



## **Tony Hollin**

*Chairman & CEO  
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*Tony Hollin, a seasoned student lender, lists reasons why he thinks nationalizing student loans at above-market rates is a bad idea.*

### **How might eliminating FFEL student loans and private lenders affect college enrollment?**

Why engage in such tinkering in these troubled economic times? Middle class families that are nearly maxed out debt-wise will not benefit from a legislated loan program switch that maintains above-market interest rates. Some of them will shop schools that are closer to home. Some of them will attend part-time, rather than full-time. Others will postpone enrollment altogether. Some schools will benefit. Many others will not. Which ones? Whose crystal ball do you trust?

### **How else might nationalizing student loans affect college enrollment?**

Can you imagine a one-size-fits-all college? I can't. The U.S. higher education system is successful because it knows how to cater to individuals. On most campuses, students are recruited one freshman at a time. My mother was a financial aid administrator for twenty years, and all she cared about was the student—each student. Higher education's donors and well-wishers themselves are successful individuals. They too are best courted one person at a time. Rather than nationalize college financing into a government operation, we should be supporting each admissions office's effort to enhance the individual's shopping and purchasing experience.

### **Why wouldn't federal direct lending accomplish the same thing?**

It's big. It's bureaucratic. So it's slow to change and slow to react to the needs of the marketplace. At its best, direct lending is about efficiency and high volume like an ATM. It's not focused on the borrower. America's lenders, however, are quite capable of the personal touch. We've shown ourselves to be responsive to schools and parents.

### **If nationalization is postponed what else might be avoided?**

Ironically, by nationalizing student loans under direct lending, students will likely face repayment situations with multiple servicers again. That's a problem that direct lending was intended to solve years ago.

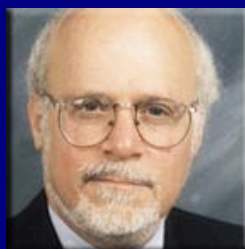
### **What might America's lenders accomplish, and for whose benefit?**

There are 21 million individuals purchasing higher education in the U.S. each year. And they are purchasing it from more than 5,000 schools. An offering made up of one Stafford loan and one PLUS loan fits fewer of them every year. Legislating a national one-size-fits-all monopoly will not benefit the right parties—students, parents and schools.

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