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NASFAA Statement on President's Signing of H.R. 5715

NASFAA Commends Congress and the President

Washington, D.C. (May 7, 2008) – The National Association of Student Financial Aid Administrators (NASFAA) commends Congress and the president for their quick action on the Ensuring Continued Access to Student Loans Act of 2008 (H.R. 5715). Students will see significant gains in federal student aid because of this bill. Increased loan limits mean more students will be able to stay within the safety nets provided through the federal student loan programs and avoid costly private loans. This bill also helps parents who are trying to help pay for their children's education while keeping up with their own mortgage payments, medical bills, and other outstanding debts.

Other provisions in the bill will help stabilize what has become a volatile student loan market. It allows the Department of Education to provide liquidity to loan providers and shores up lender of last resort provisions, an important backstop if any disruptions in federal student loans occur.

"I am optimistic that we are on the right path to ensure that no student or family is denied a low cost federal student loan this year," said NASFAA President and CEO Dr. Philip R. Day, Jr. "This law contains a number of provisions that NASFAA has been recommending since the onset of market turbulence. The political process can at times be extremely divisive, but Congress and the White House put the needs of students and families first by moving quickly on this bill."

Day also praised last week's decision by the Federal Reserve to allow financial institutions to use AAA asset-backed securities made up of FFELP student loans to be pledged as collateral when borrowing from the Fed's Term Securities Lending Facility (TSLF).

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“Last week’s move by the Fed will also help provide liquidity in the student loan market, but additional mechanisms to ensure rapid and direct liquidity in the marketplace may be needed,” Day added. “Congress should continue to explore allowing the Federal Financing Bank and the Federal Home Loan Banks emergency authority to provide student lenders access to additional capital should it be needed.”

A full summary of H.R. 5715 is available on the NASFAA Web site at <http://www.nasfaa.org/publications/2008/5715summary.html>.

The National Association of Student Financial Aid Administrators (NASFAA) is a nonprofit membership organization that represents more than 14,000 financial aid professionals at nearly 3,000 colleges, 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, the Association offers a Web site with financial aid information for parents and students at www.StudentAid.org.