

Tennessee Student Assistance Corporation



Board of Directors Meeting

18th Floor, Parkway Towers
Nashville, TN

April 29, 2016

A G E N D A

Tennessee Student Assistance Corporation
THEC Board Room
Nashville, Tennessee
Friday, April 29, 2016
10:00 a.m. CDT

Adoption of Agenda

Approval of Minutes of the September 24, 2015 Board Meeting

Chairman's Report

Executive Director's Report

TASFAA President's Report

I. Decision Items

- A. Selection of 2016-17 Officers and Committee Members
- B. TSAA Over-commitment ratio
- C. Adoption of Rules – Community College Reconnect

II. Discussion Items

- A. Federal Family Education Loan Program Update
- B. Use of Operating Fund After FFELP Transition
- C. Budget and Legislative Update
- D. Communication Services Update

III. Other Business

- A. Conflict of Interest Policy Statement

**Tennessee Student Assistance Corporation
Board of Directors Meeting Minutes
September 24, 2015
1:00 p.m. CST**

The Board of Directors of the Tennessee Student Assistance Corporation met on Thursday, September 24, 2015. The meeting was called to order by Dr. Russ Deaton at 1:00 p.m.

Dr. Deaton welcomed all to the meeting and recognized Mr. Will Cromer of the Governor's office and new designee for Governor Haslam and Mr. Garrett Wilson, student member from Union University.

ROLL CALL

The following board members/alternate representatives were present:

Gary Adcox
Will Cromer, representing Governor Bill Haslam
Russ Deaton
LaSimba Gray, via conference call
David Gregory, representing Chancellor John Morgan
Katie High, representing President Joe DiPietro, via conference call
Tom Hughes
Treasurer David Lillard
Danielle Mazera, representing Commission Candice McQueen
Keri McInnis
Claude Pressnell
Greg Turner, representing Commissioner Larry Martin
Richard Smelser
Gary Weedman
Courtney Williams
Garrett Wilson
Joseph Woodson, representing Comptroller Justin Wilson

ADOPTION OF AGENDA

Dr. Deaton called for a motion to adopt the agenda. Ms. Keri McInnis made a motion to approve the agenda, as presented. Dr. Claude Pressnell seconded the motion; the motion was duly adopted by the following roll call vote:

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
Gary Adcox	x		
Will Cromer	x		

Russ Deaton	x
*LaSimba Gray	
*David Gregory	
Katie High	x
Tom Hughes	x
Treasurer David Lillard	x
Danielle Mazera	x
Keri McInnis	x
Claude Pressnell	x
Richard Smelser	x
Greg Turner	x
Gary Weedman	x
Courtney Williams	x
Joseph Woodson	x

* Not present at the time of vote

ADOPTION OF THE MINUTES FOR THE MAY 27, 2015, MEETING

Dr. Deaton called for a motion to adopt the minutes from May 27, 2015 meeting. Dr. Gary Weedman made a motion to approve. Ms. McInnis seconded the motion; the motion was duly adopted by the following roll call vote:

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
Gary Adcox	x		
Will Cromer	x		
Russ Deaton	x		
*LaSimba Gray			
*David Gregory			
Katie High	x		
Tom Hughes	x		
Treasurer David Lillard	x		
Danielle Mazera	x		
Keri McInnis	x		
Claude Pressnell	x		
Richard Smelser	x		
Greg Turner	x		
Gary Weedman	x		
Courtney Williams	x		
Joseph Woodson	x		

* Not present at the time of vote

CHAIRMAN'S REPORT

Dr. Deaton recognized Mr. Mike Krause of the Governor's office and Mr. James Snyder of TSAC to provide an update on the Drive to 55 Initiative and TN Promise program. Mr. Krause began by noting that last fall, there were 58,000 applicants for the TN Promise and of those 43,000 attended the first meeting and 22,500 completed their community service. He noted that as of the fall census, there were 15,800 in the program, an expenditure of \$12 M for year one of the program. He noted the increase of 12 percent in FAFSA completion in Tennessee and the 14 percent increase in community college enrollment, both an outcome of the Tennessee Promise program and the 18.5 percent enrollment increase at TCATs due to the Promise and the Reconnect program.

Ms. McInnis inquired whether a list of all applicants that did not participate in the Tennessee Promise was maintained with the reason for not completing the program for follow up. Mr. Krause confirmed there is a data base that maintained a list of all applicants, whether they completed the program or not but will have more information in the spring.

Mr. Cromer inquired about how many counties required students to apply for the TN Promise? Mr. Krause stated 32 counties had every student apply. Mr. Tom Hughes asked if community service opportunities were an issue for students and if there was a list of community service opportunities. Mr. Krause affirmed there was a list of opportunities and the students that did not complete were given every opportunity to complete the eight hours required.

Mr. Snyder then provided an update on enrollment data and cohort II with student feedback. He noted that payments are currently being processed; around 1700 students processed so far with approximately \$700,000 awarded to date with a five-business day turnaround time. Mr. Snyder noted there have been issues with verification and clarity of the process but they have addressed those issues through rule changes. He commented on the regional counselor trainings recently completed with THEC and noted over 800 counselors at 7 sites attended from across the state and were provided results of Cohort I and updates on Cohort II, which is around 24,000 applications to date. He noted although nearly 4,000 applications were sent per week, there have been no application portal issues. Mr. Snyder then announced the fall training in late October where he and others will present TSAC program updates.

Dr. Pressnell inquired if the Reconnect 5,000 number was in addition to the 15,800 in the Promise program. Mr. Krause affirmed. Ms. McInnis inquired how many counties had signed up; Mr. Krause stated that 50 percent in every county signed up. She then asked what the participation was between public and private institutions. Mr. Krause stated that all eligible TICUA institutions had some

participation but none over 30-40. Dr. Pressnell stated that the institutions with the most participation integrated into their communications with students and has cost the institution more money by matching funds but those institutions are keeping an eye on those costs.

EXECUTIVE DIRECTOR'S REPORT

Dr. Russ Deaton was recognized to provide the executive director's report. He commended TSAC staff, institutional staffs and Mr. Krause for the success of the implementation. Dr. Deaton commented on how financial aid helps solve the DRIVE to 55 issue and obtain the goals of the initiative. He then updated on the board on the budget in terms of the TSAA program and noted that staff was charged with expending all the money allocated for this program including the over-awards. Dr. Deaton then recognized Mr. Tim Phelps to provide an update on the over-commitment awards and reserve funds. Mr. Phelps commented that the reserve balance has grown over the past few years although some funds were expended to award more students and although the balance is still higher than anticipated, awards are being made to further utilize the funds and will award renewal and neediest students, as long as they applied by the March 1 deadline. He noted that the balance currently is \$17 M however the intention is to fund an additional 4,000 students, approximately \$7M, to reduce loan burdens. Dr. Pressnell commended the Governor for the additional \$10M to allow TSAC to fund those students and would not impact the over award percentage. Mr. Greg Turner inquired about the target reserve balance. Mr. Phelps stated that would be addressed and presented to the board in the spring but did not want to deplete the reserve. Dr. Gregory inquired if these changes were pursuant to the Promise program. Mr. Phelps stated that any funds received by a Promise recipient would be an addition to that award and would not replace it.

TASFEE PRESIDENT'S REPORT

Mr. Richard Smelser was recognized to provide the TASFEE report. Mr. Smelser began his report by updating the board on elected officers and members of the TASFEE board. He then discussed fall TASFEE training series, held in West Tennessee on October 28 at Union University, Middle Tennessee on October 29 at Tennessee State University and East Tennessee on October 30 at Johnson University and noted the logistics for those meetings such as presenters and time frames. Mr. Smelser then commented the 2015 spring conference held April 24-27 in Murfreesboro, TN. He noted there were 311 current members of TASFEE, 27 of which are TSAC staff members; three serving on the executive board -Jane Pennington serves as State Program Chair, Terri Parchment serves as Membership Chair, and Leah Louallen serves as Treasurer. Mr. Smelser thanked Mr. Krause and Mr. Snyder for the quick responses to questions regarding the Promise program. He then noted the initiative by Senator Lamar Alexander to reduce the FAFSA, fewer

loan payment options and control at institutions to reduce loan debt and volume by introducing students to other options such as the Tennessee Promise.

DECISION ITEMS

Ratification of Chair

Dr. Deaton noted that Governor Haslam was elected as chair during the Board’s May meeting. Mr. Mark Cate, who served as the Governor’s designee and acting chair, resigned from state service in July 2015. He noted that the Governor has selected Mr. Will Cromer to serve as his designee to the board and action on this item will ratify the Governor’s designee as the new acting Chair.

Dr. Pressnell made a motion to affirm Mr. Will Cromer as the new designee for Governor Haslam and ratify his role as chair. Mr. Tom Hughes seconded the motion; the motion was duly adopted by the following roll call vote:

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
Gary Adcox	x		
Will Cromer			x
Russ Deaton	x		
LaSimba Gray	x		
David Gregory	x		
Katie High	x		
Tom Hughes	x		
Treasurer David Lillard	x		
Danielle Mazera	x		
Keri McInnis	x		
Claude Pressnell	x		
Richard Smelser	x		
Greg Turner	x		
Gary Weedman	x		
Courtney Williams	x		
Joseph Woodson	x		

Mr. Cromer thanked the board and stated he is excited to serve on the TSAC board.

