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Frank Edelblut  
Commissioner

Christine M. Brennan  
Deputy Commissioner

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF EDUCATION  
25 Hall Street  
Concord, NH 03301  
TEL. (603) 271-3495  
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January 10, 2024

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the New Hampshire Department of Education to enter into a **sole source** grant agreement with Granite Edvance Corporation (formerly the NHHEAF Network) Concord, NH (Vendor Code #381808) in the amount of \$50,000 to provide scholarships to public high schools to increase the number of first generation low income students to pursue a college degree, effective upon Governor and Council approval through June 30, 2025. 100% Other Funds.

Funds are available in the following account in Fiscal Years 2024 and 2025, with the authority to adjust budget line items within the price limitation and encumbrances between fiscal years through the Budget Office if needed and justified.

06-56-56-566510-67770000 HIGHER ED/TRANSCRIPT Admin Fees

Fiscal Year	Class/Account	Class Title	Total Amount
2024	102-500731	Contracts for Program Services	\$25,000
2025	102-500731	Contracts for Program Services	\$25,000
Total			\$50,000

**EXPLANATION**

This request is **sole source** because Granite Edvance Corporation is the exclusive provider of the ApplyNH campaign. New Hampshire's "ApplyNH" (formerly I Am College Bound / I Applied) campaign is designed to help high school seniors navigate the college admissions process and ensure that each student pursues a postsecondary education by inviting them to submit at least one college admission application during a particular school day with the support of their school and local higher education professionals. High Schools voluntarily participate in this program, and it is open to all public high schools, public academies, and public charter high schools.

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
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The \$25,000 each year will be used to support the *ApplyNH* effort by providing 50 scholarships to public high schools with a \$500 scholarship to be awarded to a student who participates in their school's program. This scholarship provides an incentive to participate.

This campaign is part of the American College Application Campaign, a national effort to increase the number of first-generation and low-income students pursuing a college degree or other higher education credential. 2023 will mark the tenth year New Hampshire has participated in this national initiative and based on the growth of this program, this is now a month-long initiative.

Respectfully submitted by,

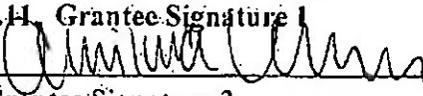
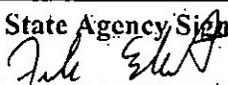


Frank Edelblut  
Commissioner of Education

GRANT AGREEMENT

The State of New Hampshire and the Grantee hereby  
Mutually agree as follows:  
GENERAL PROVISIONS

1. Identification and Definitions.

<b>1.1. State Agency Name</b> Department of Education		<b>1.2. State Agency Address</b> 25 Hall Street, Concord, NH 03301	
<b>1.3. Grantee Name</b> Granite Edvance Corporation F/K/A The NHHEAF Network		<b>1.4. Grantee Address</b> 3 Barrell Court, Concord, NH 03301	
<b>1.5. Grantee Phone #</b> 603.227.5459	<b>1.6. Account Number</b> See Exhibit C	<b>1.7. Completion Date</b> June 30, 2025	<b>1.8. Grant Limitation</b> \$ 50,000.00
<b>1.9. Grant Officer for State Agency</b> Frank Edelblut		<b>1.10. State Agency Telephone Number</b> 603.271.3144	
If Grantee is a municipality or village district: "By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
<b>1.11. Grantee Signature 1</b> 		<b>1.12. Name &amp; Title of Grantee Signor 1</b> Christiana Thornton, President & CEO	
<b>Grantee Signature 2</b>		<b>Name &amp; Title of Grantee Signor 2</b>	
<b>Grantee Signature 3</b>		<b>Name &amp; Title of Grantee Signor 3</b>	
<b>1.13. State Agency Signature(s)</b> 		<b>1.14. Name &amp; Title of State Agency Signor(s)</b>	
<b>1.15. Approval by Attorney General (Form, Substance and Execution) (if G &amp; C approval required)</b> By:  Assistant Attorney General, On: 1/17/2024			
<b>1.16. Approval by Governor and Council (if applicable)</b> By: _____ On: 1/1			

2. **SCOPE OF WORK:** In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT B (the scope of work being hereinafter referred to as "the Project").

3. AREA COVERED: Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.

4. EFFECTIVE DATE; COMPLETION OF PROJECT

4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").

4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date.")

5. GRANT AMOUNT; LIMITATION ON AMOUNT; VOUCHERS; PAYMENT

5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.

5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.

5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.

5.4. The payment by the State of the Grant amount shall be the only, and the complete, payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.

5.5. Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the Grant limitation set forth in block 1.8 of these general provisions.

6. COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS. In connection with the performance of the Project, the Grantee shall comply with all statutes, laws, regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.

7. RECORDS AND ACCOUNTS.

7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms of the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.

7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with the entity identified as the Grantee in block 1.3 of these provisions.

8. PERSONNEL.

8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.

8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.

8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.

9. DATA RETENTION OF DATA ACCESS.

9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations,

computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.

9.2. Between the Effective Date and the Completion Date, the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.

9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.

9.4. On and after the Effective Date all data, and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason, whichever shall first occur.

9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.

10. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.

11. EVENT OF DEFAULT; REMEDIES.

11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):

11.1.1 Failure to perform the Project satisfactorily or on schedule; or

11.1.2 Failure to submit any report required hereunder; or

11.1.3 Failure to maintain, or permit access to, the records required hereunder; or

11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.

11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

11.2.1 Give the Grantee a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Grantee notice of termination; and

11.2.2 Give the Grantee a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and

11.2.3 Set-off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and

11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.

12. TERMINATION.

12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.

12.3. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.

12.4. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice of default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.

13. CONFLICT OF INTEREST. No officer, member of employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

- approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
14. **GRANTEE'S RELATION TO THE STATE.** In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
15. **ASSIGNMENT AND SUBCONTRACTS.** The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.
16. **INDEMNIFICATION.** The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties assessed against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.
17. **INSURANCE.**
- 17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
- 17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and
- 17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
- 17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy.
18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.
19. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses first above given.
20. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire, if required or by the signing State Agency.
21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.
22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
23. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings relating hereto.
24. **SPECIAL PROVISIONS.** The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

**EXHIBIT A**  
**Special Provisions**

Additional Exhibits D-G

Grantee Initials CT  
Date 1/9/23

**EXHIBIT B  
Scope of Services**

New Hampshire's ApplyNH (formerly I Am College Bound/I Applied) campaign is designed to help high school seniors navigate the college admissions process and ensure that each student pursues a postsecondary education by inviting them to submit at least one college admission application during a particular school day with the support of their school and local higher education professionals.

The \$25,000 each year provided to Granite Edvance will be used to support the ApplyNH effort by providing 50 scholarships of \$500 each to public high schools, to be awarded to students who participate in their school's program in 2023 and 2024. Granite Edvance will schedule and provide staff to each high school that participates to run an event at the school where students can fill out their college applications. The application fees are waived and Granite Edvance will provide staff to assist students with the applications. NHED will provide the \$25,000 in scholarship money, with each school that participates randomly drawing a student participant to receive the scholarship. This scholarship provides an incentive to students to submit at least one college application with the support of their school, and the financial support of Granite Edvance. In November 2020, 1,214 New Hampshire high school seniors at 52 participating high schools submitted 13,611 college applications. These students saved an estimated \$90,000 as all NH colleges and universities waived application fees during each school's program.

This statewide initiative is led by a Steering Committee with members from the NH Department of Education, NH College & University Council, University System of New Hampshire, Community College System of New Hampshire, The NHHEAF Network, Campus Compact of New Hampshire, NH Charitable Foundation, NH School Counselors Association and NH Association of Student Aid Administrators.

This campaign is part of the American College Application Campaign, a national effort to increase the number of first-generation and low-income students pursuing a college degree or other higher education credential.

The NH Department of Education will be listed as a sponsor on all marketing material and a representative will be invited to attend and present scholarships.

**By the Numbers:**

Year	Number of Participating High Schools	Number of Participating Students	Number of College Applications Submitted	Scholarship Dollars Awarded
2024 (expected)	66	2,600	5,700	\$25,000
2023 (expected)	63	2,400	5,400	\$25,000
2022	61	2,135	5,191	\$25,000
2021	57	1,637	3,932	\$25,000
2020	52	1,214	2,972	\$20,000
2019	50	2,268	6,106	\$20,000
2018	42	1,672	4,442	\$21,000
2017	34	1,356	3,365	\$17,000

Grantee Initials CT  
Date 11/9/23

2016	24	1,054	2,221	\$12,000
2015	14	534	998	\$7,000
2014	6	264	533	\$3,000
Totals through 2022		12,134	29,760	\$150,000

In 2022, these high schools participated:

- Alvirne High School
- Belmont High School
- Berlin High School
- Coe-Brown Academy
- Colebrook Academy
- ConVal Regional High School
- Conant High School
- Concord High School
- Dover High School
- Epping High School
- Fall Mountain Regional High School
- Farmington High School
- Franklin High School
- Goffstown High School
- Gorham Middle & High School
- Hinsdale High School
- Inter-Lakes High School
- John Stark Regional High School
- Keene High School
- Kennett High School
- Kingswood Regional High School
- Laconia High School
- Lebanon High School
- Lisbon High School
- Littleton High School
- Londonderry High School
- Manchester Central High School
- Manchester Memorial High School
- Manchester School of Technology
- Manchester West High School
- Mascenic Regional High School
- Mascoma Valley Regional High School
- Merrimack High School
- Merrimack Valley High School
- Milford High School
- Moultonborough Academy
- Nashua High School North
- Nashua High School South
- Newfound Regional High School
- Newmarket Jr./Sr. High School
- Newport High School
- Nute High School
- Pembroke Academy
- Pittsburg High School
- Pittsfield High School
- Plymouth High School
- Portsmouth High School
- Profile High School
- Raymond High School
- Salem High School
- Sanborn Regional High School
- Somersworth High School
- Spaulding High School
- Stevens High School
- Timberlane Regional High School
- White Mountains Regional High School
- Wilton-Lyndeboro High School
- Winnacunnet High School
- Winnisquam Regional High School
- Woodsville High School

Grantee Initials CT

Date 4/9/23

**EXHIBIT C**  
**Method of Payment**

Program Expenses	Amount
Scholarships	
50 public high schools at \$500 per school - FY24	\$25,000
50 public high schools at \$500 per school - FY25	\$25,000
<b>Total:</b>	<b>\$50,000</b>

**Limitation on Price:** In no case shall the contract exceed the price limitation of \$50,000

**Funding Source:** Funds are available in the following account in Fiscal Years 2024 and 2025, with the authority to adjust budget line items within the price limitation and encumbrances between fiscal years through the Budget Office if needed and justified.

06-56-56-566510-67770000 HIGHER ED/TRANSCRIPT Admin Fees

Fiscal Year	Class/Account	Class Title	Total Amount
2024	102-500731	Contracts for Program Services	\$25,000
2025	102-500731	Contracts for Program Services	\$25,000
<b>Total</b>			<b>\$50,000</b>

**Method of Payment:** Invoices for scholarships for FY24 to be submitted to the NH Department of Education, Division of Educator Support and Higher Education – Higher Education Commission on or before June 30, 2024. Invoices for scholarships for FY25 to be submitted to the NH Department of Education, Division of Educator Support and Higher Education – Higher Education Commission on or before June 30, 2025.

**Invoices will be submitted to:**

Stephen Appleby  
NH Department of Education  
101 Pleasant Street  
Concord, NH 03301

Grantee Initials   C7    
Date   1/9/23

## EXHIBIT D

### Contractor Obligations

Contracts in excess of the simplified acquisition threshold (currently set at \$250,000) must address **administrative, contractual, or legal remedies** in instances where the contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate. Reference: 2 C.F.R. § 200.326 and 2 C.F.R. 200, Appendix II, required contract clauses.

The contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the contractor's actions pertaining to this contract.

The Contractor certifies and affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

#### **Breach**

A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. § 5.12.

#### **Fraud and False Statements**

The Contractor understands that, if the project which is the subject of this Contract is financed in whole or in part by federal funds, that if the undersigned, the company that the Contractor represents, or any employee or agent thereof, knowingly makes any false statement, representation, report or claim as to the character, quality, quantity, or cost of material used or to be used, or quantity or quality work performed or to be performed, or makes any false statement or representation of a material fact in any statement, certificate, or report, the Contractor and any company that the Contractor represents may be subject to prosecution under the provision of 18 USC §1001 and §1020.

#### **Environmental Protection**

(This clause is applicable if this Contract exceeds \$150,000. It applies to Federal-aid contracts only.)

The Contractor is required to comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857 (h)), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency (EPA) regulations (40 CFR Part 15) which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Violations shall be reported to the FHWA and to the U.S. EPA Assistant Administrator for Enforcement.

#### **Procurement of Recovered Materials**

In accordance with Section 6002 of the Solid Waste Disposal Act (42 U.S.C. § 6962), State agencies and agencies of a political subdivision of a state that are using appropriated Federal funds for procurement must procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired in the preceding fiscal year exceeded \$10,000; must procure solid waste management services in a manner that maximizes energy and resource recovery; and must have established an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Revised June 2022

Contractor Initials CT  
Date 1/9/23

## Exhibit E

### Federal Debarment and Suspension

- a. By signature on this Contract, the Contractor certifies its compliance, and the compliance of its Sub-Contractors, present or future, by stating that any person associated therewith in the capacity of owner, partner, director, officer, principal investor, project director, manager, auditor, or any position of authority involving federal funds:
1. Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal Agency;
  2. Does not have a proposed debarment pending;
  3. Has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal Agency within the past three (3) years; and
  4. Has not been indicted, convicted, or had a civil judgment rendered against the firm by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.
- b. Where the Contractor or its Sub-Contractor is unable to certify to the statement in Section a.1. above, the Contractor or its Sub-Contractor shall be declared ineligible to enter into Contract or participate in the project.
- c. Where the Contractor or Sub-Contractor is unable to certify to any of the statements as listed in Sections a.2., a.3., or a.4., above, the Contractor or its Sub-Contractor shall submit a written explanation to the NHED. The certification or explanation shall be considered in connection with the NHED's determination whether to enter into Contract.
- d. The Contractor shall provide immediate written notice to the NHED if, at any time, the Contractor or its Sub-Contractor, learn that its Debarment and Suspension certification has become erroneous by reason of changed circumstances.

Revised June 2022

Contractor Initials 07  
Date 1/9/23

## Exhibit F

### Anti-Lobbying

The Contractor agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, execute the following Certification:

The Contractor certifies, by signing and submitting this contract, to the best of his/her knowledge and belief, that:

- a. No federal appropriated funds have been paid or shall be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence any officer or employee of any State or Federal Agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal amendment, or modification of any Federal contract grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or shall be paid to any person for influencing or attempting to influence an officer or employee of any Federal Agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit the "Disclosure of Lobbying Activities" form in accordance with its instructions

<https://www.gsa.gov/forms-library/disclosure-lobbying-activities>

- c. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making and entering into this transaction imposed by Section 1352, Title 31 and U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- d. The Contractor also agrees, by signing this contract that it shall require that the language of this certification be included in subcontracts with all Sub-Contractor(s) and lower-tier Sub-Contractors which exceed \$100,000 and that all such Sub-Contractors and lower-tier Sub-Contractors shall certify and disclose accordingly.
- e. The NHED shall keep the firm's certification on file as part of its original contract. The Contractor shall keep individual certifications from all Sub-Contractors and lower-tier Sub-Contractors on file. Certification shall be retained for three (3) years following completion and acceptance of any given project.

Revised June 2022

Contractor Initials C7  
Date 1/9/23

## Exhibit G

### Rights to Inventions Made Under a Contract, Copy Rights and Confidentiality

#### Rights to Inventions Made Under a Contract or Agreement

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the NHED.

Any discovery or invention that arises during the course of the contract shall be reported to the NHED. The Contractor is required to disclose inventions promptly to the contracting officer (within 2 months) after the inventor discloses it in writing to contractor personnel responsible for patent matters. The awarding agency shall determine how rights in the invention/discovery shall be allocated consistent with "Government Patent Policy" and Title 37 C.F.R. § 401.

#### Confidentiality

All Written and oral information and materials disclosed or provided by the NHED under this agreement constitutes Confidential Information, regardless of whether such information was provided before or after the date on this agreement or how it was provided.

The Contractor and representatives thereof, acknowledge that by making use of, acquiring or adding to information about matters and data related to this agreement, which are confidential to the NHED and its partners, must remain the exclusive property of the NHED.

Confidential information means all data and information related to the business and operation of the NHED, including but not limited to all school and student data contained in NH Title XV, Education, Chapters 186-200.

Confidential information includes but is not limited to, student and school district data, revenue and cost information, the source code for computer software and hardware products owned in part or in whole by the NHED, financial information, partner information (including the identity of NHED partners), Contractor and supplier information, (including the identity of NHED Contractors and suppliers), and any information that has been marked "confidential" or "proprietary", or with the like designation. During the term of this contract the Contractor agrees to abide by such rules as may be adopted from time to time by the NHED to maintain the security of all confidential information. The Contractor further agrees that it will always regard and preserve as confidential information/data received during the performance of this contract. The Contractor will not use, copy, make notes, or use excerpts of any confidential information, nor will it give, disclose, provide access to, or otherwise make available any confidential information to any person not employed or contracted by the NHED or subcontracted with the Contractor.

#### Ownership of Intellectual Property

The NHED shall retain ownership of all source data and other intellectual property of the NHED provided to the Contractor in order to complete the services of this agreement. As well the NHED will retain copyright ownership for any and all materials, patents and intellectual property produced, including, but not limited to, brochures, resource directories, protocols, guidelines, posters, or reports. The Contractor shall not reproduce any materials for purposes other than use for the terms under the contract without prior written approval from the NHED.

Revised June 2022

Contractor Initials CT  
Date 11/9/23

Certificate of Authority

I, Scott Rogers, hereby certify that I am a duly appointed representative of Granite Edvance Corporation. I hereby certify that Christiana Thornton, President & CEO, is authorized to execute contracts on behalf of Granite Edvance Corporation and may bind the organization thereby.

**I hereby certify** that said authority has not been amended or repealed and remains in full force and effect as of the date of the contract to which this certificate is attached. This authority **remains valid for thirty (30) days**. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: January 22, 2024

Attest:



Scott Rogers  
Vice President and Chief Financial Officer

# State of New Hampshire

## Department of State

### CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that GRANITE EDVANCE CORPORATION is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on February 24, 1983. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 69165

Certificate Number: 0006341055



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 2nd day of November A.D. 2023.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan  
Secretary of State



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
11/29/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Marsh & McLennan Agency LLC - New England 100 Front St, Ste 800 Worcester MA 01608	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): 888-850-9400      FAX (A/C, No): 866-795-8016	
	<b>E-MAIL ADDRESS:</b> MMA.NewEngland.Cert@marshmc.com	
<b>INSURED</b> Granite Edvance Corporation PO Box 2087 Concord NH 03302	<b>NEWHAMPSHIGHER</b>	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
	<b>INSURER A:</b> Chubb National Insurance Company <b>NAIC #</b> 10052	
	<b>INSURER B:</b>	
	<b>INSURER C:</b>	
	<b>INSURER E:</b>	

**COVERAGES**      **CERTIFICATE NUMBER:** 1536462459      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:	Y	Y	[REDACTED]	9/30/2023	9/30/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	[REDACTED]	9/30/2023	9/30/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.I. EACH ACCIDENT \$ 500,000 E.I. DISEASE - EA EMPLOYEE \$ 500,000 E.I. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b>  NH Dept of Education 101 Pleasant Street Concord NH 03301	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	<b>AUTHORIZED REPRESENTATIVE</b> 



Introducing Granite Edvance, Formerly the NHHEAF Network

Nonprofit's new name highlights commitment to higher education, career access in the Granite State

A Concord nonprofit with a 60-year history of helping New Hampshire students access higher education is beginning a new chapter with a new name.

Granite Edvance, formerly known as the New Hampshire Higher Education Assistance Foundation (NHHEAF) Network, will continue supporting New Hampshire students and their families with free career and higher-education counseling and resources as well as funding assistance through loans, grants and scholarships.

The name change, effective Nov. 1, 2023, reflects a commitment to connecting with the community and a desire to offer a broader range of services and products. Already, the organization has begun increasing its impact. This year, it gave a total of \$300,000 in scholarships to 96 New Hampshire college students – its largest award yet; in 2024, Granite Edvance plans to award \$500,000 in scholarships. Last year, the organization began offering reduced interest rates to New Hampshire students on their private student loan.

"We've served as a trusted partner for thousands of New Hampshire students and their families as they navigate their education and career goals," said Granite Edvance President and CEO Christiana Thornton. "As we begin this new era, we're setting ambitious goals for ourselves. We want to expand our reach, supporting students of all backgrounds and ages, while also addressing the workforce needs and higher education challenges in our state."

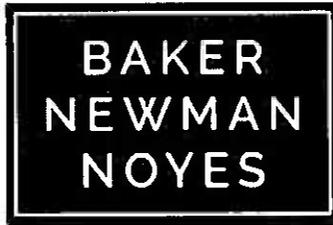
The enhanced focus on serving New Hampshire residents comes at a critical time. By 2025, an estimated 65% of jobs in New Hampshire will require a postsecondary education. The state is also facing a workforce gap of 197,000 over the next decade. Meanwhile, New Hampshire's young people are leaving the state to attend college in higher numbers than in any other state. They also shoulder one of the highest average student debts in the country, currently estimated to be \$34,085.

"We know that a college education is one of the most valuable investments a person can make, but we also know how challenging it can be to fund that education," said Thornton. "We're committed to helping students overcome the financial obstacles that stand in the way of completing their degree."

Granite Edvance recognizes that there are many different pathways to success. Its outreach team works to help students discover and achieve their education and career goals – whatever those goals may be. The team assists young people and adults in assessing their aptitudes and interests, exploring careers, researching job training programs, applying to two-year and four-year college, completing financial aid applications, and more.

"We know that helping people access higher education and career training will ultimately lead to more vibrant communities, and will benefit the state as a whole," said Granite Edvance Chief Strategy & Lending Officer John Flanders. "By directly supporting individuals, families, and educators – and working in partnership with community-based organizations – we will make a difference in New Hampshire."

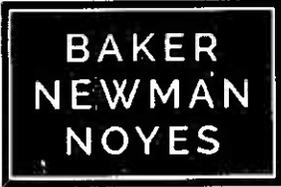
To learn more about Granite Edvance, visit our new website: [Graniteedvance.org](https://graniteedvance.org). To stay informed about news and events, follow Granite Edvance on Facebook, Instagram, and LinkedIn.



