



December 1, 2008

A Letter from EdFund President Sam Kipp

I wanted to take an opportunity to update you on the positive steps taken for students, parents and schools by the U.S. Education and Treasury Departments to assure funding for federal student loans. These Federal agencies are moving quickly to more fully implement the *Ensuring Continued Access to Student Loans Act* passed by Congress in May and extended in September. These measures demonstrate the commitment by Congress and the Administration to ensure a continued reliable source of financing for Federal postsecondary education loans.

- Under the Departments' plan, the successful programs that support Federal Family Education Loan (FFEL) Program originations for the current school year will be extended to cover the 2009-10 school year.
- The Department will also provide longer-term support to help lenders fund Federal student loans through the private capital markets.
- According to the Education Department, this support for existing loans will add no net costs to the Federal Government.

For more than 40 years, FFELP participants, both lenders and guaranty agencies, have provided the necessary funds to help students attend the postsecondary educational institution of their choice and provided student support services to ensure a successful education and repayment experience. Despite unprecedented market turbulence, FFEL lenders and guaranty agencies have continued to serve the vast majority of higher education institutions - 75 percent of them - according to the Department of Education.

Access to loan dollars alone is not enough to guarantee student success. Students deserve objective information and help from the time they first consider college to the day they make their final student loan payment. This includes access to information about options other than loans, expert advice and counseling so they understand their loan terms and conditions, their options for managing their debt, and the remedies Congress has provided them to avoid delinquency and default. Guarantors serve students and families by providing:

- Outreach resources to help students who aspire to college
- Aid information to show families how they can meet college costs
- Financial literacy education to foster long-term success
- Information and advice on successfully repaying education loans
- One-on-one counseling to help borrowers understand available repayment options and resolve any repayment problems

Our commitment to students, schools and the industry is the cornerstone of our company. I remain confident about our future, the strength of our reputation for providing superior service and our unique service model that will continue to benefit schools and students, whether borrowers or not, for years to come.

Sincerely,

President