



Credit Union National Association

cuna.org

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May 20, 2009

The Honorable George Miller
Chairman
Committee on Education and Labor
United States House of Representatives
Washington, DC 20515

The Honorable Howard McKeon
Ranking Member
Committee on Education and Labor
United States House of Representatives
Washington, DC 20515

Dear Chairman Miller and Ranking Member McKeon:

On behalf of the Credit Union National Association (CUNA), I am writing regarding the Federal Family Education Loan Program (FFELP). CUNA represents nearly 90 percent of America's 8,000 credit unions and their 90 million members.

We are concerned with the President's call for the elimination of the FFELP program. 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,

A handwritten signature in black ink that reads "Daniel A. Mica".

Daniel A. Mica
President & CEO



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