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**Congress Considering Changes to the Higher Education Act**

(HELENA) Legislation was introduced in the U.S. House of Representatives last week proposing changes to the Higher Education Act that would guarantee continued access for students to federal student loans to help pay for postsecondary education.

“It’s important to note that H.R. 3221, or the Student Aid and Fiscal Responsibility Act (SAFRA), being considered by Congress provides many benefits for students working hard to finance their postsecondary education, including a much-needed increase in Pell Grant amounts,” said Jim Stipcich, president/chief executive officer of Student Assistance Foundation (SAF). “Pell Grants are distributed mostly to students with family incomes below \$50,000. The bill’s provisions provide an increase in Pell Grants up to \$5,550 in 2010 and up to \$6,900 by 2019 which will provide benefit to the students who need it most.”

The bill also ensures future access to federal student loans by having all federal student loans directly provided through the federal government starting in Academic Year 2010.

In addition, further beneficial portions of H.R. 3221 provide \$2.5 billion to fund college access and completion support programs, bolster the Perkins Loan program, and simplify the Free Application for Federal Student Aid (FAFSA).

SAF, a Montana nonprofit organization whose mission is to provide students and families the knowledge and tools to pursue their postsecondary education, is working to ensure the changes to the federal financial aid system continue locally based services that Montana students and families have come to appreciate.

As Congress takes the steps it deems necessary to ensure continued availability of federal student loans in Academic Year 2010-11 and beyond, SAF has been working diligently in cooperation with Sens. Baucus and Tester and Rep. Rehberg to develop a plan that best meets the needs of Montana students, families, schools and communities.

“We want to make sure that a movement by Congress from a public/private partnership for student loans to a system in which the federal government directly provides loan funds does not result in any disadvantages for Montana students and families,” said Stipcich. “We want to make sure that any such changes retain the quality student loan servicing Montanans have come to expect from SAF, and that any changes retain the valuable counseling and college access programs that SAF and its partners have made available to Montana citizens over the years.”

H.R. 3221 would establish a servicer selection process that allows the U.S. Department of Education to select servicers, including nonprofits like SAF, based on how well they serve borrowers, educate them on financial matters, and prevent loan defaults. SAF hopes to maintain a role in this important function.

Since 2000, SAF has delivered \$16.4 million in grants, scholarships, and campus and community outreach services to Montana students and families. SAF programs have also included support for the Montana Career Information System (a career counseling software for Montanans), College Goal Sunday (a program to help individuals complete the FAFSA) and “A Step Ahead” College Prep Camp for Foster Care Youth (a program to help foster care youth make the transition from high school to college).

“Given Montana’s sparse population, its rural nature and overall vastness, it is important to retain localized, personalized nonprofit services in order to ensure that more Montana students pursue and complete postsecondary education with the lowest possible student loan debt upon graduation,” said Stipcich.

Some Montana students have also expressed the need for the continuation of local services.

“In light of the current recession, and as Montana students face tuition increases this year, it is extremely important that Montana maintains student services that are working for us,” said Teresa Snyder, student body president of the Associated Students of Montana State University (ASMSU). “Federal legislation that negatively impacts any of the programs provided by student help organization nonprofits like SAF could be very detrimental for students struggling to pay for their education right now.”

Montana campuses are also working hard to preserve student services for Montana students.

In a recent letter to Rep. Rehberg, Carroll College President Dr. Thomas Trebon wrote, “SAF has created high quality, tailored outreach and servicing products that address the unique needs of our students. SAF, as a nonprofit entity, has been an indispensable partner to our institution, our state and its students. As you consider student loan reform, we urge you to not disrupt this productive relationship that benefits both the students and Carroll College.”

According to Stipcich, efforts to reform the federal financial aid system in the United States are moving swiftly.

“We appreciate the time and effort Montana’s Congressional delegation has dedicated to this issue, and its interest in the impact of these proposals on Montana,” he said. “We are hopeful that beneficial changes to the current financial aid system will occur while retaining the significant public benefits and local service that nonprofit organizations have been able to provide to Montana students over the years.”

*Student Assistance Foundation is a 501(c)(3) nonprofit Montana corporation that provides students with knowledge and tools to finance and pursue their postsecondary education. Funds generated by SAF are returned to Montanans in the form of education grants and public benefit programs - to date more than \$16.4 million. For more information, visit [www.safmt.org](http://www.safmt.org).*