



# MEMORANDUM

TAB D

August 21 , 2020

## USHE – Series 2020 Student Loan Revenue Bonds

[Utah Code 53B-13](#), empowers the Utah Board of Higher Education to make or purchase student loan notes and other debt obligations and to issue and sell bonds for such purposes. [On May 15, 2020, the former Utah Board of Regents approved a resolution to issue bonds and notes to restructure the Student Loan portfolio for economic benefit](#). The resolution contemplated that the notes would bear variable rates of interest. Following the adoption of the resolution, the Utah Higher Education Assistance Authority and its financial advisors re-examined market events and identified an opportunity to issue up to 65% of the notes at fixed rates of interest and improve the overall financial benefit to the Board.

UHEAA requests Board authorization to amend the previous resolution to permit (but not require) the issuance of fixed-rate notes in an amount not to exceed 65% of the total amount of notes issued with an interest rate not-to-exceed 4%. All other parameters of the original resolution will remain unchanged. A copy of the amending resolution is attached. Representatives from UHEAA, Gilmore and Bell (bond counsel), and Hilltop Securities (financial advisor) will attend the meeting to provide additional information and answer questions from the Board.

### Commissioner's Recommendations

The Commissioner recommends approval of the proposed Amending Resolution to allow for the issuance of fixed-rate bonds with the associated not-to-exceed parameters.

### Attachments

*AMENDING RESOLUTION  
THE UTAH SYSTEM OF HIGHER EDUCATION*

WHEREAS, the Utah Board of Higher Education, formerly known as the Utah Board of Regents, is established and exists under and pursuant to Section 53B-1-103, Utah Code Annotated 1953, as amended; and

WHEREAS, on May 15, 2020, the Board adopted a resolution regarding a proposed Student Loan Bond Restructure Authorization (the "Resolution") and authorized certain bonds or notes to be issued thereunder (the "Notes"); and

WHEREAS, EXHIBIT D to the Resolution contained (among other things) certain parameters for the Notes to be issued pursuant to the Resolution and such EXHIBIT contemplated that the Notes would bear interest at variable rates; and

WHEREAS, following the adoption of the Resolution, market events have given rise to a potential opportunity to issue up to 65% of the Notes at fixed rates of interest and improve the overall expected financial benefit to the Board; and

WHEREAS, the Board desires to amend said EXHIBIT D to permit the additional option (but not a requirement) to issue the Notes as fixed rate bonds or notes.

NOW, THEREFORE, BE IT RESOLVED BY THE UTAH BOARD OF HIGHER EDUCATION, AS FOLLOWS:

1. All terms defined in the foregoing recitals hereto shall have the same meanings when used herein.
2. EXHIBIT D to the Resolution is hereby amended by adding the following sentence at the end of said EXHIBIT:

"Notwithstanding the foregoing, the Interest Rate for up to 65% of the 2020 Notes may be at fixed rates that shall not exceed 4.0% per annum."

3. Save and except as amended hereby, the Resolution remains in full force and effect.
4. This Amending Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE UTAH BOARD OF HIGHER EDUCATION THIS 21<sup>ST</sup> DAY OF AUGUST, 2020.

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Harris H. Simmons, Chair  
Utah Board of Higher Education



ATTEST:

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Geoffrey T. Landward, Board Secretary