

FOR IMMEDIATE RELEASE
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**Summary included below

**KENNEDY ON PRESIDENT'S SIGNING OF THE ENSURING CONTINUED
ACCESS TO STUDENT LOANS ACT**

WASHINGTON, DC—Today, Senator Edward M. Kennedy, Chairman of the Health, Education, Labor and Pensions Committee, released the following statement regarding President Bush signing the Ensuring Continued Access to Student Loans Act into law.

“I applaud the President for signing this important legislation into law. A college education is more important than ever – important to individual opportunity and important to our nation’s economic health. Yet, as problems in the mortgage market have rippled through the lending industry, access to college loans is at risk,” Kennedy said. “This legislation shelters students and their parents from the turbulence in the credit markets so a student’s ability to go to college and pursue the American Dream is not blocked. It also increases grant aid for the neediest students to ease their burden of college debt. I’m proud that the President took swift action to prevent students from becoming the next victims of our failing economy.”

Ensuring Continued Access to Student Loans Act of 2008
(As passed by the Senate and House)

- **Increases the amount of federally subsidized loans available to students in order to reduce students’ reliance on higher cost non-federal private loans.**
- **Provides parents with improved access to low-cost federal loans (PLUS loans) as alternatives to private educational loans and home equity lines of credit by—**
 - Allowing for deferral of repayments on parent PLUS loans until the student graduates from school; and
 - Ensuring parents who are impacted by the mortgage crisis can still qualify for PLUS loans.
- **Ensures that students can access low-cost federal loans by stabilizing the private student loan program (FFEL program) by allowing the Department of Education to serve as the secondary market of last resort for loans originated in the FFEL program.** Allowing lenders to sell outstanding loans to the Department will free up lender capital to make new loans for the upcoming school year and keep lenders from dropping out of the program.
- **Ensures that students can access low-cost federal loans by shoring up the “lender of last resort” program already in law by—**
 - Allowing the Secretary of Education to advance capital to guaranty agencies to make these loans to students, if lenders won’t; and

- Making it easier for students to get these loans by allowing the Secretary to designate entire schools as “lender of last resort schools,” under limited circumstances where many students at a specific school are having trouble accessing loans (Senate bill sunsets this authority at the end of the 2008-2009 school year).

- **Decreases students’ reliance on loans to pay for college by using savings generated by the bill to expand eligibility for need-based aid.** 100,000 more students will qualify for up to \$4,000 per year in additional grant aid. This provision was added to the bill by the Senate amendment.

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