received by such Borrower.
11. Release of Co-Borrowers. In connection with Education Loans originated with proceeds of the 2014 Series A Bonds and bonds issued thereafter, upon request, a Co-Borrower may be released from responsibility for repayment of a Loan for which not fewer than 60 consecutive Timely payments of principal and interest have been received following the end of the Interest Only Payment Period, and for which the remaining Borrower would satisfy the then current credit criteria for Education Loan eligibility as set forth in Section E. A payment shall be considered Timely so long as it is received not later than ten days after the due date therefor and all other payments within the prior twelve-month period have been received on or before the due dates therefor.

The Authority may charge a fee for processing any such request for release.

D. APPLICATION PROCESS

1. Obtaining the Application. The Authority shall make Applications available , on its internet web site and in such other manner as the Authority may determine.
2. Submitting the Application. An Applicant seeking a Loan must submit a completed Application, to the address stated on the Application. A School Certification Form in the form or medium prescribed by the Authority from time to time must be forwarded to the Eligible College or University’s financial aid office. An Application is complete when the Applicant furnishes all required documentation and information on the Application and when a School Certification Form has been completed and returned to the Servicer.
3. School Certification Form and Calculation of Net Cost of Education. The financial aid administrator completes the School Certification Form. The School Certification Form includes (a) a representation that the institution in which the Eligible Student is enrolled is an Eligible College or University, (b) a confirmation that the student is enrolled at such institution on at least a half-time basis and is making satisfactory progress, (c) a determination and certification of the expected Cost of Education and the Net Cost of Education and (d) with respect to Capitalized Interest Loans, a determination and certification that the Eligible Student meets the requirements of an Eligible Graduate Student. The following shall be used by each Eligible College or University in estimating the expected Cost of Education:
 - a. Direct Costs:

- (i) Tuition & Fees: The amount paid or expected to be paid directly to the Eligible College or University for such charges for the period covered by the Loan.
- (ii) Room & Board: If a student resides at the Eligible College or University, the amount to be paid to the Eligible College or University for such charges for the period covered by the Loan.
- (iii) Books & Supplies: An allowance as determined by the Eligible College or University.

b. Indirect Costs:

- (i) Room & Board: If a student does not reside at the Eligible College or University, an allowance as determined by the Eligible College or University, for each month of expected attendance during the Loan Year, which shall not exceed the amount of such costs as determined by the United States Department of Education, provided that the Executive Director and the Deputy Director, or either of them, shall be authorized to determine such other amount as they shall deem appropriate.
- (ii) Miscellaneous Personal Expenses: An allowance as determined by the Eligible College or University, for each month of expected attendance.

The financial aid office, after completing the School Certification Form, shall return it as the Authority shall direct.

E. LOAN ORIGINATION

- 1. Application Processing by the Servicer. Upon receipt of a completed Application, including the School Certification Form, the Servicer shall:
 - a. Check for completeness of the Application, including the School Certification Form, including all necessary attachments. Applications for Capitalized Interest Loans shall be accepted only upon the Servicer's determination that the Borrower is an Eligible Graduate Student. If an Application is incomplete or otherwise rejected, the Servicer may return the document, or send a form for correction or completion of information contained in the document, to the Applicant or Co-Applicant, as appropriate, for missing information;
 - b. Verify the Applicant's and a Co-Applicant's income(s);
 - c. Verify the employment status of the Applicant and a Co-Applicant in such manner as the Authority may prescribe;
 - d. Request and review the Credit Report(s) of the Applicant and/or Co-Applicant and investigate any derogatory information contained therein to the extent deemed necessary;
 - e. Review Form 1040, as agreed by the Authority and the Servicer;

- f. Review and verify that Applicant and/or Co-Applicant have acceptable credit history with current and former creditors;
 - g. Review the credit reports according to the following guidelines: judgments, liens, bankruptcies by or against the Applicant or Co-Applicant, if any, and defaults by the Applicant or a Co-Applicant on installment loans of any type, including other education loans, to the extent deemed necessary in order to make the recommendation required;
 - h. Review to determine that the Applicant, a Co-Applicant, and the Loan, if made, would meet the requirements of the Program; for example, with respect to the amount of the Loan to be made in one Loan Year and the aggregate amount the Borrower may borrow for any one Eligible Student over the life of the Program.
 - i. Review to determine that the Applicant and each Co-Applicant is of a legal age to commit to a contract.
2. Debt-to-Income Determination by Servicer. The Servicer shall calculate a debt-to-income ratio based on information provided on the Application. For Loans originated prior to June 15, 2015, total monthly debt obligations plus the total monthly housing expense (rent or mortgage payments) may not exceed 40% of the stable gross monthly income. For Loans originated on and after June 15, 2015, total monthly debt obligations plus the total monthly housing expense (rent or mortgage payments) may not exceed 43% of the stable gross monthly income. For purposes of calculating a debt-to-income ratio of applicants for Capitalized Interest Loans, the Servicer shall calculate the Capitalized Interest Loan principal amount as of the end of the Capitalized Interest Period. If debt-to-income ratio is satisfactory, the Servicer will complete the credit analysis. If debt-to-income ratio exceeds the amount permitted in this Section E.2, Servicer will reject Application or follow the procedures under Section F.1. or F.2.
3. Credit Analysis by the Servicer. The Servicer shall perform a credit analysis in keeping with normal industry standards and shall consider such factors as it shall mutually agree upon with the Authority.
4. Credit History. The Servicer shall obtain a written credit report prepared by a commercial credit reporting agency with respect to each Application.
- a. To be eligible, no Applicant or Co-Applicant may be currently in default on any Stafford Loan, Parent Loan for Undergraduate Students (PLUS), Perkins Loan, formerly known as National Direct Student Loan (NDSL), Supplemental Loan for Students (SLS), or any other education loan, or owe refunds on a Pell Grant or Supplemental Education Opportunities Grant (SEOG).
 - b. The Servicer shall review the credit report to determine:
 - (i) That no more than one account is rated sixty (60) or more days delinquent at the time of the credit report.
 - (ii) That no more than two accounts have been sixty (60) or more days delinquent during the preceding two (2) years.