Adoption of Rules – Tennessee Promise Scholarship

Mr. Cromer recognized Mr. Peter Abernathy to provide an overview of the proposed rules for the Tennessee Promise Scholarship. Mr. Abernathy stated that in addition to making various clarifications and technical changes to existing language, these rules make the following changes: Requires students to submit FAFSA verification documents to their postsecondary institution by August 1; allows community service to begin as early as the day following the Promise Scholarship application deadline

of August 1 of the high school senior year; and beginning in the 2017-18 academic year, requires students to perform and report community service by July 1.

Dr. Pressnell asked that if the use of the prior-prior year income by the Department of Education shifts all the programs would the filing deadline be adjusted for the programs as well, since it will change the dynamics of what TSAC does. Mr. Abernathy stated that had not been discussed formally; the decision to use prior-prior year income was made after the proposed changes in the rules were written. Dr. Deaton stated it would require TSAC to reevaluate the sequencing in deadlines and although a formal discussion has not been had, it has been noted.

Mr. Smelser stated that in fall of 2016, students will be able to file for the 2017-18 year and a lot of professional judgments will be seen due to income changes. He also stated that the system used will be another issue.

Dr. Pressnell made a motion that the Tennessee Assistance Student Corporation adopt the proposed rules and the TSAC Board of Directors authorize the Executive Director to make any necessary technical corrections to these rules including changes required by the Tennessee Attorney General. Ms. McInnis seconded the motion; the motion was adopted by the following roll call vote:

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
Gary Adcox	x		
Will Cromer	x		
Russ Deaton	x		
LaSimba Gray	x		
David Gregory	x		
Katie High	x		
Tom Hughes	x		
Treasurer David Lillard	x		
Danielle Mazera	x		
Keri McInnis	x		
Claude Pressnell	x		
Richard Smelser	x		
Greg Turner	x		
Gary Weedman	x		
Courtney Williams	x		
Joseph Woodson	x		

Proposed Budget Request for 2016-17

Mr. Abernathy stated the budget is a base budget continuation of the current year's base budget for the FY 2016-17 and noted one improvement item is the Tennessee

Student Assistance Award program where \$28.6 million budget improvement for fiscal year 2016-17 is requested to fund an additional 118,000 students over the course of five years.

Dr. Pressnell made a motion to approve staff recommendations. Dr. LaSimba Gray seconded the motion. Dr. Pressnell inquired whether TSAC still communicated with legislators through county profiles; Dr. Deaton affirmed that THEC communicates with legislators through annual county profile reports. After discussion, the motion was adopted by the following roll call vote:

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
Gary Adcox	x		
Will Cromer	x		
Russ Deaton	x		
LaSimba Gray	x		
David Gregory	x		
Katie High	x		
Tom Hughes	x		
Treasurer David Lillard	x		
Danielle Mazera	x		
Keri McInnis	x		
Claude Pressnell	x		
Richard Smelser	x		
Greg Turner			x
Gary Weedman	x		
Courtney Williams	x		
Joseph Woodson			x

Wind-down of Federal Family Education Loan Program (FFELP)

Dr. Deaton stated that in July 2010, Congress directed all new student loans to the Federal Direct Loan Program, resulting in no new accounts into TSAC’s Federal Family Education Loan (FFEL) program portfolio. He stated that in order to maintain some assets from revenues, beginning an official wind-down of the FFEL program will help minimize depletion of program fund reserves, while maximizing opportunities for TSAC to provide needed resources to the state’s postsecondary students and institutions. Therefore, staff recommends formally withdrawing from the Federal loan program and be placed on official wind-down of the FFEL program, with a termination date of June 30, 2016. Dr. Deaton stated that upon approval, TSAC would begin to work with ED to transition the portfolio to another loan servicer and during the transition; TSAC would continue to work with the current loan servicer (Nelnet Guarantor Solutions/NGS) to manage the existing portfolio and assist student borrowers.

He also stated that moving forward TSAC's loan division intends to explore ways to continue default management and financial literacy services assistance to postsecondary institutions and offer customized assistance to individual financial aid offices and provide default aversion counseling to student borrowers.

Mr. Greg Turner made a motion to approve staff recommendations. Dr. Danielle Mazera seconded the motion; Mr. Cromer called for discussion and questions. Dr. Pressnell inquired if TSAC had any input on which loan servicer would get the portfolio; Dr. Deaton stated no, TSAC would not have any input on the servicer choice. Dr. Pressnell commented that there were servicers that would make the transition seamless to the students if input was allowed but if not, the transition could be disruptive to students. He asked if the June 30, 2016 date is the final tipping point to where it would no longer produce viable revenue.

Dr. Deaton affirmed that any further beyond that point would risk financial loss as the program would eventually get into the operating fund. He stated that TSAC is more beneficial getting out a little early as opposed to staying in too long and risking an eventual financial loss of the operating fund. He noted that date puts TSAC in a good position financially- as a mid-point from retreating too early or too late. Dr. Pressnell also inquired about the cohort default rates comparing the US average to the TSAC FFELP portfolio average. He stated that because the TSAC portfolio was decreasing does not mean that Tennessee does not have a growing loan portfolio in direct lending, and the default aversion activity is a great public service to Tennessee Students with the revocation program allows borrowers to keep their license while repaying their debt. He asked how much of the reserve would TSAC need to keep in place to produce enough revenue to support that activity? He wanted to make sure that is as robust as possible to allow funding for the default aversion and revocation programs. Dr. Deaton stated that TSAC would focus on bringing back to the board an in depth business plan about how to proceed possibly in a called meeting or at the spring meeting. Dr. Pressnell stated that this is so critical he wanted to bring it to the board's attention and noted there were partners working in the for-profit realm and commended their efforts but it is critical to keep TSAC on this route.

Mr. Hughes asked if there was a specific cost for withdrawal and if the Department of Education had indicated what amount or percent of the portfolio might be? Dr. Deaton stated that there has not been any indication of cost at this point but did not anticipate it being a large amount of money but there would be some cost associated with the transfer. Ms. McInnis stated that it is very important for this to be as smooth of transition as possible to avoid complications with students and also ensure there is communication with students during the transfer. She also noted that TSAC would more than likely still get calls after the transition and inquired how that would be handled. Ms. Jane Pennington stated that although TSAC may not have their loan, they will still be able to assist students to a certain extent such as

connecting that student to the contact person for their loan. Mr. Hughes commented about the servicing transfer letter and stated that letter needs to be sent as soon as possible so borrowers know what to expect when the time comes. Ms. Pennington stated there would be letters sent from not only TSAC but also from the US Department of Education and the new lender. Ms. McInnis stated there would be complications when lenders change and notification of the upcoming change should be sent out. Dr. Deaton asked Ms. Pennington to clarify the process that has taken place in other states. Ms. Pennington stated this has been done in other states and there were some problems but those problems have been addressed.

After discussion, the motion was adopted by the following roll call vote:

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
Gary Adcox	x		
Will Cromer	x		
Russ Deaton	x		
LaSimba Gray	x		
David Gregory	x		
Katie High	x		
Tom Hughes	x		
Treasurer David Lillard	x		
Danielle Mazera	x		
Keri McInnis	x		
Claude Pressnell	x		
Richard Smelser	x		
Greg Turner	x		
Gary Weedman	x		
Courtney Williams	x		
Joseph Woodson	x		

DISCUSSION ITEMS

Federal Family Education Loan Program Update

Ms. Jane Pennington was recognized to provide the update on the Federal Family Education Loan Program. Ms. Jane Pennington was recognized to provide the update on the Federal Family Education Loan Program. Ms. Pennington stated her staff is ready to start the transition to the wind down of the program and looks forward to continuing to assist institutions and students in the future. She noted the annual report from NGS and stated that Rehabilitation collections brought \$17.5M more in 2014-15 than in the previous year and \$13.7 over the previous year from revocation.

Ms. Pennington then commented on default aversion and noted that representatives continue to assist schools across Tennessee preventing borrowers from going into default through webinars and onsite training for borrowers and schools, and developing default management processes based on a specific school needs.

Grant and Scholarship Program Update

Mr. Tim Phelps was recognized to provide an update on the Grants and Scholarship Program. He stated for the 2014-15 TSAC disbursed over \$304 M to over 100,000 students and year-end figures for 2013-14 indicate almost 94 percent actual expenditures, which represent about 34,300 students receiving \$62.2 million. Mr. Phelps stated that TSAA resources for 2015-16 total about \$78 million. He stated there were changes to the dual enrollment grant which has seen some increases and with collaboration from TBR and the Governor's office and stated funding will be \$500 for juniors for their first two classes; \$200 for the third class and no funding for the fourth class and will be monitored for issues. Dr. Mazera inquired about how the program will be monitored. Mr. Phelps stated that if there is a drop off in participation, it would be the main focus for investigating and following up.

Communications Services Update

Ms. Diane Lejeune was recognized to provide the update on communication and outreach services. She discussed the outreach statistics such as college fairs, visits to administrators, financial aid presentations, personal finance classes, and school visits to educate students on financial aid. Ms. Lejeune also provided information on call center statistics, the THEC High School Counselor Survey, and the social media outreach.

Audit Update

Ms. Ann Collett, Internal Auditor, was recognized to provide an audit update. She stated that the Division of State Audit's Financial and Compliance Audit of TSAC for the fiscal year ended June 30, 2014, was recently completed and no issues were noted.

There being no further business, the meeting adjourned at 2:42 p.m.

Approved:

Dr. Claude O. Pressnell, Jr., Secretary

Tennessee Student Assistance Corporation

Friday April 29, 2016

DECISION ITEM A: Selection of 2016-17 Officers and Committee Members

Staff Recommendation: That the board elects its 2016-17 officers and committee members.

