



ECMC is an ECMC Group company.

March 16, 2009

Dear Valued Partner:

ECMC strongly supports the goal of President Obama's 2010 proposed budget to provide low-cost stable student aid to help students and families achieve their dreams of higher education. As the Congress debates the mechanics of the proposal, we look forward to the ensuing dialogue and participating in the bold reform to create a more simplified and cost effective federal student aid delivery system – one making college more accessible and affordable for your students.

We acknowledge recent legislative changes, along with the ongoing financial market credit crisis, are impacting the Federal Family Education Loan Program (FFELP) financing model. However, it is widely recognized the FFELP brings significant benefits for both schools and students – providing competitive products and services for schools and improved customer service for students and their families. This program delivers billions of dollars in federal aid to millions of Americans every year and its benefits must be carefully weighed to ensure the continuation of access improvement, delivery simplification and taxpayer benefit.

The president's budget proposal, along with recently enacted legislation allowing lenders to sell their loans to the U.S. Department of Education through the Ensuring Access to Student Loans Act, requires ECMC to carefully and thoughtfully reevaluate our current business model and examine our operating expenses. As a result of our analysis, we regrettably conclude we will no longer offer the one percent grant to student and parent borrowers (1% Federal Default Fee) ECMC currently provides. This change will be effective for loans guaranteed on or after July 1, 2009.

Over the next several months as Congress reviews the proposal, I want to assure you our commitment to serving you remains steadfast. As a final legislative solution is debated and subsequently implemented, our ECMC team will continue to provide America's families with the best college access materials and services, debt management counseling, and financial literacy materials and training.

Thank you for the honor of continuing to serve you and your students.

Very best regards,

Richard Boyle  
Chief Executive Officer