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**NASFAA PRESIDENT SUGGESTS FEDERAL SAFETY NETS TO ENSURE THAT STUDENT LOANS REMAIN ACCESSIBLE**

Washington, DC (March 20, 2008) – In a letter sent today to Margaret Spellings, Secretary of the U.S. Department of Education (<http://www.nasfaa.org/NASFAALetter.html>), Dr. Philip Day, President and CEO of the National Association of Student Financial Aid Administrators (NASFAA) called on the federal government to put three “safety nets” into place to ensure “all federal loans remain accessible to all eligible students.”

The three “safety nets” are:

- Modifying the Lender of Last Resort (LLR) program to allow institutions (as opposed to students) to demonstrate that there is a loan access problem, so that borrowers won’t bear this additional burden.
- Ensuring schools who wish to transition to the Direct Loan program can do so with as little administrative and financial burden as possible. Any disruption caused by operational complications would have the greatest negative impact on the most vulnerable students, who may be discouraged from attending college if the aid process becomes any more complex or cumbersome.
- Providing an infusion of liquidity to the student loan market so that non-bank lenders will be able to provide student loans and other benefits to students this fall, and to increase confidence in a crucial part of the capital market.

“April 1 represents the beginning of the greatest demand for student loan borrowing... These actions would be the easiest and surest way to ensure students continue to have seamless access to federal loans,” Day wrote. “We urge you to act immediately. There is too much at risk to wait. The nation’s students and families are depending on you.”

*The National Association of Student Financial Aid Administrators (NASFAA) is a nonprofit membership organization that represents more than 13,000 financial aid professionals at nearly 3,000 colleges and universities and career schools across the country. Each year, financial aid professionals help more than 16 million students receive funding for postsecondary education. Based in Washington, D.C., NASFAA is the only national association with a primary focus on student aid legislation, regulatory analysis, and training for financial aid administrators. In addition to its member Web site at [www.NASFAA.org](http://www.NASFAA.org), the Association offers a Web site with financial aid information for parents and students at [www.StudentAid.org](http://www.StudentAid.org).*