# **New Hampshire Higher Education Loan Corporation**

**Audited Consolidated Financial Statements**

*Years Ended September 30, 2022 and 2021  
With Independent Auditors' Report*



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
New Hampshire Higher Education Loan Corporation

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of New Hampshire Higher Education Loan Corporation and Subsidiaries (the Company), which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of within one year after the date that the financial statements are issued or available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Baker Newman & Noyes LLC*  
Manchester, New Hampshire  
December 21, 2022

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 11,396,881	\$ 11,437,165
Restricted cash	23,054,690	20,216,247
Interest receivable	23,330,714	25,430,723
Amounts due from U.S. Government – subsidized interest and other	709,545	2,048,381
Investment securities	106,279,217	150,038,247
Private loans, net	590,617,783	484,065,200
Federal Family Education loans, net	184,030,080	232,280,847
Due from Federal Fund	-	737,715
Accounts receivable, other	1,297,189	52,954
Property, plant and equipment, net	2,230,108	3,012,554
Assets whose use is limited:		
Cash collected on serviced loans	356,300	572,935
Other assets	<u>31,144</u>	<u>92,914</u>
 Total assets	 <u>\$ 943,333,651</u>	 <u>\$ 929,985,882</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 2,512,192	\$ 9,327,592
Accrued interest payable	332,146	281,164
Special allowance and fees payable to the U.S. Government	-	945,659
Other liabilities	58,189	211,583
Deferred revenue	-	655,000
Accrual for estimated loss on serviced loans	-	1,000,000
Notes payable, net	<u>653,828,513</u>	<u>610,217,049</u>
 Total liabilities	 656,731,040	 622,638,047
 Commitments and contingencies (notes 1, 2, 5 and 10)		
 Net assets:		
Without donor restriction	<u>286,602,611</u>	<u>307,347,835</u>
 Total liabilities and net assets	 <u>\$ 943,333,651</u>	 <u>\$ 929,985,882</u>

See accompanying notes.

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Change in net assets without donor restriction:		
Revenues and gains:		
Interest on student loans	\$ 40,083,855	\$ 38,484,245
Net interest benefits and special allowance on student loans	(1,540,549)	(3,066,239)
Net investment return	(20,490,643)	19,245,158
Other income	185,008	148,293
Gain on swap terminations	<u>5,055,440</u>	<u>—</u>
Total revenues and gains without donor restriction	23,293,111	54,811,457
Expenses:		
Interest expense	16,823,546	15,905,505
Salaries and fringe benefits	10,313,679	11,497,715
Consolidation loan fees	1,614,304	1,916,603
Bond administration expenses	679,524	454,076
Borrower rebates	1,770,150	1,389,989
Administrative and other expenses	7,505,073	5,836,946
Depreciation and amortization	965,172	1,043,135
Provision for losses on student loans	<u>5,935,314</u>	<u>1,762,199</u>
Total expenses	<u>45,606,762</u>	<u>39,806,168</u>
(Decrease) increase in net assets before effects of discontinued operations	(22,313,651)	15,005,289
Gain from discontinued operations	<u>1,568,427</u>	<u>7,457,837</u>
(Decrease) increase in net assets without donor restriction	(20,745,224)	22,463,126
Net assets without donor restriction at beginning of year	<u>307,347,835</u>	<u>284,884,709</u>
Net assets without donor restriction at end of year	<u>\$ 286,602,611</u>	<u>\$ 307,347,835</u>

See accompanying notes.

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
(Decrease) increase in net assets without donor restriction	\$ (20,745,224)	\$ 22,463,126
Adjustments to reconcile (decrease) increase in net assets without donor restriction to net cash (used) provided by operating activities:		
Capitalized student loan interest	(12,174,630)	(5,512,171)
Amortization of deferred loan origination costs	3,019,623	2,337,650
Amortization of debt issuance costs	885,451	1,031,702
Amortization of original issue discount	732,729	917,518
Provision for losses on student loans	5,935,314	1,762,199
Gain on swap terminations	(5,055,440)	-
Net realized and unrealized losses (gains) on investments	22,952,485	(17,403,462)
Depreciation and amortization	965,172	1,043,135
Changes in operating assets and liabilities:		
Amounts due from U.S. Government	1,356,908	19,062
Interest receivable	2,100,009	(5,813,262)
Cash collected on serviced loans	216,635	439,799
Accrued interest payable	50,982	(49,947)
Special allowance and due to/from the U.S. Government	(963,731)	(119,463)
Accounts receivable, other	(1,244,235)	(50,525)
Other assets	61,770	23,914
Accounts payable and accrued expenses	(6,815,400)	6,177,676
Other liabilities	(153,394)	(276,496)
Due from/to Federal Fund	737,715	(739,067)
Deferred revenue	(655,000)	(58,000)
Accrual for estimated loss on serviced loans	<u>(1,000,000)</u>	<u>-</u>
Net cash (used) provided by operating activities	(9,792,261)	6,193,388
Cash flows from investing activities:		
Student loan disbursements	(209,736,582)	(123,264,795)
Student loan principal payments received	159,991,111	133,781,732
Loan origination costs paid for student loans	(5,336,652)	(3,210,476)
Purchases of property, plant and equipment	(182,726)	(695,527)
Purchases of investments	(16,439,434)	(100,641,019)
Sales of investments	<u>37,245,979</u>	<u>77,696,031</u>
Net cash used by investing activities	(34,458,304)	(16,334,054)

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from financing activities:		
Payments on notes payable	\$ (134,561,141)	\$ (106,554,714)
Net payments on line of credit	-	(385,722,824)
Proceeds from swap terminations	5,055,440	-
Proceeds from notes payable issuance	177,830,075	512,582,674
Debt issuance costs	<u>(1,275,650)</u>	<u>(5,104,657)</u>
Net cash provided by financing activities	<u>47,048,724</u>	<u>15,200,479</u>
Net increase in cash, cash equivalents and restricted cash	2,798,159	5,059,813
Cash, cash equivalents and restricted cash at beginning of year	<u>31,653,412</u>	<u>26,593,599</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 34,451,571</u>	<u>\$ 31,653,412</u>
Reconciliation of cash, cash equivalents and restricted cash to the Consolidated Statements of Financial Position:		
Cash and cash equivalents	\$ 11,396,881	\$ 11,437,165
Restricted cash	<u>23,054,690</u>	<u>20,216,247</u>
	<u>\$ 34,451,571</u>	<u>\$ 31,653,412</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 15,154,384	\$ 14,006,232

See accompanying notes.

# NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

### 1. Organization

New Hampshire Higher Education Loan Corporation (NHHELCO) is a private, non-profit, tax-exempt corporation founded in 1983 and organized for the charitable and educational purpose of providing financial assistance primarily to eligible New Hampshire students and to take and carry out all actions and functions reasonably necessary for the accomplishment of these purposes. During September 1993, NHHELCO became an eligible lender under the Federal Family Education Loan (FFEL) Program. NHHELCO also provides private non-guaranteed student loans which are aimed at borrowers who have difficulty obtaining financial assistance through Federal loan programs.

New Hampshire Higher Education Assistance Foundation (the Foundation or NHHEAF) is a private, non-profit, tax-exempt corporation founded in 1962 for the purpose of guaranteeing long-term, low interest rate educational loans made by financial institutions to students attending colleges and technical schools. On April 1, 2020, the Foundation, which consists of an operating fund and Federal Fund as discussed in note 2, became a wholly-owned subsidiary of NHHELCO. With the passage of the Federal *Higher Education Act of 1965* (the HEA), the Foundation became the administering agency in New Hampshire for the FFEL Program. Prior to July 1, 2010, the Foundation sponsored guaranteed loan programs in which both students and parents participated.

Reference to “the Company” collectively describes NHHELCO and its subsidiaries. The Company is not an agency, instrumentality, or department of, or otherwise affiliated in any manner with the State of New Hampshire.

During the Company’s fiscal year 2010, the Federal government passed the *Student Aid and Fiscal Responsibility Act* (SAFRA) legislation which ended new originations under the FFEL Program effective July 1, 2010, therefore has reduced NHHELCO’s Federal loan portfolio and related revenue over time.

On February 9, 2021, management of the Foundation notified the United States Department of Education’s (ED) Office of Federal Student Aid (FSA) of its decision to cease functioning as a FFEL Program guarantee agency. During 2021, the Foundation worked with ED and the successor guarantee agency as appointed by ED, Texas Guarantee Student Loan Corporation d/b/a Trellis Company (Trellis), to transfer guarantor responsibilities. Under the agreement made on September 1, 2021 between the Foundation, ED and Trellis, the guarantor functions and responsibilities of the Foundation’s FFEL Program portfolio transferred on October 1, 2021. As defined in the agreement, the Foundation retains the Guarantee Agency Operating Fund (see note 2) and all amounts as of the transfer date subject to certain continuing restrictions of their future use. The Foundation is developing plans to use those funds in furtherance of its mission to support New Hampshire students and families in navigating their education and career pathways. It was recognized under the agreement that ED had paid default aversion fees to the Foundation, of which the Foundation had recorded deferred revenue associated with default aversion fees that could have been required to be refunded to FSA (see note 2). On the transfer date, the Foundation remitted \$216,000 to Trellis in exchange for Trellis’ assumption of future default aversion fees that may be refunded to FSA. Under the agreement, the Foundation accrued approximately \$328,000 in estimated conversion costs payable to Trellis at September 30, 2021 within accounts payable and accrued expenses in the accompanying 2021 consolidated statement of financial position. These amounts were paid in 2022. See note 14.

# NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

### 1. Organization (Continued)

NHHELCO had a student loan servicing contract with ED to provide servicing for loans owned by ED. These loans include Federal Direct Loan Program loans originated directly by ED and FFEL Program loans purchased by ED. NHHELCO earned a monthly fee from ED for each unique borrower who has loans owned by ED and serviced by NHHELCO.

On July 19, 2021, the Board of Trustees of NHHELCO voted not to renew the student loan servicing contract with ED expiring on March 31, 2022. During 2022, NHHELCO worked with ED to transfer all federal direct student loans that were currently being serviced by NHHELCO to EdFinancial Services. This transfer was completed in March 2022. See note 14.

In accordance with its mission, the Company voluntarily provided approximately \$263,000 and \$175,000 in 2022 and 2021, respectively, to support New Hampshire students and families in navigating their educational and career pathways. Such amounts are recorded as administrative expenses in the accompanying 2022 and 2021 consolidated statements of activities and changes in net assets.

### 2. Summary of Significant Accounting Policies

The accounting and reporting policies of the Company conform with accounting principles generally accepted in the United States of America (U.S. GAAP). The following describes the more significant accounting policies:

#### Consolidation

The consolidated financial statements contain the accounts of NHHELCO and its subsidiaries, the Foundation; NHHEAF Network Educational Foundation which was an inactive, not for profit, tax-exempt entity before its ultimate dissolution in 2022; EDvestinU Private Loan Issue No. 1, LLC, EDvestinU Private Loan Issue No. 2, LLC, EDvestinU Private Education Loan Issue No. 3, LLC and EDvestinU Private Education Loan Issue No. 4, LLC, which are wholly-owned limited liability companies that originate and purchase private non-guaranteed student loans; and Granite Business Solutions, Inc. (GBS) which is an inactive for-profit corporation. The Foundation's accounts include an operating fund, which is consolidated within the accompanying consolidated statements of financial position, activities and changes in net assets and cash flows, and a Federal Fund, which is further discussed below and in note 13. All significant intercompany balances and transactions have been eliminated in consolidation.

#### Basis of Accounting

The Company is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. Any support or contributions received are recorded as without donor restriction or with donor restriction depending on the existence and/or nature of any donor restrictions. The Company does not have any net assets with donor restriction at September 30, 2022 or 2021. The financial statements are prepared on the accrual method of accounting and accordingly recognize revenues as earned and expenses as incurred.

# NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

### 2. Summary of Significant Accounting Policies (Continued)

The *Higher Education Amendments of 1998* (the Amendments) were enacted on October 7, 1998, with an effective date of October 1, 1998, for most provisions. The Amendments changed the financial and reporting structure of guarantee agencies such as the Foundation. The Amendments required the establishment of a Federal Student Loan Reserve Fund (Federal Fund) and Guarantee Agency Operating Fund (Operating Fund) to account for the FFEL Program activities.

