

FOR IMMEDIATE RELEASE
May 14, 2007

CONTACT: Laura Capps/ Melissa Wagoner
(202) 224-2633

**Letter included

KENNEDY ON REMOVAL OF LAWRENCE BURT AT THE UNIVERSITY OF TEXAS AT AUSTIN

WASHINGTON, D.C.-- Today, Senator Edward M. Kennedy released the following statement in reaction to the University of Texas at Austin's announcement that they've terminated Lawrence Burt, head of the University's Office of Student Financial Services.

Kennedy has an ongoing investigation into the student loan industry and inquired about Mr. Burt's connections to lender Student Loan Xpress on April 11, 2007.

Senator Kennedy said, "I appreciate the swift action taken by the University of Texas to begin to restore students' faith in the financial aid system. All college and university leaders must ensure that those entrusted with students' financial well-being have no financial conflicts of interest and take seriously their responsibilities to young people."

Text of the letter Kennedy sent is also below.

April 11, 2007

William Powers, Jr.
President
The University of Texas at Austin
1 University Station
Austin, Texas 78712

Dear Mr. Powers:

I am writing about information that has come to my attention, which raises concerns about possible waste and fraud in the federally-guaranteed student loan program at the University of Texas at Austin. Specifically, it has been reported that Lawrence W. Burt, associate vice president and director of student financial aid, owned shares in a student loan company that the University's financial aid office designated as a "preferred lender" – Student Loan Xpress. The volume of loans made by Student Loan Xpress to University of Texas students increased 74% from 2002 to 2003 and has increased since that time. The period of time during which the initial surge in loan volume occurred corresponds with the dates that Mr. Burt apparently held stock in the company.

In light of these events, I ask that you provide to my office information and documents concerning the financial aid office's relationships with private lenders providing federally-guaranteed student loans to University students, including Student Loan Xpress. Please see the attached Document Request for specifics. I ask that you coordinate the production of documents with Nicholas W. Bath, Counsel to the Committee, at (202) 224-6912.

Thank you for your consideration.

Sincerely,

Edward M. Kennedy
Chairman

Enclosure: Document Request and Instructions