

## RESOLUTION

### **Urging the Administration and Congress to consider alternatives to the FY 2010 budget proposal calling for the elimination of the financial aid initiative known as the Federal Family Education Loan Program (FFELP)**

**WHEREAS,** As state leaders, we recognize and share the Administration's interest in making higher education more affordable for citizens in our states; and

**WHEREAS,** Many state treasurers administer or sit on the boards of state college savings programs and student aid authorities, so we understand the challenges families face in paying for college; and

**WHEREAS,** The FFELP has helped millions of students attend college since its inception in 1965 and is a good example of how the federal government can work with states, non-profit organizations and the private sector to extend the reach of higher education; and

**WHEREAS,** State guarantee agencies and non-profit lenders do an excellent job of providing financial and support services to students and families with the customer service necessary to help students understand their financial commitments; and

**WHEREAS,** At a time when other parts of the financial services industry are struggling, these state agency and non-profit student loan lenders have succeeded in reducing default rates and minimizing costs such as origination fees. They also conduct important outreach to student and their families making it clear that higher education is an achievable goal; and

**WHEREAS,** Eliminating the current FFELP would imperil the success of the government's efforts. It would do away with student's ability to choose from among different lenders and quash quality customer service provide by hundreds of local lenders and state agencies. It would also lead to unemployment of proven, knowledgeable administrators at the state and local levels at a time when states struggle to maintain employment in all sectors.

**NOW, THEREFORE BE IT RESOLVED,** that the National Association of State Treasurers urges the Administration and the Congress to explore new methods of helping students achieve their educational goals in a cost-effective manner by considering alternatives that include maintaining the successful components of the FFELP.

Approved this 1<sup>st</sup> day of September, 2009 by the  
National Association of State Treasurers

A handwritten signature in black ink that reads "Jeb Spaulding". The signature is written in a cursive style with a horizontal line above the "Jeb" part.

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Hon. Jeb Spaulding  
NAST President  
Vermont State Treasurer