The Federal Fund assets and earnings on those assets are the property of the Federal government and are limited to paying lender claims, default aversion fees, and under certain circumstances, account maintenance fees to the Foundation's operating fund. All existing reserve funds, securities, and other liquid assets at October 1, 1998, were deposited into the Foundation's Federal Fund. Additional ongoing deposits into the Foundation's Federal Fund include reinsurance payments, the complement of reinsurance on default collections, the ED's equitable share of collections, guarantee fees charged to borrowers, and Federal Fund interest income. The Foundation acts in a custodian capacity for this Fund. The resources of this Fund cannot be used to support the Foundation's operations. As a result, this Fund is not reported in the consolidated financial statements of the Company. See note 13 for additional details of amounts held for ED.

The Foundation's operating fund is without donor restriction and the property of the Foundation. ED may not regulate the uses or expenditures of these funds. The Foundation's operating fund is used for the administration of the programs authorized by Title IV Part B of the HEA, as amended, and other related activities under the statute. Deposits into this fund include account maintenance fees paid by ED on all outstanding loan guarantees, default aversion fees paid from the Federal Fund, loan consolidation fees, and collections on defaulted loans (loan rehabilitation fees) after remitting ED's share to the Federal Fund. See also notes 1 and 14.

#### Management Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimate used in the preparation of the consolidated financial statements is the allowance for losses on student loans.

#### Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with original maturities of three months or less when purchased, other than restricted cash, to be cash equivalents.

The Company maintains cash in bank deposit accounts which, at times, may exceed amounts guaranteed by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk of loss on cash and cash equivalents.

# NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

### 2. Summary of Significant Accounting Policies (Continued)

As of September 30, 2022 and 2021, the Company has restricted cash of \$22,149,451 and \$19,799,097, respectively, in Wells Fargo Bank Advantage Funds 100% Treasury (the Fund) under restrictions set forth in the floating rate note and variable rate demand bonds for the payment of bond principal, interest, and certain fees (see also note 6). The Fund seeks current income exempt from most state and local individual income taxes, while preserving capital and liquidity. The Fund invests exclusively in high-quality, short-term money market instruments that consist of U.S. Treasury obligations. The difference between the invested balance and restricted cash recorded in the 2022 and 2021 consolidated statements of financial position is due to deposits in transit of \$905,239 and \$417,150 at September 30, 2022 and 2021, respectively.

#### Investment Securities

Investment securities are carried at fair value. Net investment return in the consolidated statements of activities and changes in net assets includes both unrealized and realized investment gains and losses and interest and dividend income net of investment fees. Realized gains and losses are based on the specific identification of the related investments.

The Company invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements. The investments in the Vanguard Total Stock Market Index Fund totaling \$16,661,534 exceeded 10% of investment securities at September 30, 2022. The investments in the Vanguard Total Stock Market Index Fund and Western Asset Ultra Short Income Fund totaling \$19,918,533 and \$18,411,369, respectively, exceeded 10% of investment securities at September 30, 2021.

#### Revenue Recognition

The Company accounts for revenues under Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, and determines the amount of revenue to be recognized through application of the following steps:

- Identification of the contract with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Company satisfies the performance obligations.

Revenues are recognized when performance obligations are satisfied, or attributable to the period in which specific terms of the funding agreement are satisfied, and to the extent that expenses have been incurred for the purposes specified by the funding source. Revenue balances in excess of the foregoing amounts are deferred until any restrictions are met or allowable expenditures are incurred.

# NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

### 2. Summary of Significant Accounting Policies (Continued)

#### Student Loans

Student loans consist of guaranteed student loans and private loans which are made to post-secondary students attending eligible educational institutions and guaranteed parental loans made to parents of dependent undergraduate students, graduate and professional students and independent undergraduate students attending eligible educational institutions. Student loans also include consolidation loans which are loans to eligible borrowers that combine two or more existing student loans and extend the repayment period. Student loans are stated at their unpaid principal balance plus the unamortized amount of loan origination costs paid to disburse the loans. Loan origination costs are deferred and recognized as a reduction of interest income on student loans over the estimated life of student loans on a method which approximates the level yield. Interest on student loans is recognized as revenue in the period earned. The Company considers student loans past due upon 15 days after payment due date.

ED makes quarterly interest subsidy payments on guaranteed loans on behalf of certain qualified borrowers until the borrower is required to begin repayment. Repayment on Stafford Student Loans normally begins within six months after borrowers complete their course of study, leave school or cease to carry at least one-half the normal full-time academic load as determined by the educational institution. Repayment of PLUS, SLS and Consolidation loans normally begins within sixty days from the date of loan disbursement unless a deferment of payments has been granted. In these cases, full repayment of principal and interest would resume at the expiration of the deferment. Interest accrues during this deferment period.

ED provides a special allowance to lenders participating in the Stafford, PLUS, SLS, and Consolidation student loan programs. Special allowance is paid based on a rate that is established quarterly. For loans first disbursed before January 1, 2000, the rate is based on the average rate established in the auction of the thirteen-week U.S. Treasury bill, plus a pre-determined factor, less the interest rate on the loan. For loans first disbursed on or after January 1, 2000, financed with obligations issued after October 1, 1993, the rate is based on 1-month LIBOR, plus a pre-determined factor, less the interest rate on the loan. On March 15, 2022, the *Adjustable Interest Rate (LIBOR) Act* (LIBOR Act) was signed into law. The LIBOR Act establishes a uniform benchmark replacement process for LIBOR, which is scheduled to be phased out by June 30, 2023. Among other things, the LIBOR Act amended section 438(b)(2)(I) of the HEA, as amended. This new provision requires FFEL Program lenders to transition away from LIBOR based special allowance payments to a new formula set by the law based on SOFR. The transition may occur any time on or before June 30, 2023. However, a FFEL Program lender must transition to the SOFR based special allowance payment calculation by July 1, 2023, as a condition of continued participation in FFEL Program.

Interest on student loans is recognized as revenue in the period earned on guaranteed student loans and until a private loan defaults after 180 days past due. Special allowance is recognized as revenue in the period earned on guaranteed student loans.

## NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

#### 2. Summary of Significant Accounting Policies (Continued)

##### Allowance for Loan Losses

Student loans consist of guaranteed and private loans. Guaranteed student loans were primarily guaranteed by the Foundation through September 30, 2021 (Trellis beginning on October 1, 2021 as discussed in note 1) and substantially all such loans are reinsured by ED. Private loans have no guarantee and there is the risk that guaranteed loans may lose their guarantee and become uncollectible under certain circumstances. Student loans originated under the FFEL Program subsequent to July 1, 2006, are only reinsured for 97% of the principal amount. Student loans under the FFEL Program originated on or after October 1, 1993 and before July 1, 2006, are reinsured for 98% of the principal amount. Student loans under the FFEL Program originated prior to October 1, 1993, are 100% reinsured. At September 30, 2022 and 2021, NHHELCO's student loans under the FFEL Program are subject to a minimum of 97% guarantee. Therefore, management of NHHELCO has established an allowance for loan losses to provide for probable losses. The amount of the allowance, which is established through a provision for losses on student loans charged to expense, is based on management's estimation of the probable losses within the portfolio. In estimating the adequacy of the allowance for loan losses, management considers such factors as the nature and volume of the portfolio, historical default rates, the percentage of loans guaranteed and their guaranteed percentage and current economic conditions that may affect the borrowers' ability to repay. Actual results could differ from those estimates. Loans are charged-off when deemed uncollectible.

##### Direct Loan Servicing

Prior to electing not to renew this contract, NHHELCO serviced federally-owned student loans for ED. The Company earned a monthly fee for each unique borrower, which was recorded as revenue when earned. See note 14 regarding discontinuing the direct loan servicing contract.

##### Account Maintenance Fees

Account maintenance fees were accrued when earned from ED. This fee was based on 0.06% of the original principal amount of FFEL Program loan guarantees.

##### Rehabilitation and Consolidation Fees

Rehabilitation fees on defaulted loans were charged to a borrower as provided under the FFEL Program for which the borrower had made nine consecutive payments at 16.0% of the loan balance due. The fee was nonrefundable. Consolidation fees were primarily charged to a borrower as provided under the FFEL Program and were based on consolidating defaulted loans. Rehabilitation and consolidation fees were recorded as revenue when the performance obligation had been met.

# NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

### 2. Summary of Significant Accounting Policies (Continued)

#### Default Aversion Fees

Default aversion fees were recognized for default aversion activities on delinquent loans at the time the lenders requested default aversion assistance and the assistance was provided. At the time the guaranty agency received a request from the lender for assistance and the assistance was provided, a one-time fee equal to 1.0% of the principal and accrued interest on the loan was payable from the Foundation's Federal Fund to the Foundation's operating fund. However, the fee was required to be refunded to the Foundation's Federal Fund in the event the loan was later paid as a default claim. Accordingly, deferred revenue had been established and recorded as a liability in the 2021 consolidated statement of financial position based upon an estimate of amounts to be refunded to the Federal Fund. See note 1 relating to the payment made to the successor guarantor agency in 2022 to transfer all future liability.

#### Purchases of Defaulted Loans

Purchases by the Foundation of guaranteed student loans in default were recorded as a receivable from ED at the time of notice of default from the lending institution based upon the estimated reimbursement to be received from ED. The Foundation was reimbursed for claims submitted to ED in accordance with a schedule as described in note 12.

A liability to ED for the reinsured portion of defaulted loans subsequently collected was recorded at the time such collections were received by the Foundation.

#### Debt Issuance Costs / Original Issue Discounts

The original issue discounts and debt issuance costs are presented as a reduction of the face amount of the notes payable. Original issue discounts are being amortized using the effective interest rate method as a component of interest expense. Debt issuance costs incurred in obtaining financing arrangements are being amortized on the straight-line basis over the estimated term of the related financing arrangements, which approximates the effective yield method.

#### Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Costs incurred by the Company in the development of software used to provide services to customers or internal administration services are stated at cost less accumulated amortization. The provision for depreciation and amortization has been computed on the straight-line method at rates intended to amortize the cost of related assets over their estimated useful lives.

# NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

### 2. Summary of Significant Accounting Policies (Continued)

#### Accrual for Estimated Loss on Serviced Loans

As part of the Company's servicing of FFEL Program loans and loans originated under the Federal Direct Loan Program (prior to the expiration of this contract in 2022) and private loans, the Company was required to indemnify the institutions in the event the serviced loans lose their guarantee, or are otherwise uncollectible as a result of defects in the Company's servicing. The indemnification on Federal Direct Loans is limited to servicing fees. As a result of the indemnification, the Company had established an accrual for estimated losses on serviced loans. The accrual was based, in part, on the amount of FFEL Program loans and private loans serviced (approximately \$734,000,000 at September 30, 2021), related servicing fees on Federal Direct Loans and the Company's analysis of the risk of defaults in the portfolio. In 2022 and 2021 the Company paid no amounts related to claims made on certain loans with servicing defects. In 2022, the Company concluded that the accrual for estimated loss on serviced loans was no longer necessary (see note 14).

#### Advertising Costs

The Company expenses all advertising costs as incurred. Advertising expenses for the years ended September 30, 2022 and 2021 were approximately \$406,800 and \$324,600, respectively.

#### Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. The COVID-19 outbreak could negatively impact, for some period of time, the overall economy as well as certain business segments, including the student loan industry. Investment markets have experienced increased volatility which could negatively affect the carrying value of the Company's investments. On April 3, 2020, ED issued certain provisions applicable to the Company in regards to the COVID-19 outbreak. The Company was instructed to stop collection activities on FFEL Program defaulted loans, which is currently extended through June 30, 2023; and must follow other administrative requirements during this period. As allowed by ED, the Federal Fund reimbursed the Operating Fund approximately \$682,000 in 2021 for lost revenues that the Foundation could not reasonably collect due to these instructions to stop collection activities on the FFEL Program defaulted loans. Any potential future impact on the Company's operations is unknown at this time.

