Welcome Bienvenue

New Hampshire

Helping NH Families Plan and Pay for College Since 1962.

The NHHEAF Network Organizations 2018 Annual Report
This year marked a significant milestone for The NHHEAF Network Organizations as René A. Drouin, our long-time President and Chief Executive Officer, retired after four decades of service. Like any farewell, this presented the opportunity to reflect upon the journey we have taken over those 40 years. In the ever-evolving student lending environment, one constant is the Organizations remain firmly committed to our mission of helping New Hampshire families plan and pay for college.

The Organizations are the only entity in New Hampshire with the sole mission of providing individualized support and resources to students in the State seeking a post-secondary education. With college costs increasing each year, our mission has become even more critical as students struggle with pursuing their dreams and doing so without becoming overburdened with significant student loan debt. Our counselors in the Center for College Planning (CCP) strive every day to provide students and families the tools they need to make educated, well-informed college financing decisions. As a long-time New Hampshire resident, a first-generation college graduate, and the parent of two young children, I understand and deeply appreciate the significance of our mission.

To financially support our mission, we have grown our operations throughout the years. With nearly 200 employees, we are a nationally-recognized student loan servicer with nearly 900,000 borrowers receiving top-notch service from Granite State Management & Resources (GSM&R). We continue to be ranked third in the nation by the U.S. Department of Education (USDOE) for borrower satisfaction for federal student loans serviced on USDOE’s behalf. As part of this work, our dedicated, highly-skilled loan servicing team confidently, diligently, and professionally counsels borrowers as they strive to successfully manage the repayment of their federal student loans. Some of these borrowers were not fortunate enough to have received proper guidance from a mission-based organization like our own when applying for financial aid and creating their college financing plan.

One of our great recent successes has been the growth of EDvestinU®, New Hampshire Higher Education Loan Corporation’s (NHHELCO) private student loan program. Though offered nationwide, an EDvestinU loan is just one more example of a value-added product provided to students as they receive life-of-loan processing and servicing at our Concord campus - something rare for private student loan lenders. With strong underwriting guidelines in place, this portfolio continues to have a remarkable zero percent default rate. Prior to joining the Organizations, I served on the NHHELCO board for six years and have observed, firsthand, the impact this program has on New Hampshire’s college students.

What has set the Organizations apart for 40 years – our unique, unmatched ability to stand beside our state’s students as they pursue their college and career dreams - will continue to set us apart for years to come. I look forward, with great anticipation, to the journey.
NEW HAMPSHIRE HIGHER EDUCATION ASSISTANCE FOUNDATION (NHHEAF)

MICHAEL DEBLASI
NHHEAF Board Chairman

SEPTEMBER 30, 2018

FFELP Portfolio by Status (in millions)

Claims Paid/Collected Last Five Fiscal Years (in millions)

NHHEAF BOARD OF DIRECTORS

- MICHAEL DEBLASI, (Chair)
  (Retired)
- TODD EMMONS, (Vice Chair)
  Chief Financial Officer,
  Spaulding Youth Center
- JEFF FAGAN, (Secretary & Treasurer)
  (Retired)
- DAVID BELLMAN
  Owner, Bellman Jewelers, Inc.
- JOHN GENNETTI
  Executive Director of
  Philanthropy, St. Joseph’s Hospital
- SUSAN HUARD
  President, Manchester
  Community college
- DEBORAH SCIRE
  Executive Director, Campus
  Compact for NH
- RENÉ A. DROUIN (Ex-officio)
  President & CEO, GSM&R,
  NHHELCO, NHHEAF
- THE HONORABLE CHRISTOPHER T. SUNUNU
  (Ex-officio)
  Governor, State of New Hampshire
GRANITE STATE MANAGEMENT & RESOURCES (GSM&R)

CORNELIUS JOYCE
GSM&R Board Chairman

SEPTEMBER 30, 2018

ASSETS

<table>
<thead>
<tr>
<th>Asset</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$1,324,348</td>
</tr>
<tr>
<td>Investments</td>
<td>34,875,807</td>
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<tr>
<td>Accounts receivable</td>
<td>6,877</td>
</tr>
<tr>
<td>Due from related entities</td>
<td>3,040,388</td>
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<tr>
<td>Property, plant and equipment, net</td>
<td>3,912,339</td>
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<tr>
<td>Assets whose use is limited:</td>
<td></td>
</tr>
<tr>
<td>Cash collected on serviced loans</td>
<td>954,335</td>
</tr>
<tr>
<td>Other assets</td>
<td>51,361</td>
</tr>
<tr>
<td>Total assets</td>
<td>$44,165,455</td>
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LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Liability</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$3,529,334</td>
</tr>
<tr>
<td>Amounts due lenders on serviced loans</td>
<td>954,335</td>
</tr>
<tr>
<td>Accrual for estimated loss on serviced loans</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>5,483,669</td>
</tr>
<tr>
<td>Net assets - unrestricted</td>
<td>38,681,786</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$44,165,455</td>
</tr>
</tbody>
</table>

