



March 6, 2009

Dear Colleagues,

I wanted to take this opportunity to provide you with some comments on recent political events and how they relate to EdFund. President Obama's recently released 2009-10 federal budget outline contained a variety of proposals, including one to phase out the Federal Family Education Loan (FFEL) program by having all new student loans funded under the Federal Direct Loan Program beginning in 2010-11. The president stated this proposal would take "advantage of low-cost and stable sources of capital so students are ensured access to loans, while providing high-quality services for students by using competitive, private providers to service loans."

The release of the budget outline is the first step in the federal budget process. There is much work to be done prior to Congress passing a budget resolution for the 2010-11 federal fiscal year. For the 2009-10 academic year, the FFEL program will continue to make student loan funds available to all eligible borrowers across the nation. EdFund remains dedicated to the institutions that we serve, providing unwavering support to you and your students and maintaining open lines of communication.

As the nation grapples with severe economic challenges, a commitment to open access opportunity for education, financial literacy, default prevention and debt management is more important than ever. EdFund and other guarantors have played, and continue to play, a key role in reaching out to students and families to raise awareness about postsecondary education opportunities and the financial support available. We also help schools prepare students for a solid future by providing students with the financial literacy skills and repayment counseling necessary for them to succeed.

Our mission and core values place students and borrowers at the center of every action we take. We believe all eligible students are entitled to a loan, and we also believe all students deserve the services and support necessary to ensure that they have a successful education and repayment experience.

As the dialogue continues around a long-term higher education funding solution, I urge you to let your voice be heard to ensure students and families continue to receive the support and services currently provided by the guarantor community for a successful education and repayment experience, including:

- ✓ College access initiatives
- ✓ Financial aid awareness
- ✓ Financial literacy education
- ✓ Loan counseling
- ✓ Student retention and early withdrawal counseling
- ✓ Loan delinquency and default prevention
- ✓ Personal debt management counseling and loan rehabilitation

The Congressional debate over the budget proposal provides an opportunity to craft an improved process that meets the needs of students, families and schools. Work with your state and regional Student Financial Aid Association or contact members of Congress directly at [www.house.gov/writerep/](http://www.house.gov/writerep/) to make sure the needs of your school and students are represented.

We continue to value our relationship with you and look forward to working together to ensure the best student outreach and borrower education programs and services are provided to all students.

Respectfully,

Dr. Sam Kipp