#### Income Taxes

The Company has received a determination letter from the Internal Revenue Service stating that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the FASB, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense.

# NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

### 2. Summary of Significant Accounting Policies (Continued)

GBS, EDvestinU Private Loan Issue No. 1, LLC, EDvestinU Private Loan Issue No. 2, LLC, EDvestinU Private Loan Issue No. 3, LLC and EDvestinU Private Loan Issue No. 4, LLC are subject to federal and state tax laws, as applicable. They recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for loss and other carryforwards. These assets and liabilities are measured using rates expected to be in effect when differences reverse. Valuation allowances are provided to the extent that tax assets are not likely to be recovered. Deferred tax assets and liabilities at September 30, 2022 and 2021 were not significant.

Under guidance issued by the FASB, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the “more-likely-than-not” threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense.

The Company has evaluated the positions taken on its filed tax returns. The Company has concluded no uncertain income tax positions exist at September 30, 2022 or 2021.

#### Functional Allocation of Expenses

The costs of providing program services and general and administrative activities have been summarized on a functional basis in note 11. Accordingly, costs have been allocated among program services and general and administrative services benefitted.

#### Recent Accounting Pronouncement

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The amendments in this ASU affect entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The main objective of this ASU is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this ASU replace the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss. This ASU also requires enhanced disclosures to help investors and other financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of a reporting entity’s portfolio. Additionally, this ASU amends the accounting for credit losses on purchased financial assets with credit deterioration. The FASB has issued subsequent ASUs which have extended the original effective date from October 1, 2021 to October 1, 2023. The Company will apply the amendments in this update through a cumulative-effect adjustment to net assets as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach). Management is currently assessing the impact of the adoption of ASU 2016-13 on its consolidated financial statements.

NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

2. Summary of Significant Accounting Policies (Continued)

Subsequent Events

Events occurring after the consolidated statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated subsequent events through December 21, 2022, which is the date the consolidated financial statements were available to be issued.

3. Liquidity and Resources

Financial assets available for general expenditure, such as for operating expenses, and that are without other restrictions limiting their use, within one year of the 2022 consolidated statement of financial position date (September 30, 2022), comprise the following:

Cash and cash equivalents	\$ 11,396,881
Accounts receivable, other	1,297,189
Amounts due from U.S. Government – subsidized interest and other	709,545
Investment securities	<u>106,279,217</u>
	<u>\$ 119,682,832</u>

To manage liquidity, the Company maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the Company. In addition, student loan payments of principal and interest will continue to be made to allow the Company to pay down debt.

4. Investment Securities

Investments, at fair value, are as follows at September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Mutual funds	\$ 84,947,884	\$ 119,638,161
Exchange traded funds	15,584,446	22,346,590
Alternative investments:		
Global equity	2,462,445	3,760,658
Global real estate	<u>3,284,442</u>	<u>4,292,838</u>
	<u>\$ 106,279,217</u>	<u>\$ 150,038,247</u>

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2022 and 2021

**4. Investment Securities**

Net investment return consists of the following:

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 2,797,807	\$2,180,577
Net realized and unrealized (losses) gains on investments	(22,952,485)	17,403,462
Investment fees	<u>(335,965)</u>	<u>(338,881)</u>
Net investment return	<u>\$(20,490,643)</u>	<u>\$19,245,158</u>

**5. Student Loans**

Student loans bear annual fixed or variable interest rates ranging from 2.88% to 11.55%. Most of the Company's borrowers are located in the New England states, primarily in the State of New Hampshire.

ED restricts student loan interest revenue for loans first disbursed on or after April 1, 2006. The Company is required to return borrower loan interest in excess of the special allowance formula rates for certain Stafford, PLUS and Consolidation loans to ED. The return of interest totaled \$2,403,759 and \$3,507,630 in 2022 and 2021, respectively, and is reflected as a reduction of net interest benefits and special allowance on student loans in the consolidated statements of activities and changes in net assets.

Student loans are classified as being in "interim" status during the period from the date the loan is made until a student is out of school either for six or nine months. Subsequent to this period, student loans are classified as being in "repayment" status. "Deferral" status is a period during the life of the loan when repayment is suspended for authorized purposes.

Management has determined that the FFEL student loans and private loans are portfolio segments. NHHELCO does not disaggregate its portfolio segments into classes of receivables. Loans within each segment are evaluated collectively.

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2022 and 2021

**5. Student Loans (Continued)**

Student loans held for investment at September 30, 2022 and 2021 are summarized as follows:

	2022		2021	
	FFEL Loans	Private Loans	FFEL Loans	Private Loans
<b>Status:</b>				
Interim status	\$ 90,232	\$ 122,544,913	\$ 168,569	\$ 124,081,975
Deferral status	5,640,862	20,467,644	8,315,993	16,448,833
Repayment status:				
Current	149,497,931	455,347,401	210,383,742	353,910,686
Noncurrent	28,975,017	11,228,919	13,527,350	7,015,511
Deferred loan origination costs, net of amortization	-	9,810,417	-	7,493,388
Less: allowance for loan losses	<u>(173,962)</u>	<u>(28,781,511)</u>	<u>(114,807)</u>	<u>(24,885,193)</u>
<b>Total student loans</b>	<b><u>\$ 184,030,080</u></b>	<b><u>\$ 590,617,783</u></b>	<b><u>\$ 232,280,847</u></b>	<b><u>\$ 484,065,200</u></b>

	2022	2021
<b>Guarantee type:</b>		
U.S. Department of Education:		
Guaranteed	\$ 184,153,802	\$ 232,324,192
Loss guarantee	50,240	71,462
Other – nonguaranteed	609,588,877	501,457,005
Deferred loan origination costs, net of amortization	9,810,417	7,493,388
Less: allowance for loan losses	<u>(28,955,473)</u>	<u>(25,000,000)</u>
<b>Total student loans</b>	<b><u>\$ 774,647,863</u></b>	<b><u>\$ 716,346,047</u></b>

The student loans are pledged to the repayment of notes payable and lines of credit outstanding.

Transactions in the allowance for loan losses for the years ended September 30, 2022 and 2021 were as follows:

	2022		2021	
	FFEL Loans	Private Loans	FFEL Loans	Private Loans
Balance, October 1	\$ 114,807	\$ 24,885,193	\$ 131,089	\$ 23,568,911
Provision for losses on student loans	254,538	5,680,776	56,388	1,705,811
Loans charged off	(195,383)	(2,356,393)	(72,670)	(862,543)
Recoveries	<u>-</u>	<u>571,935</u>	<u>-</u>	<u>473,014</u>
<b>Balance, September 30</b>	<b><u>\$ 173,962</u></b>	<b><u>\$ 28,781,511</u></b>	<b><u>\$ 114,807</u></b>	<b><u>\$ 24,885,193</u></b>

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2022 and 2021

**5. Student Loans (Continued)**

The following table presents an aging analysis of past due loans as of September 30, 2022 and 2021.

	<u>2022</u>		<u>2021</u>	
	<u>FFEL Loans</u>	<u>Private Loans</u>	<u>FFEL Loans</u>	<u>Private Loans</u>
31 – 60 days past due	\$ 5,787,779	\$ 5,650,096	\$ 4,169,518	\$3,692,160
61 – 90 days past due	3,225,311	2,608,227	1,722,643	1,451,453
Greater than 90 days past due	18,470,961	2,970,596	6,694,659	1,871,898
Claims filed	<u>1,490,966</u>	<u>—</u>	<u>940,530</u>	<u>—</u>
Total past due	<u>\$28,975,017</u>	<u>\$11,228,919</u>	<u>\$13,527,350</u>	<u>\$7,015,511</u>

At September 30, 2022 and 2021 substantially all delinquent FFEL loans were re-insured by ED.

**Loan Commitments**

At September 30, 2022, NHHELCO had commitments to extend credit for private loans of approximately \$24,954,000. Commitments to extend credit are agreements to lend to a borrower as long as there is no violation of any condition established in the commitment agreement. Commitments generally have fixed expiration dates or other termination clauses. NHHELCO uses the same credit policies in making commitments as it does for student loans.

**6. Debt**

NHHELCO has outstanding the following notes at September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Asset-Backed Notes 2016-1 (2016 ABN) issued August 4, 2016. Taxable; Redeemable on a monthly basis with the collections on student loans, after paying interest and reasonable fee and expenses. All principal payments are applied to Class A Notes (paid in full in 2022), then Class B Notes until paid in full; maturing October 26, 2037, then Class C Notes; maturing June 27, 2039:		
Class A Notes	\$ —	\$ 12,741,968
Class B Notes	13,502,623	14,000,000
Class C Notes	7,200,000	7,200,000
Asset-Backed Notes 2019-1 (2019 ABN) issued April 18, 2019. Taxable; Redeemable on a monthly basis with the collections on student loans, after paying interest and reasonable fee and expenses. All principal payments are applied to Class A Notes until paid in full; maturing November 25, 2038, then Class B Notes until paid in full; maturing November 25, 2043:		
Class A Notes	65,832,071	96,723,348
Class B Notes	31,000,000	31,000,000

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

**6. Debt (Continued)**

	<u>2022</u>	<u>2021</u>
Taxable Student Loan-Backed Notes issued October 15, 2020. Redeemable on a monthly basis with the collections on student loans, after paying interest and reasonable fees and expenses. All principal payments are applied to Class A-1A and Class A 1-B Notes until paid in full, maturing September 25, 2060, then Class B Notes until paid in full; maturing December 25, 2060:		
Class A-1A Notes	\$ 84,835,271	\$ 109,521,577
Class A-1B Notes	84,835,271	109,521,577
Class B Notes	6,600,000	6,600,000
Asset-Backed Notes 2021-1 (2021 ABN) issued March 11, 2021. Taxable; Redeemable on a monthly basis with the collections on student loans, after paying interest and reasonable fee and expenses. All principal payments are applied to Class A Notes until paid in full; maturing November 25, 2045, then Class B Notes until paid in full; maturing November 25, 2050:		
Class A Notes	159,624,391	200,682,298
Class B Notes	32,000,000	32,000,000
Asset-Backed Notes 2022-1 (2022 ABN) issued September 29, 2022. Taxable; Redeemable on a monthly basis with the collections on student loans, after paying interest and reasonable fee and expenses. All principal payments are applied to Class A Notes until paid in full; maturing November 25, 2040, then Class B Notes until paid in full; maturing November 25, 2045:		
Class A Notes	161,750,000	-
Class B Notes	<u>21,000,000</u>	<u>-</u>
	668,179,627	619,990,768
Less: unamortized original issue discount	(6,136,847)	(1,949,651)
Less: unamortized debt issuance costs	<u>(8,214,267)</u>	<u>(7,824,068)</u>
	<b><u>\$ 653,828,513</u></b>	<b><u>\$ 610,217,049</u></b>

All bonds and notes payable are limited obligations of NHHELCO and are secured, as provided in the underlying bond and note indentures, by an assignment and pledge to the Trustee of all NHHELCO's rights, title and interest in certain student loans and revenues derived thereon and the guarantee thereof, including the insurance of certain student loans by ED. In addition, a significant portion of restricted cash is held in trust to secure the bonds.

Proceeds from issuance of bonds and notes payable and all revenues thereon are held in trust and are restricted as follows: to retire bonds, originate student loans, repurchase student loans on a restricted basis, pay interest on the bonds, maintain required reserves and pay reasonable and necessary expenses.

In the event LIBOR is discontinued while an agreement remains in place, a replacement rate will be assigned, as determined by the bank.

## NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

#### 6. Debt (Continued)

##### Private Education Loan Asset-Backed Notes

NHHELCO issued the 2016 ABN taxable notes through EDvestinU Private Loan Issue No. 1, LLC, a subsidiary. The interest on these Private Education Loan Asset-Backed Notes resets and is paid monthly with the Class A notes interest rate at 1-month LIBOR plus 1.25% (paid in full in 2022), Class B Notes interest rate at 1-month LIBOR plus 1.50%, and Class C Notes interest at 1-month LIBOR plus 1.75%. As of September 30, 2022, 2016 ABN had interest rates ranging from 4.58% to 4.83%. The 2016 ABN contains covenants with which NHHELCO was in compliance at September 30, 2022 and 2021.

NHHELCO issued the 2019 ABN taxable notes through EDvestinU Private Loan Issue No. 2, LLC, a subsidiary. The interest on these Private Education Loan Asset-Backed Notes is paid monthly, with the Class A notes interest rate fixed at 3.58%, and the Class B Notes interest rate fixed at 4.49%. The 2019 ABN contains covenants with which NHHELCO was in compliance at September 30, 2022 and 2021.

On March 11, 2021, NHHELCO issued the 2021 ABN taxable notes through EDvestinU Private Loan Issue No. 3, LLC, a subsidiary, totaling \$255,600,000 with an original issue discount of \$567,325. The interest on these Private Education Loan Asset-Backed Notes is paid monthly, with the Class A Notes interest rate fixed at 1.80%, and the Class B Notes interest rate fixed at 3.50%. The 2021 ABN contains covenants with which NHHELCO was in compliance at September 30, 2022 and 2021.

On September 29, 2022, NHHELCO issued the 2022 ABN taxable notes through EDvestinU Private Loan Issue No. 4, LLC, a subsidiary, totaling \$182,750,000 with an original issue discount of \$4,919,925. The interest on these Private Education Loan Asset-Backed Notes is paid monthly, with the Class A Notes interest rate fixed at 5.25%, and the Class B Notes interest rate fixed at 6.25%. The 2022 ABN contains covenants with which NHHELCO was in compliance at September 30, 2022.

##### Taxable Student Loan Backed Notes

On October 15, 2020, NHHELCO issued the Taxable Student Loan-Backed Notes (TSLBN) 2020-1 Series totaling \$257,550,000. The TSLBN 2020-1 notes consist of Class A-1A with an annual interest rate of 1.55%, A-1B with an interest rate at the 1-month LIBOR plus 1.20% (4.28% at September 30, 2022) and B notes with an interest rate at the 1-month LIBOR plus 2.00% (5.08% at September 30, 2022). The TSLBN 2020-1 Series contains covenants with which NHHELCO was in compliance at September 30, 2022 and 2021.

##### Interest Rate Swap Agreements

On July 21, 2022, the Company entered into two interest rate swap agreements with a bank in connection with the planned 2022 ABN issuance. Upon issuance of the 2022 ABN, the Company terminated the swap agreements. The Company received \$5,055,440 upon termination, which amount was recorded as a gain on swap terminations in the accompanying 2022 consolidated statement of activities and changes in net assets.

# NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

### 6. Debt (Continued)

#### Lines of Credit

NHHELCO has a \$38,000,000 revolving line of credit with a bank to provide temporary funding to originate private non-guaranteed student loans. The line of credit is payable upon demand. In 2022, this line of credit was amended to change the interest rate to the 1-month Secured Overnight Financing Rate (SOFR) plus 1.30% (4.15% at September 30, 2022). The line of credit is collateralized by certain mutual funds, as defined, with a fair value of \$23,646,959 and \$29,264,683 at September 30, 2022 and 2021, respectively. There were no amounts outstanding against the line of credit at September 30, 2022 and 2021.

In October 2017, NHHELCO entered into a \$125,000,000 warehouse line of credit (the 2017 warehouse) with a bank to provide temporary funding to originate private non-guaranteed student loans, which was amended in October 2020 to increase availability to \$225,000,000. The 2017 warehouse expires in October 2023. In 2022, this line of credit was amended to change the interest rate to the 1-month Adjusted Term SOFR plus 0.85% for loans pledged less than or equal to 18 months outstanding, plus 1.75% for loans pledged outstanding 18 months to 30 months, and plus 2.00% for loans pledged outstanding greater than 30 months (3.87% at September 30, 2022). The warehouse line of credit is secured by the private non-guaranteed loans and reserve accounts. There were no amounts outstanding against the 2017 warehouse at September 30, 2022 and 2021.

The 2017 warehouse line of credit is subject to concentration limitations, as defined, on eligible student loans and is subject to a minimum asset coverage requirement. At September 30, 2022, NHHELCO was in compliance with these limits and requirements.

### 7. Employee Benefit Plan

NHHELCO has a retirement plan pursuant to Section 403(b) of the Code. The Plan allows for deferral contributions of each participant's eligible compensation (not to exceed the IRS maximum). NHHELCO employees who are regularly scheduled to work at least twenty hours per week are eligible to make deferral contributions upon the beginning of employment. The Plan provides for NHHELCO to make a non-discretionary matching contribution equal to 100% of the employee's deferral contributions, not to exceed 2% in 2021 through July 31, 2022 and 3% beginning on August 1, 2022 of the employee's salary, once the participant fulfills the minimum hours worked and age requirements and has completed six months of credited service. The Plan also provides non-discretionary contributions, as defined, to those employees qualified under the *Service Contract Act*. Total amounts expensed under the Plan were approximately \$194,000 and \$311,000 for the years ended September 30, 2022 and 2021, respectively. Employees are immediately 100% vested in all non-discretionary employer contributions.

NHHELCO may elect to make discretionary non-elective employer contributions to the Plan which are allocated to participants uniformly based upon relative compensation. Employees who have fulfilled the minimum hours worked, attained the age of twenty-one years, and have completed two years of service are eligible to receive these discretionary non-elective employer contributions. Employees are immediately 100% vested in all discretionary non-elective employer contributions. NHHELCO made discretionary contributions of \$138,000 and \$173,000 to the Plan participants for the years ended September 30, 2022 and 2021, respectively.

# NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

### 8. Property, Plant and Equipment

Property, plant and equipment consist of the following at September 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 687,587	\$ 687,587
Buildings and improvements	9,372,093	9,341,460
Furniture and fixtures	1,395,512	1,395,512
Computer equipment and software	<u>4,821,123</u>	<u>5,151,854</u>
	16,276,315	16,576,413
Less accumulated depreciation and amortization	<u>(14,046,207)</u>	<u>(13,563,859)</u>
	<u>\$ 2,230,108</u>	<u>\$ 3,012,554</u>

### 9. Fair Value Measurements

The FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs which are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

### 9. Fair Value Measurements (Continued)

#### Investments

Following is a description of the valuation methodologies used for investments measured at fair value at September 30, 2022 and 2021.

*Mutual funds and exchange traded funds:* Valued at the closing price reported in the active market on which the individual securities are traded.

*Alternative Investments:* Valued at the net asset value of units held or the Company's proportionate share of fund net assets at year end, as determined by the limited partnerships or investment funds (the Funds), based on quoted market prices or the best estimate of what market participants would use in pricing the underlying investments at the measurement date.

It is Company management's responsibility to determine the fair value. For alternative investments, management utilizes information provided by the general partner or investment managers based in part on the latest audited or unaudited financial statements or performance reports of the underlying investment partnerships or other investment vehicles to determine the fair value of the total net assets. These investments are redeemable with the investment fund at net asset value or the Company's proportionate share of net assets under the original terms of the subscription agreements and operations of the underlying investment funds. However, it is possible that these redemption rights may be restricted or eliminated by the investment funds in the future in accordance with the underlying investment fund agreements. Due to the nature of the investments held by the investment funds, changes in market conditions and the economic environment may significantly impact the net asset value of the investment funds and, consequently, the fair value of the Company's interests in the investment funds. Furthermore, changes to the liquidity provisions of the investment funds may significantly impact the fair value of the Company's interest in the investment funds.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. Management believes that reported fair values of its investments at the balance sheet dates are reasonable.

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2022 and 2021

**9. Fair Value Measurements (Continued)**

*Fair Value on a Recurring Basis*

The following table sets forth by level, within the fair value hierarchy, the Company's investments recorded at fair value as of September 30, 2022 and 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2022</u>				
Exchange-traded funds:				
Small cap	\$ 513,507	\$ -	\$ -	\$ 513,507
Intermediate bond	8,527,265	-	-	8,527,265
Large cap growth	1,038,324	-	-	1,038,324
Large value and dividend	1,592,028	-	-	1,592,028
Short bond	3,913,322	-	-	3,913,322
Mutual funds:				
Fixed income	25,531,619	-	-	25,531,619
Commodity	560,868	-	-	560,868
Real estate	581,483	-	-	581,483
Balanced	4,897,538	-	-	4,897,538
Equity	31,275,972	-	-	31,275,972
International emerging markets	2,338,489	-	-	2,338,489
Large cap growth	9,666,530	-	-	9,666,530
Large value and dividend	4,650,212	-	-	4,650,212
Short bond	4,025,021	-	-	4,025,021
SMID cap value	<u>1,420,152</u>	<u>-</u>	<u>-</u>	<u>1,420,152</u>
Total investment securities in fair value hierarchy	<u>\$ 100,532,330</u>	<u>\$ -</u>	<u>\$ -</u>	100,532,330
Alternative investments measured at net asset value:				
Global equity				2,462,445
Global real estate				<u>3,284,442</u>
Total investment securities				<u>\$ 106,279,217</u>

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

**9. Fair Value Measurements (Continued)**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2021</u>				
Exchange-traded funds:				
Small cap	\$ 2,019,249	\$ -	\$ -	\$ 2,019,249
Intermediate bond	10,199,764	-	-	10,199,764
Large cap growth	1,853,607	-	-	1,853,607
Large value and dividend	2,182,300	-	-	2,182,300
Midcap value	1,353,379	-	-	1,353,379
Short bond	4,738,291	-	-	4,738,291
Mutual funds:				
Fixed income	47,089,355	-	-	47,089,355
Commodity	755,859	-	-	755,859
Real estate	733,797	-	-	733,797
Balanced	5,863,421	-	-	5,863,421
Equity	38,501,188	-	-	38,501,188
International value	1,392,462	-	-	1,392,462
International emerging markets	3,574,344	-	-	3,574,344
International growth	1,586,317	-	-	1,586,317
Large cap growth	6,730,385	-	-	6,730,385
Large value and dividend	6,153,298	-	-	6,153,298
Short bond	5,593,931	-	-	5,593,931
SMID cap value	<u>1,663,804</u>	<u>-</u>	<u>-</u>	<u>1,663,804</u>
 Total investment securities in fair value hierarchy	 <u>\$ 141,984,751</u>	 <u>\$ -</u>	 <u>\$ -</u>	 141,984,751
 Alternative investments measured at net asset value:				
Global equity				3,760,658
Global real estate				<u>4,292,838</u>
 Total investment securities				 <u>\$ 150,038,247</u>

For the years ended September 30, 2022 and 2021, the application of valuation techniques to similar assets and liabilities is consistent.

In accordance with ASC 820-10, alternative investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

9. **Fair Value Measurements (Continued)**

*Information About Alternative Investments Measured at Net Asset Value per Share*

*Alternative Investments*

Global Equity is organized primarily to afford participants an opportunity to obtain long-term capital gains and income from a diversified portfolio of mid and smaller capitalization equity securities generally located in any country other than the United States and Canada. The Company may withdraw all or part of its balance without restrictions as of the month end provided written notice is given at least six days prior to the withdrawal.

Global Real Estate investment objective is to generate net returns in excess of the UBS Global Real Estate Investor Index through the creation and active management of a portfolio of publicly traded equity securities issued by real estate investment trusts and other publicly held real estate companies primarily in North America, Europe, Australia and Asia. The Company may generally withdraw all or any portion of the Company's balance as of the last business day of each month, upon not less than 15 business days' prior written notice, subject to certain minimum withdrawal amounts.

