



FEDERATION OF AMERICAN CONSUMERS AND TRAVELERS

- NEWS RELEASE -

FOR IMMEDIATE RELEASE

Proposed Changes May Affect the Availability of Student Loans

EDWARDSVILLE, IL, April 9, 2009 - The Federation of American Consumers and Travelers (FACT) reports that proposed changes for the Stafford loan program would eliminate access to Federal Family Education Loan Program (FFELP) funds for students.

FACT is a not-for-profit association which monitors legislative activities and monetary matters, and keeps its members apprised of any change which may impact their lives, for better or worse.

Vicki Rolens, managing director of FACT, says: "As it stands now, the Stafford loan program has two parts: 'FFELP', whereby loans are made to the student by private lenders, and 'Direct', whereby loans are made by the federal government."

During the current school year, private lenders have made student loans totaling more than \$56 billion; the federal government has loaned about \$20 billion directly.

President Obama's budget for 2009 eliminates FFELP, saying that the government would save money by eliminating the use of private companies. Private lenders and their trade groups state that eliminating private lenders could make student loans more difficult to obtain.

"It's a very sticky issue," says Rolens. "Debate in Washington is likely to be heated and lengthy, with no one at this point willing or able to predict an outcome. FACT simply wants consumers to be aware of the situation so that they can do some serious research and express any concerns they may have to their representatives in the House and Senate."

FACT is a not-for-profit association which was founded in 1984 and which provides a variety of benefits -- ranging from [medical insurance](#) and [dental care discounts](#) to [prescription drug savings](#) and [timely consumer information](#) -- for more than 1 million Americans.

Rolens emphasizes: "FACT doesn't take political sides. It's our job to find out what's going on, then to make impartial reports of our findings to our members and to the public at large. The key word is 'impartial'. Rolens says interested consumers may review the most recent news alerts on a variety of topics by visiting www.usafact.org/newsbulletins.aspx online.

Questions may be directed to FACT by sending an e-mail to cservice@usafact.org. More information on the Federation of American Consumers and Travelers may be found in the *Encyclopedia of Associations*, and by visiting the association's web site (www.usafact.org). [The organization was formed](#) under the not-for-profit corporation laws of the District of Columbia in 1984. Its administrative office is located at 318 Hillsboro Avenue, Edwardsville, IL 62025. The above information is believed to be an accurate interpretation of IRS laws and regulations, but any tax decisions you make should be done with the counsel and help of a qualified tax professional.

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