

Loan Originations
P.O. Box 102405
Columbia, SC 29224



Repayment Services
P.O. Box 102423
Columbia, SC 29224

8906 Two Notch Rd. • Columbia, SC 29223
www.scstudentloan.org • 800-347-2752 • 803-798-0916

May 16, 2017

Mr. Jeffrey M. Schilz
Interim Executive Director
S.C. Commission on Higher Education
1122 Lady Street, Suite 300
Columbia, SC 29201

Dear Mr. Schilz:

I am submitting for review and approval by the Commission on Higher Education, the proposed budget for FY 2018-19 for the administration of the Teachers Loan Program.

The FY 2017-18 budget included expenses for a one-time conversion fee of \$180,000 and recurring expenses of \$215,000 for third party servicing fees. SC Student Loan (SCSLC) did not bill for these expenses in the FY 2017-18 year because the transfer did not take place. A conversion fee and updated third party servicing fee expenses are included in the FY 2018-19 proposed budget. SCSLC is planning to have this conversion completed by June 30, 2019.

Also, the Commission on High Education should consider how to handle accounts which are delinquent. SCSLC has been working with Karen Woodfaulk from your office and Jane Turner from CERRA on how best to handle the delinquent accounts. There are approximately 1,300 borrowers 180 days or greater delinquent with a combined \$10.8 Million in principal outstanding. Changing how the delinquent borrowers are serviced could result in a reduction in servicing cost of approximately \$30,000.

If you have any questions, please call me to discuss.

Sincerely,

A handwritten signature in blue ink, appearing to read "Trey Simon".

Trey Simon
President & CEO
South Carolina Student Loan Corporation
Phone: (803) 612-5052
Email: tsimon@scstudentloan.org

South Carolina Student Loan Corporation
Contractual Services Budget for
South Carolina Teachers Loan Program
2018-2019

2018-2019

Proposed

OPERATING EXPENSES

Personnel Expenses:

Staff Salaries	140,500
Social Security	10,700
Group Insurance	18,950
Retirement	24,650
Unemployment	200
<i>Total Personnel Expenses</i>	<u>\$ 195,000</u>

Contractual Expenses:

Information Technology	98,500
Third Party Servicing Fees	245,000
Accounting	3,600
<i>Total Contractual Expenses</i>	<u>\$ 347,100</u>

General Operating Expenses:

Rent	6,420
Telephone	9,900
Printing	800
Postage	6,200
Supplies	1,400
Equipment Lease/Maintenance	3,600
<i>Total General Operating Exp</i>	<u>\$ 28,320</u>

Total Operating Expenses \$ 570,420

One Time Conversion Cost \$ 180,000

Total Expenditures \$ 750,420