



FOR IMMEDIATE RELEASE
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Student Loan Options Are Not Yet Dead
*Congressional Leaders Tell College Presidents Bipartisan
Student Loan Extension Can Still Pass Congress*

Washington, D.C. – U.S. Senators Mike Enzi (R-Wyo.) and Lamar Alexander (R-Tenn.) and U.S. Reps. John Kline (R-MN) and Brett Guthrie (R-KY) today wrote college and university presidents regarding their legislation that would preserve critical student loan options for another year. The Members are working to extend the Federal Family Education Loan Program (FFEL) which has successfully helped millions of Americans realize the dream of a college education since 1965.

“Contrary to recent statements made by the Department of Education, the elimination of the FFEL program is not imminent,” wrote the Congressional leaders. “There remains widespread, bipartisan support in Congress to continue the FFEL program during these difficult times.”

In late November, Enzi, Alexander, Kline and Guthrie introduced S. 2796/H.R. 4103, a bipartisan, one-year extension of the *Ensuring Continued Access to Student Loans Act of 2008* (ECASLA).

The letter seeks to remind college and university presidents that bipartisan support does exist in Congress for choices and options for students and parents through the federal loan program, as well as assure them that Congress can act quickly to enact an extension of ECASLA, as Congress has in the past.

Please see a copy of the letter below:

Congress of the United States
Washington, DC 20515

December 15, 2009

An Open Letter to College and University Leaders:

As institutional leaders and student financial aid professionals, you work tirelessly to ensure that millions of students are able to realize the dream of a college education. This is a particularly daunting challenge during difficult economic times, with matters further complicated when questions arise about the future of federal student financial aid programs. Therefore, we write to help clear up any confusion you may have about the legislative outlook for the future of the Federal Family Education Loan (FFEL) program. Contrary to recent statements made by the Department of Education, the elimination of the FFEL program is not imminent. There remains widespread, bipartisan support in Congress to continue the FFEL program during these difficult times.

The student loan markets have not been immune to the global financial market collapse. Many FFEL lenders, including state-based non-profit providers, encountered difficulty raising capital to make or purchase student loans during the credit crisis of 2008. Congress responded to the situation by overwhelmingly passing the bipartisan *Ensuring Continued Access to Student Loans Act of 2008 (ECASLA)* on May 7, 2008. When economic conditions worsened, Congress again responded in a bipartisan fashion and extended the law for an additional year on September 15, 2008. These two actions successfully preserved liquidity in the student loan market and, more importantly, preserved access to student loans.

Unfortunately, as economic difficulties persist it is clear another extension of this successful law is needed before *ECASLA* expires on July 1, 2010. To that end, we have introduced legislation in both the U.S. Senate and the U.S. House of Representatives to extend *ECASLA* for an additional year (S. 2796 and H.R. 4103). Our legislation builds on the success of *ECASLA* by allowing the Secretary of Education to continue purchasing student loans made through the FFEL program. Congress acted with remarkable speed and bipartisanship to enact this simple solution twice before and there is no reason why we cannot do so again.

Regrettably, the Department of Education has chosen to use current economic uncertainties to prematurely pressure schools to immediately leave the FFEL program and enter the government-run Direct Loan (DL) program. In recent weeks, Secretary Duncan and some in Congress have sent letters to schools insinuating that Congress will not extend *ECASLA* and congressional action to eliminate the FFEL program is inevitable. This is simply not the case. While the President has proposed eliminating FFEL and the House has acted, the Senate has not yet even introduced a bill. Only after Congress acts, and the President signs legislation into law, should colleges and universities be expected to comply.

Since 1965, the FFEL program has successfully helped millions of Americans realize the dream of a college education. Today, it continues to be the choice of approximately 3,400 schools that believe it meets individual student needs far better than the one-size-fits-all approach of the DL program. As such, many in Congress believe we should not hastily eliminate FFEL.

Instead, we believe Congress ought to carefully examine the President's proposal along with alternative options to ensure students and schools will not suffer negative consequences from a rushed upending of our financial aid infrastructure. Until Congress fully and carefully evaluates the most beneficial next steps for students and schools, the responsible course of action is to extend ECASLA, preserve student access to the FFEL program, and provide time for Congress to consider the future of federal financial aid. We will continue to keep you apprised of congressional action on this matter, and stand ready to help you separate fact from fiction in the ongoing debate over our student loan programs.

Sincerely,



Michael B. Enzi
United States Senator



Lamar Alexander
United States Senator



John Kline
Member of Congress



Brett Guthrie
Member of Congress

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