FOIA Number: 2017-1074-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: National Economic Council

Series/Staff Member: Ellen Seidman

Subseries:

OA/ID Number: 13056

FolderID:

Folder Title:
Sallie Mae

Stack:	Row:	Section:	Shelf:	Position:
S	16	1	8	3

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Wendy Einhellig to Ellen Seidman et al re: Sallie Mae meeting [Personally Identifiable Information] [partial] (1 page)	05/03/1995	b(6)

COLLECTION:

Clinton Presidential Records
National Economic Council
Ellen Seidman
OA/Box Number: 13056

FOLDER TITLE:

Sallie Mae

2017-1074-F
jm1931

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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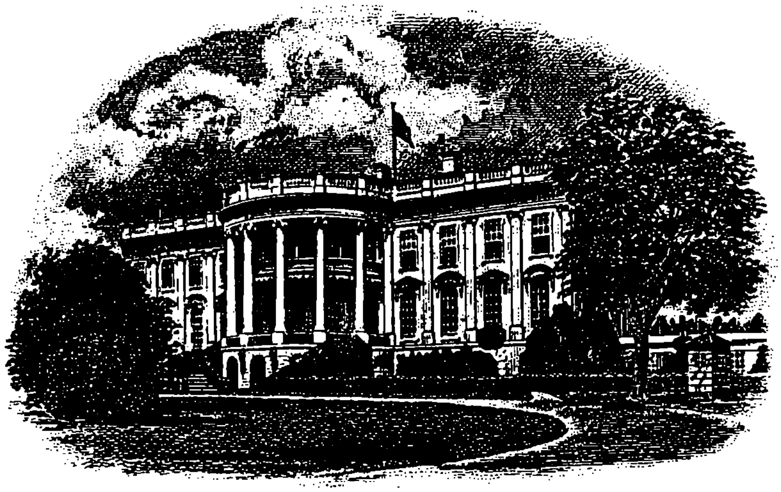
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Distribution List SALLIE MAE - WG:

Ellen S. Seidman	(SEIDMAN_E)
Paul R. Dimond	(DIMOND_P)
Kenneth S. Apfel	(APFEL_K)
Patricia A. Smith	(SMITH_P)
Barry White	(WHITE_B)
FAX (9622-0265,Darcy Bradbury)	(TLXA1MAIL_\F:9622-0265\C:Darcy Bradbury\\
FAX (9622-0265,Jill Ouseley)	(TLXA1MAIL_\F:9622-0265\C:Jill Ouseley\\ )
FAX (9622-1974,Virginia Rutledge)	(TLXA1MAIL_\F:9622-1974\C:Virginia Rutledg
FAX (9708-7157,Leo Kornfeld)	(TLXA1MAIL_\F:9708-7157\C:Leo Kornfeld\\ )
FAX (9708-8404,Donald Feuerstein)	(TLXA1MAIL_\F:9708-8404\C:Donald Feuerstei
FAX (9401-1438,Tom Wolanin)	(TLXA1MAIL_\F:9401-1438\C:Tom Wolanin\\ )
FAX (9708-8404,Larry Oxendine)	(TLXA1MAIL_\F:9708-8404\C:Larry Oxendine\\



FAX Transmission

National Economic Council
The White House

To: Sallie Mae Team

Phone: ____________ **FAX:** ____________

From: ELLEN SEIDMAN

Phone: 202-456-2802 **FAX: 202-456-2223**

Date: Aug 10 **Time:** 1:10 pm

Pages to follow: 3

Comments: ____________

SALLIE MAE WORKING GROUP
6/6/95

Name	Agency	Fax
Darcy Bradbury	Treasury	622-0265
Virginia Rutledge	Treasury	622-1974
Jill Ouseley	Treasury	622-0265
Barry White	OMB	395-1596
Patricia Smith	OMB	395-1596
Leo Kornfeld	DO Ed	708-7157
Donald Feuerstein	DO Ed	708-8404
Tom Wolanin	DO Ed	401-1438
Larry Oxendine	DO Ed	708-8404
Kenneth Apfel	OMB	395-5730
Paul Dimond	NEC	456-2223
Ellen Seidman	NEC	456-2223

