



1200 North Seventh Street, Harrisburg, PA 17102

**Meeting of the Board of Directors  
February 20, 2020 – 10:00 AM**

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A meeting of the Board of Directors was held on February 20, 2020, 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  
Representative Mike Carroll  
Senator Arthur Haywood  
Representative Steven Mentzer  
Representative James Roebuck, Jr. **(via teleconference)**  
Senator Mario Scavello **(via teleconference)**  
Representative Curtis Sonney  
Chancellor Timothy R. Thyreen **(via teleconference)**  
Executive Director Robin Wiessmann **(via teleconference)**  
Noe Ortega, Dep. Sec. for Postsecondary and Higher Ed. **(via teleconference)**  
James H. Steeley, President and CEO  
Jim White, Board Counsel

***Those absent were:***

Senator John P. Blake  
Representative Angel Cruz  
Representative Sheryl DeLozier  
Senator Vincent Hughes  
Representative Anita Kulik  
Senator Kristin Phillips-Hill  
Honorable Roy Reinard  
Secretary of Education Pedro Rivera

***Also in attendance:***

Ms. Alycia Laretti, Representative Roebuck's Office **(via teleconference)**; Ms. Stephanie Buchanan, Senator Aument's Office; Tom Owad, Rock the Capital Video Crew; Ms. Elizabeth Hardison, Capital-Star; Mr. Jonathan Derr, PA Commission for Community Colleges; and the following PHEAA staff: Judith Bines, Bethany Coleman, Mike Garman, William Fisher, Nathan Hench, John Kilheffer, Kyle Lefever, William Lindsey, Steph Martella, Elizabeth McCloud, Andy Mehalko, LaWanda Morris, Todd Mosko, Keith New, Tara Patterson, Jodi Shomper, Kathleen Smith, Jean Svoboda, Jennie Thompson, Nicholas Peachey, and Bill Dunagan

Ms. Jean Svoboda, Board Secretary read the name of each board member in attendance. After establishing the presence of a quorum, Chairman Peifer called the meeting to order and called up Agenda Item #1.

1. **Minutes**



On a motion made by Senator Fontana and seconded by Representative Carroll, the minutes of the January 16, 2020 meeting were unanimously approved.

Chairman Peifer called on Representative Carroll for Agenda Item #2.

## 2. **Election of Board Officers**

Representative Carroll thanked Chairman Peifer and reported that the Agency's Bylaws provide that the election of both Chairman and Vice Chairman of the Board and of the Executive Committee, all of whom are to serve for a term of one year to begin March 1, is to be held at the February Board meeting. In accordance with the Bylaws, the Board accepted the following nominations submitted by the Nominating Committee and by vote of the Board at the January 16, 2020 meeting:

Chairman of the Board  
Vice Chairman of the Board

Representative Michael Peifer  
Senator Wayne D. Fontana

Chairman of the Executive Committee  
Vice Chairman of the Executive Committee  
Members of the Executive Committee

Representative James R. Roebuck, Jr.  
Representative Sheryl M. Delozier  
Senator Vincent J. Hughes  
Senator Ryan Aument  
Honorable Roy Reinard  
Chancellor Timothy R. Thyreen

Representative Carroll made a motion to accept the election of the Chairman, Vice Chairman and Executive Committee, seconded by Representative Sonney and the motion was unanimously accepted.

Senator Fontana thanked the Members and said he was honored and excited to be re-elected. Chairman Peifer thanked the Members and PHEAA staff for their support and passion for the mission of the Agency to the students of the Commonwealth of Pennsylvania. Representative Roebuck thanked the Members for electing him as Chair of the Executive Committee and noted that he has a proud history of serving Pennsylvania students as Chair of the House Education Committee.

Chairman Peifer thanked Representative Carroll and the Committee and called up Agenda Item #3.

## 3. **Committee Reports**

Chairman Peifer called on Representative Carroll, on behalf of Senator Hughes, Chairman of the Audit Review Committee; Representative Carroll reported that the Audit Review Committee met on February 19, 2020. After a quorum was established, the Committee approved the minutes of the meeting held on September 18, 2019.