- (iii) That no account has been delinquent ninety (90) or more days during the preceding two (2) years.
- (iv) That there is no record of a collection or charged-off account during the preceding two (2) years.
- (v) That there is no record of a foreclosure, repossession, open judgment or suit, unpaid prior educational loan default or other negative public record items in the past six (6) years.
- (vi) That there is no record of a bankruptcy in the past seven (7) years.

Credit reports that list any of the above conditions may result in a rejection of the Applicant's application.

If any of the above items adversely affect credit-worthiness or differ substantially from the information on the Application, the Servicer may, with the consent of the Authority, consult with the Applicant and Co-Applicant and obtain written explanations of any problems satisfactory to the Servicer and the Authority before considering the Loan further.

F. LOAN APPROVAL/DISAPPROVAL

1. Limited Review of Applications Which Exceed Debt-to-Income Ratio. On a limited basis, the Servicer may review with the Authority Applications which exceed the debt-to-income ratio or otherwise do not meet the credit criteria, and decide in consultation with the Authority whether such Applications can be shown to support the credit-worthiness of the Applicant. However, the principal amount of Loans approved pursuant to this Section may not exceed the maximum amount of such Loans permitted, as determined by the Authority in connection with each Series of Bonds. The Executive Director and the Deputy Director, or either of them, are authorized to approve the making of any such Loan.
2. Approval of Loans in Lesser Amount. If the Servicer determines that the Applicant is eligible for a Loan in an amount less than that applied for, the Servicer shall recommend a lesser Loan amount which would enable the Applicant to qualify.
3. Notice of Adverse Determination. If the Servicer determines that the Applicant's income is insufficient, utilizing the debt-to-income ratio of forty percent (40%), or if credit history does not meet the Authority's standards, or the Application is rejected for any other reason the Servicer shall send a notice to the Applicant at the address of the Borrower advising the reasons for rejection, to the extent required by law.
4. Time Period for Approval/Disapproval. The Servicer shall approve or disapprove a Loan upon receipt of a completed Loan Application, and the Servicer shall thereafter process all additional Loan documentation, the School Certification Form and Promissory Note. The time period within which such actions shall occur shall be as agreed upon by the Authority and the Servicer. If the Servicer cannot so act within such time frame, it shall give the Authority, the Applicant, and the Eligible College or University written notice that it will not be able to complete the required processing procedures within the said period, in which case it shall complete the requested processing within twenty (20)

Business Days of the receipt of a completed Loan Application, and within ten (10) Business Days of receipt of additional Loan documents, School Certification Forms, and Promissory Notes.

5. Loan Disbursement Process. For each approved Loan,
 - (a) The Servicer shall:
 1. Originate and mail to the approved Applicant, at the Borrower's address, a Promissory Note and, if applicable, an Education Loan Mortgage, to be signed by the Borrower and each Co-Borrower, and returned to the Servicer.
 2. Upon receipt of an executed Note and School Certification Form, and, if applicable, an Education Loan Mortgage, notify the Authority in report form of Loan approvals and deliver to the Trustee via a secure means (such as overnight courier) the original Note and any Education Loan Mortgage. The Servicer shall keep the Application and shall keep a copy of such Note and any Education Loan Mortgage for safekeeping. The Servicer shall also determine disbursement dates for each approved Loan upon receipt of the executed Note and School Certification Form, and shall list such Loan on the disbursement roster, which shall be forwarded to the Authority and the Trustee.
 - (b) The Trustee shall, upon receipt of a signed Promissory Note and, if applicable, Education Loan Mortgage, and disbursement roster from the Servicer, and a signed requisition from the Authority, (a) pay from the Loan Account, via such means as the Servicer shall direct, to the Servicer the amount of the Loan less the applicable Reserve Fee and (b) advise the Authority of the disbursement. The Reserve Fee shall be retained in the Loan Account held by the Trustee.
 - (c) The Servicer shall disburse by check or by Electronic Fund Transfer, to the Institution, the Borrower or the Borrower's designee as specified in the Promissory Note, the Loan proceeds upon receipt of funds from the Trustee.
 - (d) The Servicer shall notify major credit bureaus of the making and status of each Borrower's obligation to the Authority.
6. Receipt of Check. If a Loan is disbursed by check, the Borrower and each Co-Borrower must endorse the check. In the case of a Tuition Prepayment Loan, the check must be endorsed by the Borrower, each Co-Borrower, and the Eligible College or University. If the Loan is disbursed by Electronic Fund Transfer, the Borrower, each Co-Borrower and the Eligible College or University receiving such disbursement shall execute such documents as the Authority shall require.

G. LOAN SERVICING AND REPAYMENT

Loans will be serviced by the Servicer in accordance with the following:

1. Transmittal of Information. Eligible Colleges and Universities will forward to the Servicer any changes of name, address, telephone number, date of birth, and social security number of Borrower(s) of which they are aware.