Post-It™ brand fax transmittal memo 7671	# of pages ▸ 2
To Ellen Seidman	From Judy Kennedy
Co.	Co.
Dept.	Phone # 298-3062
Fax #	Fax #

STUDENT LOAN MARKETING ASSOCIATION
1050 Thomas Jefferson Street, N.W.
Washington, D.C. 20007-3871
202-298-2600

LAWRENCE A. HOUGH
President and
Chief Executive Officer

August 3, 1995

The Honorable Robert Rubin
Secretary of the Treasury
United States Department of the Treasury
15th Street and Pennsylvania Avenue
Washington, DC 20220

Dear Mr. Secretary:

As you are aware, your predecessor, Secretary Bentsen, and Education Secretary Riley advised Congress last summer that in their view, privatization was the most attractive course for the Student Loan Marketing Association (Sallie Mae). Since that time, Sallie Mae's senior executives have engaged in fruitful and cooperative discussions with Darcy Bradbury and other representatives of your Department, as well as representatives of the Office of Management and Budget and the Department of Education regarding the conversion of Sallie Mae from a government-sponsored enterprise to a fully private corporation.

Most of the outstanding issues on this matter have been resolved. However, there is one issue that remains a serious concern: whether the legislation should require Sallie Mae to liquidate if the privatization plan is not approved by our shareholders.

The Administration's proposal, if adopted, would require Sallie Mae to abruptly cease new business activities if a privatization plan is not approved. The ability to preserve and enhance the going concern nature of Sallie Mae's business, its goodwill, market presence and revenue potential are key elements of the proposal that developed into H.R. 1720. While the possibility of establishing some type of successor company is not necessarily precluded by the Administration's proposal, that step entails significantly greater risk to shareholders and considerable uncertainty for our customers and the Federal Family Education Loan Program (FFELP). The inclusion of a forced liquidation provision far outweighs any potential benefits it might provide. Those consequences include:

-- An almost certain fire sale environment, in which the market value of Sallie Mae's shares could fall precipitously, and its cost of doing business would rise correspondingly;

-- The high risk to the FFELP's stability and continuity if Sallie Mae's participation is peremptorily aborted;

-- An extremely negative message to potential investors in any new government-sponsored enterprise or similar public/private partnership.

We are confident that the FFELP does not now need a government-sponsored secondary market. That confidence, however, is based on the fact that a fully private Sallie Mae would continue to participate extensively in the secondary market for student loans and therefore provide substantial liquidity to that marketplace. In light of our present 30% share of the market, it does not necessarily follow that the needed liquidity will be available if Sallie Mae is out of the market.

A forced liquidation provision would call into question the most basic principles of the public/private partnerships that government-sponsored enterprises represent. Moreover, the mandated liquidation of a solvent, profitable company would be unprecedented and would be subject to legal challenge on a number of grounds. Such actions would raise serious questions in the minds of investors in any future government-sponsored enterprise as to the potential and safety of such investments.

Finally, it is hard to see what, if any, benefits the inclusion of a liquidation provision brings the government. It cannot be that this is the government's only opportunity to address the relevant issues. Congress and the Administration have demonstrated that they have the necessary authority and responsibility to review and modify the status and future of all government-sponsored enterprises, which is what Sallie Mae would remain if a privatization plan were not approved by its shareholders. The proposed liquidation provision is simply a decision that does not need to be made now. There will be ample time to address Sallie Mae's future if no privatization plan were approved.

Mr. Secretary, in our discussions with Treasury, Education and OMB officials, we have worked under the impression that it was in everyone's interests -- the government's, as well as Sallie Mae and its shareholders' -- that the first GSE privatization succeed: that it provide a model of enlightened public policy, in which a government-sponsored entity is created to meet a public need, and then detached from government when that need can be met without it. A forced liquidation provision when presented to shareholders would render the privatization initiative unworkable.

I would be pleased to talk with you further on this issue if that would be helpful.

