



1200 North Seventh Street, Harrisburg, PA 17102

**Meeting of the Board of Directors
September 19, 2019 – 9:00 AM**

A meeting of the Board of Directors was held on September 19, 2019, at 9:00 a.m. in the Boardroom.

Those in attendance were:

Representative Michael Peifer, Chairman
Senator Wayne D. Fontana, Vice Chairman
Senator Ryan Aument
Senator John P. Blake
Representative Mike Carroll
Representative Sheryl Delozier **(via teleconference)**
Senator Arthur Haywood **(via teleconference)**
Senator Vincent Hughes **(via teleconference)**
Representative Steven Mentzer
Senator Kristin Phillips-Hill
Honorable Roy Reinard
Representative James Roebuck, Jr. **(via teleconference)**
Senator Mario Scavello **(via teleconference)**
Chancellor Timothy R. Thyreen
Secretary Robin Wiessmann **(via teleconference)**
Noe Ortega, Dep. Sec. for Postsecondary and Higher Ed. **(via teleconference)**
James H. Steeley, President and CEO
Jim White, General Counsel

Those absent were:

Representative Angel Cruz
Representative Anita Kulik
Representative Curtis Sonney
Secretary of Education Pedro Rivera

Also in attendance:

Liz Craig, Senator Hughes' office **(via teleconference)**; Celeste Rippole, Representative Kulik's office **(via teleconference)**; Alaina Koltash, Representative Sonney's office **(via teleconference)**; Stephanie Applegate, Senator Aument's office; John Grugan, Ballard Spahr; and the following PHEAA staff: Judith Bines, Bethany Coleman, Mike Garman, William Fisher, Mubashar Hameed, Nathan Hench, James Jarecki, Kyle Lefever, William Lindsey, Stephanie Martella, Elizabeth McCloud, Andy Mehalko, LaWanda Morris, Todd Mosko, Keith New, Jodi Shomper, Kathleen Smith **(via teleconference)**, Jean Svoboda, Tara Patterson, Cory Detar, and Robert Alpert

After establishing the presence of a quorum, Chairman Peifer called up Agenda Item #1. Secretary Wiessmann inquired about the members making up the quorum. Ms. Jean Svoboda, Board Secretary read the name of each board member in attendance as recorded.

1. **Minutes**

On a motion made by Mr. Reinard and seconded by Representative Carroll, the minutes of the June 20, 2019 meeting were unanimously approved.

Chairman Peifer then called on Mr. Andy Mehalko, Chief Financial Officer for Agenda Item #2 to review the financial statements.

2. Financial Statements for the Year Ended June 30, 2019 and 2018

Mr. Mehalko thanked the Chairman and directed the Board members attention to the two documents in Board Effect under Agenda Item #2. The first is a power point presentation which summarized PHEAA's financial results for the fiscal year ended June 30, 2019. The second document is a draft of PHEAA's Annual Financial Report for the fiscal years ended June 30, 2019 and 2018.

Mr. Mehalko started with the PowerPoint presentation which was the focus of his comments. He began on Slide page 4 and reviewed PHEAA's Actuals to Budget results for the June 30, 2019 fiscal year. He highlighted a few numbers and provided a summary of the actuals to budget variances on Slide 5. Column 3 "Variance" shows the actuals to budget variance. A positive number is a favorable budget variance and negative number an unfavorable budget variance. For the current fiscal year PHEAA's Total Operating revenues budget variance was \$9.1million, unfavorable. The Total Operating Expense budget variance was \$89.3 million, favorable. PHEAA's Unrestricted Operating Income had a favorable budget variance for the fiscal year of \$80.16 million. The last line, PHEAA's Consolidated Operating Income after adding in PHEAA's Restricted Operating Income had a favorable budget variance of \$84.129 million.

Mr. Mehalko turned to Slide 5 and provided a summary of the major items making up the budget variances for the year ended June 30, 2019. He moved from left to right through the chart, the first column shows the budgeted Operating loss of \$42.6 million for the fiscal year. The second column shows PHEAA's unrestricted revenue came in \$9.1 million lower than budget, this was due to lower than projected revenue on servicing fees and retention of collections on defaulted loans. The third column from the left, Personnel, had a favorable budget variance of \$50 million due to lower than projected agency complement, Pension and OPEB adjustments for Retired Employees Health Care Program and accounting changes to our annual and sick leave accruals payout methodology. The fourth column, Professional Services had a favorable budget variance of \$33.5 million due to lower than budgeted contractor fees for Internal Audit and Digital Technology Services and Collection Agency Fees. The fifth column, Other Expenses, had a \$5.7 million favorable budget variance due to DTS cost savings in addition to lower than budgeted general and administrative fees. Column 6, Net Interest Revenue came in with a \$4 million favorable budget variance due to lower than projected runoff of our student loan portfolio. The combined budget variances netted to a favorable \$84.1 million and resulted in net operating income of \$41.5 million for the fiscal year ended June 30, 2019 compared to the budgeted \$42.6 million loss.