2. Monthly Statements. The Servicer will, with respect to Loans other than Capitalized Interest Loans, within a period of sixty (60) days after the disbursement of funds, commence, and continue throughout the Interest Only Payment Period and the Principal and Interest Repayment Period, to send monthly statements to the Borrower. The Servicer will, with respect to Capitalized Interest Loans, within a period of sixty (60) days after the expiration of the Capitalized Interest Period, commence, and continue throughout the Principal and Interest Repayment Period, to send monthly statements to the Borrower. In the event the Servicer and the Authority have entered an agreement for the purpose of offering Borrowers the option of purchasing credit life insurance, such statements may also include such information as the Authority deems appropriate with respect to the credit life insurance in accordance with the terms of such agreement. All payments must be made by check or money order payable to the order of the Servicer and mailed to the post office box maintained by the Servicer or as otherwise agreed by the Servicer and the Authority.
3. Processing of Payments Received. The Servicer, on behalf of Authority, will maintain a post office box to receive payments on the Loans, and will transfer such payments into an account maintained by the Trustee, on such basis as the Servicer and the Authority shall agree. Such payments shall be deemed held in trust for the Authority and the bondholders. The Authority and the Trustee shall be responsible for negotiating the terms of said account with respect to fees, interest, and transfers therefrom. The Servicer shall prepare a report monthly with respect to payments received, identifying (to the extent ascertainable) the Borrower with respect to each payment and shall deliver such report to the Authority.
4. Application of Loan Payments. Payments of Loans will be applied, to the extent sufficient, in the following order of priority: (a) interest and (b) principal. In the event that a Borrower shall have more than one Loan outstanding, partial payments shall be applied to each such Loan based upon the percentage each such Loan bears to the total Loans of such Borrower outstanding, or as otherwise agreed by the Authority and the Servicer.
5. Loan Repayments. For Loans other than Capitalized Interest Loans, interest-only payments will be due commencing no later than sixty (60) days after disbursement of funds and shall continue during the Interest Only Payment Period. Thereafter level monthly payments of principal and interest shall be due for a period of 140 months, or until the Loan is prepaid, if earlier. For Capitalized Interest Loans, level monthly payments of principal and interest shall be due commencing on the expiration of the Capitalized Interest Period and ending after 140 months or until the Loan is prepaid, if earlier.
6. Prepayments. A Loan may only be prepaid in full. The Authority will assess a fee of four percent (4%) of the balance due for such prepayments which fee may be reduced or waived by the Authority. If a Borrower wishes to prepay a Loan in full, the Borrower must contact the Servicer to determine the amount of principal and interest outstanding. If payment of more than one month is made, which payment is less than full payment including any prepayment fee, the additional moneys will be credited first towards interest and second towards principal by the Servicer or, at the option of the Authority, will be returned to the Borrower. Excess payments may be applied to the prepayment fee. Collection of the prepayment fee is the responsibility of the Authority.

7. Payments in Full. Based on information received and its records, the Servicer will notify the Authority of payment in full of a Loan before or at maturity. Upon receipt of payment in full of each account, notification will be given to the Authority in writing that payment in full has been received. For purposes of servicing only, an account will be deemed paid in full if its balance is less than \$5.00.

H. LOAN COLLECTION PROCESS

1. Servicing of Delinquent Loans. The Servicer must responsibly service Delinquent Loans so as to enable, to the maximum extent possible, payment in full of such Loans on their respective repayment schedules. For accounts which continue to be delinquent, the Servicer must notify the Borrower and any Co-Borrower of the delinquency. If any payment is one hundred twenty (120) days past due, the Servicer will notify the Authority.
2. Delinquency Requirements. The Servicer will send delinquency notices and make contact with the Borrower and any Co-Borrowers in accordance with the Servicing Agreement or such other process agreed to by the Authority.
3. Defaults. The Authority, upon the 120th day of delinquency, will consider the Loan to be in default. The Authority will begin collection proceedings against the Borrower and any Co-Borrower upon receipt of the Note from the Trustee and related documents from the Servicer.
4. Death of Borrower or Co-Borrower. If, at any time, the Servicer is notified or otherwise becomes aware of the death of a Borrower or a Co-Borrower, it shall notify the Authority immediately.
5. Bankruptcy. If a Borrower or a Co-Borrower is adjudicated bankrupt and has liability for a Loan discharged, the other obligor(s) remains liable for unpaid principal and interest. The Authority and its counsel shall consult with respect to the filing of a claim in any bankruptcy proceeding of a Borrower or Co-Borrower.
6. Due Diligence. The Servicer shall exercise reasonable care and due diligence in the collection of Loans made by the Authority and shall utilize collection practices no less extensive and rigorous than those generally in use by commercial lenders for loans of comparable amounts. The Servicer shall use such collection practices as are set forth in the Servicing Agreement between the Authority and the Servicer.
7. Mortgages. The Servicer's additional responsibilities with respect to Education Loans secured by Education Loan Mortgages shall be set forth in the separate agreement, if any, entered into between the Servicer and the Authority for the servicing of Education Loans secured by Education Loan Mortgages.
8. Credit Life Insurance. The Servicer's additional responsibilities with respect to credit life insurance shall be set forth in the separate agreement, if any, entered into between the Servicer and the Authority for the purpose of offering Borrowers the option to purchase credit life insurance.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL
Dated August 19, 1998

Per the determination of the 1998 Bond Committee of the Connecticut Higher Education Supplemental Loan Authority:

1. Loans made with proceeds of the Authority's \$15,000,000 Revenue Bonds (Family Education Loan Program) 1998 Series A and the Authority's \$3,560,000 Revenue Refunding Bonds (Family Education Loan Program) 1998 Series B shall bear interest at a stated rate of 7.50% per annum, except any loan made with the Carry Over amount.
2. 1998 Loans will be serviced by The Connecticut Student Loan Foundation.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL
Dated October 27, 1999

Per the determination of the 1999 Bond Committee of the Connecticut Higher Education Supplemental Loan Authority:

1. Loans made with proceeds of the Authority's \$12,500,000 Revenue Bonds (Family Education Loan Program) 1999 Series A and the Authority's \$4,390,000 Revenue Refunding Bonds (Family Education Loan Program) 1999 Series B shall bear interest at a stated rate of 7.50% per annum, except any loan made with the Carry Over amount.
2. Prior to December 10, 1999, the Reserve Fee shall be four percent (4%) for Loans made with proceeds of the Authority's \$12,500,000 Revenue Bonds (Family Education Loan Program) 1999 Series A and the Authority's \$4,390,000 Revenue Refunding Bonds (Family Education Loan Program) 1999 Series B. On and after December 10, 1999, the Reserve Fee for 1999 Loans shall be three percent (3%).
3. 1999 Loans will be serviced by the Connecticut Student Loan Foundation.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL
Dated November 2, 2000

Per the determination of the 2000 Bond Committee of the Connecticut Higher Education Supplemental Loan Authority:

1. Loans made with proceeds of the Authority's \$16,410,000 Revenue Bonds (Family Education Loan Program) 2000 Series A and the Authority's \$5,975,000 Revenue Refunding Bonds (Family Education Loan Program) 2000 Series B (collectively the "2000 Bonds") initially shall bear interest at a stated rate of 7.25% per annum, except any loan made with the Carry Over amount. The interest rate borne by such Education Loans may be increased or decreased by resolution of the Authority, provided the Authority has received written confirmation from the rating agencies then rating the 2000 Bonds that such increase or decrease, in and of itself, will not cause the rating on the 2000 Bonds to be withdrawn or lower than the rating in effect immediately prior to such changes.

