



MEMORANDUM

May 18, 2023

Utah Higher Education Assistance Authority – Status Update

The Utah Higher Education Assistance Authority (UHEAA) student loan portfolio was sold on March 31, 2022. Approximately \$287 million in proceeds was generated for the Student Success Endowment Fund to cover final program close-out expenses. The program was formally transferred to Education Credit Management Corporation (ECMC) on March 1, 2023, and UHEAA management expects its core operational activity to be discontinued by the end of fiscal year 2023. Remaining UHEAA winddown and maintenance tasks are as follows:

- UHEAA has guaranteed loans through March 31, 2024, and paid approximately \$330,000 in claims during the first year.
- UHEAA must maintain a records database for audit and compliance through March 31, 2027.
- There are roughly \$2 million in loan value missing promissory notes. To the extent those loans can't be guaranteed, UHEAA will cover the loss in value. UHEAA has about \$25 million set aside to address these losses and other close-out expenses.

There is approximately \$275 million in the Student Success Endowment Fund, and the Utah Office of State Treasurer has initiated investment of the funds consistent with the Board's Strategic Investment Policy and a consultant's recommendations. Once proceeds are available, this fund is expected to support ongoing annual scholarships for Utah students in perpetuity.

Commissioner's Recommendations

This is an information item only; no action is required.