

The DE-DC-MD Association of Federal Student Financial Aid Administration (Tri-State) Federal Relations Committee would like to respond to the call for responses to NASFAA's Reauthorization Task Force Recommendations. We are extremely concerned that there appears to be a shift from the diversity that institutions and their students currently enjoy regarding federal student loans, the lending institutions, and consolidation. We believe that if lending institutions are not meeting the expectations of their customers and the federal government, then those institutions should no longer be permitted to participate in FFELP. If the needs of students and our institutions are being met by either the Direct Loan or FFEL programs, then we feel that institutions should be able to continue to use the programs that best benefit the recipients of those programs.

We would like to see representation of all the needs of members of NASFAA, not just those that advocate one type of system over another. We are concerned that institutions could be forced into one single program, without definitive proof that one system works more efficiently than another. It has been the contention of the Federal Relations Committee that schools have the ability to determine what the best possible "fit" is for their students, and it is the very competition among all of the lending institutions (FFEL and Direct) that has resulted in better service and benefits for the students who are the recipients of the Federal Stafford Loan Program. We fear that if recommendations are made that are exclusive of one program for another, many students may lose out on the very benefits that competition has produced over the years. Requiring institutions to have a single option would really be forcing a round peg into a square hole; the fit might work for some, but not at all for the majority. We would like to recommend that the task force reconsider these recommendations in favor of ones that will support the needs of all students attending institutions of higher education, and not eliminate the ability for schools and students to have a choice.