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THOMAS J. FITZPATRICK
Chief Executive Officer

February 26, 2007

Dear College and University Presidents,

Your financial aid office is the backbone of your students' and families' financing needs. These trusted advisors package need-based grants, scholarships and loans to make college affordable and minimize debt burdens.

Unfortunately, some critics have attempted to tarnish the reputation of the financial aid community, alleging that students and their families have been misguided by schools due to inappropriate lender influence. This is a reckless charge and one that smears the reputations of your executives.

Sallie Mae and other lenders cultivate strong relationships with schools and financial aid officers. These offices take rigorous steps defining their preferred lenders by comparing products, prices, services, company reputation and stability to determine which lenders best meet the needs of their students. Administrators at your school, and across the country, carefully oversee this process to ensure that financial aid programs are administered in strict observance with federal regulations and program requirements.

These financial aid professionals act as a critical gatekeeper against fraud and abuse to protect students and families from unscrupulous practices and lenders. Decisions that affect your students are made on your campus by your dedicated staff -- not by bureaucrats in Washington who are attempting to control the roles and responsibilities of the financial aid office.

Leveraging competition among lenders results in lower loan costs, superior customer service and decreased borrower default rates. As a result, default rates have fallen from over 22% in 1992 to a near record low of 5% today. Private-sector lenders will provide more than \$1 billion in fee reductions on student loans in this academic year alone. Competition has also spurred lenders to invest in customized debt management, college planning and repayment counseling.

As Congress considers steps to increase access to higher education, Sallie Mae urges lawmakers to put our neediest students first. We strongly support Pell Grant increases, more flexible loan repayment plans and expanded loan forgiveness options. Proposed cuts to the FFEL Program will result in limited consumer choice and increased loan costs for American students and their families.

I encourage you to work closely with your financial aid office on these issues.

Sincerely,

A handwritten signature in black ink that reads "Tim".

Thomas J. Fitzpatrick