MEDIA RELEASE

For Immediate Release
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PHEAA Partners with DealVector for Consent Solicitations

Harrisburg, PA (January 27, 2021) -- PHEAA, one of the nation’s leading student aid organizations, is kicking off a series of consent solicitations seeking investor approval to amend the terms of Indentures related to its outstanding tax-exempt bonds, and the Indentures relating to notes issued by the various PHEAA Student Loan Trusts for which PHEAA acts as Administrator. Such amendments would provide for the flexibility to sell the student loans pledged under certain Indentures to the Servicer at a higher percentage of the Initial Pool Balance than is currently provided in the Indentures, and to use the proceeds of such sale to retire the related series of bonds and notes. To facilitate the process PHEAA will launch a new online forum designed to facilitate rapid and effective communication with and among investors in securities backed by federally guaranteed student loans.

Free for investors, the service is powered by DealVector, the first global financial asset registry and identity-protected communication platform. By registering at DealVector.com/PHEAA, ABS investors will receive bond-specific notifications and documentation from PHEAA far more rapidly than through traditional channels. They can also communicate with PHEAA and other bondholders through DealVector's secure messaging platform.

The new investor forum allows PHEAA to prioritize consent solicitations on trusts where investor demand is greatest and participation highest. In the case of the PHEAA notes, the consent of holders representing at least a majority of the aggregate outstanding note principal balance is required to approve the optional purchase provisions in the Indentures. In the case of the PHEAA Student Loan Trusts, the consent of noteholders representing not less than fifty-one percent (51%) of the aggregate outstanding principal balance of the notes is required to amend such provisions.

To use the free service, investors register, upload a list of assets, and receive a numeric ID that protects their identities. Neither their names nor assets are revealed to any third party, but the site routes relevant messages directly to their inboxes. They can correspond with PHEAA and with other investors using their DealVector IDs. This improves PHEAA's ability to keep investors informed, solicit their input, and execute amendments requiring investor votes. It also provides – for the first time – an all-to-all communication channel among investors themselves.

(more)
"A tension exists between investors’ desire for greater information transparency and their need for confidentiality with respect to their portfolio composition," explains Jim Kranz, DealVector's V.P. Business Development. "Our service accommodates both by serving as a confidential 'electronic intermediary.' In addition, if an issue requiring a vote arises, as is the case here, investors will be able to access all documents ballots online. This simplifies the voting process and improves response.”

To participate, noteholders can visit www.dealvector.com/PHEAA.

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About PHEAA

Created in 1963 by the Pennsylvania General Assembly, the Pennsylvania Higher Education Assistance Agency (PHEAA) has evolved into one of the nation's leading student aid organizations. Today PHEAA is a national provider of student financial services, serving millions of students and thousands of schools through its loan guaranty, loan servicing, financial aid processing, outreach, and other student aid programs.

PHEAA’s earnings are used to support its public service mission and to pay its operating costs, including administration of the PA State Grant and other state-funded student aid programs. As the only major federal loan servicer with a nonprofit public service mission, PHEAA devotes its energy and resources to help ease the financial burden of higher education for its primary stakeholders – Pennsylvania students and families.

PHEAA conducts its student loan servicing operations nationally as FedLoan Servicing and American Education Services (AES). PHEAA operates its digital technology division as Avereo.