

Margaret Fortune
Senior Advisor to the Governor
Office of the Governor
State Capitol
Sacramento, CA 95814

June 19, 2007

Dear Ms. Fortune:

It was a pleasure meeting with you. Thank you for giving us an opportunity to discuss the proposed sale of EdFund and providing us with a voice at the table on this important issue.

We hope that we conveyed our primary interest which is that California students and institutions of higher education continue to be served by a guaranty agency that meets or exceeds the current student-centered philosophy, high level of service, and professional integrity of EdFund. Specifically, we are concerned that:

1. as we work toward a balanced state budget and resolution of the underlying structural deficit, we continue to look out for the long-term interests of financial aid programs for California students,
2. the state not sell EdFund without first exploring the option of expanding its market share as the second largest guaranty agency in the United States and supporting EdFund's potential as a state asset to provide on-going state revenue that would, in the long-term, exceed immediate gains from this proposed sale,
3. potential buyers continue EdFund's commitment to provide quality services to the state's many higher-risk proprietary schools and community colleges,
4. any contractual agreement with a buyer will also provide for the operational support that EdFund currently delivers under the EdFund/CSAC Operations Agreement,
5. the high ratio of EdFund field and service representatives to institutions be maintained,
6. that any new guarantor will maintain a California identity and commitment to the students and institutions in the state,
7. that any new guarantor will focus on assisting students to avoid default, including personalized service to help students rehabilitate

their loans, rather than simply forcing students into consolidation loans,

8. that any new guarantor will not use their position as a means to market other products or services to students or institutions.

Thank you for inviting us to meet with you and listening to our views. We look forward to meeting with you again as the details of the proposal become more developed. Please don't hesitate to contact any of us if you feel we can be of any assistance to you.

Sincerely,

Mindy Bergeron
President, CASFAA
Financial Aid Director
John F. Kennedy University

Beth Asmus
President, CCCSFAAA
Dean, Special Programs
College of the Canyons

Meredith Kelley
President-Elect, CASFAA
Director, Financial Aid &
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Dr. Patricia Hurley
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Assoc. Dean, Financial Aid
Glendale College

CC: Scott Hill, Undersecretary of Education
Fred Klass, Chief Operating Officer, CA Department of Finance
Kathleen Cox, Senior Advisor