



SLM CORPORATION  
12061 BLUEMONT WAY  
RESTON, VIRGINIA 20190  
703-984-5002, FAX 703-984-5031

THOMAS J. FITZPATRICK  
Chief Executive Officer

**Dec. 8, 2006**

**To the Editor:**

Since 1965, private sector lenders have helped 50 million Americans pay for college. The Federal Family Education Loan Program (FFELP) is a proven public-private partnership that has benefited students and taxpayers, reducing student costs and leveraging private capital rather than adding hundreds of billions of dollars to the national debt.

Political proponents of the government-run student loan program (Direct Lending) have misstated the facts and the value that the existing public-private partnership program contributes to students and taxpayers.

Several key facts should remain at the forefront of this important discussion:

- Today, 80% of U.S. colleges and universities – over 4800 -- have voluntarily chosen the FFELP over Direct Lending. School financial aid professionals, through their unheralded efforts, match millions of students with aid packages – including loans -- that make higher education accessible and affordable. They have chosen the private sector, whose continued capital investment in technology, products and services has enabled financial aid offices to deliver the best loan products and service to students.
- In its 12 years of existence, the Direct Lending program has clearly not been the answer. Direct Lending's share of annual lending is 20% today and falling, compared to the 60% target envisioned by its advocates in 1993.

- Since 1997, more than 600 schools that initially chose to use Direct Lending have voluntarily left the program due to superior student benefits offered by the public/private partnership.
- Thanks to robust competition, a guaranteed loan from a private-sector lender can save a student hundreds of dollars compared to the same loan from the Direct Lending program.
- Contrary to claims that the program would save money for taxpayers, Direct Lending has actually lost money every year since 1997, totaling \$16 billion.

As the nation's largest provider of FFELP loans, we welcome the opportunity to compete with the Direct Lending program to provide financing solutions to America's college students. Schools should be allowed choice to best meet their student's needs, without any taxpayer-funded advantages directed at either program.

Our nation should invest in federal financial aid programs that actually reduce costs for deserving families and students, rather than re-engineer proven lending programs to achieve partisan political objectives.

Our public policy goal should be to increase affordable college access for low and middle-income students. We encourage Congress to expand Pell Grants for needy students, extend payment relief to low-income borrowers, provide targeted tax incentives to help with tuition and student debt, and enhance tax benefits for college savings plans.



Tim Fitzpatrick  
CEO  
Sallie Mae