



THE SECRETARY OF EDUCATION
WASHINGTON, DC 20202

November 30, 2009

Honorable John Kline
House of Representatives
Washington, DC 20515

Dear Congressman Kline:

Thank you for your letter regarding the U.S. Department of Education's efforts to reach out to institutions of higher education regarding financial aid for students. As you know, applications for federal financial aid have increased dramatically over the past year, while many postsecondary institutions, especially community colleges, are experiencing unprecedented demand. At the same time, tight state budgets and strapped family finances have made paying for college even more of a struggle. In this environment, we are working hard to encourage open lines of communication between the Department of Education and institutions of higher education, to hear from them about the issues they face in serving students, and to try to identify challenges we see coming their way.

One of these challenges relates to student loan access. As you note, I recently sent an e-mail message to college presidents urging them to take steps to ensure that their students will be able to obtain federal loans even if lenders stop participating in the Federal Family Education Loan Program, as some lenders have done or have stated they will do. Please rest assured that my intention was not to presume passage of H.R. 3221 or any other legislation. Rather, my letter was intended to inform colleges that they need to be prepared so that, as we in Washington are sorting out the appropriate next steps, students are not caught without the funds necessary to continue their education. Because our loan purchase authority under the Ensuring Continued Access to Student Loans Act of 2008 is set to expire at the end of this academic year, I wanted to ensure that colleges have the systems in place to deliver federal student loans through the Direct Loan Program in the event other options are not available. Fortunately, many colleges are heeding that call. Of the 3,000 domestic colleges that are not currently in the Direct Loan Program, more than half are signed up for training and other technical assistance. We have redeployed our staff to ensure that we can reach all of the schools that need help to ensure loan access in the coming months.

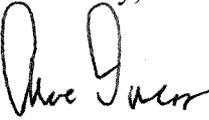
In addition to the e-mail message noted above, we have communicated in other ways about student loan access. I am enclosing copies of those communications for your information.

You also asked about a conference call that we held, along with Dr. Jill Biden, with community college leaders across the country. As you know Dr. Biden, a longtime community college instructor, has made a particular effort to assist in ensuring that we are able to gather information about the work that those critical institutions are doing during this difficult economic time.

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Toward that end, we asked community college leaders to share with us information about how they are addressing students' needs, and how the Department could help. A transcript of that call is enclosed, along with a list of participants (which included reporters).

Thank you again for asking about our communications with institutions of higher education. Our efforts have been focused on imparting critical information and seeking feedback on our planned and potential activities going forward. As always, please let me know how you think we can improve on these efforts.

Sincerely,

Arne Duncan

Enclosures