2. Initially, the Reserve Fee shall be two percent (2%) for Loans made with proceeds of the 2000 Bonds. The Reserve Fee may be increased or decreased by resolution of the Authority, provided the Authority has received written confirmation from the rating agencies then rating the 2000 Bonds that such increase or decrease, in and of itself, will not cause the rating on the 2000 Bonds to be withdrawn or lower than the rating in effect immediately prior to such changes.

3. 2000 Loans will be serviced by the Connecticut Student Loan Foundation.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL

Dated October 31, 2001 & November 2, 2001

Per the determination of the 2001 Bond Committee of the Connecticut Higher Education Supplemental Loan Authority:

1. Loans made with proceeds of the Authority's \$25,000,000 Revenue Bonds (Family Education Loan Program) 2001 Series A (the "2001 Series A Bonds") initially shall bear interest at a stated rate of 6.70% per annum, except any loan made with the Carry Over amount. The interest rate borne by such Education Loans may be increased or decreased by resolution of the Authority, provided the Authority has received written confirmation from the rating agencies then rating the 2001 Series A Bonds that such increase or decrease, in and of itself, will not cause the rating on the 2001 Series A Bonds to be withdrawn or lower than the rating in effect immediately prior to such changes.

2. Initially, the Reserve Fee shall be two percent (2%) for Loans made with proceeds of the 2001 Series A Bonds. The Reserve Fee may be increased or decreased by resolution of the Authority, provided the Authority has received written confirmation from the rating agencies then rating the 2001 Series A Bonds that such increase or decrease, in and of itself, will not cause the rating on the 2001 Series A Bonds to be withdrawn or lower than the rating in effect immediately prior to such changes.

3. 2001 Loans will be serviced by the Connecticut Student Loan Foundation.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL

Dated June 30, 2003

Per the determination of the 2003 Bond Committee of the Connecticut Higher Education Supplemental Loan Authority:

1. Loans made with proceeds of the Authority's \$18,000,000 Senior Revenue Bonds (Connecticut Family Education Loan Program) 2003 Series A (the "2003 Series A Bonds") and the Authority's \$12,915,000 Senior Revenue Refunding Bonds (Connecticut Family Education Loan Program) 2003 Series B Bonds (the "2003 Series B Bonds," and, with the 2003 Series A Bonds, the "2003 Series Bonds") initially shall bear interest at a stated rate of 4.990% per annum, except any loan made with the Carry Over amount. The interest rate borne by such Education Loans may be increased or decreased by resolution of the Authority, provided the Authority has received a Credit Confirmation approving such change.
2. Initially, the Reserve Fee shall be three percent (3%) for Loans made with proceeds of the 2003 Series Bonds. The Reserve Fee may be increased or decreased by resolution of the Authority, provided the Authority has received Credit Confirmation approving such change.
3. 2003 Loans will be serviced by the Connecticut Student Loan Foundation.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL
Dated March 2, 2005

Per the determination of the 2005 Bond Committee of the Connecticut Higher Education Supplemental Loan Authority:

1. Loans made with proceeds of the Authority's \$31,455,000 Senior Revenue Bonds (Connecticut Family Education Loan Program) 2005 Series A (the "2003 Series A Bonds") and the Authority's \$5,900,000 Senior Revenue Refunding Bonds (Connecticut Family Education Loan Program) 2005 Series B Bonds (the "2005 Series B Bonds," and, with the 2005 Series A Bonds, the "2005 Series Bonds") initially shall bear interest at a stated rate of 5.50% per annum, except any loan made with the Carry Over amount. The interest rate borne by such Education Loans may be increased or decreased by resolution of the Authority, provided the Authority has received a Credit Confirmation approving such change.
2. Initially, the Reserve Fee shall be three percent (3%) for Loans made with proceeds of the 2005 Series Bonds. The Reserve Fee may be increased or decreased by resolution of the Authority, provided the Authority has received Credit Confirmation approving such change.
3. 2005 Loans will be serviced by Firstmark Services LLC.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL

Dated August 2, 2006

Per the determination of the 2006 Bond Committee of the Connecticut Higher Education Supplemental Loan Authority:

1. Loans made with proceeds of the Authority's \$33,270,000 Senior Revenue Bonds (Connecticut Family Education Loan Program) 2006 Series A (the "2006 Series A Bonds") initially shall bear interest at a stated rate of 6.15% per annum, except any loan made with the Carry Over amount. The interest rate borne by such Education Loans may be increased or decreased by resolution of the Authority, provided the Authority has received a Credit Confirmation approving such change.

2. Initially, the Reserve Fee shall be three percent (3%) for Loans made with proceeds of the 2006 Series A Bonds. The Reserve Fee may be increased or decreased by resolution of the Authority, provided the Authority has received Credit Confirmation approving such change.

3. 2006 Loans will be serviced by Firstmark Services LLC.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL
Dated August 10, 2007

Per the determination of the Executive Director, as provided in the Determination of the 2007 Bond Committee of the Connecticut Higher Education Supplemental Loan Authority on August 9, 2007:

1. Loans made with proceeds of the Authority's \$41,000,000 Senior Revenue Bonds (Connecticut Family Education Loan Program) 2007 Series A (the "2007 Series A Bonds") initially shall bear interest at a stated rate of 6.99% per annum, except any loan made with the Carry Over amount. The interest rate borne by such Education Loans may be increased or decreased by resolution of the Authority, provided the Authority has received a Credit Confirmation approving such change.
2. Initially, the Reserve Fee shall be three percent (3%) for Loans made with proceeds of the 2007 Series A Bonds. The Reserve Fee may be increased or decreased by resolution of the Authority, provided the Authority has received Credit Confirmation approving such change.
3. 2007 Loans will be serviced by Firstmark Services LLC.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL
Dated July 29, 2009

Per the Determination of the Bond Committee of the Connecticut Higher Education Supplemental Loan Authority on July 29, 2009:

1. Loans made with proceeds of the Authority's \$30,000,000 Revenue Bonds (CHESLA Loan Program) 2009 Series A (the "2009 Series A Bonds") initially shall bear interest at a stated rate of 6.80% per annum, except any loan made with the Carry Over amount. The interest rate borne by such Education Loans may be increased or decreased by resolution of the Authority provided the Authority has notified Fitch Ratings of such change and has received written confirmation from Moody's Investors Service, Inc., if such agency is then rating the 2009 Series A Bonds, that such increase or decrease, in and of itself, will not cause the rating on the 2009 Series A Bonds to be withdrawn or lower than the rating in effect immediately prior to such change; provided, however, that should such change be necessary to maintain the tax-exempt status of any Bonds of the Authority, no such confirmation shall be required.

