

JERRY McNERNEY  
11th DISTRICT, CALIFORNIA

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# Congress of the United States

House of Representatives

Washington, DC 20515-0511

June 5, 2008

Dr. Raul Rodriguez, Superintendent/President  
San Joaquin Delta College  
5151 Pacific Avenue.  
Stockton, CA. 95207

Dear Mr. Rodriguez,

The recent economic downturn and a tightening of credits markets have affected the finances of families around the country, and those in California are among the hardest hit. As Americans struggle to deal with new challenges, it may become harder for some lenders to secure the funding needed to make new federal student loans. To date, we have not experienced student loan denials, but such a possibility exists, and we should prepare for any eventuality.

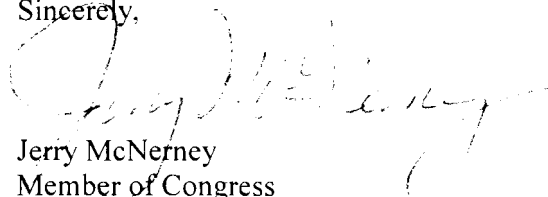
As you know, the Federal Family Education Loan (FFEL) program provides students and parents with fixed interest rate loans of 6.8 percent. FFEL ensures borrowers' confidence that they will be able to complete school and repay debt without worrying about fluctuating rates. Unfortunately, FFEL has the potential to be affected by outside economic factors. Some of the lenders participating in the federal student loan program have announced plans to scale back their lending activity. However, the nation's largest lender, Sallie Mae, announced it will provide loans in the coming year.

Another option is the Direct Loan Program. Unlike FFEL and private financing, Direct Loans are offered exclusively by the U.S. Department of Education. The Direct Loan program is unique in that it does not refuse to make loans to a school's students based on the characteristics of the college or its attendees. The program can provide a reliable source of college funding and serve as a safety net for students in the credit crisis. Hundreds of colleges and universities recently announced they will join more than 1,000 institutions that already utilize the Federal Direct Loan program. Yet the program requires colleges and universities to actively participate.

Therefore, if your institution is not already a participating school, I encourage you to register in the Direct Loan program. By giving another option to students, we will maximize the number, and quality, of students we serve, which is a goal we all share.

Congress has worked aggressively to address the need to make higher education more accessible and affordable to families. We passed several bills that reduce interest rates on loans, increase Pell Grants, create loan forgiveness programs, and increase education aid to veterans. But more needs to be done to ensure that higher education remains an option for those who want to pursue a college or advanced degree. Thank you for your time and consideration of this request. Please feel to contact me if you have questions or need guidance.

Sincerely,



Jerry McNerney  
Member of Congress