



NATIONAL DIRECT STUDENT LOAN COALITION

September 21, 2009

Dear Member of Congress:

President Obama's proposal to transfer billions* from lenders to students merits your support.

The President's education budget proposal includes changes to the status quo of higher education funding that will result in stabilizing and increasing Federal Pell Grants for needy, qualified students. Under the President's plan, Pell Grants for financially at-risk students would not only increase significantly in the short term, but also increase systematically going forward, indexing increases to the Consumer Price Index (CPI) plus 1%.

It is not fiscally responsible for the government to support two student loan delivery systems. However, for the past 15 years, Congress has supported both the Federal Family Education Loan Program (FFELP) and the Federal Direct Student Loan Program (DL).

- FFELP ideally (though not currently) uses private capital to loan to students, encouraged to do so by statutorily set federal subsidies, special allowance payments, and guarantees against defaults. For the foreseeable future, it is funded by Treasury just like DL. There are thousands of entities who participate in FFELP loan delivery - including banks, other lenders, and more than 30 guaranty agencies and numerous servicers.
- DL delivery is a simplified system in which students receive their loans from the Department of Education, through their school, using the same process for delivering Pell, ACG, SMART, and TEACH.

Today, Congress leaves the choice of loan delivery selection to the discretion of schools. However, this allows colleges and universities to decide how \$87 billion in taxpayer subsidies will be spent. We are not aware of any other government program where this is allowed.

You have undoubtedly heard from FFELP industry lobbyists arguing against the President's proposal and House bill H.R. 3221, as well as from organizations proposing hybrid loan delivery ideas that are incomplete, unproven, and inherently more expensive for taxpayers than DL. As a grass-roots organization representing financial aid administrators at approximately 2000 Direct Loan schools, we want to reassure you that the DL program is strong, proven and simple and has been working very well for students and schools for over 15 years. We have prepared the enclosed fact sheet to provide you additional information on the DL program that we hope will assist you as you deliberate this historic legislation to shift precious federal resources from lenders to students.

We remain concerned about the inclusion of non-competitively bid carve-outs for non-profit servicers and/or guaranty agencies – a factor that could cause confusion and complexity for students and schools, and also may jeopardize program integrity.

Please accept our best wishes and heartfelt thanks for all you do for our students, assisting them in affording the higher education they so desperately want and our country needs. You may call upon any member of the NDSLCLC's executive board for further information, data, or clarification.

Sincerely,

The National Direct Student Loan Coalition

*Congressional Budget Office (CBO)

Direct Loan Facts

Is choice of lender or delivery system an essential element of a successful federal student loan system?

- No other federal financial aid program provides a choice of fund delivery methods.
- Loan benefits are statutorily set and virtually no FFELP lenders are providing differentiated benefits; the concept of “choice” is not relevant.

Won't a move to DL increase the national debt?

- Direct Loans are an investment that pay for themselves and make a profit for the government. While the proceeds of Treasury auctions used for DL may be temporarily part of the national debt, the debt is paid for by the repayment of the loans. FFELP loans are considered a “contingent liability” of the federal government and, as such, are also a part of the total real debt of the government.

Can all schools transition successfully to DL by 7-1-2010?

- Every school that transitioned to DL has done so successfully and in a short time frame.
- All schools with Pell students successfully brought two new federal grant programs (ACG and SMART) into operation in a four month period in 2007. These new programs were quite complex and no vendor software existed to support these programs. For DL, these institutions will use the same origination and reconciliation process they currently use through COD for Pell. Given the Department's success in getting these institutions into the new grant programs, it is disingenuous to state that they would not be successful in bringing the current FFELP schools into DL before the July 2010 deadline.
- The Department is prepared for the rush to transition and has proven its capabilities in nearly doubling DL school participation in the last six months alone.

Can the Department of Education provide superior, consistent service in DL?

- Proven through repeated internal measurements and feedback from DL schools and borrowers, the U.S. Department of Education provides consistent and superlative service from origination of loans and borrower contact, through servicing and eventual collections. Schools continue to report their high satisfaction with contractors selected and hired by the Department to handle the DL operations. These contractors are selected based on competitive bidding process with compensation tied to performance measures.
- Servicing in DL is handled by private sector companies, under competitively let contracts with the government. It is misleading to argue that the service would be worse, given the servicers would be the same as in FFELP.
- All DL schools have successfully delivered student loan funds to their students during the credit crisis; this cannot be said about FFELP.