The Committee went into Executive Session and received an update on PHEAA audit matters, a regulatory exam update and an internal audit update. The purpose of the Executive Session was to discuss Agency business, which if conducted in public, could lead to the disclosure of information and confidentiality that is protected by statute.

Following the Executive Session, the Committee returned to Regular Session and received a quarterly financial report from Mr. Kyle Lefever. Mr. Lou Roberts from Ernst & Young, independent auditors, provided a brief overview of E&Y's review of the quarterly financial statements.

The Committee then adopted the following motions: a motion to commence an audit and non-audit RFP as presented by Mr. Lefever; a motion to accept the changes to the Internal Audit Plan as presented by Ms. Bines; and a motion to adopt the changes to the Audit Review Committee Charter as presented by Ms. Bines.

Representative Carroll stated that the Committee recommends that the Board approve the Audit Review Committee Charter as amended by the Committee. A motion to approve the charter was made by Senator Haywood, seconded by Senator Fontana and the motion was unanimously approved.

Representative Carroll concluded his report and hearing no questions from the Board, Chairman Peifer called on Representative Roebuck.

Representative Roebuck reported that the Executive Committee met on February 19, 2020 and once a quorum was established, the Committee approved the meeting minutes from the meeting held on January 15, 2020. Mr. Mehalko provided a report on the PHEAA Student Loan Foundation, Inc., noting that an independent director had retired and her successor must be appointed. A motion to accept the slate of directors as presented was approved.

Mr. Steeley then requested that the Committee enter into Executive Session to receive a financial report, discuss legal matters, to receive an enterprise risk management update and a technology update, which if conducted in public, could lead to the disclosure of information protected by statute. Upon return to Regular Session, a motion to approve the ERM Program including the ERM framework and enhanced risk management governance structure was approved as presented by Ms. Morris. Upon hearing no other business, the meeting was adjourned.

Representative Roebuck concluded his report and hearing no questions Chairman Peifer called up Agenda Item #4.

#### **4. Financial Update and Annual Disclosure Notification**

Chairman Peifer called on Mr. Andy Mehalko. Mr. Mehalko thanked the Chairman and asked the members to direct their attention to the documents in BoardEffect. He reported on several items. The first item Mr. Mehalko covered was the PowerPoint presentation which summarized PHEAA's financial results for the six months ended December 31, 2019. A draft of PHEAA's Unaudited Quarterly Financial Report for December 31, 2019 was also presented.

Mr. Mehalko reviewed Slide 4, PHEAA's financial results for the six months ended Dec. 31, 2019 and 2018. He highlighted some of the key drivers for PHEAA's performance for the fiscal year. Overall, PHEAA's consolidated operating income for the six months ended Dec. 31, 2019 was \$24.7 million, a \$19.2 million increase year over year. PHEAA's total unrestricted operating revenues were \$253.4 million for the first six months of the year compared to \$237.5 million for the prior year. The key drivers for increased revenues year over year were due to increased net interest income on investments at State Treasury of \$5.9 million, an increase in servicing revenues due to the receipt of \$4.8 million from the U.S. Department of Education for

resolution on a billing issue for services provided, and an increase of \$6.2 million in revenue from retentions of collections on defaulted loans as a result of an increase in rehabilitation loan volume.

Mr. Mehalko reviewed unrestricted operating expenses. He reported for the first six months of the fiscal year expenses were \$246.1 million compared to \$254.3 million in the prior year, a decrease of \$8.2 million. This decrease was a result of PHEAA's continued cost management efforts. He highlighted the key drivers for each of the line items. The reduction in personnel and benefits of \$9.9 million was driven by a reduction in pension and OPEB expenses as well as a reduction in staffing complement year over year. Professional services saw an increase by \$5.4 million year over year as a result of outsourcing expenses for back office processing and contact center services, in addition to increased professional consulting services related to the upcoming data center move to the Iron Mountain facility and consulting fees in connection with IT transformation efforts. The Information Technology line item had an increase in expenses of \$2.2 million and the main driver for the increase was due to managed IT services contract for the mainframe operations. The final line item, other operating expenses, saw a decrease of \$5.9 million due to the renegotiated telephony contracts, savings in postage costs as a result of implementing several strategic IT projects, and lower legal fees year over year. PHEAA's unrestricted operating income was \$7.3 million for the six months ended December 31, 2019 and increased \$24 million year over year.