Background: TSAC bylaws state that the corporation's officers shall consist of a Chairman, Vice-Chairman, Secretary, and Treasurer; each elected by the directors of the corporation from among their own number. The term of office is one year.

The bylaws authorize the Chairman to appoint board committees. In practice, the Chairman brings committee appointments to the full board.

Following today's report from the chairman, 2016-17 officers and committee members will be selected. Below is a list of current (2015-16) officers and committee members.

Supporting Document: *Tennessee Student Assistance Corporation: 2015-16 Officers and Committees*

Tennessee Student Assistance Corporation
2015-16 Officers and Committees

Officers

Governor Bill Haslam, Chairman
Russ Deaton, Vice Chair
David Lillard, Treasurer
Claude Pressnell, Secretary

Executive Committee

Governor Bill Haslam, Chairman
Russ Deaton
David Lillard
Larry Martin
Claude Pressnell
Justin Wilson

Appeals Committee

David Gregory, Chair
Gary Adcox
Russ Deaton
Joe DiPietro
Justin Wilson

Audit Committee

Claude Pressnell, Chairman
Larry Martin
Keri McInnis

Tennessee Student Assistance Corporation

Friday, April 29, 2016

DECISION ITEM B: 2016-17 TSAA Over-commitment Ratio

Staff Recommendation

1. That TSAC continue to use the same TSAA over-commitment ratio used in 2015-16 for the 2016-17 academic year.

2. That \$4,000,000 from the Tennessee Student Loan Program (TSLP) reserve be made available as an additional resource for 2016-17 TSAA awards.

Background

In order to fully expend available TSAA resources, more grant aid must be offered to students than is available to be spent. This reflects the fact that some students who are offered aid will not accept it.

Supporting Document

Tennessee Student Assistance Award Program, Actual and Projected Expenditures, April 29, 2016.

**Tennessee Student Assistance Award Program
Actual and Projected Expenditures**

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<i>Estimated</i> <u>2015-16</u>	<i>Estimated</i> <u>2016-17</u>
Total Funding	\$ 58,211,000	\$ 58,463,000	\$ 61,863,000	\$ 68,863,000	\$ 66,263,000	\$ 78,263,000	\$ 91,463,000
State Appropriations	\$ 49,163,000	\$ 49,163,000	\$ 52,563,000	\$ 57,563,000	\$ 57,463,000	\$ 67,463,000	\$ 80,663,000
Federal (LEAP/SLEAP)	\$ 1,248,000	-	-	-	-	-	-
Lottery Funds	\$ 6,800,000	\$ 6,800,000	\$ 6,800,000	\$ 6,800,000	\$ 6,800,000	\$ 6,800,000	\$ 6,800,000
Reserve Transfer	\$ 1,000,000	\$ 2,500,000	\$ 2,500,000	\$ 4,500,000	\$ 2,000,000	\$ 4,000,000	\$ 4,000,000
Actual year-end expenditures	55,500,000	53,500,000	61,100,000	61,400,000	62,200,000	80,000,000	91,463,000
Unspent Funds	2,711,000	4,963,000	763,000	7,463,000	4,063,000	(1,737,000)	-
TSLP Reversion to General Fund	1,828,700	2,400,000	-	-	-	-	-
Total funding spent	95.3%	91.5%	98.8%	89.2%	93.9%	102.2%	100.0%
Over-commitment ratio	145.2%	153.0%	153.0%	153.0%	153.0%	153.0%	153.0%
Students received aid	31,377	28,763	32,958	32,600	34,300	45,300	49,800
Average expenditure amount	\$ 1,769	\$ 1,860	\$ 1,854	\$ 1,883	\$ 1,813	\$ 1,767	\$ 1,835
TN Student Loan Program Reserve - TSAA	\$ 13,300,000	\$ 13,300,000	\$13,800,000	\$12,100,000	\$15,100,000	\$9,400,000	\$5,400,000

4/29/2016

Tennessee Student Assistance Corporation

Friday April 29, 2016

- DECISION ITEM C:** Emergency and Proposed Rules
Tennessee Community College Reconnect Grant
- Staff Recommendation:**
- (1) That the Tennessee Assistance Student Corporation adopts Rule 1640-1-27 as emergency and proposed rules.
 - (2) That the TSAC Board of Directors authorizes the Executive Director to make any necessary technical corrections to these rules including changes suggested by the Tennessee Attorney General.
- Background:**
- The proposed rule implements Chapter 363 of the 2015 Public Acts, the Tennessee Community College Reconnect Grant, as amended by Senate Bill 2595.
- Following approval by the Board, these rules will be submitted to the Tennessee Attorney General for review, and will then be filed with the Secretary of State.
- A summary of the program is provided on the following page.
- Supporting Document:**
- Tennessee Community College Reconnect Grant
Program Summary*
- Rules of the Tennessee Student Assistance Corporation,
Chapter 1640-1-27, Community College Reconnect
Scholarship*

Tennessee Community College Reconnect Grant Program Summary

- The Community College Reconnect (CCR) Grant is a pilot grant to assist adults in completing an associates degree at a Tennessee Community College.
- CCR is a last-dollar scholarship program funded with a non-recurring \$1.5 million appropriation.
- Recipients must meet the following criteria:
 - Be an independent student as determined by the FAFSA.
 - Be a Tennessee resident for one year prior to receiving the CCR grant.
 - Not have been enrolled in a postsecondary institution for at least one year prior to receiving the CCR grant.
 - Enroll in at least nine semester hours.
 - Maintain continuous enrollment.
 - Maintain 2.0 GPA.
 - No income requirements.
- CCR will start in fall of 2016 and continue until the \$1.5 million is fully expended.
- The \$1.5 million appropriation will be allocated to campuses to be distributed on a first-come, first-served basis, until the entire \$1.5 million is disbursed.

**RULES
OF
TENNESSEE STUDENT ASSISTANCE CORPORATION**

**CHAPTER 1640-01-27
COMMUNITY COLLEGE RECONNECT GRANT**

TABLE OF CONTENTS

1640-01-27-.01	Definitions	1640-01-27-.07	Personal or Medical Leave of Absence
1640-01-27-.02	Scholarship Award Amounts	1640-01-27-.08	Reporting Requirements
1640-01-27-.03	Distribution of Funds	1640-01-27-.09	Award Made In Error
1640-01-27-.04	Application Process	1640-01-27-.10	Refund Policy
1640-01-27-.05	Eligibility	1640-01-27-.11	Transfer Students
1640-01-27-.06	Terminating Events	1640-01-27-.12	Appeal and Exception Process

1640-01-27-.01 DEFINITIONS.

- (1) Board of Regents: The board of regents of the state university and community college system of Tennessee.
- (2) Continuous Enrollment: The term is defined in T.C.A. 49-4-902.
- (3) Cumulative Grade Point Average: The grade point average as calculated by the eligible postsecondary institution.
- (4) Degree: A two-year associate degree conferred on students by an eligible postsecondary institution.
- (5) Eligible Postsecondary Institution: An eligible public two-year postsecondary institution operated by the board of regents of the state university and community college system.
- (6) FAFSA: The term is defined in T.C.A. § 49-4-902.
- (7) Gift Aid: The term is defined in T.C.A. § 49-4-708.
- (8) Independent Student: A student who is classified as independent as determined by the FAFSA.
- (9) Satisfactory Academic Progress: Progress in a course of study in accordance with the standards and practices used for Title IV programs by the eligible postsecondary institution at which the student is currently enrolled.
- (10) Semester: The term is defined in T.C.A. § 49-4-902.
- (11) Semester Hour: The credit hour used by a postsecondary institution, if the institution is on a semester system, or its equivalent if the institution is on a system other than a semester system. "Semester hour" includes each semester hour attempted, whether remedial or for credit toward a degree, but shall not include any semester hours attempted before graduating from high school or earning a GED® or HiSET®.
- (12) Tennessee Resident: A resident of Tennessee as defined by regulations promulgated by the Tennessee Board of Regents.
- (13) Terminating Event: The occurrence of an event described in T.C.A. § 49-4-927(f).

(Rule 1640-01-27-.01, continued)

- (14) Title IV: The term is defined in T.C.A. § 49-4-902.
- (15) TSAC: Tennessee Student Assistance Corporation.
- (16) Tuition and Mandatory Fees: Tuition and mandatory fees required for the enrollment or attendance of students at eligible postsecondary institutions that are charged to all students, and shall not include fees charged for TN eCampus, online courses, specific programs of study, books, or supplies even if such fees are considered necessary for enrollment.

Authority: T.C.A. §§ 49-4-201, 49-4-204, 49-4-708, 49-4-902, and 49-4-927.

1640-01-27-.02 SCHOLARSHIP AWARD AMOUNTS.

- (1) The Community College Reconnect Grant is intended to provide financial assistance to offset tuition and mandatory fees associated with pursuing an associate degree at an eligible postsecondary institution after all other gift aid has been credited to tuition and mandatory fees.
- (2) Award amounts for the program shall be determined in accordance with T.C.A. § 49-4-927 and shall be set in the General Appropriations Act.
- (3) All tuition discounts and waivers for which a student qualifies shall first be deducted from the student's tuition and mandatory fees before gift aid is credited.
- (4) All gift aid from sources other than the Community College Reconnect Grant shall be credited first to tuition and mandatory fees to reduce the student's Community College Reconnect Grant award. In any given semester, if all other gift aid exceeds tuition and mandatory fees then the student shall not be eligible for the Community College Reconnect Grant in that semester.
- (5) The receipt of a Community College Reconnect Grant is contingent upon admission to and enrollment in an eligible postsecondary institution. Qualifying for the Community College Reconnect Grant does not guarantee admission to an eligible postsecondary institution.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-927.

