

## School Support Needed to Help the Federal Family Education Loan Program (FFELP)

On Wednesday, March 4, 2009, SLGFA published its [response](#) to President Obama's budget proposal calling for the elimination of the Federal Family Education Loan Program (FFELP). During the update at our annual conference, we indicated that we would engage members of the financial aid community to communicate with our elected officials concerning the merits and benefits of FFELP. **The budget process is moving very quickly, and it is critical that your Congressional members hear from you this week. If you do not have time to write a letter, please call and express your views.**

Included in this correspondence is a list of information points that will help you craft your message in support of borrower choice and continued local services offered by SLGFA and its trading partners. Also, included are the name, e-mail address, and telephone number for each of the education aides working for your Congressional delegation.

### Information Points:

- ◆ The FFELP provides locally-based services and jobs in every state in this nation. FFELP participants provide outreach services and materials to schools, students, and community organizations to increase college-going rates and awareness about financial aid and improve financial literacy. These services are targeted to the needs of local populations. These benefits will be lost if the government is the only lender. The federal government does not offer comparable services.
- ◆ For 43 years, the FFELP has fostered competition between student loan providers to offer benefits for borrowers and quality customer services, and for the past 15 years, this competition has expanded to include the federal government. Students and schools have benefited from the efficiencies developed in the FFELP because loan providers have a constant incentive to innovate and offer better and more convenient services.
- ◆ Customized services have been developed by FFELP participants to increase delinquency aversion and reduce default. These initiatives differ from state to state and include peer assistant programs to educate students, early intervention programs to help high-risk borrowers, and specialized contact to help borrowers who have fallen behind in their payments. These local outreach efforts are particularly needed during these difficult economic times. The federal government does not offer these state-based, targeted delinquency aversion and default prevention services.
- ◆ The FFELP embodies the suitable role of the government in facilitating the private sector to further the public welfare. Moving away from a model that provides reliable funding to students and families by leveraging private and nonprofit financing does not make sense. Even with the financial difficulties this nation is currently facing, not one student has been denied a student loan for the current and upcoming academic year. Not only will the benefits of competition be lost if the federal government is the only lender, but it will also increase the public debt by roughly one-half trillion dollars over the next five years.
- ◆ An increased federal investment should be made in the Pell Grant Program but the case for that funding can stand on its own. It should not be tied to purported FFELP savings.

### Arkansas' Congressional Delegation:

- ◆ Senator Lincoln  
Legislative Aid: [Tony McClain](#)  
202-224-4843
- ◆ Senator Pryor  
Legislative Aid: [Shannon Lovejoy](#)  
202-224-2353
- ◆ Congressman Berry  
Legislative Aid: [Anders Reynolds](#)  
202-225-4076
- ◆ Congressman Snyder  
Legislative Aid: [Phynaous Wilson](#)  
202-225-2506
- ◆ Congressman Boozman  
Legislative Aid: [Zachary Hartman](#)  
202-225-4301
- ◆ Congressman Ross  
Legislative Aid: [Laura Abshire](#)  
202-225-3772

SLGFA would appreciate receiving a copy of the correspondence you send to any member of Congress. You may e-mail copies to SLGFA Policy and Compliance Division Chief Compliance Officer [Becky Collins](#).

As has been stated, this does not have to be a one-sided debate. Let your voice be heard and help structure the future of FFELP.

If you wish to contact us, **DO NOT** reply to this e-mail, as the address is automated. Instead e-mail us at [slgfa@slgfa.org](mailto:slgfa@slgfa.org), call 800-622-3446, or visit our [online staff directory](#) for staff extensions and e-mail addresses.

To unsubscribe to E-Updates, [click here](#), enter your e-mail address, and click Unsubscribe.

E-Updates is an electronic newsletter sponsored and operated by the Student Loan Guarantee Foundation of Arkansas (SLGFA) to provide program information to schools and lenders participating in the Federal Family Education Loan Program (FFELP).