



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

April 16, 2008  
(House)

## STATEMENT OF ADMINISTRATION POLICY

### H.R. 5715 – Ensuring Continued Access to Student Loans Act of 2008

(Rep. G. Miller (D) CA and 16 cosponsors)

The Administration is committed to ensuring that students and their parents have access to the Federal student aid they need to pay for college this fall. The Administration is in continuous communication with institutions of higher education, lenders, and guaranty agencies to stay abreast of current conditions and offer assistance as needed. The Department of Education is also taking several prudent actions to prepare the Direct Loan and the Lender-of-Last-Resort (LLR) programs should they be needed.

The Administration appreciates that Congress shares our concerns regarding the effect of current credit-market conditions and is committed to working with Congress to ensure that students are able to obtain Federal student loans. H.R. 5715 would authorize the Secretary of Education to purchase Federal Family Education Loans. The Administration appreciates that the bill provides the Secretary with the flexibility needed to ensure that this provision could be implemented effectively. The Administration also supports the provisions of H.R. 5715 that would allow an entire institution of higher education to be designated as eligible for participation in the LLR program but recommends that this authority be temporary. The Administration also strongly supports providing the Secretary with the discretion to determine these designation guidelines in the LLR program. The Administration looks forward to working with Congress on technical changes to the LLR program to ensure that it can be smoothly implemented if necessary.

While the Administration also supports the increased student-loan limits in H.R. 5715, the Administration shares the concerns expressed by some in Congress and the higher-education community that these increases may make it more difficult for some institutions to keep their Federal student-aid funds under the “90-10” institutional eligibility requirement. (This “90-10” provision requires that no more than 90 percent of an institution’s funding come from the Higher Education Act Title IV student aid programs.)

The Administration notes that the bill also includes some changes that appear to be duplicative of existing law and would have little impact on preserving access to Federal student loans in the fall. The Administration looks forward to working with Congress to achieve a comprehensive response that strengthens existing programs and provides the Secretary with the necessary authority and flexibility needed to respond to the unfolding situation.

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