GSM&R BOARD OF DIRECTORS

CORNELIUS JOYCE, (Chair)  
(Retired)

ANTHONY CHISMARK, (Vice Chair)  
(Retired)

CHARLES ROLECEK, (Treasurer)  
Owner, The Premier Companies

THOMAS HORGAN, (Secretary)  
New England College

MATTHEW COOKSON  
President & CEO, Cookson Strategic Communications

CLINTON HANSON JR.  
Coordinator of Financial Aid, Thomas More College

BRAD POZNANSKI  
Vice President for Enrollment, New England College

SANDRA TRACY  
Interim President, NH Bankers Association

RENÉ A. DROUIN (Ex-officio)  
President & CEO, GSM&R, NHHELCO, NHHEAF

Loan Volume Serviced  
(in millions)

Portfolio Comparison  
In-Repayment and In-School  
(in millions)
### Outstanding Portfolio by Loan Type = $622.4 (in millions)

- **EDvestinU**: $185.6
- **LEAF**: $71.3
- **FFEL Consolidation**: $241.8
- **TREE**: $25.6
- **Subsidized Stafford**: $45.0
- **Unsubsidized Stafford**: $45.5
- **PLUS**: $7.6

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDvestinU</td>
<td>29.8%</td>
</tr>
<tr>
<td>LEAF</td>
<td>11.5%*</td>
</tr>
<tr>
<td>FFEL Consolidation</td>
<td>4.1%*</td>
</tr>
<tr>
<td>TREE</td>
<td>38.8%</td>
</tr>
<tr>
<td>Subsidized Stafford</td>
<td>1.2%</td>
</tr>
<tr>
<td>Unsubsidized Stafford</td>
<td>7.3%</td>
</tr>
<tr>
<td>PLUS</td>
<td>7.2%</td>
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</tbody>
</table>

* Does not include defaults

### Assets
- Cash and cash equivalents: $663,359
- Restricted cash: $16,489,006
- Amounts due from loan servicer: $677,119
- Interest receivable: $11,985,355
- Amounts due from U.S. Government-Subsidized interest and other: $2,628,134
- Investment securities: $50,648,632
- Student loans, net: $606,888,224

**Total assets:** $689,979,829

### Liabilities and Net Assets

#### Liabilities:
- Lines of credit: $125,736,374
- Accounts payable and accrued expenses: $1,421,683
- Accrued interest payable: $1,485,239
- Special allowance and fees payable to the U.S. Government: $367,311
- Due to related entities: $3,045,195
- Notes payable, net: $336,825,414

**Total Liabilities:** $468,881,216

#### Net assets - unrestricted:
- $221,098,613

**Total liabilities and net assets:** $689,979,829

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### NHHELCO Board of Directors

**Daniel R. Dubreuil**, (Chair)
President, Mathes Associates

**Linda D. Normandin**, (Vice Chair & Treasurer)
(Retired)

**Harvey Hill**, (Secretary)
(Retired)

**Peter Burger**
Attorney, Orr & Reno

**Susan Howard**
(Retired)

**Tim Sink**
President, Greater Concord Chamber of Commerce

**Christiana Thornton**
President, NH Bankers Association
The NHHEAF Network Organizations are comprised of three active 501(c)(3) nonprofit agencies - New Hampshire Higher Education Assistance Foundation (NHHEAF), Granite State Management & Resources (GSM&R), and New Hampshire Higher Education Loan Corporation (NHHELCO). Our mission is to provide funding assistance for New Hampshire students and parents pursuing a higher education; and to provide quality service to not only those individuals, but to the educational and financial institutions which participate in and utilize our programs. We recognize that the quality of these ongoing services is dependent upon our maintaining a sound financial base. Towards that end, we are committed to the continuous evaluation of current services and the development of new programs which better serve our various constituencies and contribute to the strength of our organization.

Learn more about the Organizations at nhheafnetwork.org.