Sincerely,

Lawrence A. Hough

Lawrence A. Hough

****
*** ACTIVITY REPORT ***
****

TRANSMISSION OK

TX/RX NO.	0535
CONNECTION TEL	94011438
CONNECTION ID	
START TIME	08/10 15:51
USAGE TIME	01'29
PAGES	4
RESULT	OK

****
*** MULTI TRANSACTION REPORT ***
****

TX/RX NO.	0515
INCOMPLETE TX/RX	94011438
TRANSACTION OK	96220265
	96221974
	51596
	97087157
	97088404
	55730
ERROR	

MEMORANDUM OF CALL

Previous editions usable

TO: Wendy

☒ YOU WERE CALLED BY-- ☐ YOU WERE VISITED BY--

Pat (~~[illegible]~~ Treas)

OF (Organization)

622-2640

☑ PLEASE PHONE ▶ ☐ FTS ☐ AUTOVON

Anyone else

☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU

☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

Check w/Ellen's schedule to see if Pat can set up a Meeting Tues afternoon or Wed Morn for Sallie Mae

RECEIVED BY	DATE	TIME
[illegible]	6/12	9:30

63-110 NSN 7540-00-634-4018

STANDARD FORM 63 (Rev. 8-81)
Prescribed by GSA
FPMR (41 CFR) 101—11.6

☆ U.S. GOVERNMENT PRINTING OFFICE: 1991 281-781/40014

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

12-Jun-1995 01:42pm

TO: Wendy J. Einhellig

FROM: Ellen S. Seidman
National Economic Council

SUBJECT: RE: Sallie Mae Meeting

I don't think so, but this makes it particularly important that Paul Dimond be there. Ellen

SALLIE MAE WORKING GROUP
6/6/95

Name	Agency	Phone	Fax
Darcy Bradbury	Treasury	622-2037	622-0265
Virginia Rutledge	Treasury	622-1963	622-1974
Jill Ouseley	Treasury	622-2630	622-0265
Barry White	OMB	395-4532	395-1596
Patricia Smith	OMB	395-5882	395-1596
Leo Kornfeld	DO Ed	708-8391	708-7157
Donald Feuerstein	DO Ed	260-0438	708-8404
Tom Wolanin	DO Ed	401-1028	401-1438
Larry Oxendine	DO Ed	401-2280	708-8404
Kenneth Apfel	OMB	395-4844	395-5730
Paul Dimond	NEC	456-5368	456-2223
Ellen Seidman	NEC	456-2802	456-2223

SALLIE MAE WORKING GROUP
6/6/95

Name	Agency	Phone	Fax
Darcy Bradbury	Treasury	622-2037	622-0265
Virginia Rutledge	Treasury	622-1963	622-1974
Jill Ouseley	Treasury	622-2630	622-0265
Barry White	OMB	395-4532	395-1596
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Larry Oxendine	DO Ed	401-2280	708-8404
Kenneth Apfel	OMB	395-4844	395-5730
Paul Dimond	NEC	456-5368	456-2223
Ellen Seidman	NEC	456-2802	456-2223

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

05-Jun-1995 10:46am

TO: Ellen S. Seidman

FROM: Wendy J. Einhellig
National Economic Council

SUBJECT: Conference Call

Today 11:45-12:45. Your call in number is 456-6777 code #1719.

Also calling in (w/their #'s)

Darcy Bradbury 456-6777
Virginia Rutledge 456-6777
Jill Ouseley 456-6777
Barry White 456-6777
Patricia Smith 456-6777
Donald Feuerstein 456-6799
Paul Dimond 456-6799

Codes are the same for all and the conference call is in your name. All have the appropriate call in numbers and code.

6/5/95

~~1030~~ ~~1130~~
1045-1145

-6777 yes Darcy Bradbury 622-2037
-6777 ~~no~~ yes Virginia Rutledge 622-1963
-6777 yes Jill Ousley 622-2630
~~Galston 62999~~
-6777 yes Barry White 54532
-6777 yes Patricia Smith 5-5882
6799 Leo Kornfeld 708-8391 out NY
6799 ~~yes~~ Donald Feuerstein ~~401-2280~~ 260-~~0638~~ 0438
6799 Tom Wolanin 401-1028 out till 2:30
-6777 Ellen
6799 Larry Oxendine - 401-2280 out of office
6799 Paul Dimond yes

456-6777
456-6799
#1719

Subject: Sallie Mae negotiations re capital upstreaming and continued ~~FF~~ guaranteed loan availability

THE WHITE HOUSE
WASHINGTON

Conf Call 5:30 1/2 hr

to discuss redraft sent by Virginia on liquidation of SallieMae w/o reorganizing.