Will default rates go up if all schools use the DL delivery system?

- The Department of Education has published the comparative default rates for DL and FFELP for each year in which the programs have operated concurrently, up to cohort year 2007. The most recent cohort default rate for DL is 4.8% as compared to 7.2% for FFELP.
- In the FFELP profit model, there exists a perverse incentive in which profits are increased when borrowers default, as late fees, penalties, and collection costs are capitalized before lenders are reimbursed for the defaulted loans. Balances are so high, that many borrowers can never recover.
- In the DL model, there is no profit motive driving servicers to increase borrower indebtedness. In fact, they are rewarded for keeping defaults down. Borrowers have no reason to default since Income Based Repayment and Income Contingent Repayment options can provide relief to all, regardless of their financial circumstances.

What about the loss of services that lenders and guaranty agencies provide?

- The non-statutory outreach programs currently provided by many guarantors can be worthwhile. However, the continued existence of these programs is not contingent upon FFELP's existence, and could certainly be paid for by Congress outside of the guaranty agency funding structure.
- Services currently provided by some lenders and guaranty agencies are duplicative of the training and outreach available from the U.S. Department of Education. The fears of loss of these services are unfounded.
 - The Department of Education provides training to all schools in all areas of federal financial aid management, including DL.
 - The Department provides annual conferences, webinars, Dear Colleague Letters, etc., to educate financial aid administrators and others in legislative, regulatory, and operational issues.
 - The Department has a default management program called "Late Stage Delinquency" which has successfully assisted borrowers to prevent default. Schools are able to participate in the process or may leave the efforts to the Department. In fact, the Department's good work in default prevention has resulted in a 4.8% cohort default rate for DL – an excellent result especially when compared to the 7.2% FFELP rate.
- Schools are not and should not be dependent upon lenders and guaranty agencies for financial literacy information for their students. Many schools have mandatory financial literacy courses, and others provide superior web programs, including an exceptional course from the National Endowment for Financial Education available to all institutions at no cost.

Will the loss of FFELP mean employee layoffs?

- It is expected that current FFELP entities will participate in the competitive bidding process and become new DL contractors for the U.S. Department of Education as volume shifts from FFELP to DL. (Sallie, NelNet, PHEAA, and Great Lakes have already contracted with the Department to do such work.) Therefore, many FFELP employees will not see job loss, just job change.
- Many of the employees engaged in FFELP activities are involved in FFELP servicing operations. Their companies have billions in outstanding student loans that will continue to need servicing and these FFELP servicers are in a position to compete for servicing contracts with the government. It is incorrect to state that all of these employees will be laid off if the President's proposal is adopted.
- Job opportunities will increase because private contractors selected to participate in DL servicing cannot legally hire foreign nationals to perform the duties inherent in the contract (as they currently do in FFELP).

Has competition among FFELP lenders and between Direct Lending (DL) and FFELP really resulted in improvements to both programs?

- Undoubtedly, the competition among FFELP lenders has resulted in improvements to FFELP.
- Historically, the U.S. Department of Education has not sought to increase DL market share since its inception and as such has not competed with FFELP for market share. As a result, the Department's improvements have been instigated by their mandate to manage all federal financial aid programs to the highest standards.
- The most significant improvement to DL delivery in recent years is the implementation of the Common Origination and Delivery (COD) system, which was created as a simplified and single method for all student financial aid to be disbursed to students, including PELL, ACG, SMART, and DL.