Mr. Mehalko reviewed PHEAA's restricted operating income which decreased by \$4.8 million to \$17.5 million for the six months due to the continued pay-down of the FFELP student loan portfolio. PHEAA's consolidated operating income for the six months ended December 31, 2019 was \$24.7 million and increased \$19.2 million year over year. Slide 5 is the waterfall showing the year over year change.

Mr. Mehalko reviewed Slide 6, the budget to actuals comparison for the six months ended December 31, 2019. He reported PHEAA's budget continues to look good, coming in with a favorable budget variance of \$24.7 million for the first six months of the fiscal year. He highlighted the actual results and stated the favorable variance was due to better than expected revenues and lower than expected expenses. He noted that PHEAA does not expect an increase in expenses to come in for the next six months due to the mainframe move and IT transformation efforts under way. Slide 7 shows the budget to actuals waterfall.

Slide 8, depicts PHEAA's Condensed Balance at December 31, 2019 and June 30, 2019, and Mr. Mehalko reviewed some of the line items and provided detail on the changes. Large changes under assets have occurred between June and December. Overall PHEAA's assets decreased just over \$100 million during the first six months of the fiscal year. The biggest change was to the student loan receivables, due to the continued pay-downs of the student loan portfolio of \$236.8 million reducing the portfolio to \$3.65 billion. Cash and investments increased by \$96.8 million which offset the pay-downs. The increase was due to timing of state grant funds received from the state treasurer for spring semester disbursements. Capital Assets increased \$14 million due to the net effect of capitalizing \$24 million of software development costs and expensing \$10 million in depreciation. He reported other assets increased by \$25.7 million due to timing differences for accounts receivables from the U. S. Department of Education.

PHEAA's Total Liabilities decreased by \$287.8 million during the first six months, primarily driven by the pay-down of bonds in the student loan trusts from borrower payments.

Other liabilities decreased \$13.5 million, as with other assets mentioned above due to timing differences with reimbursement payments from the U.S. Department of Education.

PHEAA's overall net position increased during the first six months by \$197.5 million. This was primarily due to grant funds transferred to PHEAA from state treasury for the spring semester disbursements. However, while the overall net position increased, the unrestricted net position decreased \$3.1 million to a negative (\$323.1 million) as a result of the transfer of \$14 million in software development costs to capital assets offset by \$7.3 million of net income and \$4.5 million released from PHEAA's student loan trusts to PHEAA.

Mr. Melhalko reviewed a summary of a subsequent event for OPEB valuation on Slide 9 also found on page 42 of the Quarterly Financial Statements under Note 10. He stated that in early February, PHEAA received the Commonwealth's GASB 75 valuation for the OPEB liability. PHEAA's proportionate share of the liability has decreased from \$274.3 million to \$218.9 million. For the January 2020 month end close, PHEAA booked a reversal of expense for \$20 million which had a positive effect on net income, but does not affect PHEAA's cash position.

He stated a draft of the December 31, 2019 unaudited quarterly financial report was included in the Board materials. They were reviewed with the Audit Review Committee and Ernst & Young completed their review of the quarterly financial statements with no significant comments. The financial statements will be finalized and posted to the investor relations section of PHEAA's website.

Hearing no questions on the financial results, Mr. Mehalko provided an update on the PA Forward Student Loan Program. For the 2019-20 academic year PHEAA will have disbursed more than \$36 million in school loans to nearly 2,300 students and parents living in the Commonwealth or students attending a school in Pennsylvania. The approval rate to date is 29% and PHEAA is looking to improve upon that for the next academic year. He reported that the weighted average interest rate for all loans was 6.62 percent and compared favorably to the federal plus loan rate of 7.08 percent and 8.86 percent for the average private student loan. The PA Forward Refi loan launched late last fall and PHEAA targeted a campaign going out to over 168 thousand pre-screened borrowers over the next couple of weeks. He stated PHEAA appreciates and thanks those board members who have made statements or press releases regarding the PA Forward Student Loan Program. PHEAA plans to expand marketing efforts to reach out to more students, families and schools regarding the PA Forward Student Loan Program.

