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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Jerry M. Hultin to POTUS; re: Student Loan Marketing Association (1 page)	02/19/1993	P5 4367

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Jimmie Purvis
2008-0826-F
jp2942

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]

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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]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- 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]

Hultin & Associates, Inc.

MEMO

To: President Clinton

From: Jerry M. Hultin JH

Date: February 19, 1993

Subject: **Student Loan Marketing Association**

- ☐ Although the Administration's proposal on direct lending says that it will be phased in and will protect the current $60 billion portfolio, the market is reacting negatively.

- ☐ Sallie Mae has lost $2.4 billion in capitalization in the past two weeks -- $1 billion in the day after your speech to Congress. These losses are principally in institutional portfolios, many of whom manage very substantial pension funds.

- ☐ Sallie Mae's CEO, Larry Hough, met with Bo Cutter yesterday about how to protect the stockholders' value, counter negative private sector fallout, and probably advance the direct loan program. It involves ending Sallie Mae's GSE status, basically moving it outside the government.

- ☐ Because of the urgency of the market's reaction, and the high potential for unexpected repeat incidents over the course of the next few months, this idea needs to be considered quickly and by the Administration's top people at the White House and the Treasury -- Rubin and Altman.

- ☐ **Can you give Rubin and Altman a clear message that stopping the hemorrhaging and finding a solid solution to the problem is what you want done?**

- ☐ Corporations, investors, and private capital markets will have a role in your Administration. The cratering of a GSE so early in your term will not go unnoticed.

- ☐ **Will you convey to the public now your support for Sallie Mae's immediate movement from a GSE to full private operation in light of your decision to implement direct lending?**

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