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**STATEMENT OF SENATOR EDWARD M. KENNEDY ON THE U.S. DEPARTMENT OF
EDUCATION'S DECISION ON NELNET AND 9.5
PERCENT LOANS**

“The Administration should have settled for nothing less than the full recovery of Nelnet’s ill-gotten proceeds from these loans. The Inspector General’s audit made it crystal clear that Nelnet’s claim of a 9.5% subsidy rate was absolutely indefensible. The Department of Education’s settlement is a loss for students and taxpayers, who are the victims of Nelnet’s greed.

The Nelnet 9.5 percent loan scandal has cast a black mark on the student loan industry. It underscores the need for Congress to oversee the loan programs more closely and consider aggressive reforms to the Federal Family Education Loan Program.”