The last item Mr. Mehalko reviewed was PHEAA's annual municipal bond continuing disclosure compliance certificate. He informed the Board that PHEAA has filed the required annual disclosure and event notices listed on Schedule I during the year in a timely manner. No action is needed by the Board.

Mr. Mehalko mentioned for board member awareness that PHEAA and the State Treasurer renewed the Treasury Line of Credit in late December 2019 for the 30th year. The line has been in place since 1990 and has been an invaluable funding tool for PHEAA since its inception. Hearing no questions or comments, Chairman Peifer called up Agenda Item #5.

## 5. **Congressional Update**

Chairman Peifer called on Ms. Kathleen Smith, who thanked the Chairman and asked the Committee to turn their attention to the PowerPoint uploaded to BoardEffect. She reported

that on February 10, 2020, the White House released its FY 2021 Budget request. The U.S. Department of Education's top priority, according to its budget documents, is to promote educational freedom: freedom for students and parents to choose the schools that best meet their needs; freedom for States and school districts to decide how best to meet the needs of their students; and freedom to choose high-quality, affordable postsecondary options and career pathways that lead to fulfilling lives. The budget puts forward \$66.6 billion for the U.S. Department of Education, a decrease of \$5.6 billion from FY 2020 enacted levels.

Ms. Smith reviewed the major higher education initiatives on Slide 3 which included a review/evaluation for the Office of Federal Student Aid (FSA) to become an independent agency with reformed governance; elimination of the Public Service Loan Forgiveness (PSLF) program; elimination of the Supplemental Educational Opportunity Grant (SEOG) program; elimination of subsidized student loans; elimination of the Account Maintenance Fee (AMF); imposing annual and aggregate limits on Parent (\$26,500) and Graduate (\$50,000 annual and \$100,000 aggregate) PLUS loans; and consolidation of Income Driven Repayment (IDR) plans.

She continued reviewing proposed initiatives on Slide 4 that included a \$1.9 billion request for FSA to support the "multi-year" NextGen effort; implementation of the 6103 provisions in the FUTURE Act; maintenance of current Pell Grant maximum award of \$6,345 for academic year 2021-22; expansion of Pell Grant eligibility for short term programs and certain incarcerated individuals; reform of the allocation formula for Federal College Work Study (FCWS) to take into consideration an institution's enrollment of Pell Grant eligible students; consolidation of Federal TRIO programs to a block grant to states; consolidation of several Minority Serving Institution programs into a single formula grant program; risk sharing of some kind for postsecondary institutions – with an interest to work with Congress to develop institutional accountability measures. She reminded the members that these were proposed initiatives.

Senator Haywood asked about the impact on PA students if PSLF was eliminated and if Plus Loans had caps. Ms. Smith stated that the elimination, if passed, would not be retroactive and would only impact borrowers going forward. Mr. Steeley added that there were positives and negatives to setting caps on Plus Loans. He also added that elimination of AMF would directly impact PHEAA as these are the funds that are used for outreach efforts such as financial aid nights and the FAFSA completion nights and many other outreach efforts across the Commonwealth. Ms. Smith told the Board that efforts are already underway to support the extension of the AMF within the appropriations process as it was in FY 2020.

Hearing no other questions or comments for Ms. Smith, Chairman Peifer called up Agenda Item #6.

## 6. **Keystone Scholar Program Overview**

Chairman Peifer called on Ms. Svoboda who thanked the Chairman and provided a program overview. She stated that in 2018, Treasurer Joe Torsella launched Keystone Scholars, a seed investment in the next generation of Pennsylvanians administered by the PA Treasury Department through its PA 529 College and Career Savings Program. The reasoning behind the program was that a baby with higher education savings at birth is more likely to enroll in education or training after high school and more likely to graduate. The program started as a two year pilot providing all newborns and adoptees born or adopted in 2018 and 2019 in six Pennsylvania counties: Delaware, Elk, Indiana, Luzerne, Mifflin, Westmoreland, with \$100 invested for their higher education. The \$100 is invested by the PA Treasury Department and

will grow through the years. Keystone Scholars funds can be used for qualified expenses when children pursue higher education. She noted that eligible expenses include tuition, fees, books, and more through vocational or career technical education, community college, two-year college, four-year college, and more. Keystone Scholars funding can be used up until a child turns aged twenty-nine.

