
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: SEWELL
FROM: RILEY
SUBJECT: 12/6/02 ANNOUNCEMENT OF FRANKLIN COLLECTIONS DOING STUDENT LOAN
COLLECTION BUSINESS
DATE 12/5/02
CC: MAYO

We have worked to resolve the issue of Mississippi not having a designated student loan guarantor and to bring some of the collection business back to Mississippi. United States Aid Funds, commonly referred to as 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 re-designated to serve as guarantor of Mississippi student loans. USA Funds will subcontract with Sallie Mae to manage the defaulted loans and Sallie Mae will subcontract with Franklin Collection Service in Tupelo to actually collect payments on the defaulted loans.

The Governor will actually sign the Executive Order designating USA Funds at the event. 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! We need to mention that Franklin will be breaking ground soon for an addition to their office to house the additional employees that will be brought on board as a result of this project.

Agenda: Dan Franklin will act as host of the event. He will give a welcome and then introduce the Governor.

Governor – bringing jobs back to Mississippi; creating partnerships; thank USA Funds, IHL staff (Suzanne Sharp) and Franklin Collection Service (particularly Mitch Beard) for their work on this project; recognize Lee Abraham (if he is there) for his dedication to bringing jobs to the Delta and for being a partner in the initiative; sign the Executive Order

Dan Franklin will introduce Carl Dalstrom, President and CEO of USA Funds.

Carl Dalstrom - good for USA Funds to be redesignated

Dan Franklin will then give closing comments on behalf of Franklin Collection Service, Inc.

I've attached a copy of the Executive Order draft for your reference. Thanks!