



THE SECRETARY OF EDUCATION
WASHINGTON, DC 20202

April 15, 2009

Dr. Philip R. Day, Jr.
President and CEO
National Association of
Student Financial Aid Administrators
1101 Connecticut Avenue, NW, Suite 1100
Washington, DC 20036

Dear Dr. Day:

Thank you for your e-mail message and advance copy of the proposed student loan model developed by the National Association of Student Financial Aid Administrators (NASFAA). I appreciate NASFAA's efforts to reach out to its constituency and others and to bring together new ideas through a thoughtful and deliberative process.

I commend the goals of the National Conversation Initiative (NCI) to "create policy recommendations that increase college access, reduce the financial burden placed on students and families, and increase the numbers of students who ultimately graduate with a college degree – especially those who have been historically underrepresented and underserved." President Obama's FY 2010 Budget Blueprint addresses many of these goals and includes a number of initiatives and policies to make college more accessible and affordable and to ensure higher college completion rates across the country.

In terms of student loan funding, as you point out we need a "single program that is stable, predictable, and works for students." President Obama feels that the William D. Ford Federal Direct Student Loan Program meets those objectives and in doing so provides for dramatic federal cost savings that can be used to further assist students in other areas, including providing mandatory funding for the Federal Pell Grant Program, ensuring yet another stable source of postsecondary financing for students and families.

The FY 2010 budget process is just now getting underway, and we will be examining input from many policy areas. NASFAA's proposal will be fully reviewed and considered as the policy debate on student loans, other financial aid, and higher education issues generally continues. I appreciate your offer to stay in touch on financial aid policy issues and to offer your time and additional efforts to ensure that students are provided every opportunity to achieve a postsecondary education.

Please keep me informed as your process continues. I look forward to seeing the additional recommendations developed as a result of your NCI project.

Sincerely,

A handwritten signature in black ink, appearing to read "Arne Duncan".

Arne Duncan