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Montana AG's Investigation Finds no Improprieties in the Delivery of Montana Student Loans

(HELENA) An investigation of student lending practices in Montana completed recently by Attorney General Mike McGrath's office revealed no improper dealings between Montana schools and student loan companies, including Montana Higher Education Student Assistance Corporation (MHESAC), Student Assistance Foundation (SAF) and MHESAC's numerous student loan lending partners.

Jim Stipcich, president/CEO of nonprofits MHESAC and SAF, said he was impressed with the thoroughness of the effort by the AG's Office, and ultimately, the findings of the report.

"MHESAC, SAF and our Montana student lending partners have always conducted our business with the highest level of integrity," said Stipcich. "It's particularly satisfying for us to have Attorney General McGrath's office find that our practices support our intent especially given the current turbulent climate within the student loan industry."

The exploration of the student loan industry in Montana came in the wake of similar probes across the country set in motion by New York Attorney General Andrew Cuomo. Cuomo identified a number of areas of concern with student lending practices within his home state.

According to the report drafted by Assistant Attorney General Pam Bucy, no evidence of impropriety exists in the relationship between school financial aid offices and lenders in Montana.

"Seeking and securing financial aid can be intimidating for students and their families at the best of times," said Stipcich. "We hope this report by the Attorney General's Office provides comfort to the people struggling with this process that Montana schools, financial aid officers, MHESAC, SAF and Montana student loan lenders are all working with their best interests in mind."

SAF is MHESAC's day-to-day business manager.

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.

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.