*Redemption Frequency*

There were no unfunded commitments as of September 30, 2022. The redemption frequency of the alternative investments at September 30, 2022 is summarized as follows:

	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Global equity	Monthly	6 days
Global real estate	Monthly	15 days

10. **Commitments and Contingencies**

The Company has a hosted service license agreement with a third-party for loan servicing support. The agreement is subject to renewal options. This contract provides loan servicing support for the Company's loan portfolios (FFEL Program and private non-guaranteed student loans) and the loans serviced by the Company owned by ED. As further described in notes 1 and 14, as of 2022 the Company no longer services loans on behalf of ED, therefore the Company renegotiated and amended this contract with the third-party in 2022. As part of the renegotiations, the Company accrued \$5,000,000 in the September 30, 2021 accompanying consolidated statement of financial position as a settlement fee payable to a third-party. This amount was paid to the third-party in 2022. Under the amended contract, the base annual minimum usage fees are approximately \$1,500,000.

The Company participates in the FFEL Program. The program is subject to financial and compliance audits by ED and resolution of identified compliance issues. The amount, if any, of program revenues which may be disallowed by the ED cannot be determined at this time.

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2022 and 2021

**11. Functional Allocation of Expenses**

The Company provides financial assistance to eligible students as described in note 1. Expenses related to providing these services are as follows for the years ended September 30, 2022 and 2021:

	<u>Program</u>	<u>General and Administrative</u>	<u>Total</u>
<u>2022</u>			
Interest expense	\$16,823,546	\$ -	\$16,823,546
Salaries and fringe benefits	9,012,566	1,301,113	10,313,679
Consolidation loan fees	1,614,304	-	1,614,304
Bond administration expenses	679,524	-	679,524
Borrower rebates	1,770,150	-	1,770,150
Administrative and other expenses	6,804,427	700,646	7,505,073
Depreciation and amortization	865,198	99,974	965,172
Provision for losses on student loans	<u>5,935,314</u>	<u>-</u>	<u>5,935,314</u>
	<u>\$43,505,029</u>	<u>\$2,101,733</u>	<u>\$45,606,762</u>
<u>2021</u>			
Interest expense	\$15,905,505	\$ -	\$15,905,505
Salaries and fringe benefits	10,195,119	1,302,596	11,497,715
Consolidation loan fees	1,916,603	-	1,916,603
Bond administration expenses	454,076	-	454,076
Borrower rebates	1,389,989	-	1,389,989
Administrative and other expenses	5,230,094	606,852	5,836,946
Depreciation and amortization	931,233	111,902	1,043,135
Provision for losses on student loans	<u>1,762,199</u>	<u>-</u>	<u>1,762,199</u>
	<u>\$37,784,818</u>	<u>\$2,021,350</u>	<u>\$39,806,168</u>

The consolidated financial statements report certain expense categories that are attributable to more than one program or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as depreciation and amortization, are allocated to a function based on square footage. Supporting activities that are not directly identifiable with a program are classified as general and administrative. If it is impossible or impractical to make a direct identification, allocation of the expenses were made according to management's estimates. Employee benefits are allocated in accordance with the ratio of salaries and wages of the functional classes. Specifically identifiable costs are assigned to the function to which they are identified. See also Note 14.

NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

12. Contingent Liability – Federal Fund

Federal Reinsurance on Student Loans

The HEA, as amended, provided for reinsurance of amounts paid in connection with defaulted guaranteed student loans. Prior to December 1, 2015 the percentage of loans reimbursed was dependent upon the Foundation's default rate experience and the loan origination date. Beginning on December 1, 2015 through the date that the Foundation ceased functioning as a FFEL Program guarantee agency (see note 1), the percentage of claims to be reimbursed by ED into the Federal Fund is as follows:

<u>Annual Default Rate</u>	<u>Federal Reinsurance Loans Disbursed</u>
0% to 5%	100% of claims
5% to 9%	100% of claims up to 5%, and 85% of claims between 5% and 9%
Over 9%	100% of claims up to 5%, 85% of claims between 5% and 9%, and 75% of the remainder

The annual default rate was calculated by dividing claims for the year by the original guaranteed amount of loans in repayment at the beginning of the year. The rate was determined annually, as of September 30, and was effective for the subsequent twelve-month period. Since December 1, 2015, the Foundation was reimbursed by ED at 100% of claims submitted. Prior to December 1, 2015, the Foundation was reimbursed 100% of claims submitted for loans first disbursed prior to October 1, 1993, 98% for loans first disbursed on or after October 1, 1993, but prior to October 1, 1998, and 95% for loans first disbursed on or after October 1, 1998.

Any subsequent collections on defaulted loans which had been previously reimbursed by ED were refunded to ED. For 2007 and prior years, the Foundation was entitled to retain approximately 23% of the gross amount of such collections in recognition of the costs associated with the collection effort. Effective October 1, 2007, with the enactment of the *College Cost Reduction and Access Act*, the rate was reduced to 16%.

The amount of outstanding guaranteed student loans was approximately \$294,000,000 at September 30, 2021. Defaults on FFEL Program loan guarantees were paid by ED through the Federal Fund.

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2022 and 2021

**13. Amounts Held for the U.S. Department of Education**

A summary of the Foundation's Federal Fund assets and liabilities as of September 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
<i>Assets:</i>		
Cash	\$ 4,121,765	\$ 3,865,424
Investments	5,136,781	6,656,017
Interest receivable	<u>24,800</u>	<u>30,261</u>
 Total assets	 <u>\$ 9,283,346</u>	 <u>\$10,551,702</u>
<i>Liabilities:</i>		
Accounts payable and accrued expenses	\$ 3,625	\$ 22,248
Due to Operating Fund	-	737,715
Amounts due to U.S. Department of Education – collections on defaulted loans, net	-	99,720
Federal loan reserve fund held for U.S. Department of Education	<u>9,279,721</u>	<u>9,692,019</u>
 Total liabilities	 <u>\$ 9,283,346</u>	 <u>\$10,551,702</u>

Changes in the Federal loan reserve funds held for the U.S. Department of Education for the years ended September 30, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
<i>Additions:</i>		
Reimbursement from ED on defaulted loan purchases	\$ -	\$ 7,343,978
Investment income	140,288	153,137
Net realized and unrealized losses on investments	(543,866)	(167,522)
Other income, primarily rehabilitation fees	<u>-</u>	<u>5,650</u>
 Total additions	 (403,578)	 7,335,243
<i>Deductions:</i>		
Purchases of defaulted loans from lenders	-	7,343,978
Default aversion fees	-	(3,536)
Other disbursements, primarily investment fees	8,720	15,530
Lost revenues to Operating Fund	<u>-</u>	<u>682,071</u>
 Total deductions	 <u>8,720</u>	 <u>8,038,043</u>
 Net change	 (412,298)	 (702,800)
 Federal loan reserve funds held at beginning of year	 <u>9,692,019</u>	 <u>10,394,819</u>
 Federal loan reserve funds held at end of year	 <u>\$ 9,279,721</u>	 <u>\$ 9,692,019</u>

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2022 and 2021

**13. Amounts Held for the U.S. Department of Education (Continued)**

The HEA required the Foundation to maintain cash reserves equal to 0.25% of student loans guaranteed. The Foundation maintained sufficient reserves to fully comply with this requirement throughout fiscal year 2021, when such requirement ended.

**14. Discontinued Operations**

The accompanying consolidated financial statements include two lines of business that are reported as discontinued operations for the years ended September 30, 2022 and 2021, as follows:

- **Guaranty Agency:** On February 9, 2021, management of the Foundation notified the ED's FSA of its decision to cease functioning as an FFEL Program guarantee agency. All revenues earned from ED, including account maintenance fees, loan consolidation fees, loan rehabilitation fees and default aversion fees, and operating expenses associated with the Foundation providing FFEL Program guarantee agency services, have been presented as discontinued operations. There were no significant assets or liabilities associated with this line of business at September 30, 2022 and 2021.
- **FSA Contract:** As described in note 1, NHHELCO ceased providing loan servicing to ED in 2022. All direct loan servicing fee revenue earned and operating expenses associated with this line of business have been presented as discontinued operations. Associated with this contract termination in accordance with ASC 420, *Exit or Disposal Cost Obligations*, NHHELCO accrued certain costs at September 30, 2021, including salary and related benefits of terminated employees totaling approximately \$605,000, and the \$5,000,000 settlement fee described in note 10. These amounts were paid in 2022. There were no other significant assets or liabilities associated with this line of business at September 30, 2022 or 2021.

Management of the Company has determined that the discontinuance of each of these lines of business meet the criteria for classification as discontinued operations. The decisions to discontinue these lines of business were based on various factors, including strategic planning regarding the future of the Company.

Summary statements of activities for each of the above discontinued lines of business for the years ended September 30, 2022 and 2021 are as follows:

	<u>Guaranty Agency</u>		<u>FSA Contract</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues and gains	\$ 452,529	\$ 1,945,803	\$ 2,370,060	\$ 24,058,648
Expenses	<u>(137,866)</u>	<u>(1,904,439)</u>	<u>(1,116,296)</u>	<u>(16,642,175)</u>
Gain from discontinued operations	<u>\$ 314,663</u>	<u>\$ 41,364</u>	<u>\$ 1,253,764</u>	<u>\$ 7,416,473</u>

**SUPPLEMENTARY INFORMATION**

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

September 30, 2022

	<u>NHHELCO</u>	<u>NHHEAF</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 11,320,399	\$ 76,482	\$ –	\$ 11,396,881
Restricted cash	23,054,690	–	–	23,054,690
Interest receivable	23,330,714	–	–	23,330,714
Amounts due from U.S. Government – subsidized interest and other	709,545	–	–	709,545
Investment securities	91,335,895	14,943,322	–	106,279,217
Private loans, net	590,617,783	–	–	590,617,783
Federal Family Education loans, net	184,030,080	–	–	184,030,080
Accounts receivable, other	1,297,189	–	–	1,297,189
Property, plant and equipment, net	2,230,108	–	–	2,230,108
Assets whose use is limited:				
Cash collected on serviced loans	356,300	–	–	356,300
Other assets	<u>31,144</u>	<u>–</u>	<u>–</u>	<u>31,144</u>
<b>Total assets</b>	<b><u>\$ 928,313,847</u></b>	<b><u>\$15,019,804</u></b>	<b><u>\$ –</u></b>	<b><u>\$ 943,333,651</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 2,511,212	\$ 980	\$ –	\$ 2,512,192
Accrued interest payable	332,146	–	–	332,146
Special allowance and fees payable to the U.S. Government	–	–	–	–
Due to related entities	–	–	–	–
Other liabilities	58,189	–	–	58,189
Deferred revenue	–	–	–	–
Accrual for estimated loss on serviced loans	–	–	–	–
Notes payable, net	<u>653,828,513</u>	<u>–</u>	<u>–</u>	<u>653,828,513</u>
<b>Total liabilities</b>	<b>656,730,060</b>	<b>980</b>	<b>–</b>	<b>656,731,040</b>
Net assets:				
Without donor restriction	<u>271,583,787</u>	<u>15,018,824</u>	<u>–</u>	<u>286,602,611</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 928,313,847</u></b>	<b><u>\$15,019,804</u></b>	<b><u>\$ –</u></b>	<b><u>\$ 943,333,651</u></b>

