

MINUTES

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

January 4, 2005

The Higher Education Student Assistance Authority (HESAA) Board held a Special teleconference meeting on January 4, 2005 at 10:00 a.m. from its offices in Hamilton.

PRESENT: Michael Angulo, Esq.; Dr. Phyllis Della Vecchia; Mr. Manuel Fernandez, Treasurer's Designee; Mr. Keith Green; Ms. Wilma Harris; Dr. Harvey Kesselman; Ms. Rossy Matos; Mr. Frank Mertz; Dr. William Rogers; Mr. Christian Edward Samay, Esq.; Mr. Joseph Smith; Warren Smith, Esq.; and Ms. Maria I. Torres, members.

Ms. Sarah Darrow, Deputy Attorney General; Ms. Tamika Gadsden, Secretary of State's representative; Ms. Victoria Pratt, Esq., and HESAA staff.

ABSENT: Mr. James Avery; Dr. Harold Deutschman; Ms. Erin Ferris; Ms. Jean McDonald-Rash.

CALL TO ORDER

Chairman Smith called the meeting to order at 10:00 a.m. and stated that the meeting had been noticed in compliance with the requirements of the Open Public Meetings Act.

Mr. Smith welcomed the Board members. He advised members of the public who wished to speak to register with Ms. Powell.

Mr. Smith asked Ms. Powell to call the roll.

Mr. Smith welcomed Ms. Sudha Tiwari Kantor, Esq., the new Director of Legal and Governmental Affairs, to HESAA.

RESOLUTION 01:05 CONFIRMING THE EXTENSION OF THE APPOINTMENTS OF THE FINANCIAL ADVISOR AND SENIOR MANAGER FOR A PERIOD OF ONE YEAR

Mr. Eugene Hutchins presented this item to the Board.

Mr. Hutchins stated that Resolution 01:05 requests approval for the extension of the appointments of the Authority's Financial Advisor and the Senior Manager for a period of one year. As outlined in the memorandum, the Authority, at its February 26, 2003 meeting, approved Resolution 1:03 appointing Municipal Advisory Partners, Inc. as Financial Advisory and PaineWebber Inc., (now UBS Financial Services, Inc.) as Senior

Manager, in connection with the issuance of its Student Loan Revenue Bonds. The appointments were made as a result of a competitive process, as required by Executive Order 26. The appointments were made for an initial term of two years (2003 and 2004), subject to a one-year extension, at the Authority's discretion, and at the same costs specified in the February 26, 2003 resolution.

Mr. Hutchins stated that in light of the high quality of services provided by both Municipal Advisory Partners and UBS Financial Services and the fact that both firms have agreed to hold fees level with the past year, it is recommended that their appointments be extended for a one-year period, as provided for in Resolution 1:03.

Mr. Hutchins further noted that both Municipal Advisory Partners and UBS Financial Services have complied with the provisions of Executive Order 134 by filing the necessary certifications regarding the absence of political donations within the 18-month period prescribed by the Executive Order.

A motion to approve this resolution was made by Ms. Harris and seconded by Ms. Torres. Ms. Powell took a roll call vote and the motion passed unanimously.

RESOLUTION 02:05 PROPOSING READOPTION OF N.J.A.C. 17:25 (WAGE GARNISHMENT REGULATIONS)

Ms. Sudha Tiwari Kantor, Esq. Presented this item to the Board.

Ms. Kantor stated that this resolution concerns Regulation N.J.A.C. 17:25 et seq., an Administrative Wage Garnishment regulation. She advised that, if approved, the resolution and supporting material of the N.J.A.C. 17:25 will be forwarded to the Office of the State Treasurer so that the joint rulemaking could be submitted to the Office of Administrative Law for noticing in the New Jersey Register.

Ms. Kantor provided background information on N.J.A.C. 17:25 et seq. stating that since 1997, the U.S. Department of Education has required guaranty agencies, such as the Authority, to use administrative wage garnishment as a collection tool of first resort. In addition, wage garnishment has proved to be an effective tool to provide incentives to repay student assistance debt and to collect on such debt.

Ms. Kantor advised that HESAA recommends that the Board approve the resolution so that the proposed readoption of regulations concerning the procedures for wage garnishment for debts owed to the Authority from public and private sector employees may be submitted to the Department of the Treasury for approval. Once approved, the regulations will be noticed in the New Jersey Register.

Ms. Kantor noted that the readoption will be proposed and noticed without any changes, amendments or modifications and is being brought forth because the rule will sun set on February 9, 2005, if not readopted prior thereto.

A motion to approve this resolution was made by Frank Mertz and seconded by Joseph Smith. Ms. Powell took a roll call vote and the motion passed unanimously.

ADJOURNMENT

Mr. Smith said the next meeting would be on February 16, 2005.

A motion to adjourn was made by Mr. Keith Green. Ms. Torres seconded the motion. The motion passed unanimously.

The meeting adjourned at 10:13 a.m.