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# State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES

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Charles M. Arlinghaus  
Commissioner

Catherine A. Keane  
Deputy Commissioner

Sheri L. Rockburn  
Assistant Commissioner

June 24, 2024

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

## REQUESTED ACTION

Approval of the Report and Findings of Councilor Cinde Warmington with regard to a certain project in participation with Granite Edvance Corporation of Concord, NH.

## EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Warmington has requested that this be placed on the agenda as a regular item for the Wednesday, July10, 2024 meeting for ratification by the Governor and Council.

Sincerely,

Charles M. Arlinghaus  
Commissioner

CMA/dph

Attachment



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June 21, 2024

Charles M. Arlinghaus, Commissioner  
Department of Administrative Services  
State of New Hampshire  
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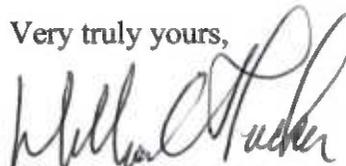
RE: New Hampshire Health and Education Facilities Authority –  
Granite Edvance Corporation

Dear Commissioner Arlinghaus:

I enclose an original and ten copies of the Report and Findings of Councilor Cinde Warmington with regard to a certain project in participation with Granite Edvance Corporation of Concord, New Hampshire. Councilor Warmington has requested that this be placed on the agenda as a regular item for ratification by the Governor and Council at their meeting scheduled for Wednesday, July 10, 2024.

Thank you for your assistance in this matter.

Very truly yours,



William C. Tucker

/tav

cc: Bonnie S. Payette, NHHEFA  
Enclosures

REPORT  
AND  
FINDINGS  
OF

CINDE WARMINGTON, Designee of the Governor and Council of the State of New Hampshire, under the provisions of the New Hampshire Health and Education Facilities Authority Act and the Loan Corporations Act, Chapters 195-D and 195-E of the New Hampshire Revised Statutes Annotated, on the undertaking by the Authority of a certain student loan program through Granite Edvance Corporation, Concord, New Hampshire, pursuant to said Acts.

**Introductory**

The New Hampshire Health and Education Facilities Authority (hereafter referred to as the "Authority"), requested of Governor Christopher T. Sununu and the Executive Council that a hearing be held pursuant to the Loan Corporations Act, Chapter 195-E of the New Hampshire Revised Statutes Annotated (hereafter referred to as the "Act"), and particularly as prescribed in Section 10 of the Act on an application submitted to the Authority by the Granite Edvance Corporation, Concord, New Hampshire (hereafter sometimes referred to as "Granite Edvance" or the "Loan Corporation"), a not-for-profit corporation formed pursuant to the provisions of the Act and RSA 292 by the trustees of the New Hampshire Higher Education Assistance Foundation, which is conferred with the powers of a loan corporation under RSA 195-E:2. Such application seeks the participation of the Authority, under the Act, in the provision of low-cost financial assistance to "eligible students" and "parents" as such terms are defined in RSA 195-E:2(V) and (VII) (hereafter sometimes referred to as the "Program") by the issuance of its revenue bonds pursuant to the Act (the "Bonds").

Pursuant to RSA 195-E:10, the Governor and Council designated me to hold a hearing and make findings in connection with the application. Following Public Notice given in accordance

with Chapter 91 -A of the New Hampshire Revised Statutes Annotated, by publication in the New Hampshire Union Leader on June 10, 2024, the hearing was held commencing at 2:00 p.m. on Friday, June 21, 2024 in the Conference Room of the Authority, One Capitol Street, Suite 200, Concord, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows.

### **Summary of Testimony**

The first witness was Scott E. Rogers, the Chief Financial Officer of Granite Edvance, formerly New Hampshire Higher Education Loan Corporation. Mr. Rogers stated that Granite Edvance is a non-profit loan corporation formed under Chapters 195-E and 292 of New Hampshire Revised Statutes Annotated. He explained that Granite Edvance was established for the purpose of providing educational loan financial assistance to students and parents of students attending New Hampshire post-secondary educational institutions and New Hampshire residents and parents of New Hampshire residents attending out-of-state post-secondary educational institutions (collectively referred to as "eligible students" and "parents").

Granite Edvance's student loan program includes both the origination of loans to students and parents of students attending educational institutions and the refinancing of student loans for those no longer attending an educational institution. Granite Edvance's loans are made at interest rates that are generally lower than prevailing rates in the marketplace.

Mr. Rogers testified that the loans made by Granite Edvance bear interest at rates which result in the revenues of the Loan Corporation being sufficient to cover its anticipated interest costs, bad debt losses, and administrative expenses. The loans are generally made on terms which require repayment over a period (after graduation and any deferment periods) which will allow timely payment of scheduled debt service and cover all anticipated administrative costs.

Mr. Rogers stated that proceeds of prior taxable and tax-exempt bond issues and warehousing arrangements have been used to finance the Loan Corporation's student loans. He indicated that, to the extent Granite Edvance is able to receive volume cap from the Business Finance Authority ("BFA"), the Authority will issue tax-exempt bonds to finance a portion, or all, of the Program, with the balance of the Program being financed by Granite Edvance through the issuance of taxable debt. He stated that the BFA has allocated \$40 million of cap for this year's bond issue. Mr. Rogers explained that Granite Edvance intends to raise up to \$250 million of capital in 2024, through the issuance of tax-exempt and taxable bonds through the Authority.

