

A Student's Right. A Guarantor's Mission.

"Once we considered education a public expense: we know now that it is a public investment." Lyndon B. Johnson

Since President Lyndon B. Johnson signed the Higher Education Act (HEA) on November 8, 1965, the federal student aid programs have operated under the principle that an otherwise eligible student should not lack access to higher education because of economic circumstances. Under the law, financially needy students qualify for federal grants, loans, and work-study to pursue postsecondary education. At a minimum, any eligible student is entitled—as a basic right—to assistance in the form of federal student loans.

Today, two-thirds (68 percent) of all federal student aid for college consists of loans (*Trends in Student Aid*, 2007). Unlike grant aid, student loans create an obligation and a long-term relationship between the borrower and the government. Those who borrow federal student loans are best served when they have an impartial non-profit advocate supporting them at each step. Along with the loan proceeds and the information required to receive other aid, your constituents are entitled to objective information and help from the time they first consider college to the day they make their final student loan payment. They should have access to expert advice and counseling so they understand their loan terms and conditions, their options for managing their debt, and the remedies Congress has provided them to avoid delinquency and default. Who provides this assistance to help ensure both college access and the success of each student? The guarantor.

The guarantor serves students and families by providing:

- Outreach resources to help students who aspire to college
- Aid information to show families how they can meet college costs
- Financial literacy education to foster long-term success
- Information and advice on successfully repaying education loans
- One-on-one counseling to help borrowers understand available repayment options and help them resolve any repayment problems

The guarantor also plays a critical role supporting colleges and universities and enabling them to better serve their students and families. Guarantors deliver:

- Cost-effective products and services to streamline the making and delivery of loans
- Training and resources to help financial aid officers better meet program and professional requirements
- On site reviews to help schools strengthen their administration of the federal student aid programs and protect the federal fiscal interest

While assisting students throughout the life of the loan, guarantors provide their most critical services as former students repay their loans. Guarantors are in a unique position to provide student loan borrowers the objective help, information, and counseling they need. Congress has provided an array of options for any borrower, working in good faith, to solve repayment problems without defaulting on loans. Guarantors give borrowers the right information at the right time to help them successfully manage their debt.

The National Association of Student Loan Administrators (NASLA) is a forward-thinking alliance of guarantors that embraces a culture of innovation and is organized to ensure consistent, reliable delivery of student loan services to the nation's students, parents, and postsecondary institutions. To that end, each NASLA guarantor has worked under its own unique Voluntary Flexible Agreement with the Department of Education to enhance program effectiveness and student success. Together, NASLA guarantors make up 33.5% of the total Federal Family Education Loan Program portfolio and guarantee more than \$20.3 billion per year.

NASLA is committed to providing the access to higher education funding and support services to which all of the nation's students are entitled. NASLA believes, as Johnson stated upon signing the HEA, that the provision of federal student aid "swing[s] open... the most important door that will ever open—the door to education." Access to loan dollars alone is not enough to make that promise a reality. Without the counseling, training, and support services that guarantors provide borrowers and postsecondary institutions, the growing numbers of low-income, ethnic minority, and first-generation college students will not receive the support and assistance they need and deserve. By helping students succeed first in education and then in repaying their loans, guarantors help your constituents build better lives and stronger families and communities.