



**CUNA**

Credit Union National Association

[cuna.org](http://cuna.org)

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The Honorable Kent Conrad  
Chairman  
Committee on Budget  
United States Senate  
Washington, DC 20510

The Honorable Judd Gregg  
Ranking Member  
Committee on Budget  
United States Senate  
Washington, DC 20510

Dear Chairman Conrad and Ranking Member Gregg:

On behalf of the Credit Union National Association (CUNA), I am writing regarding the administration's proposed budget for fiscal year 2010. CUNA represents nearly 90 percent of America's 8,000 credit unions and their 90 million members.

We are particularly concerned with the President's budget calls for the elimination of the Federal Family Education Loan Program (FFELP). Currently, over 1,000 credit unions provide their members student loans through FFELP. A small number of these credit unions, primarily with university-based fields of membership, have significant concentrations in student lending. Credit unions that specialize in student lending provide a high quality service for their student members, and can provide much needed and individualized assistance if difficulties arise with regard to loan repayments. The elimination of FFELP will remove this valuable option for students.

Over the last several years, Congress has identified, and enacted legislation to address, several problems in the private student lending market. As one would expect, credit union student lenders were neither the target of the legislation nor the source of the problems; however, they have certainly been affected by the remedy. Several have stopped offering these services to their members as a result of the amendments to the Higher Education Act enacted last year. The elimination of FFELP likely will lead to the end of credit union student lending.

We urge Congress to retain the FFELP program. For the credit unions that offer student loans, it is an important service that their members value. On behalf of America's credit unions, thank you very much for your consideration.

Sincerely,

Daniel A. Mica  
President & CEO



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