1200 North Seventh Street, Harrisburg, PA 17102

Meeting of the Board of Directors
October 18, 2018 – 10:00 AM

A meeting of the Board of Directors was held on October 18, 2018 at 10:00 a.m. in the Boardroom.

Those in attendance were:

Representative Michael Peifer, Chairman
Senator Wayne D. Fontana, Vice Chairman
Senator Ryan Aument **(via teleconference)**
Senator John P. Blake
Representative Matthew D. Bradford
Representative Mike Carroll
Representative Paul Costa
Representative Sheryl Delozier
Senator John Eichelberger, Jr.
Representative David Hickernell **(via teleconference)**
Representative Bernie O'Neill **(via teleconference)**
Honorable Roy Reinard
Chancellor Timothy R. Thyreen **(via teleconference)**
Secretary Robin Wiessmann
Mr. Noe Ortega, Deputy Secretary for Postsecondary and Higher Education
James H. Steeley, Interim President and CEO
Jim White, General Counsel

Those absent were:

Senator Arthur Haywood
Senator Vincent Hughes
Representative James Roebuck, Jr.
Senator Mario Scavello
Senator Robert M. Tomlinson
Secretary of Education Pedro Rivera

Also in attendance:

Liz Craig, Senator Hughes' office; Steph Applegate, Senator Aument's office; Jen Smeltz, Senator Tomlinson's office; Alycia Laureti (via teleconference), Representative Roebuck's office; Christine Zubeck (via teleconference), Senator Scavello's office; Leo Pandeladis, Secretary Wiessmann's office; and the following PHEAA staff: Nathan Hench, Keith New, Mubashar Hameed, Todd Mosko, Stephanie Martella, Mike Garman, Linda Randby, Bethany Coleman, Amanda Foster, Andrew Mehalko, Will Lindsey, William Fisher, Isaac Greene, Lisa Gipe, Dana Hepner and Jodi Shomper

Upon establishing the presence of a quorum, Chairman Peifer called up Agenda Item #1.

1. **Minutes**

On a motion made by Mr. Roy Reinard, seconded by Representative Carroll, the minutes of the September 20, 2018 meeting were unanimously approved.

Chairman Peifer called up Agenda Item #2.

2. **Committee Reports**

Chairman Peifer called on Senator Fontana, who thanked the Chairman and said that the Executive Committee met yesterday afternoon. The Committee immediately moved into Executive Session to receive a compliance and litigation report from PHEAA's General Counsel, to consult with professional advisors and internal auditors regarding PHEAA finances, and to discuss Agency business, which if conducted in public, would lead to the disclosure of confidential information that is protected by statute.

Following the return to Regular Session, the Committee reviewed and adopted the minutes from the September 19, 2018 meeting.

Following the adoption of the minutes, the Committee immediately adjourned.

Senator Fontana concluded his report, and hearing no questions, Chairman Peifer called on Mr. James Steeley for Agenda Item #3.

3. **Interim President and Chief Executive Officer's Report**

Mr. Steeley thanked the Chairman and called for an Executive Session to consult with professional advisors and internal auditors regarding PHEAA finances and to discuss Agency business, which if conducted in public, would lead to the disclosure of confidential information that is protected by statute.

The Committee then returned to Regular Session to discuss Agenda Items #4 and #5.

4. **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 statutes.

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. Representative Carroll made the motion, seconded by Senator Fontana, and the Resolution was unanimously adopted and is attached to these minutes.

Chairman Peifer called up Agenda Item #5.

5. **Other Business**

Hearing no other business, Chairman Peifer adjourned the meeting.

Resolution of the Board of Directors
Pennsylvania Higher Education Assistance Agency
Order of Defaults
Adopted October 18, 2018

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 October 18, 2018; 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 October 18, 2018.