Darcy
Virginia Rutledge
Jil P Ualy
Bill White
Bill Galston

7 people
456-6799
#4299

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

17-May-1995 04:19pm

TO: Ellen S. Seidman

FROM: Wendy J. Einhellig
National Economic Council

SUBJECT: Conference Call

The conference call today at 5:30pm to discuss redraft sent by Virginia Rutledge on liquidation of Sallie Mae w/o reorganizing will be on 456-6799/call in code is 4209. You must call into the number.

Darcy Bradbury - notified and will participate
Virginia Rutledge - notified and will participate
Jill Ouseley - notified via voice mail to join Darcy
Bill Galston - notified, Ian didn't know if his meeting with the First Lady would be over
Barry White - notified via voice mail
Patricia Smith - notified via voice mail
Leo Kornfeld and Donald Feuerstein - notified and meeting in Leo's office
Tom Wolanin - notified scheduler and she will try to get him to Leo's office
Ellen Seidman - notified now, hopefully she'll call at the appointed time, 456-6799/cc#4209.

Ellen

THE WHITE HOUSE
WASHINGTON

Darcy Bradbury
622-2037

Virginia Rutledge
622-1963

Jill Ouseley
622-2630

Bill Galston 6-2999

Barry White 5-4532
v/m

Leo Kornfeld
708-8391
*

THE WHITE HOUSE

WASHINGTON

Tom
Don
Leo +

Tom Volanin ~~yes~~
401-1028

Donald Feuerstein
401-2280 ~~yes~~

Patricia Smith ym
5-5882

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Wendy Einhellig to Ellen Seidman et al re: Sallie Mae meeting [Personally Identifiable Information] [partial] (1 page)	05/03/1995	b(6)

COLLECTION:

Clinton Presidential Records
National Economic Council
Ellen Seidman
OA/Box Number: 13056

FOLDER TITLE:

Sallie Mae

2017-1074-F
jm1931

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E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

03-May-1995 06:35pm

TO: (See Below)

FROM: Wendy J. Einhellig
National Economic Council

[001]

SUBJECT: Sallie Mae Meeting

There will be a Sallie Mae meeting on Thursday, May 4th, in room 248-OEOB at 12:00 (noon). If you require clearance into OEOB and plan to attend, please call me at 456-2802, prior to 11am, and give me your full name, as it appears on your driver's license, and your date of birth.

Distribution:

TO: Ellen S. Seidman
TO: Kenneth S. Apfel
TO: William A. Galston
TO: Patricia A. Smith
TO: FAX (9622-0265,Darcy Bradbury
TO: FAX (9708-7157,Leo Kornfeld)
TO: FAX (9401-1438,Tom Wolanin)

(b)(6)

(b)(6)

Sallie Mae

✓ Ken Apfel 395-4844 yes 4-5 →6

✓ Bill Galston 456-2999 yes 4-4:30

✓ Pat Smith 395-~~5880~~ Aretha 5880 ~~No~~

✓ Darcy Bradbury 622-2037 yes 4-4:30

✓ Leo Kornfeld 708-8391 4-4:30 in N.Y. today

✓ Tom Wolanin 401-1028 yes

~~#395~~ Sup#✓ Barry White 395-~~4532~~ Aretha 5880 yes

~~Conference Call~~

4-5pm Code →3131
757-2100

The line is reserved for 4-5pm but most only have 4-4:30 to do the call.

Darcy, Virginia
Tom -
Don Fernstein

Congressmen - Bill + Ellen to set up meetings

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

03-Apr-1995 12:22pm

TO: (See Below)

FROM: Kenneth S. Apfel
Office of Mgmt and Budget, HRVL

SUBJECT: RE: Sallie Mae

please, what? Am I late in doing something?

Distribution:

TO: Barry White OMB

CC: William A. Galston DPC
CC: Ellen S. Seidman
CC: FAX (9-622-0265,Darcy Bradbury) Treas
CC: FAX (9-708-7157,Leo Kornfeld)
CC: FAX (9-401-1438,Tom Wolanin) Ed Anna has phone #s
CC: Patricia A. Smith OMB