
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: MAYO
FROM: RILEY
SUBJECT: 10/21/02 ANNOUNCEMENT OF FRANKLIN COLLECTIONS DOING STUDENT LOAN
COLLECTION BUSINESS
DATE 10/3/02
CC: RENICK

Peyton, Bill and I worked for several months to resolve the issue of Mississippi not having a designated student loan guarantor and to bring some of the collection business back to Mississippi.

USA Funds served as Mississippi's guarantor until approximately 2 years ago when we pulled their designation due to their lack of favor for directing some of the business to Mississippi. USA Funds has continued to serve as the unofficial Mississippi guarantor. USA contracts with Sallie Mae to manage the default loans portion of USA's portfolio. The higher education community in Mississippi has expressed strong support for the continuation of USA Funds and Sallie Mae.

We have worked out an agreement where USA Funds will be the guarantor, they will subcontract with Sallie Mae to manage the defaulted loans and Sallie Mae will subcontract with Franklin Collections in Tupelo to actually collect payments on the defaulted loans.

The USA Funds board is scheduled to approve everything on Thursday, October 17. Thus, we will be ready for a big announcement after that. This announcement has several angles:

- We're declaring a guarantor, thus, taking this situation out of limbo since we pulled USA Funds' designation 2 years ago.
- We're bringing economic development/business back home to Mississippi. Franklin Collections will pull in millions per year for their involvement. This means jobs in Tupelo and northeast Mississippi and revenues available for corporate taxation. In addition, Franklin is going to subcontract with Lee Abraham in Greenwood for various services, so we're bringing jobs to Greenwood!

The Governor was already scheduled to be in Tupelo from 4:00 – 8:00 or so on Monday, October 21. He has a 4:00 event at an elementary and then the Lee County Fish Fry at 6:30. Per my consultation with Bill, we have put a 5:00 event on his calendar to announce this. 5:00 worked on his calendar, but I was also thinking we might be able to get some live coverage on the 5:00 WTVA news. Here is a summary:

Event: Announcement of USA Funds/Franklin Collections Joint Venture

Date: Monday, October 21, 2002

Time: 5:00 p.m. – 5:30 p.m.

Location: Franklin Collections, 2978 West Jackson St., Tupelo (Their conference room only holds 12, so Mitch and I have discussed doing it outside in front of their name on the building. They have a large front porch in case of rain.)

Contact: Mitch Beard, 662-844-7776

Agenda: Governor: Welcome and announcement

Mr. Franklin – good for MS and good for Tupelo

USA Funds Rep – good for USA Funds to be redesignated

Commissioner Tom Layzell (??) – good for guarantor to be designated

** Lee Abraham can be recognized by the Governor

Invite: Commissioner Layzell
Suzanne Sharpe, IHL Chief of Staff
Lee Abraham
Mr. Franklin and Mitch Beard, Franklin Collections
Carl Dalstron, President and CEO of USA Funds
David Rumbarger, President of Tupelo’s Community Development Foundation
Larry Otis, Mayor of Tupelo
Tupelo City Council
Lee County Board of Supervisors
Area legislators
Tupelo business leaders (??)

Press: Daily Journal
WTVA
Columbus news (??)