1640-01-27-.03 DISTRIBUTION OF FUNDS.

- (1) Funds shall be distributed to each eligible postsecondary institution in the form of a block grant. The amount received by the institution will be determined by TSAC and will be calculated using the institution's number of enrolled independent students as a percentage of the total independent student population for all eligible postsecondary institutions.
- (2) Each eligible postsecondary institution shall make awards to eligible applicants on a first-come, first-served basis. For purposes of the Community College Reconnect Grant, an applicant is eligible for an award if all eligibility requirements of T.C.A. § 49-4-927 have been met and, if selected, completed the verification process.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-927.

1640-01-27-.04 APPLICATION PROCESS.

- (1) Students participating in the Community College Reconnect Grant shall file a FAFSA, or renewal FAFSA, in each year of program participation. The FAFSA must be submitted by

(Rule 1640-01-27-.04, continued)

mail or electronically as directed in the FAFSA instructions. Students shall file the FAFSA or renewal FAFSA according to the following deadlines:

- (a) No later than September 1 for fall enrollment, or
 - (b) No later than February 1 for spring and summer enrollment.
- (2) The FAFSA shall serve as the only application for the Community College Reconnect Grant program. No additional application shall be required.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-927.

1640-01-27-.05 ELIGIBILITY.

- (1) To be eligible to receive a Community College Reconnect Grant a student shall meet the requirements of T.C.A. § 49-4-927(b).
- (a) A minimum of thirty (30) hours earned prior to enrollment as a Reconnect student shall be applicable to the associate degree the student is pursuing.
- (2) To continue to be eligible to receive a Community College Reconnect Grant a student shall meet the requirements of T.C.A. § 49-4-927(d).
- (a) A Reconnect student enrolled in the minimum number of hours required by the Community College Reconnect Grant in any semester shall also maintain attendance in the hours enrolled.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-927.

1640-01-27-.06 TERMINATING EVENTS.

- (1) A student shall receive the Community College Reconnect Grant until reaching a terminating event as described in T.C.A. § 49-4-927(f).

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-927.

1640-01-27-.07 PERSONAL OR MEDICAL LEAVE OF ABSENCE.

- (1) A student may be granted a medical or personal leave of absence from continuous enrollment at an eligible postsecondary institution as long as all other applicable eligibility criteria are met. Allowable medical or personal reasons may include illness of the student; illness or death of an immediate family member; extreme financial hardship of the student or student's immediate family; fulfillment of a religious commitment encouraged of members of that faith; fulfillment of required military service; or other extraordinary circumstances beyond the student's control where attendance by the student creates a substantial hardship. In the event an institution denies a student's request for a medical or personal leave of absence, the student may appeal the decision in accordance with these rules.
- (2) A student granted a medical or personal leave of absence who resumes attendance at an eligible postsecondary institution may retain the Community College Reconnect Grant if funding remains available. The institution will make a final decision of eligibility and funding availability.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-927.

1640-01-27-.08 REPORTING REQUIREMENTS.

- (1) The eligible postsecondary institution shall report the following data elements for each recipient to TSAC at the end of each semester:
 - (a) First name,
 - (b) Last name,
 - (c) Social Security Number,
 - (d) Amount of Community College Reconnect Grant received,
 - (e) Enrollment Status (full-time or part-time),
 - (f) Number of hours enrolled at census date,
 - (g) Number of hours at completion of semester,
 - (h) Grade point average,
 - (i) Satisfactory academic progress – Yes / No,
 - (j) Ineligible reason (if student loses award).
- (2) The eligible postsecondary institution shall report other data elements as requested by TSAC for evaluation and analysis of the program.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-927.

1640-01-27-.09 AWARD MADE IN ERROR.

- (1) Repayment from the student shall not be required if TSAC determines that the error was through no fault of the student.
- (2) Repayment from the student shall be required if TSAC determines that fraud was committed or the error was due to the fault of the student. When repayment is required, the student may not receive additional student aid from TSAC until repayment is made.
- (3) Repayment from the eligible postsecondary institution will be required if TSAC determines that the error was due to the fault of the institution.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-927.

1640-01-27-.10 REFUND POLICY.

- (1) If a recipient of the Community College Reconnect Grant fails to complete a semester for any reason, the eligible postsecondary institution shall apply its refund policy to determine whether a refund may be required. The eligible postsecondary institution shall provide the student with a notice indicating the amount to be returned to the student. The eligible postsecondary institution shall notify TSAC of the refund. The eligible postsecondary institution shall also be responsible for obtaining repayment from the student. The student shall be ineligible for student aid from TSAC until the refund is paid. Funds returned through the refund policy shall be used to make additional awards to students through the Community College Reconnect Grant.

(Rule 1640-01-27-.10, continued)

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-927.

1640-01-27-.11 TRANSFER STUDENTS.

- (1) A student who meets all academic and non-academic requirements of the Community College Reconnect Grant may transfer from one eligible postsecondary institution to another eligible postsecondary institution and maintain the scholarship, provided:
 - (a) The student is able to complete the diploma or associate degree in the amount of time remaining before reaching a terminating event as outlined in T.C.A § 49-4-927(f), and
 - (b) The eligible postsecondary institution receiving the transfer student has sufficient program funding available to fund the remaining hours necessary for the student to complete the diploma or associate degree.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-927.

1640-01-27-.12 APPEAL AND EXCEPTION PROCESS.

- (1) Each eligible postsecondary institution shall use their existing Institutional Review Panel (IRP) for purposes of reviewing and rendering decisions regarding appeals for the Community College Reconnect Grant. The IRP shall use the same procedures and timelines as those that currently exist for the review of Tennessee Education Lottery Scholarship (TELS) appeals as outlined in Tenn. Comp. R. & Reg. 1640-01-19.
- (2) TSAC shall use the existing TELS Appeals Panel to consider appeals and render decisions for those students who appeal a decision made by the IRP and for appeals made directly to TSAC. The same guidelines shall exist for appeals of the Community College Reconnect Grant as those that are currently in place for TELS as outlined in Tenn. Comp. R & Reg.1640-01-19.

Authority: T.C.A. §§ 49-4-201, 49-4-204, 49-4-924, and 49-4-927.

Tennessee Student Assistance Corporation

Friday, April 29, 2016

DISCUSSION ITEM A: **Loan Division Update**

Staff Recommendation: For discussion only.

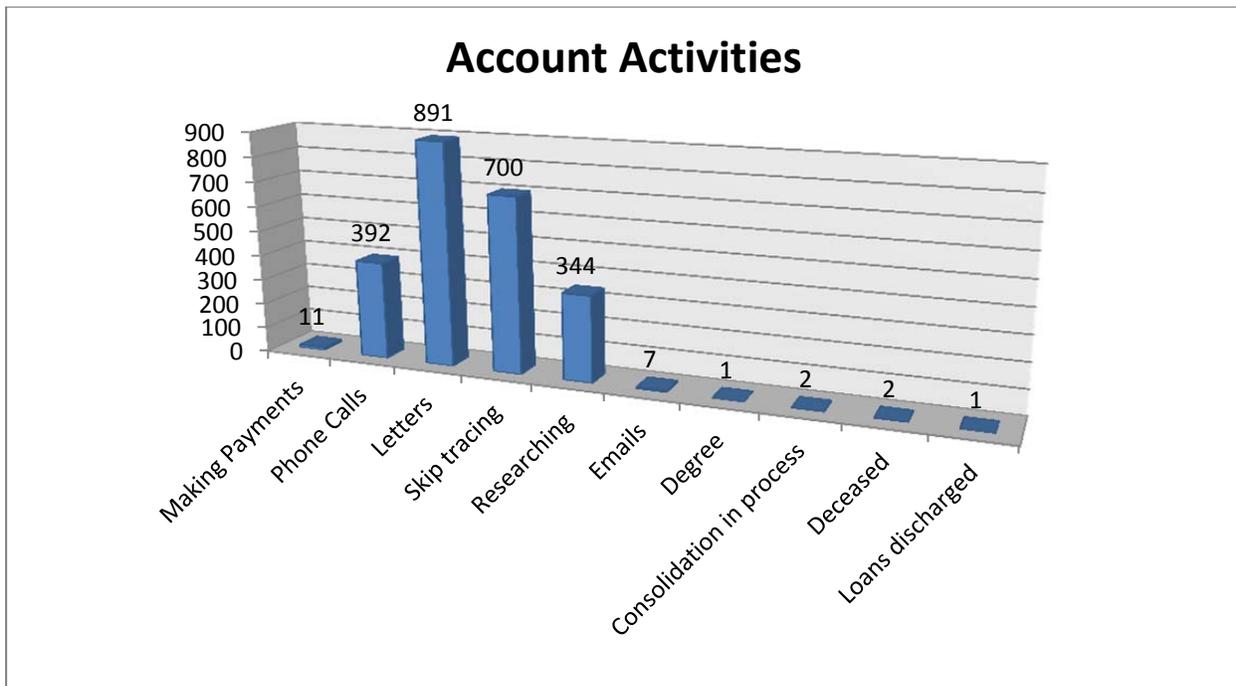
Background: An update will be provided discussing activities taking place within the TSAC Loan Division.