National Direct Student Loan Coalition Executive Council Members

<p>Nancy Hoover, Chair Denison University (740) 587-6629 hoover@denison.edu</p>	<p>Janice Dorian Mansfield Beauty Schools (617) 770-1417 jtdorian@aol.com</p>
<p>Roberta Johnson, Past Chair Iowa State University (515) 294-0109 rljohns@iastate.edu</p>	<p>Kris Wright University of Minnesota – Twin Cities (612) 626-0302 wriugh084@umn.edu</p>
<p>Margaret Rodriguez, Vice Chair University of Michigan (734) 763-4119 mhr@umich.edu</p>	<p>Cheryl Resh University of California-Berkeley (510) 642-0645 chaigh@berkeley.edu</p>
<p>Craig Munier University of Nebraska-Lincoln (402) 472-4001 cmunier@unlnotes01.unl.edu</p>	<p>Chuck Knepfle Miami University (513) 529-8555 knepflcr@muohio.edu</p>
<p>Eileen O’Leary Stonehill College (508) 565-1348 eoleary@stonehill.edu</p>	<p>Kay Lewis University of Washington (206) 543-6107 sklewis@u.washington.edu</p>
<p>Dan Davenport University of Idaho (208) 885-5522 dand@uidaho.edu</p>	<p>Peg Julius Kirkwood Community College (319) 398-1274 pjulius@kirkwood.edu</p>
<p>Jean Rash Rutgers University (732) 932-7057 jrash@rci.rutgers.edu</p>	<p>Suzanne Day Harvard University (202) 863-1292 Suzanne_day@harvard.edu</p>
<p>Tom Butts Advisor (810) 231-9093 thms.btts@gmail.com</p>	

NATIONAL DIRECT STUDENT LOAN COALITION

For Immediate Release Contact:

Nancy Hoover (740)587-6629 hoover@denison.edu or Margaret Rodriguez (734)763-4119 mhr@umich.edu

Statement from National Direct Student Loan Coalition (NDSLCL) on passage of H.R. 3221

The National Direct Student Loan Coalition congratulates the House of Representatives, Chairman George Miller and Members of the House Education and Labor Committee on the passage of H.R.3221, The Student Aid and Fiscal Responsibility Act of 2009.

We are pleased that the transition to direct lending will make \$87 billion in funds available for education in general and college students in particular. Students, institutions and taxpayers will benefit from the reform of the Federal student loan programs. The direct loan program is simple, efficient and cost effective. It will provide a secure and stable source of loan funds for all borrowers.

Presently, over 1,700 institutions are successfully participating in Direct Lending, a program with an enviable track record for the past 15 years. The Department of Education has demonstrated its ability to administer the Federal Direct Loan program, to assist schools transitioning and to prepare for the move to 100% direct lending.

Direct Loan schools report, and national statistics confirm, that the U.S. Department of Education provides superior service to students, families, and schools, and their "Late Stage Delinquency" default prevention program has resulted in a decrease in their cohort default rates. In fact, the cohort default rate in Direct Lending remains significantly lower than in FFELP.

The NDSLCL is confident that schools can make the transition to the Direct Loan Program by July 1, 2010 with minimum cost and effort. For program transition purposes, to supplement the excellent work of the Department of Education's DL Transition team, the Coalition has volunteer mentors *which can be accessed from the NDSLCL website* that can assist schools. Our mentors are practicing financial aid administrators from two-year, four-year, public and private institutions that offer certificate, undergraduate and graduate programs. The Direct Loan schools on the mentor list serve schools of all sizes—from fewer than 100 students to over 50,000.

We look forward to working with the Congress to assure that provisions in the bill regarding servicing and default prevention are cost-effective and efficient.

The National Direct Student Loan Coalition (www.directstudentloancoalition.org) is the only organization solely devoted to representing the interests and concerns of direct lending institutions around the country. Our members are financial aid professionals from participating institutions. The mission of the National Direct Student Loan Coalition is to promote the success of the Federal Direct Loan Program in serving the interests of students, families, taxpayers, and institutions.

NATIONAL DIRECT STUDENT LOAN COALITION

For Immediate Release

Contact: Nancy Hoover (740)587-6629 or Margaret Rodriguez (734)763-4119

National Direct Student Loan Coalition (NDSLCL) Mentors Schools Moving to Direct Lending

"The Direct Lending program is going through an exciting period of growth, with over 400 schools new to Direct Lending in the 2008-2009 academic year, with hundreds more moving for 2009-10. Many different schools -- from big name public universities to small proprietary schools and everything in between -- have recognized that Direct Lending provides a stable funding source and streamlined and effective service to students, parents and schools," emphasizes Nancy Hoover, NDSLCL Chair and Director of Financial Aid at Dennison University.