He turned to Slide 6, PHEAA's Actual results for the fiscal years ended June 30, 2019 and 2018. He highlighted several figures and provided a summary of the key items from this section. PHEAA's Total Operating Revenues for the current fiscal year were \$491.2 million compared to \$523.8 million in the prior fiscal year, a \$32.6 million decrease. The two primary drivers for the decrease year over year was the continued runoff of our commercial servicing portfolio for our third party clients and decrease in the retention of collections on defaulted loans due to lower Rehabilitation volume. Other non-interest revenue decreased from fixed asset

write-offs and the Federal Fees PHEAA received from the Dept. of Ed on PHEAA's FFELP Guaranty portfolio. At the top of the page he noted the Net Interest income offset some of the decrease from investment earnings and unrealized gains on our Investments at State Treasury. Overall, PHEAA saw a 6.2% decrease in revenues for the fiscal year. He moved down the chart to Operating Expenses. PHEAA's total operating expenses for the fiscal year decreased \$67.8 million from the prior fiscal year. The primary driver for this decrease was personnel and benefits cost, which he covered in more detail on the next slide. Professional services increased \$4.5 million due to increases for outsourced servicing and contact center services and offset by reductions in collection agency fees and legal fees. Other operating expenses decreased \$5.9 million as a result of renegotiated telephony rates and decrease in postage fees both a result from the Digital Technology Solutions transformation projects. The bottom of the page shows that after adding in the Restricted Operating Income of \$41.8 million the Consolidated Operating Income was \$41.5 million for the current fiscal year, an increase of \$20 million from the prior year.

Mr. Mehalko turned to Slide 7 and highlighted \$65.9 million decrease in personnel and benefits expense. Column 3 labeled Personnel Expenses shows a \$32.3 million of a \$65.9 million reduction in expense. This decrease was due to lower staff complement resulting in lower payroll expense, overtime pay, and associated benefit costs. Column 6, the blue colored box, PHEAA's Operating income before taking in to account changes to annual and sick leave accrual, OPEB and Pension adjustment was \$7.9 million. The next column accounts for the changes in leave accruals, pension and OPEB liability reductions of \$33.6 million to bring PHEAA to a fiscal year Net Operating Income for the current fiscal year of \$41.5 million.

Slide 8 is PHEAA's rolling 5 fiscal years of performance for reference. He noted that PHEAA revenues have declined over time due to the continued runoff of FFELP and the Private loan commercial portfolios and fewer loans being rehabilitated, reducing the retention of collections on defaulted loans. The bottom of the page shows PHEAA's consolidated operating income has declined over the last 4 years and is projected to be breakeven for the 2020 year end.

He reviewed Slide 9, PHEAA's Condensed Balance Sheet. At June 30, 2019 PHEAA's Total Assets were \$4.9 billion, a decrease of \$723.6 million. This was due to the continued runoff of our student loan portfolio of \$683.4 million and Cash and Investments of \$67.9 million. Total Liabilities at June 30, 2019 were \$4.7 billion, a decrease of \$720.6 million due to pay downs of \$658.7 on our student loan trust debt, and \$82.8 million decrease in OPEB liability. PHEAA's Total Net Position decreased \$47.1 million to \$174.4 million at June 30, 2019. PHEAA's Unrestricted Net Position decreased \$75.6 million to negative \$320 million.

Slide 10 shows each year end PHEAA's Public Service Benefits for the current fiscal year of \$96.4 million and a rolling 10 year total of \$905.2 million which includes \$736 million in supplemental funds for Pennsylvania's State Grant Program and other grant programs.