2. Initially, the Reserve Fee shall be three percent (3%) for Loans made with proceeds of the 2009 Series A Bonds. The Reserve Fee may be increased or decreased by resolution of the Authority provided the Authority has notified Fitch Ratings of such change and has received written confirmation from Moody's Investors Service, Inc., if such agency is then rating the 2009 Series A Bonds, that such increase or decrease, in and of itself, will not cause such rating on the 2009 Series A Bonds to be withdrawn or lower than the rating in effect immediately prior to such change; provided, however, that should such change be necessary to maintain the tax-exempt status of any Bonds of the Authority, no such confirmation shall be required.

3. 2009 Loans will be serviced by Firstmark Services LLC.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL
Dated October 5, 2010

Per the Determination of the Bond Committee of the Connecticut Higher Education Supplemental Loan Authority on October 5, 2010:

1. Loans made with proceeds of the Authority's \$45,000,000 Revenue Bonds (CHESLA Loan Program) 2010 Series A (the "2010 Series A Bonds") initially shall bear interest at a stated rate of 5.95% per annum, except any loan made with the Carry Over amount. The interest rate borne by such Education Loans may be increased or decreased by resolution of the Authority provided the Authority has notified Fitch Ratings of such change and has received written confirmation from Moody's Investors Service, Inc., if such agency is then rating the 2010 Series A Bonds, that such increase or decrease, in and of itself, will not cause the rating on the 2010 Series A Bonds to be withdrawn or lower than the rating in effect immediately prior to such change; provided, however, that should such change be necessary to maintain the tax-exempt status of any Bonds of the Authority, no such confirmation shall be required.

2. Initially, the Reserve Fee shall be three percent (3%) for Loans made with proceeds of the 2010 Series A Bonds. The Reserve Fee may be increased or decreased by resolution of the Authority provided the Authority has notified Fitch Ratings of such change and has received written confirmation from Moody's Investors Service, Inc., if such agency is then rating the 2010 Series A Bonds, that such increase or decrease, in and of itself, will not cause such rating on the 2010 Series A Bonds to be withdrawn or lower than the rating in effect immediately prior to such change; provided, however, that should such change be necessary to maintain the tax-exempt status of any Bonds of the Authority, no such confirmation shall be required.

3. 2010 Loans will be serviced by Firstmark Services LLC.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL
Dated March 19, 2013

Per the Determination of the Executive Director of the Connecticut Higher Education Supplemental Loan Authority on March 19, 2013:

1. Loans made with proceeds of the Authority's \$25,000,000 Revenue Bonds (CHESLA Loan Program) 2013 Series A (the "2013 Series A Bonds") initially shall bear interest at a stated rate of 5.99% per annum, except any loan made with the Carry Over amount. The interest rate borne by such Education Loans may be increased or decreased by the Authority provided there has been a finding by the Authority that the Revenues and other amounts derived by the Authority from the Program shall continue to be sufficient at all times (a) to pay the cost of maintaining and servicing the Program and keeping it properly insured, (b) to pay the principal or Redemption Price of, and the interest on, all Outstanding Bonds of the Authority issued with respect to such Program, (c) to establish, increase as required hereunder and maintain the Special Capital Reserve Fund at the Special Capital Reserve Fund Requirement, and (d) to pay such other Program Costs as shall be required; provided, however, that should such change be necessary to maintain the tax-exempt status of any Bonds of the Authority, no such finding shall be required.

2. Initially, the Reserve Fee shall be three percent (3%) for Loans made with proceeds of the 2013 Series A Bonds. The Reserve Fee may be increased or decreased by the Authority, provided that for any decrease, there has been a finding by the Authority that the Revenues and other amounts derived by the Authority from the Program shall continue to be sufficient at all times (a) to pay the cost of maintaining and servicing the Program and keeping it properly insured, (b) to pay the principal or Redemption Price of, and the interest on, all Outstanding Bonds of the Authority issued with respect to such Program, (c) to establish, increase as required hereunder and maintain the Special Capital Reserve Fund at the Special Capital Reserve Fund Requirement, and (d) to pay such other Program Costs as shall be required.

3. 2013 Loans will be serviced by Firstmark Services LLC.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL
Dated May 15, 2014

Per the Determination of the Executive Director of the Connecticut Higher Education Supplemental Loan Authority on May 15, 2014:

1. Loans made with proceeds of the Authority's \$25,000,000 Revenue Bonds (CHESLA Loan Program) 2014 Series A (the "2014 Series A Bonds") initially shall bear interest at a stated rate of 6.75% per annum, except any loan made with the Carry Over amount. The interest rate borne by such Education Loans may be increased or decreased by the Authority provided there has been a finding by the Authority that the Revenues and other amounts derived by the Authority from the Program shall continue to be sufficient at all times (a) to pay the cost of maintaining and servicing the Program and keeping it properly insured, (b) to pay the principal or Redemption Price of, and the interest on, all Outstanding Bonds of the Authority issued with respect to such Program, (c) to establish, increase as required hereunder and maintain the Special Capital Reserve Fund at the Special Capital Reserve Fund Requirement, and (d) to pay such other Program Costs as shall be required; provided, however, that should such change be necessary to maintain the tax-exempt status of any Bonds of the Authority, no such finding shall be required.
2. Initially, the Reserve Fee shall be three percent (3%) for Loans made with proceeds of the 2014 Series A Bonds. The Reserve Fee may be increased or decreased by the Authority, provided that for any decrease, there has been a finding by the Authority that the Revenues and other amounts derived by the Authority from the Program shall continue to be sufficient at all times (a) to pay the cost of maintaining and servicing the Program and keeping it properly insured, (b) to pay the principal or Redemption Price of, and the interest on, all Outstanding Bonds of the Authority issued with respect to such Program, (c) to establish, increase as required hereunder and maintain the Special Capital Reserve Fund at the Special Capital Reserve Fund Requirement, and (d) to pay such other Program Costs as shall be required.
3. 2014 Loans will be serviced by Firstmark Services LLC.