*Schools that have transitioned to Direct Lending during the past two years report that the **transition is easier** than anticipated, with **no additional costs** to their budgets, **does not require hiring more staff**, and provides a **simpler, faster, more efficient and reliable** way for students to receive their federal student loan dollars. In fact, new schools report that the **hiring of third party servicers or consultants to help with the transition is totally unnecessary**.*

Direct Loan schools report, and national statistics confirm, that the U.S. Department of Education provides **superior service** to students, families, and schools, and their "Late Stage Delinquency" default prevention program has resulted in a decrease in their cohort default rates. In fact, the **cohort default rate in Direct Lending remains significantly lower than in FFELP**.

For program transition purposes, to supplement the excellent work of the Department of Education's DL Transition team, the Coalition has developed a list of mentors which can be accessed from the NDSLCL website at http://www.directstudentloancoalition.org/Direct_Loan_Tools/mentor.asp. Our volunteer mentors are practicing financial aid administrators from two-year, four-year, public and private institutions that offer certificate, undergraduate and graduate programs. The Direct Loan schools on the mentor list serve enrollments varying from a few hundred students to 51,000.

The NDSLCL encourages colleagues to contact individuals on the list to discuss implementation strategies or issues and best practices. The list includes financial aid administrators from every type of higher education institution using many different platforms (Financier, EDEXpress, BANNER, SAMS, Jenzebar, Powerfaids, etc.) to provide specific advice for an institution's unique situation.

The NDSLCL has also released "Direct Lending: Separating Myth from Reality," a publication intended to dispel the myths about Direct Loans that often circulate among those not familiar with this federal loan delivery system. To help schools separate myths from facts, the NDSLCL document highlights the ease of administering the Direct Loan program by providing current, real-time testimonials from financial aid professionals who are both recent and long-term participants in the program. The brochure is available on line at the NDSLCL web site: http://directstudentloancoalition.org/media/documents_autogen/myths.pdf.

The National Direct Student Loan Coalition (www.directstudentloancoalition.org) is the only organization solely devoted to representing the interests and concerns of direct lending institutions around the country. Our members are financial aid professionals from participating institutions. The mission of the National Direct Student Loan Coalition is to promote the success of the Federal Direct Loan Program in serving the interests of students, families, taxpayers, and institutions.

NATIONAL DIRECT STUDENT LOAN COALITION

September 14, 2009

MEMBERS OF THE
EXECUTIVE COUNCIL:

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Rutgers University

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University of California-Berkeley

KRISTINE WRIGHT
University of Minnesota – Twin Cities

Dear Representative:

The National Direct Student Loan Coalition (NDSLCL), a grass roots organization of financial aid professionals, urges you to support passage of H.R. 3221, the Student Aid and Fiscal Responsibility Act (SAFRA).

Presently, over 1,700 institutions are successfully participating in the direct loan program, a program with an enviable track record for the past 15 years. Students with financial need will benefit from the historic increases in the Pell Grant Program made possible by the provisions of this legislation. All students will benefit from a student loan delivery system that is simpler, more efficient and more cost effective. We are pleased that the transition to direct lending will make \$87 billion (as reported by the CBO) in funds available to pay for the provisions in H.R. 3221.

Though some may view the adoption of a single loan delivery as too bold a step, we are confident that it is the correct course for students, institutions and taxpayers. The Department of Education has demonstrated its ability to administer the Federal Direct Loan program, to assist schools transitioning to the program and to prepare for the transition of all schools to the program. From our experience, we know that the Department can manage this transition and continue to provide a secure, stable and efficient federal loan program for all borrowers.

We are also confident that schools can make the transition to the Direct Loan Program by July 1, 2010 with minimum cost and effort. Schools that have transitioned during the last year have reported overwhelmingly that the transition was easier and less expensive than expected. Our Coalition of volunteers will continue to work with the Department and our colleagues to offer assistance and advice as schools make this transition.

We remain concerned about the inclusion of non-competitively bid carve-outs for non-profit servicers and/or guaranty agencies—a factor that will cause confusion and complexity for students and schools, and also may jeopardize program integrity.

Please accept our best wishes and heartfelt thanks for all you do for our students, assisting them in affording the higher education they so desperately want and our country needs. You may call upon any member of the NDSLCL's executive board for further information, data, or clarification.