Supporting Document: Loan Division Update, April 2016

Tennessee Reconnect Project

The Loan Division started working with schools in the Reconnect program late in 2015, with contracts signed this year. The Loan Division identifies potential Reconnect students who are currently in default on their federal student loans. Defaulted borrowers cannot obtain additional Title IV aid or Tennessee grants or scholarships, including the Reconnect Grant, until the defaulted status is resolved. Title IV aid includes the Federal Pell Grant, work-study, and additional loans. Using its resources and knowledge of the loan industry, the Loan Division is helping borrowers into repayment and resolving defaults.

To aid in this endeavor, TSAC has built a data base system that matches school files with the THEC Reconnect file and identifies defaulted borrowers. Currently, more than 3,000 records have been added to the Reconnect database. More than 2,300 of these students have been contacted, or their accounts are actively being researched. The chart below depicts some of the actions taken to date. These numbers do not represent the unique number of borrowers.

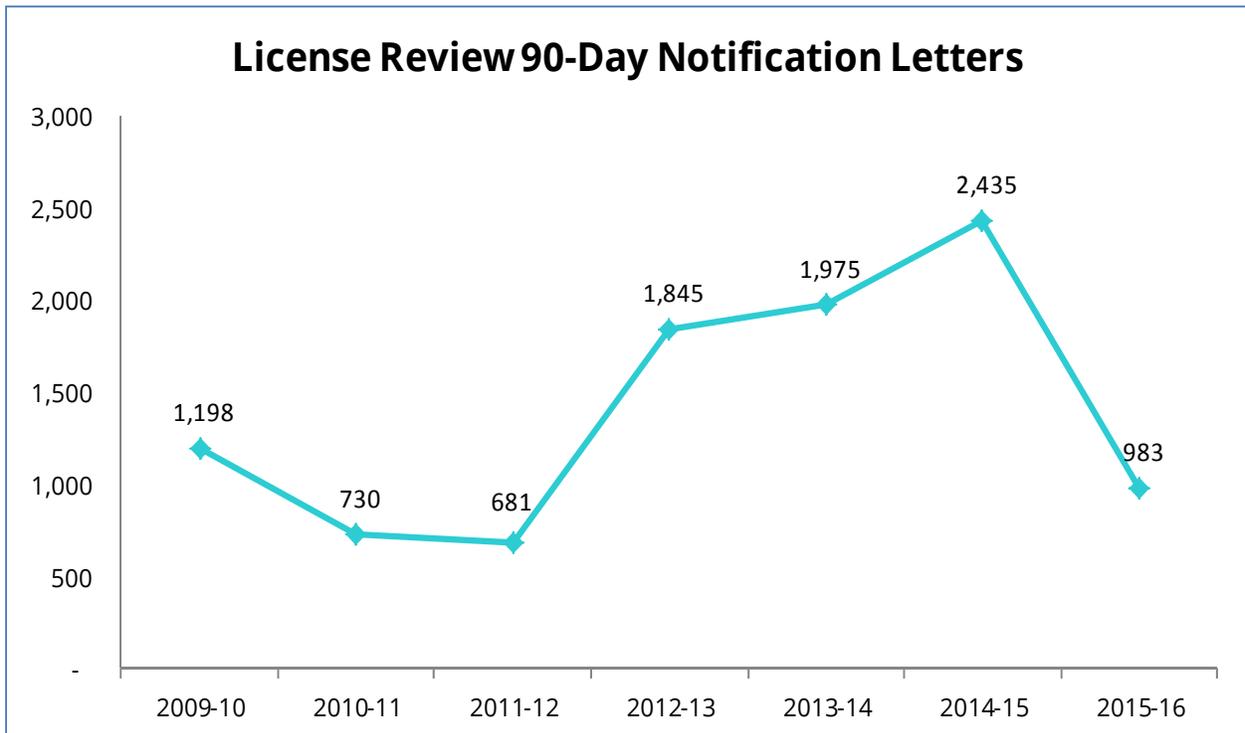


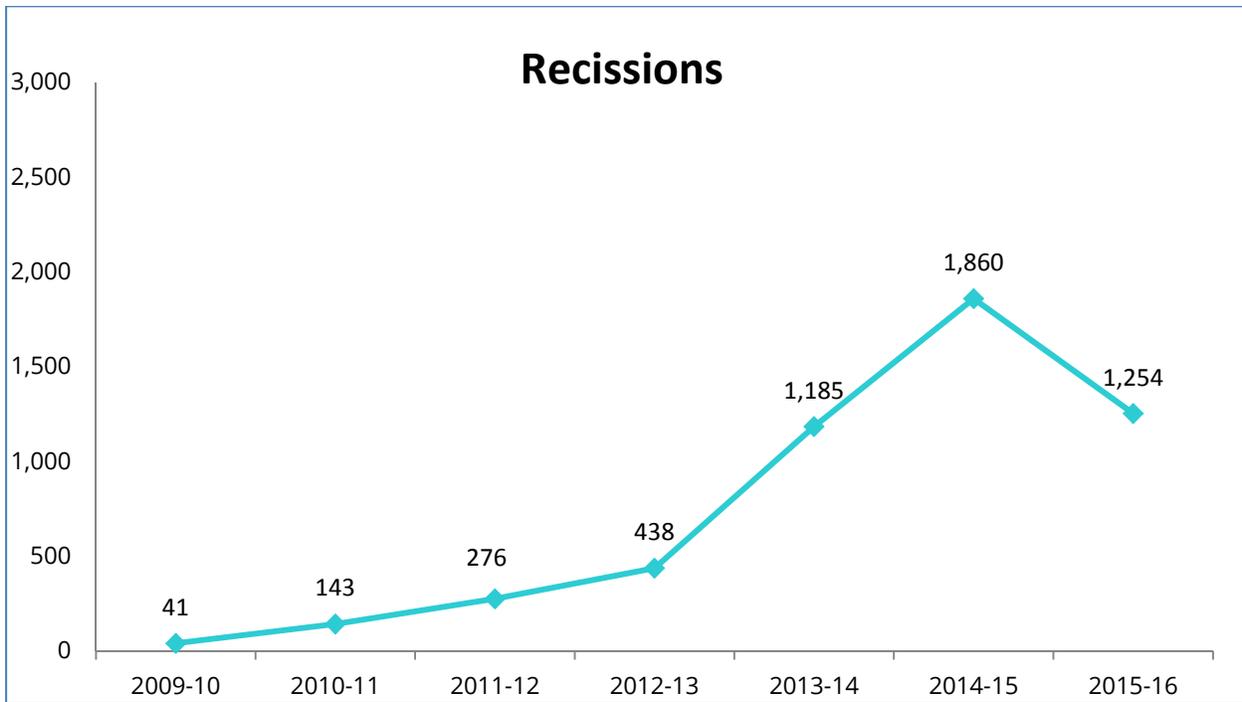
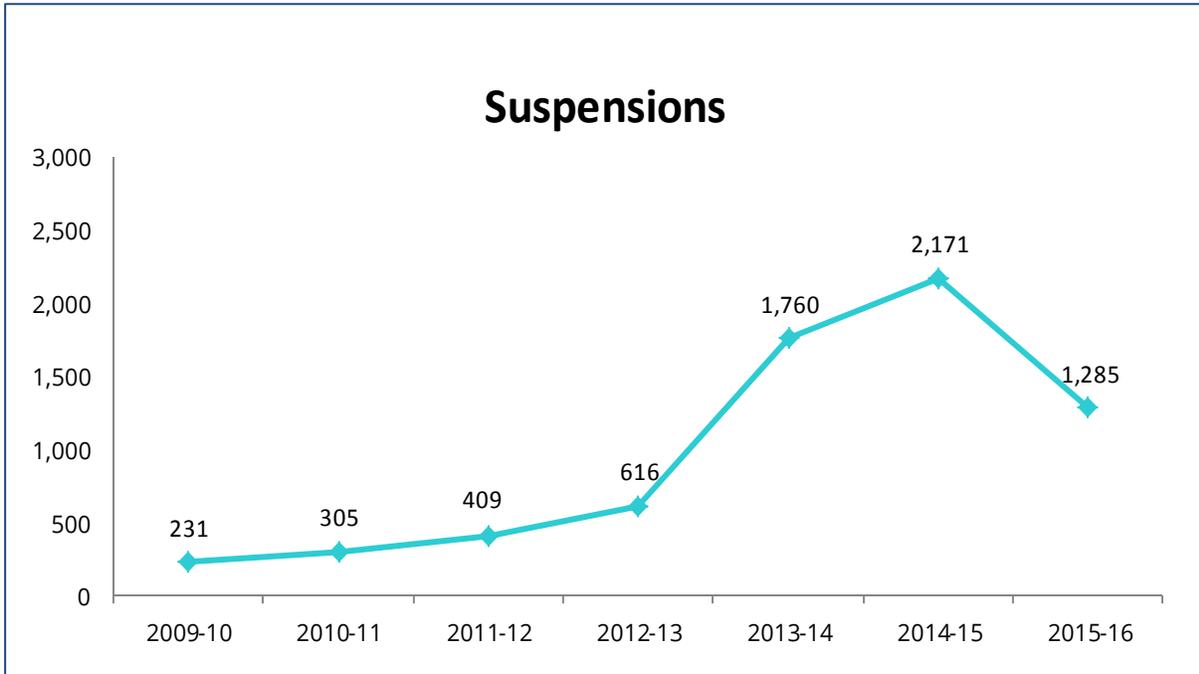
License Review

The License Review (LR) program originated in 2009, and has been a very effective means of assisting defaulted borrowers who hold a Tennessee professional license to repay their loans. Under the LR program, TSAC identifies professional licensees and notifies them of their default status. If the licensee fails to enter into a payment plan, TSAC is required by statute to notify the relevant Tennessee licensing board of the default. The licensing board then suspends the license. The suspension status remains on the license until the licensee enters into a payment plan. Currently, approximately 9,000 borrowers are in various stages of the LR program, representing about 25% of TSAC's default portfolio.