Mr. Mehalko brought the Members' attention to the draft of the June 30, 2019 Annual Financial Report that was included in the Board packets. The report was provided to the Audit Review Committee yesterday at which Financial Management staff discussed key areas of accounting and financial reporting. With no significant accounting developments or changes to key estimates from what was reviewed with the audit committee in prior quarters, Ernst & Young has completed their audit of the yearend financial statements with no significant comments. PHEAA plans to finalize the financial statements and post them to the investor relations section of the website early next week. Mr. Mehalko concluded his Financial Report for June 30, 2019.

Chairman Peifer asked whether Ernst & Young will report a clean audit opinion and Mr. Mehalko responded yet. Secretary Wiessmann inquired about the reduction in personnel. Mr. Mehalko answered that it was mostly due to natural attrition and not back filling those positions. Hearing no other questions or comments, Chairman Peifer called on Mr. Nathan Hensch for Agenda Item #3.

3. **2019-2020 Re-budget of Commonwealth Appropriated Programs**

Mr. Hensch thanked the Chairman and asked the Members to direct their attention to the memo titled 2019-2020 Re-budget of Commonwealth. With the Commonwealth's budget passage, it is necessary for each department and agency to adjust its income and anticipated expenditures to take into consideration the actual state appropriation and any augmentation and adjustments to programs affected by the budget, new legislative enactments, or program requirements. Mr. Hensch directed the Members' attention to the chart on page 1 of the memo which is a summary based on the appropriations that were finalized in HB 790 Act 1A, signed by the Governor on June 28, 2019. Hearing no questions for Mr. Hensch he said in order to complete the program re-budget process, passage of the following motion is in order:

That the Agency's 2019-2020 program year re-budget allocating appropriated funds and augmentations as set forth above and the administration of the programs as set forth in this memorandum be approved and that the President and Chief Executive Officer be given the authority to adjust these augmentations within each program from time to time.

Chairman Peifer asked the members for a motion, Representative Carroll made the motion, seconded by Senator Aument, and the motion was unanimously passed. Chairman Peifer called up Agenda Item #4 – Committee Reports.

4. **Committee Reports**

Chairman Peifer called on Senator Vincent Hughes for a report of the Audit Review Committee. Senator Hughes thanked the Chairman and said that the Audit Review Committee met yesterday afternoon. The first order of business was the adoption of minutes from the meeting held June 19, 2019. For the second order of business, Management presented the 2018/2019 financial results noting that there was one uncorrected, judgmental, immaterial misstatement related to the OPEB liability projections. Ernst & Young presented their review of PHEAA's financial results, noting that they concurred with Management's representations and conclusions. Ernst & Young addressed their Required Communications, which included that there were no significant or material issues with internal control over financial reporting, that they noted no fraud or non-compliance with laws or regulations and that they received great cooperation from Management on the engagement. For the third order of business, the Committee entered Executive Session to discuss internal audit, enterprise risk, compliance and legal matters. The Committee returned to regular session and hearing no other business, the meeting was adjourned. Hearing no questions for Senator Hughes, Chairman Peifer called on Representative Roebuck for a report of the Executive Committee.

Representative Roebuck thanked the Chairman and reported the Executive Committee met yesterday afternoon. The first order of business was the adoption of minutes from the special meeting held on August 28, 2019. For the second order of business, Mr. Steeley requested that the Committee enter into Executive Session to discuss a legal matter from

PHEAA's General Counsel and consult with outside litigation counsel. The Committee then returned to regular session and with no other business, the meeting was adjourned. Hearing no questions for Representative Roebuck, Chairman Peifer called up Agenda Item #6 and said he would return to Agenda Item #5 for the President and CEO Report.

6. **2020-2021 Commonwealth Appropriation Requests**

Chairman Peifer called on Chancellor Thyreen. Chancellor Thyreen thanked the Chairman and said the Committee on Need Analysis and Aid Coordination met on Monday, September 16, 2019. He directed the Board Members' attention to the memo from Mr. Steeley entitled, "2020-2021 Commonwealth Appropriation Requests." He reminded the Board that what is before the Board today is a request from the PHEAA Board of Directors to Governor Wolf's Budget Office – for the Governor's consideration to propose to the General Assembly for the 2020-21 fiscal year. The memo from Mr. Steeley speaks to all of the programs which PHEAA administers on behalf of the Commonwealth.

He asked the Members to turn their attention to Page 2 of the memo and focus on the chart with the yellow highlighted column which outlines the Committee on Need Analysis and Aid Coordination's recommendations to the Board. The PA State Grant Program is the flagship student aid program for Pennsylvania and, after careful deliberation, the Committee is requesting that the PHEAA Board request a 9.7% increase to the program, which would equate to a \$30 million increase. Chancellor Thyreen reminded the Board that the Governor proposed a 13.6% increase for 2019-20 and the General Assembly honored that increase – for which, as a member of this Board, he said he was grateful and thanked the Governor and General Assembly for restoring the appropriation.