Ms. Svoboda stated that on January 18, 2018, PHEAA's Board of Directors passed a resolution which authorized the President and CEO of the Agency to execute an intra-Agency agreement between PHEAA and the Pennsylvania Treasurer to expend up to \$2.25 million of Agency resources for the purpose of the creation of the Keystone Account Demonstration Program. She reported a total of \$314,263.20 was spent on the pilot, which ended December 31, 2019. Of that amount, \$127,907.53 was for research, marketing, and postage. The remaining \$186,355.67 was for PHEAA's share of grants during the period. The committed but not spent amount was to \$1,185,736.80.

In December 2019, Treasury published a news release regarding the success of the program. During the 4th Quarter of 2019, the Bureau continued promoting the Keystone Scholars Program with a digital campaign and direct outreach to eligible families and through December 31, 2019, families of more than 8,000 babies registered for online access. Ms. Svoboda concluded her report. Chairman Peifer commented that members of the board should work with the general assembly to support this program. Hearing no other questions or comments, Chairman Peifer called up Agenda Item #7.

#### **7. President and Chief Executive Officer's Report**

Chairman Peifer called on Mr. Steeley, who thanked and recognized the board and the Governor for the increase in proposed funding for the PA State Grant Program. He stated that this would be the second year in a row the funding was increased by \$30 million and coupled with PHEAA's \$30 million would put the maximum grant award back up to the high water mark of \$4,700 from 2007-2008. This increase positively impacts reducing student loan debt for Pennsylvania students. Mr. Steeley stated that PHEAA is off to a great start and called on Mr. Hench to discuss in detail the 2020-2021 Commonwealth appropriations.

Mr. Hench introduced Mr. William Lindsey, Higher Education Access Partners Manager and Ms. Elizabeth McCloud, Vice President for State Grant and Special Programs, who represent PHEAA's unsung heroes. Mr. Hench reviewed Slide 2 PHEAA's budget as proposed by Governor Wolf released on February 4, 2020. He stated the Governor recommended funding of \$339.733 million for 2020-2021, a 9.3 percent increase. He reviewed Slide 3 which highlighted the appropriation by line item. He stated the Governor proposed a 5 percent increase each for Institutional Assistance Grants (IAG) and Higher Education of the Disadvantaged (Act 101) a 4.1 percent increase for Higher Education for Blind or Deaf Students. A significant increase to the Ready to Succeed Scholarships fund was proposed, mostly due to the change in GPA increasing the number of eligible recipients. The increase was needed to fully fund the demand for Ready to Succeed given the GPA change. A 5 percent increase to the PA Targeted Industry Program is instrumental with the expansion of the program to health fields of study. The Pennsylvania Internship Program Grants was proposed at level funding of, \$450,000. Mr. Hench concluded his appropriations update and hearing no questions he reviewed the PA State Grant award formula on Slide 5.

Mr. Hench explained that the PA State Grant award formula is expected family contribution (EFC) based. The total cost of attendance is tuition and fees plus educational

expense allowance plus books and supplies, minus the EFC and a Pell award (\$6,195 maximum) equals student need. He further explained the percent of need met, EFC and cost tiers listed on Slide 7. He stated three factors that impact the PA State Grant model are listed on Slide 8 and include application inflation, an estimated expected change (inflation/deflation) in the size of the applicant pool being processed; income and assets inflation, an estimated expected change (inflation/deflation) in the income and assets of the applicant pool being processed and college cost inflation, an estimated expected change (inflation/deflation) in the charged Tuition & Fees for the applicant pool being processed. The final total resources available have an impact on the award formula. The projected award value must be equal to the total resources available. Mr. Hench stated that PHEAA supplements have prevented cuts to key programs. In the last 5 academic cycles PHEAA's direct public service outlays to fund the State Grant and other programs has approached \$0.5 billion in direct cash outlays.

