Meeting between Federal Reserve Board Staff and
Representatives of Brazos Higher Education Service Corporation, Inc.
September 12, 2011

Participants: Flora Ahn, Sean Healey, Benjamin McDonough, April Snyder and William Treacy (Federal Reserve Board)

Thomas B. Litle, Ellis E. Treadway (Brazos); Kate Kuhlmann, Matthew L. LaRocco (Arnold & Porter LLP)

Summary: Staff of the Federal Reserve Board met with representatives of Brazos to discuss the proposed rules to implement the requirements of section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The representatives of Brazos expressed concern about the applicability of the risk retention requirements to non-profit student loan lenders. Brazos argued that risk retention requirements should not apply to non-profit student loan lenders otherwise it would impair their ability to fulfill their charitable service for the public good. Brazos clarified its business model, fee structure, treatment of collateral and how its practices differ from traditional, for-profit securitizers.