Next, he drew the Boards' attention to the sixth line down on the chart of the memo – and called attention to the Ready to Succeed Scholarship Program. The Committee received a report from Ms. McCloud on Monday and it was noted that the General Assembly, through one of the trailer budget bills, is requiring that PHEAA reduce the minimum GPA from 3.5 to 3.25. This will increase demand for the program – which is already denying students based on insufficient funds. The Committee discussed the appropriation budget request on Monday, and it was determined that because the General Assembly increased the program's demand PHEAA should make a budget request that matches the anticipated demand – which would be \$15 million – nearly \$10 million more than the current appropriation. The balance of the programs which the Committee reviewed request a 5% increase to the programs.

Chancellor Thyreen pointed out to Chairman Peifer, on the bottom of Page 2 of the memo and carrying over to Page 3, the 10 motions that articulate the recommendations of the Committee on Need Analysis and Aid Coordination and which could be voted on as a slate.

He asked the Board to turn their attention to a memo from Mr. Steeley entitled, "Proposed Policy Decision – Pennsylvania Targeted Industry Program (PA-TIP)." Chancellor Thyreen called on Ms. Elizabeth McCloud to walk the Board through the memo, in which the Committee on Need Analysis is recommending that PA-TIP be expanded in 2019-2020 to include programs of study within the healthcare industry, consistent with the authorizing legislation of PA-TIP.

Ms. McCloud provided the following background on the program and shared that the Committee had voted unanimously on the policy changes related to the Pennsylvania Targeted Industry Program (PA-TIP). The program provides need-based grants to students enrolled in

eligible programs of study that must be more than 10 weeks in length, less than two academic years in length, and Title IV eligible. Additionally, programs of study must not be Pennsylvania State Grant eligible. She said while the ultimate goal of PA-TIP is to help students develop the skills in high demand by today's employers, the program's enabling legislation, Act 82 of 2012, does not specifically identify which industries are to be targeted. The enabling legislation is included on Appendix A of the memo. The legislation does, however, stipulate that PA-TIP is to train Pennsylvanians for "areas of immediate workforce need."

Appendix A

Excerpt from Act 82 of 2012 (Amendment to Public School Code of 1949)

Section 2599.4. Targeted Industry Cluster Certificate Scholarship Program.

(a) The Targeted Industry Cluster Certificate Scholarship Program is established within the Pennsylvania Higher Education Assistance Agency.

(b) The agency may use funds appropriated to provide grants for defraying the necessary expense of residents of this Commonwealth who are eligible students pursuing an eligible course of study at an eligible educational provider.

(c) The agency shall determine and approve student eligibility and educational provider eligibility requirements for the program.

(d) The Department of Education shall consult with the Department of Labor and Industry to identify programs of study that train individuals for areas of immediate workforce need and provide the agency with a list of eligible programs of study.

(e) Grant awards shall be established by the agency based upon available resources. (2599.4 added June 30, 2012, P.L.684, No.82)

Ms. McCloud shared that PHEAA, working in cooperation with the Pennsylvania Departments of Education (PDE) and Labor & Industry (L&I) conducted a review of the targeted industries and programs of study currently eligible for PA-TIP. This review is the first of its kind since program inception and is an offshoot of questions about possibly expanding the program that PHEAA received during its 2019 Pennsylvania House Appropriations Committee hearing. In an effort to better align PA-TIP with areas of high demand, PHEAA reviewed L&I's 2019 Pennsylvania In-Demand Occupations List (PA IDOL) and a consistent theme of healthcare occupations emerged. As a result, PHEAA staff recommended to the Committee to expand PA-TIP eligibility to certain healthcare programs so PA-TIP can better serve Pennsylvania's workforce needs. If this recommendation is supported by the Board, staff members are prepared to implement an expanded list of programs of study in healthcare listed on Appendix B, along with existing programs in energy, advanced materials and diversified manufacturing, and agriculture and food production for the 2019-2020 program year. Committee members were also asked to review a potential larger change to PA-TIP in which eligible programs of study would be linked to in-demand occupations, rather than industries. PHEAA staff was not seeking a Board resolution at this time; however, the Committee discussed this change, which would require a Board resolution at the April 2020 meeting so implementation could begin with the 2020-2021 program year.

