

## **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.