

NATIONAL DIRECT STUDENT LOAN COALITION

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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.