Representative Carroll asked if the introduction of healthcare programs of study could be absorbed by PA-TIP. Ms. McCloud shared that due to the closure of several large PA-TIP schools, it is projected that PA-TIP will not spend the full \$6.3 million for 2019-20 on the existing programs of study. The Department of Labor and Industry provides estimates on the number of jobs currently open for the state's in-demand occupations. If a program of study for home health aides ends up being as popular as the current program with the most recipients – HVAC, then

PA-TIP could realize about 95 more recipients and \$300,000 more in awards. Similarly, PHEAA estimates about 54 individuals in programs of study that lead to medical assistant jobs, would add about \$175,000 in program expenditures. In 2018-19, 1,565 recipients received awards and the average award was \$3,124. There were 1,758 recipients in 2017-18. Hearing no further questions or comments, Ms. McCloud concluded her remarks.

Chairman Peifer then called on Mr. Nathan Hench to explain the process in requesting funds from the Budget Secretary. Mr. Hench said each year the Committee contemplates what we want to request from the Budget Office. PHEAA's Budget Transmittal is due to the Budget Office the first week of October. The Budget Office considers our request as the Budget Office prepares the Governor's Budget in for the following fiscal year. Chairman Peifer then asked Mr. Hench to read the ten motions.

Mr. Hench read the following motions for the Board's consideration:

(1) *That based upon the recommendation of the Board's Committee on Need Analysis and Aid Coordination, the President and Chief Executive Officer be directed to request for the 2020-2021 Pennsylvania State Grant Program an appropriation of \$340,733,000.*

(2) *That based upon the recommendation of the Board's Committee on Need Analysis and Aid Coordination, the President and Chief Executive Officer be directed to request for the 2020-2021 Institutional Assistance Grants Program an appropriation of \$27,847,000.*

(3) *That based upon the recommendation of the Board's Committee on Need Analysis and Aid Coordination, the President and Chief Executive Officer be directed to request for the 2020-2021 Matching Funds Program an appropriation of \$13,777,050.*

(4) *That based upon the recommendation of the Board's Committee on Need Analysis and Aid Coordination, the President and Chief Executive Officer be directed to request a 2020-2021 appropriation of \$2,475,900 for the Higher Education for the Disadvantaged (Act 101).*

(5) *That based upon the recommendation of the Board's Committee on Need Analysis and Aid Coordination, the President and Chief Executive Officer be directed to request a 2020-2021 appropriation of \$51,000 for the Higher Education for Blind or Deaf Students.*

(6) *That based upon the recommendation of the Board's Committee on Need Analysis and Aid Coordination, the President and Chief Executive Officer be directed to request a 2020-2021 appropriation of \$15,000,000 for Ready to Succeed Scholarships.*

(7) *That based upon the recommendation of the Board's Committee on Need Analysis and Aid Coordination, the President and Chief Executive Officer be directed to request a 2020-2021 appropriation of \$6,615,000 for the Pennsylvania Targeted Industry Program.*

(8) *That the President and Chief Executive Officer be directed to request an appropriation of \$5,000,000 for the Cheyney University Keystone Academy for 2020-2021 consistent with the recommendation by the Pennsylvania State System of Higher Education.*

(9) *That the President and Chief Executive Office be directed to request an appropriation of \$1,800,000 for the Horace Mann Bond-Leslie Pinckney Hill Scholarship for 2020-2021 consistent with the recommendation by the Pennsylvania Department of Education.*

(10) *That based upon the recommendation of the Board's Committee on Need Analysis and Aid Coordination, the President and Chief Executive Officer be directed to request a 2020-2021 appropriation of \$450,000 for the Pennsylvania Internship Program Grants.*

Chairman Peifer thanked Mr. Hensch and asked if there were any questions. Representative Mentzer wanted to know what the Cheyney University Keystone Academy program was and wanted to know the reason for an increase in funds. Ms. McCloud explained the Cheyney University Keystone Academy Scholarship is intended to recruit gifted students to enroll at Cheyney University of Pennsylvania. PHEAA administers this program for the Pennsylvania State System of Higher Education. The increase is due to an increase in the number of scholarships awarded based on an increase in enrollment into the program this past year. Representative Mentzer also asked about the Horace Mann Bond-Leslie Pinckney Hill Scholarship program. Ms. McCloud explained that the program enhances the Commonwealth's two Historically Black Colleges and Universities (HBCU), Lincoln and Cheyney Universities, by providing funds for tuition, fees, and books to a select pool of their graduates pursuing professional study in the competitive fields of medicine, law, dentistry, and in other selected graduate programs. It also provides funding for outreach activities at Lincoln and Cheyney Universities related to the scholarship. Hearing no other questions for the Chancellor or Ms. McCloud, Chairman Peifer asked if there was a vote to accept the motions as they were read by Mr. Hensch. Representative Carroll made the motion, seconded by Mr. Reinard and unanimously accepted.