ADDENDUM TO
CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY
CHESLA LOAN PROGRAM
PROGRAM MANUAL

Dated June 10, 2015

Per the Determination of the Executive Director of the Connecticut Higher Education Supplemental Loan Authority on June 10, 2015:

1. Education Loans made with proceeds of the Authority's \$21,465,000 Revenue and Revenue Refunding Bonds (CHESLA Loan Program) 2015 Series A (the "2015 Series A Bonds") initially shall bear interest at a stated rate of 4.95 % per annum, except any loan made with the Carry Over amount; and Education Loans made with proceeds of the Authority's 2015 Equity Contribution initially shall bear interest at a stated rate of 4.95 % per annum. The interest rate borne by such Education Loans may be increased or decreased by the Authority provided there has been a finding by the Authority that the Revenues and other amounts derived by the Authority from the Program shall continue to be sufficient at all times (a) to pay the cost of maintaining and servicing the Program and keeping it properly insured, (b) to pay the principal or Redemption Price of, and the interest on, all Outstanding Bonds of the Authority issued with respect to such Program, (c) to establish, increase as required hereunder and maintain the Special Capital Reserve Fund at the Special Capital Reserve Fund Requirement, and (d) to pay such other Program Costs as shall be required; provided, however, that should such change be necessary to maintain the tax-exempt status of any Bonds of the Authority, no such finding shall be required.

2. Initially, the Reserve Fee shall be three percent (3%) for Loans made with proceeds of the 2015 Series A Bonds and Loans made with proceeds of the Authority's 2015 Equity Contribution. The Reserve Fee may be increased or decreased by the Authority, provided that for any decrease, there has been a finding by the Authority that the Revenues and other amounts derived by the Authority from the Program shall continue to be sufficient at all times (a) to pay the cost of maintaining and servicing the Program and keeping it properly insured, (b) to pay the principal or Redemption Price of, and the interest on, all Outstanding Bonds of the Authority issued with respect to such Program, (c) to establish, increase as required hereunder and maintain the Special Capital Reserve Fund at the Special Capital Reserve Fund Requirement, and (d) to pay such other Program Costs as shall be required.

3. 2015 Loans will be serviced by Firstmark Services LLC.

The stated rates of interest borne by Loans originated pursuant to the CHESLA Loan Program with proceeds of the Authority's Bonds (except for Carry-Over amounts) is as set forth below:

Stated Rate of Interest on Outstanding Loans

Revenue Bonds	Stated Rate of Interest (per annum)
1990 Series A	9.70 %
1991 Series A	9.20 %
1993 Series A	8.40 %
1994 Series A	8.25 %
1996 Series A	8.10 %
1998 Series A	7.50 %
1998 Series B	7.50 %
1999 Series A	7.50 %
1999 Series B	7.50 %
2000 Series A	7.25 %
2000 Series B	7.25 %
2001 Series A	6.70%
2003 Series A	4.99%
2003 Series B	4.99%
2005 Series A	5.50%
2005 Series B	5.50%
2006 Series A	6.15%
2007 Series A	6.99%
2009 Series A	6.80%
2010 Series A	5.95%
2013 Series A	5.99%
2014 Series A	6.75%
2015 Equity Loans	4.95%
2015 Series A	4.95%

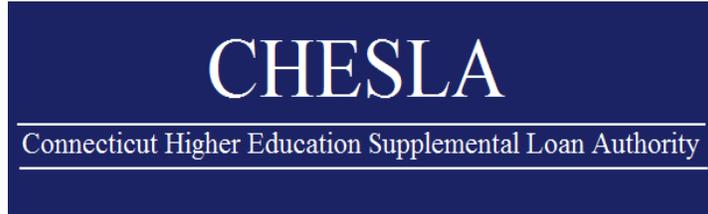


Exhibit D – CHESLA’s Strategic Plan

CHESLA Strategic Plan
FY 2013 – 2015

Mission: to expand higher educational opportunities for students in or from the State of Connecticut by offering a cost-effective alternative financing program.

Vision: to become a resource for students as they plan for their college education, not only by providing financing, but by providing information and tools for students to make informed decisions; to enhance the competitiveness of Connecticut institutions of higher education by providing additional financing options; and to encourage interest in higher education to help the state meet its workforce needs.

Goals and Objectives:

Core Goal 1 – Superior Client Service

- A. Cost effective and well-structured bond issuance that helps achieve a low cost of funds for students
 - 1. Protect tax-exempt status through thorough post issuance compliance processes
 - 2. Effective investment management
 - 3. Strengthen Investor Relations to support low bond interest rates
 - 4. Resolution structure that supports strong bond ratings and mix of products
- B. Develop informed borrowers by educating them on debt
 - 1. Consider modifying the application process for students and co-borrowers so that before they can access application, they have to go through a tutorial
 - 2. Provide educational sessions and information online
- C. Well managed loan servicer to support easy application process, timely disbursement to schools, good billing and follow up
- D. Well managed, effective and ethical collection agency Responsive staff
- E. Good borrower communication
 - 1. Send borrowers congratulatory note upon graduation that advises them of upcoming principal payments
 - 2. Develop newsletter
 - 3. Explore social media
 - 4. Make CHESLA more prominent in borrower communications

Core Goal 2 – Programs and Services that Meet the Demands of a Changing Market

- A. Evolve Existing Programs
 - 1. Broaden the number of schools served by CHESLA loans; continue to apply for preferred lender status
 - 2. Develop marketing program for increasing CHESLA awareness
 - a. Attend financial aid fairs etc.
 - b. Search engine management