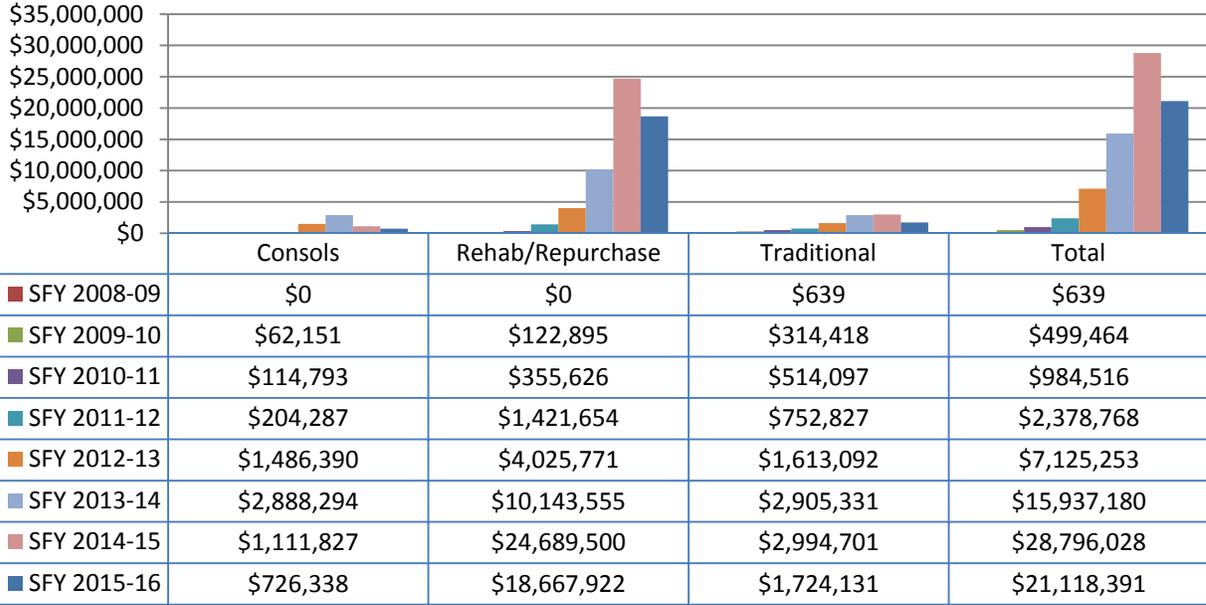
Through LR, \$77 million has been recovered from the defaulted loans, with over 1,000 defaulted borrowers now having paid their loan balance in full. In addition, 3,281 borrowers have completed the rehabilitation process, restoring their credit to good standing.

The following graphs indicate various LR activities since the inception of the program through March 2016.

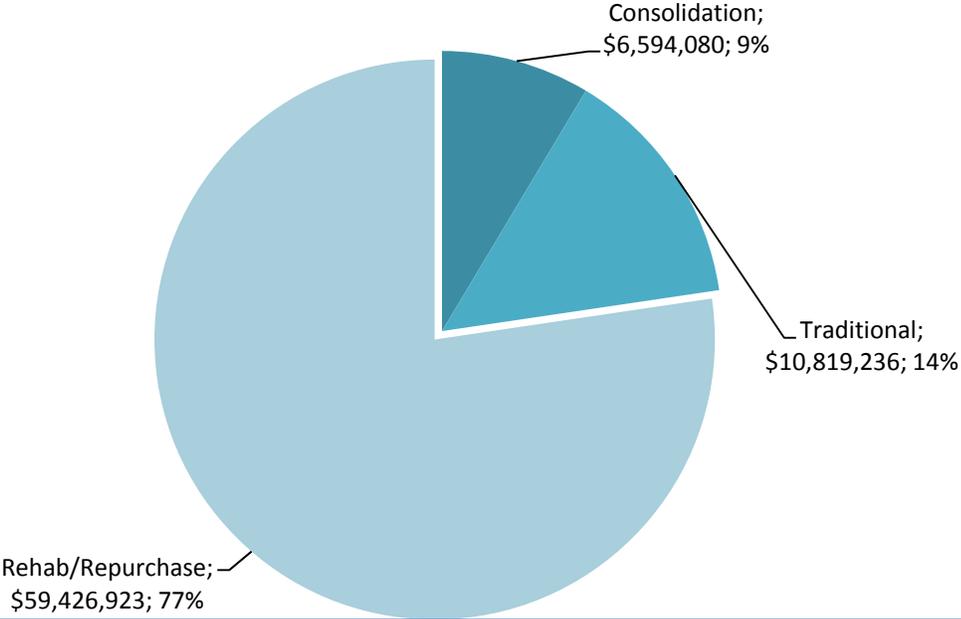




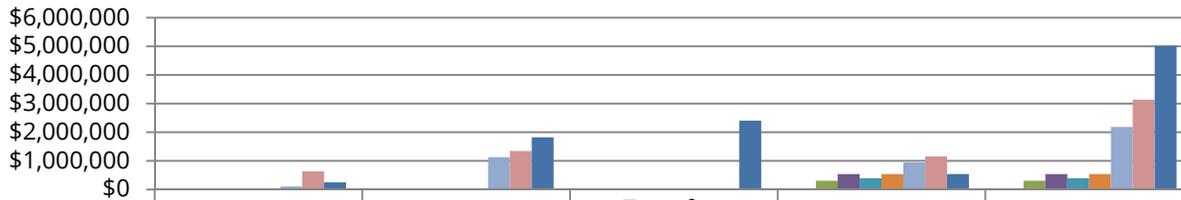
Recoveries



Recoveries



Non-Recoveries



	Discharge	Subrogation	Transfer-Bankruptcy	Treasury Offset	Total
■ SFY 2008-09	\$0	\$0	\$0	\$12,742	\$12,742
■ SFY 2009-10	\$0	\$0	\$0	\$309,919	\$309,919
■ SFY 2010-11	\$0	\$0	\$0	\$538,582	\$538,582
■ SFY 2011-12	\$0	\$0	\$0	\$393,928	\$393,928
■ SFY 2012-13	\$0	\$0	\$0	\$540,315	\$540,315
■ SFY 2013-14	\$106,948	\$1,131,032	\$0	\$946,624	\$2,184,604
■ SFY 2014-15	\$635,272	\$1,347,239	\$0	\$1,158,462	\$3,140,973
■ SFY 2015-16	\$250,904	\$1,825,577	\$2,405,462	\$539,076	\$5,021,019

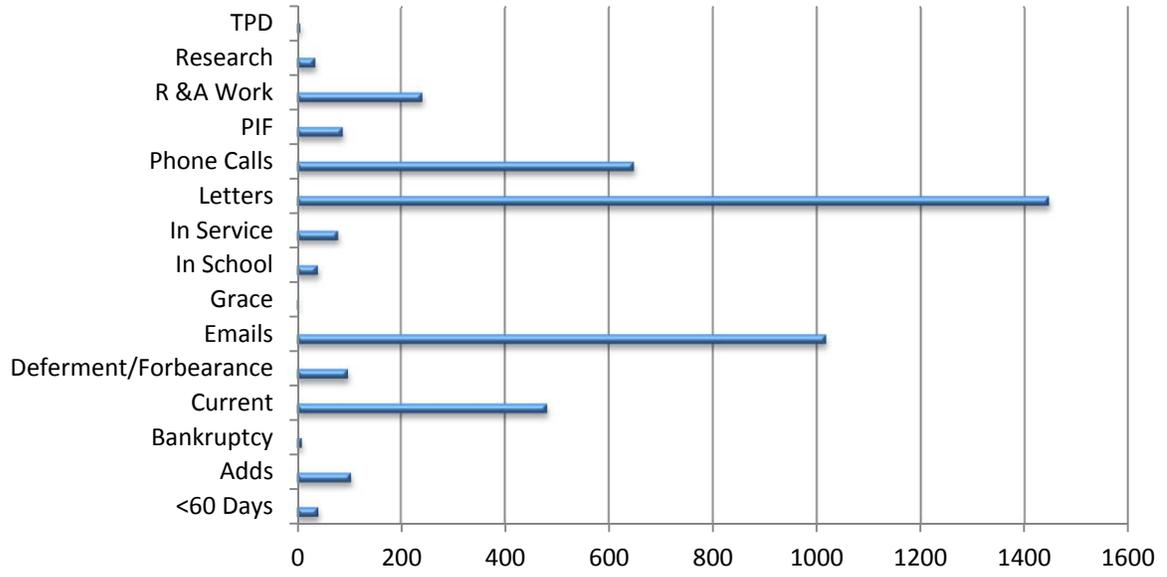
Scholarship to Loan (S2L) Collections

Two years ago the Loan Division began helping the Grants and Scholarships Division in collecting on the state-funded loan-scholarship programs (Minority Teaching Fellows, Tennessee Teaching Scholars, Graduate Nursing Loan Forgiveness, and Math and Science Teacher Loan Forgiveness). Each of these programs provides scholarship aid to students in the respective academic field conditional upon the student completing a service requirement following graduation. If the service requirement is not completed, the scholarship is converted to a loan repayable to TSAC.

