

VASFPA Phone Board Meeting
Friday, February 28, 2020

Time: 3:30pm-4:30pm

Attendees: Ashley Reich, Scott Morrison, Jackie Cottom, Brad Scaggs, Marc Vernon, Sherika Charity, Joan Zanders, Tawana French, Elayne Peloquin

Not Present: Tina Russell

A quorum was established at 3:36pm by Ashley Reich who was filling in for Tina Russell as Secretary for this phone board meeting.

Brad Scaggs and Marc Vernon discussed the House and the Senate bill that define servicing and put additional restrictions on ECMC, which is the only guarantor within the Commonwealth currently.

For historical context, Brad reminded the group that ECMC was seeking support from VASFPA in the form of a letter to send back to our constituents noting the troubling language within both bills that will greatly impact ECMC. The bills specifically speak to activities that ECMC currently engages in and then there are also pieces of ECMC's organization that are not guarantor driven (i.e. financial literacy, high school nights, etc.). VASFPA did not want to come out extremely strong, but wanted to discuss the opportunity to support ECMC and if the group was amenable to that approach.

Marc Vernon mentioned that he had two specific concerns from a school perspective and if these bills would impact schools. At Virginia Commonwealth University, they make private loans to students and service them in-house. Additionally, the Perkins Loan portfolio is either outsourced or managed in-house. This would likely be similar arrangements at other schools, but one individual mentioned that higher education institutions were already **excluded** within these bills.

The group started to talk through what would need to be edited within the letter that had been drafted in support of ECMC. There was mention of redundancy throughout and Joan mentioned she could take a stab at creating a draft for the Board to review.

Ashley asked about splitting ECMC into two different arms to cure the issue of them falling under this particular regulation. Marc mentioned that this was definitely possible and other guarantee agencies have done that in the past, but it would be a massive undertaking for ECMC to go through this process of splitting their divisions.

Ashley then asked what the purpose of these two bills were. Marc mentioned he believed there were two primary motives:

1. To have the guarantee agency register with the state of Virginia and;
2. Pay a fee and then be tracked/identified within the system

The group discussed not having enough information to be able to make a decision on whether or not to send a letter of support in opposition of these two bills. There was some discussion about having Brad Barnett and Will Shaffner from Government Relations join the conversation to provide additional context.

Brad Scaggs asked if the group was still on the fence with a decision or if there were some in the group that still felt as though their mind would not change regardless of the information provided by Brad and

Will. Several within the group indicated that their response would still be in opposition of sending a letter of support and a phone call would not change their decision. Brad mentioned that he would prefer to have a unified front when sending letters like this and, if there were board members in opposition, we would just not move forward. The group decided that was a fair conclusion and felt it best that we not move forward.

The meeting adjourned at 4:07pm on Friday, February 28, 2020.