The NHHEAF Network Organizations has evolved over the last 50+ years to meet the needs of New Hampshire citizens despite the challenges of the times. As a trusted partner of postsecondary schools, community banks and credit unions, K-12 schools and nonprofit agencies, The NHHEAF Network Organizations has earned an exceptional reputation for providing New Hampshire residents with the resources they need to pursue higher education goals. Highlights from FY13 include:

- Through its receipt of the Not-for-Profit (NFP) federal student loan servicing contract, Granite State Management & Resources (GSM&R) added 111,930 new borrowers and 388,861 new loans to its servicing portfolio, servicing accounts in all 50 states, many U.S. territories and 59 countries across 3,579 postsecondary schools. By the end of FY13, GSM&R’s customer service team serviced a total loan portfolio of $5.7 billion. Ultimately, receipt of the servicing contract enabled GSM&R to hire 77 people, growing our dedicated staff and retaining our tenured management team. We are now 182 knowledgeable and caring professionals strong and making a positive impact in supporting the federal government’s student aid program.

- New Hampshire Higher Education Loan Corporation (NHHELCO) launched its EDvestinU™ national private student loan, securing $1.2 million in loans over just three months of operation. The loan program invites students and parents to “experience the nonprofit difference”. With industry-low fixed rates for New Hampshire students, there is significant growth potential. EDvestinU™ aspires to be the higher education financing option of choice for the graduating class of 2014 and beyond.

- Diligent default aversion activities placed New Hampshire Higher Education Assistance Foundation (NHHEAF) at the lowest 3-year Cohort Default Rate (CDR) in the nation at 0.8%, while the national CDR rose to 14.7%. A student loan is a serious and important financial obligation and it is both a great responsibility and privilege to assist borrowers toward loan successful repayment.

- Charitable spending, including fee reduction programs, scholarships and outreach for New Hampshire students and residents, totaled almost $2.8 million in FY 13. Further, staff contributed time, money and other resources to the New Hampshire communities where they live.

Each agency fulfilled its mission despite sweeping changes to the student loan marketplace and political landscape. Still, the year was not without its share of operational and resource challenges. At the end of FY13, the organization was notified that the federal College Access Challenge Grant which provided funding for the Organizations’ Center for College Planning (CCP) would not be renewed due to the State of New Hampshire’s loss of eligibility. This loss had significant impact on the CCP team. Ultimately, however, the CCP managed to provide tens of thousands of students and families with valuable information about the college planning and financial aid process. Staff reached 100% of public high schools in New Hampshire and provided 1,800 families with personalized assistance at the College Planning Library. Going forward, CCP department expenses will be allocated to each of The NHHEAF Network Organizations’ agencies. NHHELCO will support high school-level programs and materials, GSM&R will support the CCP library, one-on-one counseling appointments and special events, and NHHEAF will support early awareness, school counselor training and financial literacy programming. Whether through contracts or operations, our persistence and ability to adapt to change will determine our ability to provide free resources to support New Hampshire citizens’ pursuit of higher education in the future.

Personally, as I reflect on my 35 years at the organization, I am humbled to think of the good work accomplished by our devoted team. I must also recognize the dedication and oversight of our boards of trustees. The expertise and guidance of these volunteers ensures that our mission is upheld.
**Granite State Management & Resources**

**ASSETS**
- Cash and cash equivalents: $572,374
- Investments: 38,863,605
- Interest receivable: 199,299
- Accounts receivable: 110,260
- Due from related entities: 1,304,124
- Property, plant and equipment net: 5,507,296
- Cash collected on serviced loans - private loans and Federal Family Education Loan Program: 777,672
- Prepaid service contract: 311,667
- Other Assets: 52,011
- Total Assets: 47,698,308

**LIABILITIES AND NET ASSETS**

**Liabilities:**
- Accounts payable and accrued expenses: $2,612,015
- Amounts due lenders on serviced FFELP and private loans: 777,672
- Accrual for estimated loss on serviced loans: 1,000,000
- Total Liabilities: 4,389,687
- Net assets - unrestricted: 43,308,621
- Total Liabilities and Net Assets: 47,698,308

**Portfolio Comparison**
(In-School and In-Repayment) - (in millions)

**Loan Volume Serviced** - (in millions)

**September 30, 2013**

Granite State Management & Resources (GSM&R)
Cornelius Joyce
GSM&R Board Chairman
Anthony Chismark
Centrix Bank
Clinton Hanson Jr.
Thomas More College
Thomas Horgan
NH College & University Council
Gerald Little
NH Bankers Association (Retired)
Brad Poznanski
Saint Anselm College
Charles Rolecek
Premier Property Management
Robert Tuveson (Retired)
Ex Officio:
René A. Drouin
NHHEAF Network Organizations, President & CEO
NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION

Outstanding Portfolio by Loan Type - (in Millions)

**ASSETS**
- Cash and cash equivalents: $9,383,887
- Restricted cash: $30,859,635
- Amounts due from loan servicer: $524,458
- Interest receivable: $10,610,836
- Amounts due from US Government-Subsidized interest and other: $1,064,156
- Investment securities: $41,060,497
- Student loans, net: $812,002,172
- Debt issuance costs, net: $6,101,864
- Total Assets: $911,607,505

**LIABILITIES AND NET ASSETS**
- Liabilities:
  - Accounts payable and accrued expenses: $2,192,416
  - Accrued interest payable: $1,021,800
  - Special allowance and fees payable to the U.S. Government: $2,964,255
  - Due to related entities: $1,299,425
  - Deferred revenue: $344,538
  - Arbitrage earnings rebatable: $387,239
  - Bonds and Notes Payable: $704,046,597
  - Total Liabilities: $712,256,270
- Net assets - unrestricted: $199,351,235
- Total Liabilities and Net Assets: $911,607,505

**SEPTEMBER 30, 2013**
NEW HAMPSHIRE HIGHER EDUCATION ASSISTANCE FOUNDATION

FEDERAL STAFFORD/PLUS/SLS/CONSOLIDATION PORTFOLIO - (IN MILLIONS)

CLAIMS PAID/COLLECTED LAST FIVE FISCAL YEARS - (IN MILLIONS)

ASSETS Operating Fund Federal Fund
Cash and cash equivalents $1,317,239 $2,547,182
Investments 8,759,775 5,745,444
Interest receivable 19,803 39,693
Accounts receivable - U.S. Department of Education: Account maintenance fees 133,607 -
Defaulted loans, net - 445,513
Defaulted loans, net 143,198 445,513
Other receivables 108 -
Due from operating fund - 15,428
Total Assets 10,240,123 8,793,260

LIABILITIES AND NET ASSETS Operating Fund / Federal Fund
Liabilities:
Accounts payable and accrued expenses $10,478 $23,649
Due to related party 4,700 -
Due to federal fund 15,428 -
Deferred revenue 922,000 1,396,485
Federal loan reserve funds held for U.S. Department of Education - 7,373,126
Total liabilities 952,606 8,793,260
Net assets - unrestricted 9,287,517 -
Total Liabilities and Net Assets 10,240,123 8,793,260