- c. Client visits
 - d. Program for regular press releases coordinated when feasible with governor's office
- B. Develop/Implement New Programs and Loan Products
- 1. Develop more financial aid/debt education tools e.g. on-line, seminars
 - 2. Consider other loan products, e.g., interest rates that vary with borrower credit quality; flexibility to restructure payment terms
 - 3. Consider programs to broaden the base of eligible students
 - 4. Consider programs that incentivize students to pursue areas of study that fit with state's workforce development needs
 - 5. Be prepared to counter market impact of large lenders now offering a fixed rate product (e.g., Sallie Mae and Discover)
 - 6. Meet with counterparts in other states
 - 7. Highlight graduate and undergraduate product and serve each market individually

Core Goal 3 – Partner in Public Policy

- A. Leadership in Creation of Public Policy
 - 1. Work with other groups to support educational opportunity
 - 2. Work within the tax-exempt bond community to ensure continued access to capital for CHESLA loans
 - 3. Monitor any proposed changes in bankruptcy law that would give borrowers and/or co-borrowers the ability to discharge student loans in bankruptcy
- B. Collaboration with Other State Entities/Advocacy Groups on Common Interests (e.g., providing educational opportunity, fostering interest in college at an early age); Continue work with CT Association of Professional Financial Aid Administrators (CAPFAA), EFC, etc.
- C. Work with Treasurer's Office on financial literacy programs and CHET links
- D. Community service as individuals and as an organization

Core Goal 4 – Sustainable and Ethical Organization

- A. Staff and Management Development – use professional organizations for continuing education
- B. Board Development and Oversight – annual session for board education
- C. Increase Awareness of the Authority's Accomplishment and Challenges
- D. Regulatory compliance function, use internal audit function
- E. Clean Audits
- F. Expense Management
- G. Perform well vs. budget

CHESLA

Connecticut Higher Education Supplemental Loan Authority

**Exhibit E – Fiscal Year 2016
Operating Budget**

CHESLA Budget
Budget for the Twelve Months Ending June 30, 2016

	FYE June 30, 2013 Actual	FYE June 30, 2014 Budget	FYE June 30, 2014 Actual	FYE June 30, 2015 Budget	FYE June 30, 2015 Proj Actual *	FYE June 30, 2016 Budget
Revenues						
Admin Fee Income	\$ 753,984	\$ 686,726	\$ 699,022	\$ 644,283	\$ 646,367	\$ 758,163
Investment Income	4,078	4,500	3,133	3,600	2,945	2,800
Misc Income & Recovery	10,814	0	1,440	0	0	0
Total Revenues	\$ 768,876	\$ 691,226	\$ 703,595	\$ 647,883	\$ 649,312	\$ 760,963
Expenses						
Compensation	\$ 139,558	\$ 145,140	\$ 144,224	\$ 151,435	\$ 151,055	\$ 159,007
Employee Benefits	49,592	52,184	52,668	49,757	45,017	48,994
General and Administrative	65,856	109,298	73,683	87,886	76,314	91,960
Business Education, Board and Reimbursable	6,905	12,750	6,710	13,250	7,332	11,750
Membership Dues	6,112	14,500	11,644	14,500	12,029	12,500
CHEFA Support Services	106,179	142,874	142,874	149,587	149,587	154,955
Outside Services	156,647	36,000	34,624	36,038	35,038	38,800
Total Expenses	\$ 530,850	\$ 512,746	\$ 466,426	\$ 502,453	\$ 476,371	\$ 517,965
Excess Revenue from Operations	\$ 238,026	\$ 178,480	\$ 237,169	\$ 145,430	\$ 172,941	\$ 242,998
Bond Issuance Costs & Amortization & Transfer to Trust	729,704	25,627	325,627	22,227	22,227	29,795
Total Excess Revenue	\$ (491,678)	\$ 152,853	\$ (88,458)	\$ 123,203	\$ 150,713	\$ 213,203
Benefit % to Compensation	35.54%	35.95%	36.52%	32.86%	29.80%	30.81%

* Projected Actual is based on Actual Financials as of March 31, 2015, plus 3 months of projected amounts.

CHESLA Salary & Benefits Expense
Budget for the Twelve Months Ending June 30, 2016

	FYE June 30, 2013 Actual	FYE June 30, 2014 Budget	FYE June 30, 2014 Actual	FYE June 30, 2015 Budget	FYE June 30, 2015 Proj Actual	FYE June 30, 2016 Budget
Staff Compensation	\$ 139,558	\$ 145,140	\$ 144,224	\$ 151,435	\$ 151,055	\$ 159,007
Total Compensation	\$ 139,558	\$ 145,140	\$ 144,224	\$ 151,435	\$ 151,055	\$ 159,007
Payroll Taxes	\$ 10,689	\$ 11,061	\$ 10,995	\$ 11,677	\$ 11,677	\$ 12,258
Medical & Life Insurance						
CBIA Medical w/CBIA Life	6,781	9,334	7,885	3,796	3,419	3,732
Deductible Funding HSA (CHEFA)	1,875	3,750	5,625	2,812	2,813	1,875
Less: CBIA Co-insurance	(2,005)	(2,321)	(1,960)	(562)	(505)	(552)
Net Medical Insurance	6,651	10,763	11,550	6,046	5,726	5,055
CHEFA Alternative Insurance	2,800	2,800	3,033	2,800	2,800	2,800
Life Insurance	717	769	815	953	645	658
Dental	2,218	2,335	2,767	2,907	2,490	2,273
Total Medical, Life Insurance & Other	12,386	16,667	18,166	12,706	11,662	10,786
Pension						
Contributions	13,387	14,514	14,384	15,144	15,047	15,901
Administrative Fee	0	574	574	594	594	594
Total Pension	13,387	15,088	14,958	15,738	15,641	16,495
457 Plan	2,515	2,551	2,508	3,000	2,508	2,508
Vacation	5,125	0	0	0	0	0
Disability Insurance - Long Term	549	597	625	621	471	453
Disability Insurance - Short Term	570	620	649	647	579	679
Workers Compensation	351	600	748	368	379	815
Tuition	4,020	5,000	4,020	5,000	2,100	5,000
Total Employee Benefits	49,592	52,184	52,668	49,757	45,017	48,994
Total Employment	\$ 189,150	\$ 197,324	\$ 207,887	\$ 201,192	\$ 196,072	\$ 208,001

