



National Association of Federal Credit Unions
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Fred R. Becker, Jr.
President and CEO

March 17, 2010

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader Boehner:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the interests of our nation's federal credit unions, I am writing to express our concerns regarding reports that the Obama administration's proposal to eliminate the Federal Family Education Loan Program (FFELP) will be merged with the health care legislation in a reconciliation effort that is expected to come to a vote in the House this week.

As you are aware, the President's plan that narrowly passed the House last year would eliminate the FFELP and require that all student loans originate in the government's Direct Loan program. While NAFCU commends lawmaker's efforts to make higher education more accessible and affordable for our college and university students, we maintain serious concerns about the impact of the President's proposal on our nation's credit unions.

As member-owned cooperatives, credit unions have a unique and special relationship with their members. In the current economic environment, many Americans have found it difficult to get credit for a number of purposes, including higher education, and have turned to their credit unions for assistance. Credit union members appreciate the one-on-one service and support that credit unions provide them with their loans. We have concerns that the President's proposal to move to an all Direct Loan program could create new challenges for credit union members to get the aid that they need to attend schools in the United States. Credit union members seeking a student loan often get a personalized service tailored to help meet their needs. The President's proposal stands to eliminate this focus on helping the individual in favor of a more impersonalized approach.

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We believe that any effort to change the student loan program requires careful consideration about what the true impact will be on our nation's credit unions and their 90 million members who turn to them for financial services everyday. Students and their families deserve to have this issue decided on its own merits under the established process that lawmakers use to debate public policy. This makes reports that Congress may merge the student loans proposal with pending health care legislation and pass via reconciliation especially disconcerting. We urge the House to reject efforts to pass student loan reform as part of a reconciliation effort and to ultimately reject the current student loan reform proposal as it stands.

Should you have any questions or require any additional information please do not hesitate to contact myself or Brad Thaler, NAFCU's Director of Legislative Affairs, at 703-522-4770.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fred R. Becker', written over a horizontal line.

Fred R. Becker
President and CEO

cc: Members of the House of Representatives