

United States Senate

November 6, 2009

The Honorable Arne Duncan, Secretary
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, DC 20202-0008

Dear Secretary Duncan:

This past March, I wrote President Obama to convey my opposition to the elimination of the Federal Family Education Loan Program (FFELP) and to encourage the Administration to seek common ground between lawmakers with strong beliefs on either side of this issue.

Since the Senate has yet to act on any student loan proposal, I was surprised to read your letter to College Presidents, spreading alarm with regard to FFELP in order to promote the government-run Direct Loan program. While I am aware of the Administration's goal to reshape the student loan programs, I am disappointed that the Department would act outside of its appropriate function and prejudge the outcome of such a difficult legislative issue, with which much disagreement still exists. It is the proper role of Congress to determine which legislative changes to federal law are appropriate.

I have been hearing from college officials and financial aid advisors about the confusing and undue pressure they are under to leave FFELP lending, even though they believe it is contrary to their students' best interests. The policy issues involved in this debate are complex, and any changes to these federal programs deserve a thoughtful and thorough review. I believe it is inappropriate to preemptively assume the end of FFELP lending and to declare the inevitable expiration of the Ensuring Continued Access to Student Loans Act (ECASLA), which I believe must be extended. The Department has an obligation to allow Congress to determine the legislative course of the student loan program before advising colleges and universities on what form it will take.

A compromise on this issue appears within reach, but the Department's actions may be seen as clouding the debate. It would seem reasonable for us to stake out this common ground and allow schools to continue to decide which program best serves their students' needs, save the thousands of jobs in many states which would otherwise be lost, and save an analogous amount of money to invest in educational opportunities across the country.

As I did in March, I once again urge you to bring together those with conflicting ideas to find a way forward. I would like to discuss this with you at your earliest convenience, so please have your staff contact Melanie Rogge, my Director of Scheduling, via e-mail at scheduler@bennelson.senate.gov or telephone at (202) 224-6551. I look forward to our discussion.

Sincerely,


E. Benjamin Nelson
United States Senator

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