Again, we urge your support for H.R. 3221.

Sincerely,



Nancy Hoover, Chair
Director of Financial Aid
Denison University
Granville, Ohio 43023
740-587-6629

NATIONAL DIRECT STUDENT LOAN COALITION

July 24, 2009

MEMBERS OF THE
EXECUTIVE COUNCIL:

NANCY HOOVER
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CHUCK KNEPFLE
Miami University

KAY LEWIS
University of Washington

PAULA LUFF
DePaul University

CRAIG MUNIER
University of Nebraska - Lincoln

EILEEN O'LEARY
Stonehill College

JEAN RASH
Rutgers University

CHERYL RESH
University of California-Berkley

KRISTINE WRIGHT
University of Minnesota - Twin Cities

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Though some may view the adoption of a single loan delivery as too bold a step, we are confident that it is the correct course for students, institutions and taxpayers. The Department of Education has demonstrated its ability to administer the Federal Direct Loan program, to assist schools transitioning to the program and to prepare for the transition of all schools to the program. From our experience, we know that the Department can manage this transition and continue to provide a secure, stable and efficient federal loan program for all borrowers.

We are also confident that schools can make the transition to the Direct Loan Program by July 1, 2010 with minimum cost and effort. Schools that have transitioned during the last year have reported overwhelmingly that the transition was easier and less expensive than expected. Our Coalition of volunteers will continue to work with the Department and our colleagues to offer assistance and advice as schools make this transition.

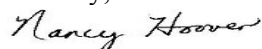
The current model for borrower services in the Federal Direct Loan program has consistently provided a lower cohort default rate than exists in the Federal Family Education Loan Program. We know that a borrower's experience in loan servicing and repayment is key to successful retirement of the debt and a fiscally sound federal education loan program. Servicing and collection processes should be identical for all borrowers. To that end, we suggest that all entities considered for this role, whether private or public non-profit, be subject to the same exacting standards to obtain a contract and identical performance measures for compensation and contract renewal. It is important that the Department be provided adequate resources to oversee and manage the additional contracts with state and non-profit entities required in the bill. Borrower success and program integrity should not be jeopardized by the additional complexity caused by adding a significant number of additional nonprofit servicers.

We are pleased to see that \$6 billion has been provided for the Perkins loan program and that students with subsidized Stafford loans will have a better interest rate into the future. In addition, we are gratified that the bill now makes provision to continue the interest subsidy for graduate students.

Please accept our best wishes and heartfelt thanks for all you do for our students, assisting them in affording the higher education they so desperately want and our country needs. You may call upon any member of the NDSLCL's executive board for further information, data, or clarification.

Again, we urge your support for H.R. 3221.

Sincerely,



Nancy Hoover
Chair



NATIONAL DIRECT STUDENT LOAN COALITION

March 26, 2009

Dear Member of Congress:

President Obama's proposal to transfer \$94 billion in lender subsidies to students merits your support.*

The President's education budget proposal includes changes to the status quo of higher education funding that will result in stabilizing and increasing Federal Pell Grant aid for needy, qualified students. Under the President's plan, Pell Grants for financially at-risk students would not only increase significantly in the short term, but also increase systematically going forward by moving Pell from discretionary to entitlement spending and indexing increases to the Consumer Price Index (CPI) plus 1%.

It is not fiscally responsible for the government to support two student loan delivery systems. However, for the past 15 years, Congress has supported both the Federal Family Education Loan Program (FFELP) and the Federal Direct Student Loan Program (DL).

- FFELP ideally (though not currently) uses private capital to loan to students, encouraged to do so by statutorily set federal subsidies, special allowance payments, and guarantees against defaults. Recently, however, it has been funded by the Treasury just like DL. There are thousands of entities who participate in FFELP loan delivery, including thousands of banks and other lenders, more than 30 guaranty agencies and numerous servicers.
- The DL is a simplified system in which students receive their loans from the Department of Education, through their school, using the same process for delivering Pell, ACG, and SMART.

Today, Congress leaves the choice of loan delivery selection to the discretion of schools. However, this allows colleges and universities to decide how \$94 billion in taxpayer subsidies will be spent. We are not aware of any other government program where this is allowed.