Each month the Loan Division reviews and analyzes a loan forgiveness status report to determine each loan's past-due status, contact the borrowers to notify them of their loan status, and assist the borrowers in setting up a payment plan. Various tools, including the Tennessee Drivers' License database, GuaranteePro, e*GRandS, Facebook, and outside collection agencies, are used to locate delinquent and defaulted borrowers. To assist the borrowers, options such as reduced payments and hardship deferment, are discussed.

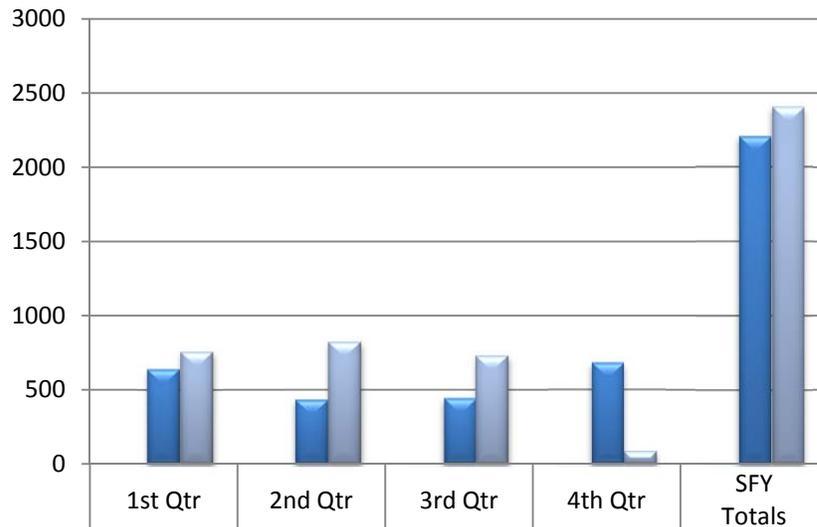
The following graph represents the total number of collection activities taken to date and does not represent the unique number of borrowers.

Condensed Account Activity and Results



Collection activities are taken to help bring each defaulted borrower into repayment. Below is a break-down of total activities taken each quarter per fiscal year. The numbers represent total transactions, and do not represent unique borrowers.

Collection Activities

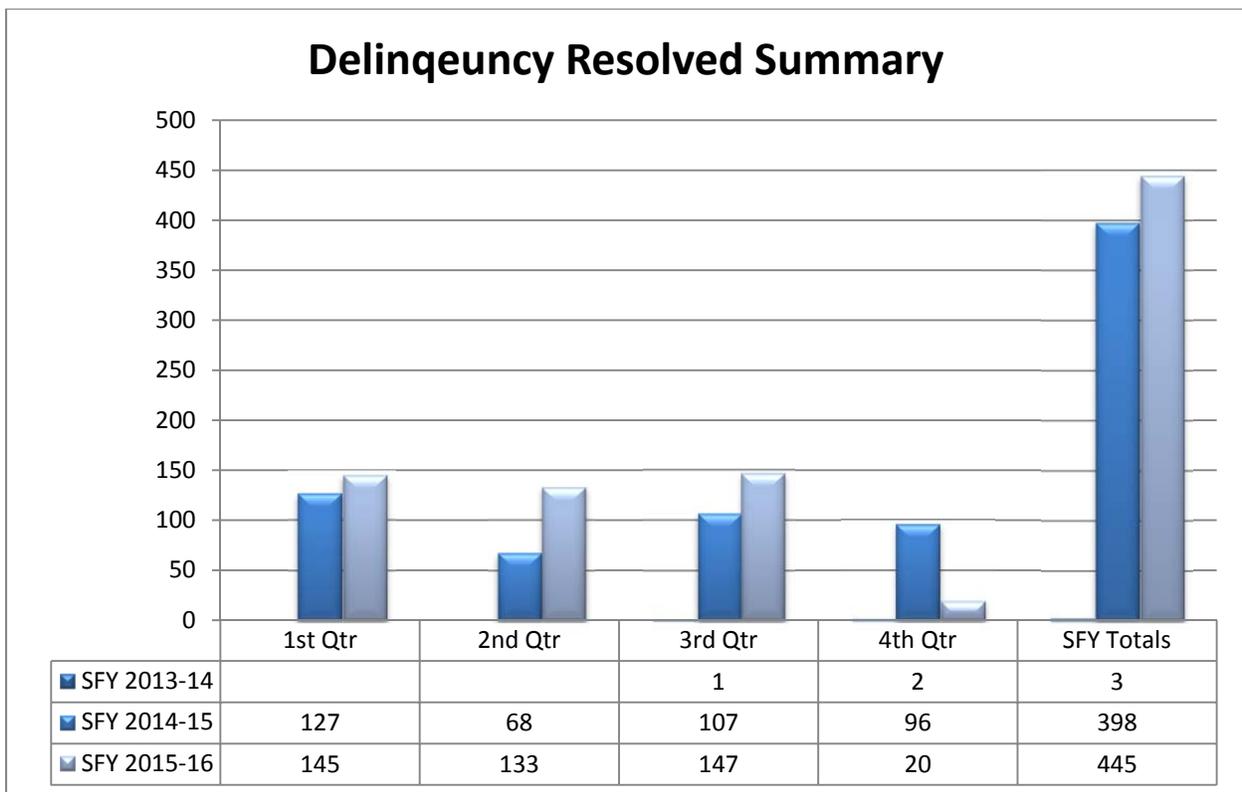


	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	SFY Totals
SFY 2013-14			2	4	6
SFY 2014-15	642	437	447	684	2210
SFY 2015-16	759	824	732	93	2408

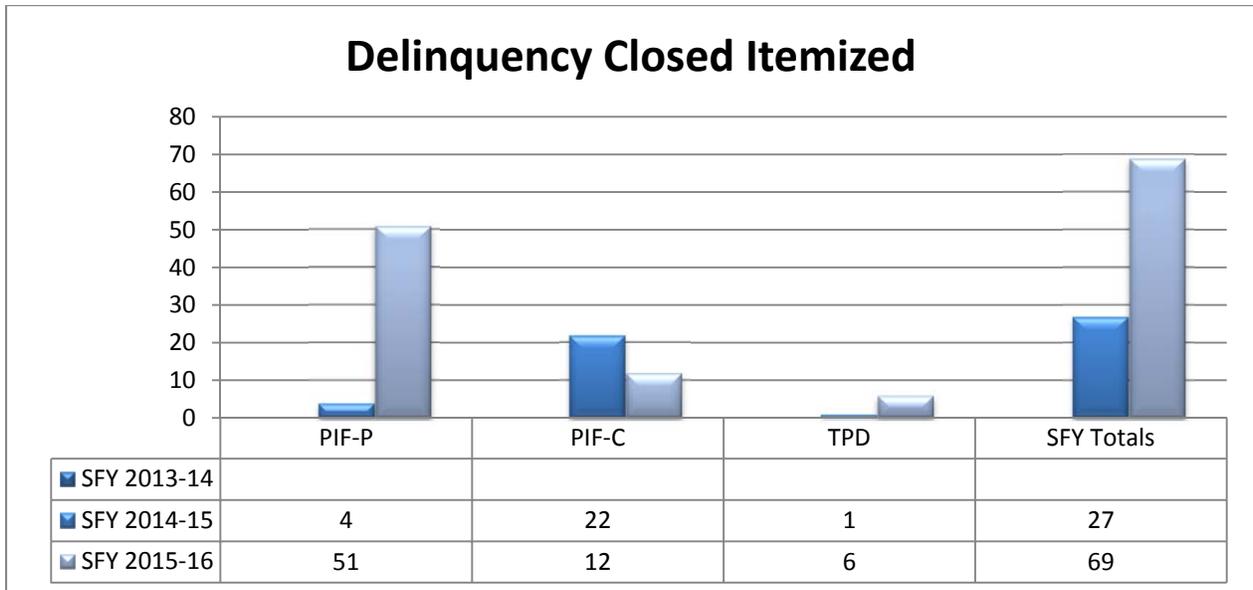
The next two charts demonstrate the accounts that were in a delinquency status and have been resolved. For this purpose, resolved is defined as accounts that are:

- Paid in full
- In service
- In school
- In bankruptcy
- In deferment
- In forbearance
- In a grace period
- Current in repayment
- Less than 60 days past due

The following chart indicates delinquent accounts that have been resolved through an on-hold status, such as deferment, in service, or in school.



The following chart indicates delinquent accounts that are paid in full through either Paid in Full – Pending (PIF-P), Paid in Full – Confirmed (PIF-C), and Total and Permanent Disability (TPD).



Default Management

As the Loan Division transitions away from the federal guaranty program, staff are preparing to expand and improve services to Tennessee schools and students. To directly assist students, staff will be engaged in default aversion efforts, financial literacy, and entrance and exit counseling. Staff will also work with schools in a variety of services, including analyzing school portfolio reports, loan record detail reports, and cohort default rates; locating delinquent borrowers through skip tracing; temporary assistance in financial aid offices; program and audit review; training; career fairs. Staff are currently in the process of reaching out to schools across Tennessee to determine how best TSAC can assist in providing a complete package of financial aid services to their students.

Loan Portfolio Transition / ECMC

As the FFEL program is in its final stages of transition, the following information, recently provided by the U.S. Department of Education (the Department), may be of interest to the TSAC Board.

The Department allows for a three percent error rate on guaranty agency reporting of student loan data to the National Student Loan Data System (NSLDS). TSAC has consistently placed a high degree of importance on correct information to our student borrowers. Over the years, TSAC has worked closely with Nelnet Guarantor Solutions (NGS) to ensure the accuracy of information, and as a result, TSAC's error rate has remained below one percent.