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

September 30, 2021

	<u>NHHELCO</u>	<u>NHHEAF</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 11,312,530	\$ 124,635	\$ -	\$ 11,437,165
Restricted cash	20,216,247	-	-	20,216,247
Due from affiliated entity	43,200	-	(43,200)	-
Interest receivable	25,412,064	18,659	-	25,430,723
Amounts due from U.S. Government – subsidized interest and other	1,999,745	48,636	-	2,048,381
Investment securities	131,559,146	18,479,101	-	150,038,247
Private loans, net	484,065,200	-	-	484,065,200
Federal Family Education loans, net	232,280,847	-	-	232,280,847
Due from Federal Fund	-	737,715	-	737,715
Accounts receivable, other	52,954	-	-	52,954
Property, plant and equipment, net	3,012,554	-	-	3,012,554
Assets whose use is limited:				
Cash collected on serviced loans	572,935	-	-	572,935
Other assets	<u>92,914</u>	<u>-</u>	<u>-</u>	<u>92,914</u>
<b>Total assets</b>	<b><u>\$ 910,620,336</u></b>	<b><u>\$ 19,408,746</u></b>	<b><u>\$ (43,200)</u></b>	<b><u>\$ 929,985,882</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$ 8,962,950	\$ 364,642	\$ -	\$ 9,327,592
Accrued interest payable	281,164	-	-	281,164
Special allowance and fees payable to the U.S. Government	945,659	-	-	945,659
Due to affiliated entity	-	43,200	(43,200)	-
Other liabilities	211,583	-	-	211,583
Deferred revenue	-	655,000	-	655,000
Accrual for estimated loss on serviced loans	1,000,000	-	-	1,000,000
Notes payable, net	<u>610,217,049</u>	<u>-</u>	<u>-</u>	<u>610,217,049</u>
<b>Total liabilities</b>	<b>621,618,405</b>	<b>1,062,842</b>	<b>(43,200)</b>	<b>622,638,047</b>
<b>Net assets:</b>				
Without donor restriction	<u>289,001,931</u>	<u>18,345,904</u>	<u>-</u>	<u>307,347,835</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 910,620,336</u></b>	<b><u>\$ 19,408,746</u></b>	<b><u>\$ (43,200)</u></b>	<b><u>\$ 929,985,882</u></b>

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

September 30, 2022

	<u>NHHELCO</u>	<u>NHHEAF</u>	<u>Eliminations</u>	<u>Consolidated</u>
Change in net assets without donor restriction:				
Revenues and gains:				
Interest on student loans	\$ 40,083,855	\$ -	\$ -	\$ 40,083,855
Net interest benefits and special allowance on student loans	(1,540,549)	-	-	(1,540,549)
Net investment return	(16,937,895)	(3,552,748)	-	(20,490,643)
Other income	185,008	-	-	185,008
Gain on swap terminations	<u>5,055,440</u>	<u>-</u>	<u>-</u>	<u>5,055,440</u>
 Total revenues and gains (losses) without donor restriction	 26,845,859	 (3,552,748)	 -	 23,293,111
Expenses:				
Interest expense	16,823,546	-	-	16,823,546
Salaries and fringe benefits	10,313,679	-	-	10,313,679
Consolidation loan fees	1,614,304	-	-	1,614,304
Bond administration expenses	679,524	-	-	679,524
Borrower rebates	1,770,150	-	-	1,770,150
Administrative and other expenses	7,330,073	175,000	-	7,505,073
Depreciation and amortization	965,172	-	-	965,172
Provision for losses on student loans	<u>5,935,314</u>	<u>-</u>	<u>-</u>	<u>5,935,314</u>
 Total expenses	 <u>45,431,762</u>	 <u>175,000</u>	 <u>-</u>	 <u>45,606,762</u>
 Decrease in net assets before effects of dissolution of an affiliate	 (18,585,903)	 (3,727,748)	 -	 (22,313,651)
 Gain from discontinued operations	 <u>1,167,759</u>	 <u>400,668</u>	 <u>-</u>	 <u>1,568,427</u>
 Decrease in net assets without donor restriction	 (17,418,144)	 (3,327,080)	 -	 (20,745,224)
 Net assets without restriction at beginning of year	 <u>289,001,931</u>	 <u>18,345,904</u>	 <u>-</u>	 <u>307,347,835</u>
 Net assets without restriction at end of year	 <u>\$ 271,583,787</u>	 <u>\$15,018,824</u>	 <u>\$ -</u>	 <u>\$ 286,602,611</u>

**NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION**

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

September 30, 2021

	<u>NHHELCO</u>	<u>NHHEAF</u>	<u>Eliminations</u>	<u>Consolidated</u>
Change in net assets without donor restriction:				
Revenues and gains:				
Interest on student loans	\$ 38,484,245	\$ -	\$ -	\$ 38,484,245
Net interest benefits and special allowance on student loans	(3,066,239)	-	-	(3,066,239)
Net investment return	16,140,012	3,105,146	-	19,245,158
Other income	<u>148,293</u>	<u>-</u>	<u>-</u>	<u>148,293</u>
 Total revenues and gains without donor restriction	 51,706,311	 3,105,146		 54,811,457
 Expenses:				
Interest expense	15,905,505	-	-	15,905,505
Salaries and fringe benefits	11,497,715	-	-	11,497,715
Consolidation loan fees	1,916,603	-	-	1,916,603
Bond administration expenses	454,076	-	-	454,076
Borrower rebates	1,389,989	-	-	1,389,989
Administrative and other expenses	5,696,946	140,000	-	5,836,946
Depreciation and amortization	1,043,135	-	-	1,043,135
Provision for losses on student loans	<u>1,762,199</u>	<u>-</u>	<u>-</u>	<u>1,762,199</u>
 Total expenses	 <u>39,666,168</u>	 <u>140,000</u>	 <u>-</u>	 <u>39,806,168</u>
 Increase in net assets before effects of dissolution of an affiliate	 12,040,143	 2,965,146	 -	 15,005,289
 Gain (loss) from discontinued operations	 <u>8,135,099</u>	 <u>(677,262)</u>	 <u>-</u>	 <u>7,457,837</u>
 Increase in net assets without donor restriction	 20,175,242	 2,287,884	 -	 22,463,126
 Net assets without restriction at beginning of year	 <u>268,826,689</u>	 <u>16,058,020</u>	 <u>-</u>	 <u>284,884,709</u>
 Net assets without restriction at end of year	 <u>\$ 289,001,931</u>	 <u>\$ 18,345,904</u>	 <u>\$ -</u>	 <u>\$ 307,347,835</u>

Granite Edvance Corporation  
Mission Statement

2023 1115 information on website

About Us - Granite Edvance

**Mission**

Our mission at Granite Edvance is to support New Hampshire students and families in navigating their education and career pathways.

Granite Edvance (formerly the New Hampshire Higher Education Assistance Foundation, or the NHHEAF Network) has been helping New Hampshire families plan and pay for higher education for over 60 years. We're a capable and trusted provider of educational loan services. And we provide students, families, and schools with expertise and support on all parts of college and career planning. We are laser-focused on one thing – helping **you**, the students and families of New Hampshire.

We're a 501(c)(3) nonprofit, which means our earnings are reinvested in the New Hampshire.

Granite Edvance is fully committed to serving the students and families of our state. We're here to help you achieve your goals and dreams.



Granite Edvance Corporation  
Board of Directors

2023 1115 information on website  
Meet Our Team - Granite Edvance

Susan Huard	Chair
Paul Provost	Vice Chair
Rick Elwell	Treasurer
James ("Jamie") Burnet III	Secretary
Peter Burger, Esq.	Board Member
Bill Dwyer	Board Member
Carol Houle	Board Member
Gordon ("Dino") Koff	Board Member
Chuck Lloyd	Board Member
Debby Miller	Board Member
Hans Olson	Board Member
Sandy Tracy	Board Member

Granite Edvance Corporation  
Executive Team Bios

2023 1116 information on website

[Meet Our Team - Granite Edvance](#)

**Christiana Thornton**

**President and CEO**

Christiana, a New Hampshire native, understands firsthand the difficulty some students face on their postsecondary pathways. The first in her family to attend college, she credits her high school guidance counselor with helping her to identify her path and then navigate the college application process. While in college, and challenged in her ability to cover the full cost of her tuition, she relied on a private student loan to fill her funding gap. Post college, she benefited from loan repayment assistance through an employer. Christiana's vision for New Hampshire includes accessible postsecondary planning and funding support and resources for all residents — ultimately contributing to more vibrant communities and a more robust state economy.

In addition to leading Granite Edvance, Christiana serves as a trustee for the University System of New Hampshire and as a member of New Hampshire's College Tuition Savings Plan Advisory Commission. She is past chair of the National Council of Higher Education Resources board of directors and past president of the New Hampshire Bankers Association. She formerly served on the New England Community Development Advisory Council (CDAC) for the Federal Reserve Bank of Boston.

She also serves on the board of directors of the New Hampshire Business & Industry Association and as a trustee of NH Mutual Bancorp, a mutual bank holding company. In this capacity, she also serves as a Director for Merrimack County Savings Bank and NH Trust Company.

Prior to joining NH Bankers, she served for six years as a staff member for former United States Senator John E. Sununu, both in New Hampshire and in Washington, D.C. She worked as a Legislative Aide focusing on education, labor, banking and housing policy issues.

Christiana graduated from Rollins College with a bachelor's degree in political science. She lives in Pembroke with her husband and two children, who are in the process of figuring out their own postsecondary journeys.

**Scott Rogers**

**Chief Financial Officer**

In his role as chief financial officer, Scott Rogers is committed to supporting young people in their postsecondary journeys. Scott traces his vision back to his own youth, when a counselor at his high school encouraged him to aim high. The youngest of several siblings, he knew his parents couldn't help much in paying for college, but he took a chance and applied to Columbia University. To his surprise, he received scholarships that, combined, covered all his costs.

Before joining Granite Edvance, Scott served as CFO for a New Hampshire-based direct response marketing firm focused on assisting nonprofit organizations. Prior to that, he was a founding member and CFO of an electrical equipment manufacturer. He has also served in a number of other leadership

roles, including: controller of a semiconductor capital equipment manufacturer; AVP financial planning and analysis for the life & health insurance operations of a Fortune 500 insurance company; controller of a New York City-based HMO; and bank real estate lending officer.

Along with a bachelors' degree from Columbia University, Scott holds an MBA from the University of New Hampshire. He has served as chair of the Granite State Workers Compensation Manufacturers Trust and treasurer of the HELM Excess Insurance Trust. He has also served on the boards of Special Olympics of New Hampshire, the Manchester Community Music School, and Samaritans of South Central New Hampshire.

Scott and his wife are currently putting their youngest child through college and know the financial challenges and difficult decisions families often face. He enjoys uncovering new ways to help families pay for postsecondary education so that all students can aim high.

Scott lives in Henniker with his wife and enjoys outdoor activities, especially boating.

### **John Flanders**

### **Chief Strategy & Lending Officer**

With deep roots in the Granite State, John Flanders is passionate about helping the people and communities of New Hampshire thrive. While at Dartmouth College, he watched his classmates angle for jobs on Wall Street but set his sights on working for a NH community bank. After graduation, he went door to door at local banks until he persuaded someone to give him a job as a credit analyst.

Over the years, John has worked at a variety of NH institutions and non-profits, often serving in mentorship capacities. His prior roles include chief operating officer of the New Hampshire Community Loan Fund, chief risk officer of The Nashua Bank, and deputy director and senior loan officer for Manchester Neighborhood Housing Services. He has also served in a number of commercial lending positions with NH financial institutions, including the management of a commercial lending department. As chief strategy and lending officer for Granite Edvance, John is building connections around the state to ensure students from all walks of life can access the resources and support they need to discover and reach their full potential.

John has completed the executive program in commercial lending at the University of Virginia. He is a current board member for the NH Center for Nonprofits and has also served on the Community Development Advisory Board at the Federal Reserve Bank of Boston and on the board of directors at Cross Roads House, a homeless shelter in Portsmouth. He enjoys hiking, telemark skiing, and other outdoor activities.