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**President Signs Bill, MHESAC and SAF Prepare for the Future**

(HELENA) Thursday's presidential signing of the College Cost Reduction and Access Act has Montana Higher Education Student Assistance Corporation (MHESAC) and Student Assistance Foundation (SAF) finalizing plans for future borrower benefits.

CEO/President Jim Stipcich assured Montana students and families on Friday that future Montana borrower benefits will be as generous as the new climate within the student loan industry allows.

"The act — which is part of the larger Budget Reconciliation Bill — cut lender returns to nonprofit student loan companies by .40 percent for FFELP student loans made after Oct. 1," he explained. "We are still working with our financial partners to find an appropriate balance between student benefits and sound business practices."

Overall, Stipcich said, the act helps students by raising the maximum Pell Grant amount and cutting the interest paid by future borrowers on certain subsidized loans in half.

Student lending companies supported the intent of the bill as it pertained to helping students, but opposed the extent of the proposed cuts. They argued that cutting lender earnings to this level would force companies to slash borrower benefits, and worse, push smaller companies out of the federal student loan program.

Stipcich said the management team at SAF — MHESAC's business manager — has been analyzing a variety of scenarios over the past few months in an effort to anticipate the final form of the bill and develop appropriate business models for that range of circumstances.

"We want to assure Montanans that the needs of students remain our top priority, along with the well-being of the 250 people we employ across the state," he said. "We look forward to meeting the new challenges presented to us and continuing to support students in pursuing their dreams of higher education."

*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 \$10 million. For more information, visit [www.safmt.org](http://www.safmt.org).*

*Montana Higher Education Student Assistance Corporation is a 501(c)(3) nonprofit corporation organized under Section 150(d) of the U.S. Tax Code. MHESAC is dedicated to ensuring access to student loans and lowering the cost of financing postsecondary education by providing capital in the Federal Family Education Loan Program (FFELP) student loan secondary market, loan origination activities and borrower rebate programs. For more information, visit [www.mhesac.org](http://www.mhesac.org).*