Chairman Peifer asked Mr. Hensch to read the motion regarding the Committee's recommendation to add select healthcare programs of study to 2019-2020 PA-TIP eligibility. Mr. Hensch read the following:

The PHEAA Board of Directors recommends that PA-TIP eligibility be expanded to certain eligible healthcare programs of study that were derived from the Pennsylvania Department of Labor & Industry 2019 In-Demand Occupations List. These healthcare programs of study will become eligible for the 2019-2020 program year.

Chairman Peifer called for a motion to adopt the motion as presented by Mr. Hensch. Representative Mentzer made the motion, seconded by Senator Phillips-Hill and the motion passed unanimously.

Hearing no further comments or discussion, Chairman Peifer thanked Chancellor Thyreen and the Committee for their hard work. Chairman Peifer then called up Mr. Steeley for the President and CEO report under Agenda Item #5.

5. **President and Chief Executive Officer's Report**

Mr. Steeley called for Executive Session. The purpose of the Executive Session is to discuss a legal and contractual matter. All staff was asked to leave with the exception of the Chief Risk Officer, Chief Financial Officer, the Chief Legal Officer and Board Secretary, the Senior Vice President for Strategy and Public Affairs and legal counsel from Ballard Spahr.

Upon the return to regular session, Chairman Peifer called up Agenda Item #7.

7. **Entry of Additional Orders of Default**

Chairman Peifer called on Mr. Steeley, who reported that there are several orders of default that require Board action. The borrowers outlined on the attached spreadsheet have been notified several times by PHEAA that they need to repay certain obligations to the Agency. In all of these cases, recipients received a grant for college but did not fulfill their obligations for receiving the grant. Board action is necessary in order for PHEAA staff to continue to attempt to collect on these grants - now converted to loans – as required by the program's statute.

Mr. Steeley suggested to Chairman Peifer that the Board adopt the attached resolution in order to authorize PHEAA staff to continue to collect on the loans.

Hearing no questions, Chairman Peifer called for a motion to adopt the Order of Default Resolution, as presented. Senator Fontana made the motion, seconded by Mr. Reinard, and the Resolution was unanimously adopted and is attached to these minutes.

Chairman Peifer called up Agenda Item #8.

8. **Other Business**

Mr. Steeley reminded the Members of the Board that the October meeting was moved from October 10 to October 17. Chairman Peifer said that calendars should be updated accordingly.

Hearing no other business, Senator Fontana made a motion to adjourn, seconded by Mr. Reinard, and Chairman Peifer adjourned the meeting.

**Resolution of the Board of Directors
Pennsylvania Higher Education Assistance Agency
Order of Defaults
Adopted September 19, 2019**

WHEREAS, Act 102 of 1982 authorized an Administrative Loan Collection Process for the Pennsylvania Higher Education Assistance Agency, including use of a Statement of Claim; and

WHEREAS, this legislation provides that the Agency "may initiate action against borrowers whom it deems to be indebted to it by filing a statement of claim in the records maintained by the Agency"; and

WHEREAS, a Statement of Claim has been filed against each of the borrowers whose names appear on the List of Recommended Cases for Entry of an Order of Default dated September 19, 2019; and

WHEREAS, a summary of the Statement of Claim has been served on each such borrower by first-class mail in compliance with the requirements of Act 102; and

WHEREAS, 30 days from the date of service have elapsed and none of these borrowers has filed a response to the Statement of Claim as required by Act 102; and

WHEREAS, the President and Chief Executive Officer has recommended to the Board of Directors of the Agency that an Order of Default against these borrowers be entered by the Board to be lodged in Agency records;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Pennsylvania Higher Education Assistance Agency enters an Order of Default to be lodged in Agency records against each borrower whose name appears on the List of Recommended Cases for Entry of an Order of Default dated September 19, 2019.