In May 2015, the Department reported to TSAC 12,963 remaining errors in the loan portfolio. During TSAC's most recent program review, the Department reported that the number of errors has been reduced to 3,110.

Over the life of the FFEL program, TSAC has guaranteed three million loans for more than 950,000 borrowers, representing a cumulative dollar amount of \$13.1 billion. TSAC's Loan Division has been proud to serve the students and schools of Tennessee and looks forward to continuing to serve in a different capacity.

Following federal legislation ending the Federal Family Education Loan Program (FFELP) in 2010, TSAC's loan portfolio has steadily declined. This decline, along with the unpredictability of program changes at the federal level, led the board to determine in September 2015, that a transition away from FFELP was in the best long-term interest of its borrower's and schools. Following this decision, the U.S. Department of Education selected ECMC to receive TSAC's portfolio.

TSAC and ECMC have been working through the transition plan to ensure all FFELP participants will have full and uninterrupted access to ECMC's FFELP services. To date, the plan has been effectively carried out with little disruption or delays. Currently, the transition is projected to be complete by the June 30, 2016 target date.

Tennessee Student Assistance Corporation

Friday April 29, 2016

DISCUSSION ITEM B: Use of the Operating Fund following FFELP Wind-Down

Staff Recommendation: For discussion only.

Background: The federal Operating Fund is estimated to be approximately \$22,000,000 at July 1, 2016. In addition to the specific purposes for use required by Federal law, the guaranty agency also is allowed to use the fund for financial aid related purposes.

A portion of these remaining funds will be required to wind-down the FFELP portfolio. Generally, the wind-down activities will include payments to NGS and ECMC for work related to the transition process and for closing financial reports post-July 1.

Beyond the expenditures for these required activities, TSAC is anticipating using the remaining balance for continuation of student loan default management activities and for state financial aid program support.

Staff will present more specific options for discussion and approval at the September Board meeting.

Tennessee Student Assistance Corporation

Friday April 29, 2016

DISCUSSION ITEM C: 2016 Budget and Legislative Report

Staff Recommendation: For discussion only.

Background: Numerous bills were filed during the second session of the 109th General Assembly. At the time of printing the board material the General Assembly had not yet adjourned. A brief summary of the bills and final budget passed during the session will be provided at the board meeting.

Tennessee Student Assistance Corporation

Friday, April 29, 2016

DISCUSSION ITEM D: Communication Services Update

Staff Recommendation: For discussion only.

Background: An update will be provided discussing activities taking place within the Communication Services Division.

Supporting Document: Communication Services Update, April 2016

TSAC Outreach Presentations Offered

Outreach presentations are tailored to the needs of the organization where presentations are requested. We offer to assist with the following types of events as well:

- * College Fairs
- * FAFSA Frenzy Events
- * Financial Aid Nights
- * TN Promise App. Workshops
- * Financial Aid Webinars
- * Career Fairs
- * Personal Finance Classes
- * Scholarship Award Presentations
- * YMCA College Nights
- * Leadership Summit
- * ACT & SAT Workshops
- * Preparing For College
- * Middle School Presentation
- * Focusing on Seniors



Snapshot of Outreach Statistics

	2015- 2016*	2014- 2015	2013- 2014	2012- 2013	2011- 2012	2010- 2011	2009- 2010
College Fairs							
# of college fairs:	194	227	258	257	234	203	195
Attendance:	19,955	44,860	30,632	24,848	36,082	26,499	32,048
Courtesy Visits to Administrators							
# of courtesy visits:	1,492	2,163	2,135	2,351	2,052	1,981	1,952
Administrators reached:	2,752	3,330	2,939	3,356	3,035	2,841	2,561
Financial Aid Presentations							
# of presentations:	815	964	929	955	484	497	486
Attendance:	41,383	53,874	43,227	45,949	35,065	38,309	43,522
CGT/FAFSA Nights (Frenzy)							
# of presentations:	286	257	250	246	113	76	n/a
Attendance:	6,642	6,787	5,120	4,737	2,348	2,020	n/a
TN Promise App. Workshops							
# of workshops:	83	27	n/a	n/a	n/a	n/a	n/a
Attendance:	3,836	1,510	n/a	n/a	n/a	n/a	n/a
Number of Visits							
High Schools:	1,891	2,120	1,838	1,755	1,318	1,163	1,116
Middle Schools:	433	580	759	728	561	465	587
Postsecondary:	220	335	454	387	339	390	461
Other:	326	603	621	939	665	739	469

Breakdown of Outreach Activity

	2015- 2016*	2014- 2015	2013- 2014	2012- 2013	2011- 2012	2010- 2011	2009- 2010
Adult Learner	13	52	97	n/a	n/a	n/a	n/a
Boys and Girls Clubs	6	20	28	53	24	18	7
Chambers of Commerce	16	65	32	56	64	73	43
Churches	11	18	30	30	31	10	11
Colleges	220	335	454	387	339	390	461
High Schools	1,891	2,120	1,838	1,755	1,318	1,163	1,116
Libraries	42	213	183	272	299	237	190
Middle Schools	433	580	759	728	561	465	587
School District Offices	10	36	33	30	31	156	71
Legislative	13	7	15	27	17	83	n/a
YMCA	5	18	22	33	17	26	29
Other	210	156	181	438	192	136	118

*Partial academic year totals.

TSAC Call Center Stats

	2015	2014	2013	2012	2011
Telephone calls received:	42,763	60,856	36,941	31,391	44,800
Live Chat conversations:	3,255	4,788	3,653	2,624	3,269
Info Aid Emails:	2,916	3,331	2,046	1,309	n/a

We receive calls, emails and questions through Live Chat about the HOPE scholarship programs, TN Promise, application deadlines, FAFSA completion, transfer school forms, student loan questions, student portal log-in resets, TSAA awards, and brochure orders – just to name a few.

FAFSA Frenzy



FAFSA Frenzy Events:

October 1, 2016 –
January 17, 2017

FAFSA Frenzy Counselor Training Dates & Locations:

Wednesday, June 1:	Northeast, TN (location TBD)
Thursday, June 2:	Pellissippi State
Friday, June 3:	Tennessee Tech
Monday, June 6:	Nashville State
June 6 or 7:	Jackson State
Wednesday, June 8:	Univ. of TN - Martin
Thursday, June 9:	Univ. of TN - Chattanooga
Friday, June 10:	Columbia State
Monday, June 13:	University of Memphis

TSAA & TNP FAFSA Deadline:
January 17, 2017

Tennessee Student Assistance Corporation Outreach Specialist Map



1. Felicia Orr

Outreach Specialist
(615) 390-4461
felicia.orr@tn.gov

3. Annie Trout

Outreach Specialist
(615) 604-0119
annie.trout@tn.gov

5. Eric Farmer

Outreach Specialist
(423) 326-7198
eric.farmer@tn.gov

7. Rita Keeton

Outreach Specialist
(615) 478-5584
rita.keeton@tn.gov

2. Abby Nichols

Outreach Specialist
(731) 571-7888
abby.nichols@tn.gov

4. Jason Seay

Director of Outreach
(615) 319-1740
jason.seay@tn.gov

6. Sam Mullins

Outreach Specialist
(931) 303-3296
sam.mullins@tn.gov

8. Erika Adams

Outreach Specialist
(615) 417-0355
erika.adams@tn.gov

Social Media

1. TSAC website: www.TN.gov/collegepays
2. Social networking via Twitter: [@TNFinancialAid](https://twitter.com/TNFinancialAid)
3. Social networking via Facebook: <http://www.facebook.com/TnSAC>



TENNESSEE STUDENT ASSISTANCE CORPORATION

**SUITE 1950, PARKWAY TOWERS
404 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-0820
(615) 741-1346 • (800) 342-1663 • FAX (615) 741-6101
www.CollegePaysTN.com**

**2016 TSAC BOARD OF DIRECTORS
DISCLOSURE STATEMENT**

I, the undersigned member of the Board of Directors for the Tennessee Student Assistance Corporation, in order to assure that any appearance of conflict of interest is avoided, hereby make the following statements and assurances:

1. I, my spouse or dependents are currently the recipient(s) of the following financial aid programs administered by the Tennessee Student Assistance Corporation or have the following loans, currently outstanding, guaranteed by the Tennessee Student Assistance Corporation:

2. I, my spouse or dependents are related, by blood or marriage, to the following employees of the Tennessee Student Assistance Corporation or any official of any corporation, partnership, sole proprietorship, association, institution of higher education or any other entity which does business with the Tennessee Student Assistance Corporation:

3. I, my spouse or dependents are, or have been, employed or professionally affiliated with the following corporations, partnerships, sole proprietorships, associations, institutions of higher education or any other entities which do business with the Tennessee Student Assistance Corporation:

4. I, my spouse or dependents have an ownership interest in the following corporations, partnerships, sole proprietorships, associations, and institutions of higher education or other entities which do business with the Tennessee Student Assistance Corporation:

5. I, my spouse or dependents are related, by blood or marriage, to the following individuals who have an ownership interest as stated in Number 4 above:

6. I, my spouse or dependents have the following additional potential conflicts of interest other than those previously listed:

7. I hereby certify that if, during my tenure on the Board of Directors of the Tennessee Student Assistance Corporation, I, my spouse or dependents become an owner, relative, employee or affiliate as described in Numbers 1-6 above, I shall immediately disclose such information to the Board of Directors of the Tennessee Student Assistance Corporation.

By my signature below, I affirm that all of the above statements are true to the best of my knowledge and belief.

(Signature)

Printed Name

(Date)