Hearing no questions for Mr. Hench, he called on Ms. Elizabeth McCloud to review Slides 11 and 12. Ms. McCloud stated the PA State Grant is making a difference in lowering the debt burden for Pennsylvanians with the most need. She said that among the Fall 2015 cohort, high-need students who received a PA State Grant award every year borrowed an average of \$28,722 in federal student loans, compared to \$37,970 for high-need students who did not receive a PA State Grant across the four-year period. PA State Grant recipients were able to borrow \$9,200 less over a four year period. She said it is important to note that a direct causal relationship cannot be established due to the limited information available to PHEAA on students' overall financial aid packages but it is a strong indication of the impact of the PA State Grant Program in helping to reduce student borrowing.

Ms. McCloud reviewed the Ready to Succeed Scholarship program on Slide 12. She stated as students phase out of PA State Grant Program eligibility, they can move into eligibility for the Ready to Succeed Scholarship (RTSS) Program. RTSS assists high-achieving returning students from middle-income families in financing their higher education. Students must have an annual family income that does not exceed \$110,000 and must meet academic standards. In combination with the PA State Grant Program, RTSS recipients who meet all eligibility requirements can receive an annual PA State Grant and RTSS award package ranging from a minimum of \$500 to a maximum of \$2,000. The Governor did propose an increase to the program to fully fund the program. Hearing no questions for Ms. McCloud, Mr. Hench reviewed PHEAA's public service outreach efforts listed on Slide 14. He stated PA School Services consists of 13 Higher Education Access Partners (HEAP) who are strategically located across the Commonwealth. HEAPs provide outreach services to students and families. In addition PHEAA drives students to three websites that offer valuable resources: (1) MySmartBorrowing.org, provides information and tools on becoming a smart borrower; (2) EducationPlanner.org, a scholarship search engine & career planning resource; (3) YouCanDealWithIt.com, provides information post-graduation regarding financial literacy.

Mr. Hench stated the staff pictured on Slide 15 is the PA School Services Team and deferred to Mr. Lindsey who then reviewed outreach efforts performed by his team. The team conducts Financial Aid Nights, FAFSA Completion Sessions, and Jr Jump Start sessions for schools, families and students across the Commonwealth. The School Services Team members also work with community and government partners to provide those services to non-traditional students, homeschooled students and foster students. Mr. Lindsey reviewed the summary of activities on Slide 17 that included over 3,700 activities that benefited over 60,000 families, students, educators and community partners. Mr. Lindsey reviewed the additional resources and services provided by PHEAA on Slide 18. He stated these resources are available to

schools at no cost with the exception of the Student Loan Notification Tool. The tool launched December 2019 and thirty-five schools have signed up for this service for a small fee.

Vice Chairman Fontana stated that he was surprised that more schools do not reach out to PHEAA for these services. Mr. Lindsey offered to provide reporting to each board member that would capture outreach services to all secondary schools within their districts including Financial Aid Nights, FAFSA Completion Sessions, and any other student outreach. There was a discussion among members regarding regions that participate and don't participate. Mr. Lindsey stated rural and suburban regions participation is across the board. He stated there is increased interest in activities with families with higher incomes as opposed to lower income families. Hearing no other questions or comments, Chairman Peifer called up Agenda Item #8.

8. **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 recommended 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 Sonney made the motion, seconded by Representative Mentzer, and the resolution was unanimously adopted and is attached to these minutes.

9. **Other Business**

Hearing no other business, Senator Fontana made a motion to adjourn, seconded by Representative Carroll, and Chairman Peifer thanked the members and adjourned the meeting. Chairman Peifer announced a five minute break until the Board Privacy and Security training would begin and those members on the phone should stay on the phone to receive the training.

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**Resolution of the Board of Directors  
Pennsylvania Higher Education Assistance Agency  
Order of Defaults  
Adopted February 20, 2020**

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*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 February 20, 2020; 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 February 20, 2020.*