You have undoubtedly heard from FFELP industry lobbyists arguing against the President's proposal, as well as from organizations proposing hybrid loan delivery ideas that are incomplete, unproven, and inherently more expensive for taxpayers than DL. As a grass-roots organization representing financial aid administrators at over 1600 Direct Loan schools, we want to reassure you that the DL program is strong, proven and simple and has been working very well for students and schools for over 15 years. We have prepared the enclosed fact sheet to provide you additional information on the DL program that we hope will assist you as you deliberate this historic proposal to shift precious federal resources from lenders to students.

Please accept our best wishes and heartfelt thanks for all you do for our students, assisting them in affording the higher education they so desperately want and our country needs. You may call upon any member of the NDSLCLC's executive board for further information, data, or clarification.

Sincerely,

The National Direct Student Loan Coalition

**Congressional Budget Office (CBO) March 2009 estimate of the effect of President Obama's budget proposal to cancel the Federal Family Education Loan Program (FFELP) and move all student loans into the Federal Direct Student Loan Program (DL)*

Direct Loan Facts

Is choice of lender or delivery system an essential element of a successful federal student loan system?

- In no other federal financial aid program are schools or recipients provided a choice of fund delivery methods
- Loan benefits are statutorily set and virtually no FFELP lenders are providing differentiated benefits; The concept of "choice" is not relevant.

Won't a move to DL increase the national debt?

- Direct Loans are an investment that pay for themselves and even make a profit for the government. While the proceeds of Treasury auctions used for DL may be temporarily part of the national debt, the debt is paid for by the repayment of the loans. FFELP loans are considered a "contingent liability" of the federal government and, as such, are also a part of the total real debt of the government.

Can the Department of Education provide superior, consistent service in DL?

- Proven through repeated internal measurements and feedback from DL schools and borrowers, the U.S. Department of Education provides consistent and superlative service from origination of loans and borrower contact, through servicing and eventual collections. Schools continue to report their high satisfaction with contractors selected and hired by the Department to handle the DL operations. These contractors are selected based on competitive bidding process with compensation tied to performance measures.
- Servicing in DL is handled by private sector companies, under competitive contract to the government. Current FFELP servicers are now bidding on these contracts as DL expands. It is disingenuous to argue that the service would be worse, given the servicers would be the same as in FFELP.
- FFELP schools are reporting that they are having trouble finding lenders for their students, with many community colleges virtually black-listed by FFELP lenders.

Will default rates go up if all schools use the DL delivery system?

- The Department of Education has published the comparative default rates for DL and FFELP for each year in which the programs have operated concurrently, up to cohort year 2004. In each year except two, the DL default rate has been about 20% lower than in FFELP.
- In the FFELP profit model, there exists a perverse incentive in which profits are increased when borrowers default, as late fees, penalties, and collection costs are capitalized before lenders are reimbursed for the defaulted loans. Balances are so high as a result, that many borrowers can never recover.
- In the DL model, there is no profit motive driving servicers to increase borrower indebtedness. In fact, they are rewarded for keeping defaults down. Borrowers have no reason to default since Income Based Repayment and Income Contingent Repayment options can provide relief to all, regardless of their financial circumstances.

What about the loss of services that lenders and guaranty agencies provide?

- The non-statutory outreach programs currently provided by many guarantors can be worthwhile. However, the continued existence of these programs is not contingent upon FFELP's existence, and could certainly be paid for by Congress outside of the guaranty agency funding structure.
- Some FFELP lenders, guarantors, and servicers provide training to FFELP schools, as well as assistance in default management and financial literacy programming; however, their training programs are duplicative and therefore unnecessary:
 - The Department of Education provides extensive training to all schools in all areas of federal financial aid management, including DL.
 - The Department provides annual conferences, webinars, Dear Colleague Letters, etc., to educate financial aid administrators and others in legislative, regulatory, and operational issues.
 - The Department has a default management program called "Late Stage Delinquency" which has successfully assisted borrowers to prevent default. Schools are able to participate in the process or may leave the efforts to the Department.
- Schools are not and should not be dependent upon lenders and guaranty agencies for financial literacy information for their students. Many schools have mandatory financial literacy courses, and others provide superior web programs, including an exceptional course from the National Endowment for Financial Education available to all institutions at no cost.

