



Fix Budget Scorekeeping Rules, Loan Providers Urge

New PricewaterhouseCoopers Study Highlights Long-Identified Problems

Washington, D.C. - America's Student Loan Providers issued the following statement by Executive Director Kevin Bruns regarding the PricewaterhouseCoopers study, "The Limitations of Budget Score-keeping in Comparing the Federal Student Loan Programs", which was released yesterday in Washington, D.C.:

"The time has finally come for Congress to fix the budget scorekeeping rules for federal student loan programs. Until then, there should be a moratorium on any program changes that have major budget implications. In particular, Congress shouldn't be looking at making changes in the Federal Direct Student Loan Program that are based on the projected budget savings, because in the end the savings won't be there.

"PWC's independent, nonpartisan study demonstrates yet again that budget scorekeeping rules seriously understate the true costs of the Direct Loan program and dramatically overstate the costs of the Federal Family Education Loan Program. How could Congress possibly make good policy decisions if the numbers that are supposed to show the true costs simply don't add up? Maintaining the scorekeeping status quo isn't good for anybody -- not for students, colleges or taxpayers."

Excerpts from other independent studies concerning these scorekeeping biases may be found on our web site at <http://www.studentloanfacts.org/NR/rdonlyres/9A8CF03D-B59B-4D37-ACCE-B43D698B0C22/2261/ASLPscoringpoints.pdf>.

America's Student Loan Providers represents more than 80 education and financial firms and organizations that provide federally guaranteed student loans through the Federal Family Education Loan Program (FFELP), a public-private partnership of schools, students, loan providers, loan guarantors, and the federal government. By leveraging private financial markets and competing for the right to lend to students, the FFELP brings value to students, schools, and taxpayers. Students benefit through lower interest rates, and simplified loan application and approval processes. More than 500 schools have switched to the FFELP since 1998 because it allows them to choose the lender that best meets the financial needs of their students. More information is available at www.studentloanfacts.org.

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