CHESLA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2016

	FYE June 30, 2013 Actual	FYE June 30, 2014 Budget	FYE June 30, 2014 Actual	FYE June 30, 2015 Budget	FYE June 30, 2015 Proj Actual	FYE June 30, 2016 Budget
Lease & Storage						
Lease - Office Space	\$ 8,329	\$ 12,048	\$ 12,048	\$ 12,362	\$ 12,388	\$ 12,668
Lease - Taxes/CAM fees	0	0	29	196	87	1,437
Offsite Storage & Filesanywhere (electronic storage)	321	400	433	114	100	114
Total Lease & Storage	8,650	12,448	12,509	12,672	12,575	14,219
Business Insurance						
Office Package	1,103	642	608	653	587	677
Cyber Policy	0	10,000	4,563	6,567	5,909	5,609
Fiduciary & Performance Bond & Terrorism	86	150	48	303	277	445
Directors and Officers Liability / Public Officials	25,489	33,540	18,723	16,753	13,652	14,591
Total Business Insurance	26,678	44,332	23,943	24,276	20,424	21,323
Office Supplies and Non Capital Equipment						
General Office Expense and Supplies	983	1,200	1,350	1,300	877	1,300
Non-Capital furniture, Equipment & Software Licensing	5,555	500	654	1,000	316	3,060
Total Office Supplies and Non Capital Equip	6,538	1,700	2,004	2,300	1,193	4,360
Communications: Telephone & Internet						
Phone, Data Svc & Conferencing	2,677	2,616	2,650	2,600	2,199	2,600
Website Development & Hosting	361	452	268	500	488	500
Total Communications: Phone & Internet	3,037	3,068	2,917	3,100	2,687	3,100
Postage Expense						
Postage & Courier Expense	2,842	2,750	2,568	2,761	3,616	3,000
Maintenance Contracts	4,769	5,534	5,635	5,277	5,099	6,058
Publications & Resource Materials	0	500	144	500	144	300
Marketing Costs						
Advertising	4,240	20,000	17,174	20,000	18,450	22,000
Brochures	999	1,000	972	1,000	1,000	1,000
Fees - Exhibit/Sponsorship	300	1,000	450	1,000	2,300	3,500
Promotional Items - Exhibit/Sponsorship	548	1,000	625	1,000	477	2,000
Community Programs	3,000	6,000	3,000	6,000	3,300	4,000
Misc Marketing	913	6,000	109	5,000	3,476	5,000
Total Marketing Costs	10,001	35,000	22,330	34,000	29,003	37,500
Miscellaneous						
ADP Payroll Service	1,270	1,300	1,314	1,350	1,405	1,450
Bank Fees & Safe Deposit Box	155	150	297	150	150	150
Staff Activities	0	125	0	500	0	0
Miscellaneous	1,917	2,391	23	1,000	0	500
Total Miscellaneous	3,342	3,966	1,633	3,000	1,555	2,100
Total General and Administrative Expenses	\$ 65,856	\$ 109,298	\$ 73,683	\$ 87,886	\$ 76,294	\$ 91,960
Bond Insurance Cost - Amortization	29,507	25,627	25,627	22,227	22,227	29,795
Bond Issuance Costs	700,197	0	300,000	0	0	0
Total Bond Issuance Cost	\$ 729,704	\$ 25,627	\$ 325,627	\$ 22,227	\$ 22,227	\$ 29,795

CHESLA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2016

	FYE June 30, 2013 Actual	FYE June 30, 2014 Budget	FYE June 30, 2014 Actual	FYE June 30, 2015 Budget	FYE June 30, 2015 Proj Actual	FYE June 30, 2016 Budget
Depreciation		\$ 0		\$ 0	0	\$ 0
Employee Reimbursable						
Staff business and travel expenses	1,458	750	268	750	92	500
Total Employee Reimbursable	1,458	750	268	750	92	500
Board Expense						
Board lunches	1,024	1,500	830	1,500	691	1,000
Board education	0	1,000	-	1,000	0	0
Total Board Expense	1,024	2,500	830	2,500	691	1,000
Conference & Education Expense						
CAPFAA	1,197	1,000	1,606	1,500	1,279	1,500
EFC	635	4,000	1,859	3,000	2,003	2,750
EASFAA	102	1,000	0	1,000	0	0
NASFAA	2,463	2,500	2,049	3,500	3,268	5,000
Other (Conferences and non tuition education)	27	1,000	99	1,000	0	1,000
Total Conference & Education Expense	4,424	9,500	5,612	10,000	6,549	10,250
Education - Board	-	-	0	0	0	0
Total Business Education, Board and Reimbursable	\$ 6,905	\$ 12,750	\$ 6,710	\$ 13,250	\$ 7,332	\$ 11,750
Memberships Dues	\$ 6,112	\$ 14,500	\$ 11,644	\$ 14,500	\$ 11,570	\$ 12,500
CHEFA Support Services	\$ 106,179	\$ 142,874	\$ 142,874	\$ 149,587	\$ 149,587	\$ 154,955

CHESLA Non Salary Expense
Budget for the Twelve Months Ending June 30, 2016

	FYE June 30, 2013 Budget	FYE June 30, 2013 Actual	FYE June 30, 2014 Budget	FYE June 30, 2014 Actual	FYE June 30, 2015 Budget	FYE June 30, 2015 Proj Actual	FYE June 30, 2016 Budget
Accounting Systems							
Enhancements (IT)	0	197	1,000	374	1,000	-	1,000
Total Accounting and IT Systems	0	197	1,000	374	1,000	0	1,000
Consultant Others							
Beers Hamerman & Co.	15,140	15,950	0	0	0	0	0
CCIC	26,500	26,500	0	0	0	0	0
Insurance Consultant	0	0	8,000	8,000	8,000	8,000	6,300
Total Consultant Others	41,640	42,450	8,000	8,000	8,000	8,000	6,300
Legal	80,000	80,000	0	0	0	0	0
Independent Auditors	34,000	34,000	27,000	26,250	27,038	27,038	31,500
Total Outside Services	\$ 155,640	\$ 156,647	\$ 36,000	\$ 34,624	\$ 36,038	\$ 35,038	\$ 38,800