Will the loss of FFELP mean employee layoffs?

- It is expected that current FFELP entities will participate in the competitive bidding process and become new DL contractors for the U.S. Department of Education as volume shifts from FFELP to DL. (Sallie, NelNet, and other FFELP lenders have already announced their intention to do so.) Therefore, many FFELP employees will not see job loss, just job change.
- Many of the employees engaged in FFELP activities are involved in FFELP servicing operations. Their companies have billions in outstanding student loans that will continue to need servicing and these FFELP servicers are in a position to compete for servicing contracts with the government. It is incorrect to state that all of these employees will be laid off if the President's proposal is adopted.

Has competition among FFELP lenders and between Direct Lending (DL) and FFELP really resulted in improvements to both programs?

- Undoubtedly, the competition among FFELP lenders has resulted in improvements to FFELP.
- Historically, the U.S. Department of Education has not sought to increase DL market share since its inception and as such has not competed with FFELP for market share. As a result, the Department's improvements have been instigated by their mandate to manage all federal financial aid programs to the highest standards.
- The most significant improvement to DL delivery in recent years is the implementation of the Common Origination and Delivery (COD) system, which was created as a simplified and single method for all student financial aid to be disbursed to students, including PELL, ACG, SMART, and DL.



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Roberta Johnson, Chair
Iowa State University
(515) 294-0109
rljohns@iastate.edu

Nancy Hoover, Vice Chair
Denison University
(740) 587-6629
hoover@denison.edu

Craig Munier, Past Chair
University of Nebraska-Lincoln
(402) 472-4001
cmunier@unlnotes01.unl.edu

Eileen O'Leary
Stonehill College
(508) 565-1348
eoleary@stonehill.edu

Dan Davenport
University of Idaho
(208) 885-5522
dand@uidaho.edu

Margaret Rodriguez
University of Michigan
(734) 763-4119
mhr@umich.edu

Tom Butts
University of Michigan, retired
(239) 482-2756
thms.butts@gmail.com

Jean Rash
Rutgers University
(732) 932-7057
jrash@rci.rutgers.edu

Janice Dorian
Mansfield Beauty Schools
(617) 770-1417
jtdorian@aol.com

Kris Wright
University of Minnesota – Twin Cities
(612) 626-0302
wrigh084@umn.edu

Cheryl Resh
University of California-Berkley
(510) 642-0645
chaigh@uclink4.berkeley.edu

Chuck Knepfle
Miami University
(513) 529-8555
knepfcr@muohio.edu

Paula Luff
DePaul University
(312) 362-8520
pluff@depaul.edu

Suzanne Day
Harvard University
(202) 863-1292
suzanne_day@harvard.edu



NATIONAL DIRECT STUDENT LOAN COALITION

FOR IMMEDIATE RELEASE

Date: March 23, 2009

Contact: Paul Golden (303) 224-3514
pdg@nefe.org

Roberta Johnson (515) 294-0109
rljohns@iastate.edu

NATIONAL DIRECT STUDENT LOAN COALITION PROMOTES FINANCIAL EDUCATION OF STUDENTS WITH NEFE'S HELP

New Online Resource Offers Relevant Information

GREENWOOD VILLAGE, COLORADO-National Direct Student Loan Coalition (NDSLC) with help from the National Endowment for Financial Education® (NEFE®) is taking action against the lack of financial knowledge in college students by promoting CashCourse to its member organizations. CashCourse, NEFE's unbiased and noncommercial online financial education resource for students, is available free to all public and private nonprofit colleges and universities in the U.S. Since the CashCourse pilot launch in fall 2007, 218 schools across the country have signed up to use CashCourse.

“While there is a myriad of information available from various sources, finding clear, factual, and unbiased information can be a challenge,” stated Roberta Johnson, Chair of the National Direct Student Loan Coalition (NDSLC). “That is why the National Direct Student Loan Coalition recommends CashCourse, a product of the National Endowment for Financial Education (NEFE), to our colleagues. NEFE is the only private, nonprofit, national foundation wholly dedicated to improving the financial well-being of all Americans.”