Mr. Rogers stated that Granite Edvance expects to raise the capital for two purposes: refinancing a portfolio of education loans currently secured by warehousing lines and financing additional student loans that are currently being originated under Granite Edvance's student loan programs. The Authority's Bonds will be issued in a public offering. The senior-lien Bonds are expected to carry a rating in the "AAA" or "AA" category, while subordinate Bonds, if any, are expected to have an investment grade rating. These Bonds will be issued at fixed rates, and it is expected that the Bonds will have a final maturity of approximately 30 years. He testified that Granite Edvance has engaged RBC Capital Markets, LLC, as its investment banker for the Bond issue.

Mr. Rogers testified that, as of June 1, 2024, Granite Edvance had originated or acquired approximately \$5.8 billion in principal amount of loans, involving approximately 280,000 borrowers since its founding in 1983, and has experienced a minimal delinquency rate. In concluding his testimony, Mr. Rogers stated that the origination and acquisition of low-cost loans by Granite Edvance through issuance of the Bonds would assist eligible students and their parents

in attending educational institutions and lowering the cost to those students of financing their education.

Bonnie S. Payette was the final witness. She stated that she is the Executive Director and Secretary of the New Hampshire Health and Education Facilities Authority, charged with the administration of the Authority's day-to-day affairs. Ms. Payette stated that she had become acquainted with the Program and the details of its financing. She stated that on May 28, 2024 the Authority adopted a Resolution approving issuance of the Bonds for Granite Edvance, subject to compliance being had with all laws bearing upon such issue and the advice of counsel, including the Authority's Bond Counsel.

Ms. Payette stated certain instruments will be prepared for execution in connection with the Program, including a Loan Agreement intended for execution between Granite Edvance and the Authority. She stated that there will be a provision in the Loan Agreements which require Granite Edvance to provide a loan program in accordance with the Act.

Ms. Payette confirmed that each bond to be issued by the Authority for the Granite Edvance Corporation will bear on its face the following provision:

Neither the State of New Hampshire nor the Authority shall be obligated to pay the principal of or interest on this bond except from the Revenues of the Program and neither the faith and credit nor the taxing power of the State of New Hampshire or of any municipality or political subdivision thereof is pledged to the payment of the principal of or interest on this bond.

Ms. Payette concluded her testimony by stating that, based on her familiarity with the statutes under which the Authority operates, including the Loan Corporations Act, on her experience as Executive Director of the Authority, and on her discussions with counsel, including Bond Counsel, the Program is within the powers conferred by law upon the Authority.

## Findings

Upon the testimony submitted at the hearing, and upon consideration, I find as follows:

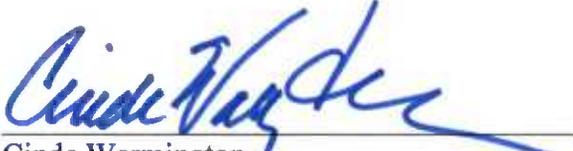
(1) The origination or acquisition of low-cost loans by the Granite Granite Edvance Corporation to qualified students or their parents will assist the students in attending their educational institutions and will lower the cost to the students of financing their education; and

(2) Adequate provision has been or will be made for the payment of the principal of, or interest on, any obligations issued by the New Hampshire Health and Education Facilities Authority to finance the loan program; and

(3) Adequate provision has been made for the payment of the reasonable expenses of administration of the loan program as are necessitated by the program; and

(4) The proposed procedures for redistribution of the bond proceeds, collection of student payments, interest charges and any other matters concerning the administration of the loan program are in conformance with law.

Dated: June 21, 2024

  
Cinde Warmington  
Executive Councilor  
Designee of the Governor and Council

RATIFICATION AND GOVERNOR'S APPROVAL

The Governor and Council hereby ratify, confirm, approve and adopt the findings set forth in the Report and Findings attached hereto made by Cinde Warmington, the Designee of the Governor and Council to hold a hearing and make findings pursuant to the Loan Corporations Act, Chapter 195-E of the New Hampshire Revised Statutes Annotated, and particularly as described in Section 10 of said Chapter, on an application submitted to the New Hampshire Health and Education Facilities Authority by the Granite Edvance Corporation, Concord, New Hampshire, a not-for-profit loan corporation located in Concord, New Hampshire, which provides low cost financial assistance to "eligible students" and "parents" under RSA 195-E:2(V) and (VII). The hearing was held on June 21, 2024, following public notice published in the New Hampshire Union Leader on June 10, 2024, in the Conference Room, of New Hampshire Health and Education Facilities Authority, One Capitol Street, Suite 200, Concord New Hampshire, at 2:00 o'clock in the afternoon.

The Governor's signature constitutes his approval under Section 147(f) of the Internal Revenue Code of 1986, as amended, of the issuance of the bonds described herein, as described in the Notice of Public Hearing published in the New Hampshire Union Leader on June 10, 2024.

Dated: July 10, 2024

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Governor: Christopher T. Sununu

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Councilor: Joseph D. Kenney

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Councilor: Cinde Warmington

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Councilor: Janet Stevens

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Councilor: Theodore L. Gatsas

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Councilor: David K. Wheeler