Living away from the guidance of their parents during college is often a time when many students make unwise financial decisions due to lack of knowledge. Students also need financial tools for their transition to adulthood, including saving, investing, taxes and evaluating the financial aspects of job offers. Increasing concern over this issue has led to the joint effort between NEFE, organizations and universities to fill in the missing gaps of financial knowledge that many college students have.

“CashCourse offers a reliable resource to help young adults develop financial know-how,” said Ted Beck, president and CEO of the Colorado-based National Endowment for Financial Education. “Through attention to the needs of today's college students, this program will help young adults gain the financial savvy necessary for the real world.”

CashCourse offers unbiased content with no advertising and no connections to commercial entities. Colleges and universities can brand the program with their own logos and decide independently where to place it in their Web sites. Any college department can initiate CashCourse, including financial aid and student affairs offices, and alumni associations.

“CashCourse is available as an institutional subscription only, rather than as a general access site, because universities are in a unique position not only to drive student usage to the Web site, but to serve as a trusted and credible source of information,” said Brent A. Neiser, CFP®, director of Strategic Programs and Alliances at NEFE.

Several NDSLC schools currently are using CashCourse, including Ball State University, Denison University, Iowa State University, Kansas State University, Piedmont College, Rutgers University, Suffolk University, University of California Berkeley and University of Colorado Boulder.

NEFE received input directly from college students to determine what information they would want to see. Representatives from the National Association of Student Financial Aid Administrators (NASFAA) also wrote or reviewed CashCourse content on financial aid.

“Based on our research, there are no other free, unaffiliated sites as comprehensive as ours,” explained Amy B. Hartenstine, project manager for CashCourse. “It’s one of a kind.”

For more information on CashCourse, visit www.CashCourse.org. NEFE is a nonprofit foundation dedicated to helping all Americans acquire the knowledge and skills necessary to take control of their financial destiny. To learn more about NEFE, visit www.nefe.org.

The National Direct Student Loan Coalition (NDSLC) is an alliance of schools participating in the Federal Direct Student Loan Program. NDSLC is the only organization solely devoted to representing the interests and concerns of direct lending institutions. Visit www.directstudentloancoalition.org to learn more about NDSLC.



NATIONAL DIRECT STUDENT LOAN COALITION

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Contact: Roberta Johnson, 515-294-0109
Eileen O'Leary, 508-565-1348

National Direct Student Loan Coalition Responds to the President's Budget

President Obama's budget release February 26 brings bold new initiatives to help students finance their education. By moving the delivery method of new federal Stafford student and PLUS loans to the delivery method used by the Federal Pell Grant and Direct Student Loan Programs and cutting subsidies to lenders, the Administration intends to fund increases and stabilize the Federal Pell Grant program; making it an entitlement program not subject to the annual appropriations process. Pell Grants assist needy students with grant aid to cover educational costs. Under the President's proposal, savings from the elimination of the Federal Family Education Loan Program (FFEL) go directly to fund students through the Pell program.

"The National Direct Student Loan Coalition applauds the President's efforts to help needy students fund their educational pursuits," states Roberta Johnson, Chair of the National Direct Student Loan Coalition. "Presidential budgets for many years have consistently shown that the Federal Direct Student Loan Program is less expensive to American taxpayers. Administration of the program relies on government contracts to private corporations that must meet strict standards for performance. And, because the Common Origination and Disbursement (COD) operating platform for direct loans relies on the same delivery system that financial aid professionals already use to obtain Federal Pell, ACG, SMART, and TEACH Grant funds, conversion to direct lending is quite straightforward."

Over 700 schools converted to the delivery system used by the Federal Direct Student Loan Program for the 2008-09 academic year. Transition assistance was provided by both the U.S. Department of Education and through mentoring by the National Direct Student Loan Coalition for any schools who requested help. The Department of Education is prepared and capable of expanding the origination system to accommodate all institutions. In addition, the National Direct Student Loan Coalition will continue to mentor any schools who are seeking information regarding the Federal Direct Student Loan Program.

The National Direct Student Loan Coalition (NDSLCLG) is comprised of schools dedicated to continuous improvement and strengthening of the Direct Loan program. Its grass-roots members are financial aid professionals working at participating institutions. For more information regarding the National Direct Student Loan Coalition and their mentoring program, please see www.directstudentloancoalition.org.