

FOR IMMEDIATE RELEASE

SLA Survey Finds 65% of Financial Aid Administrators Concerned about Availability of Alternative Loans

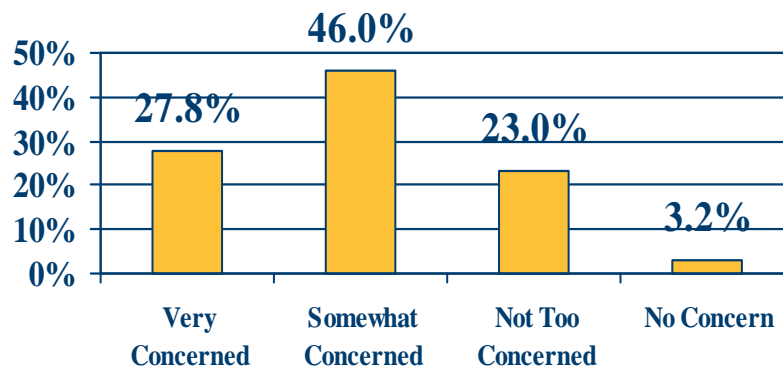
Palo Alto, California – June 24, 2008 – Sixty-five percent (65%) of financial aid administrators are concerned about the credit crunch impacting the supply of alternative student loans based on a recent survey conducted by Student Lending Analytics (SLA). These results are based on a flash survey of 263 financial aid professionals conducted between June 10 and June 11, 2008.

Based on recent College Board data for 2007, alternative loans have become an increasingly important component in financing a college education, growing at annualized rate of 28.1% over the past five years. Students use these alternative loans to cover their financing gap after taking into account their family's expected financial contribution, grants, scholarships and all forms of federal aid. H.R. 5715, which increases the limits for the Federal Stafford loan program, may slow the growth of alternative loans (link to earlier SLA analysis). However, rising costs to attend educational institutions, recent exits by alternative lenders such as Bank of America and a deteriorating economy are concerns of the financial aid community.

Here are several highlights from this survey:

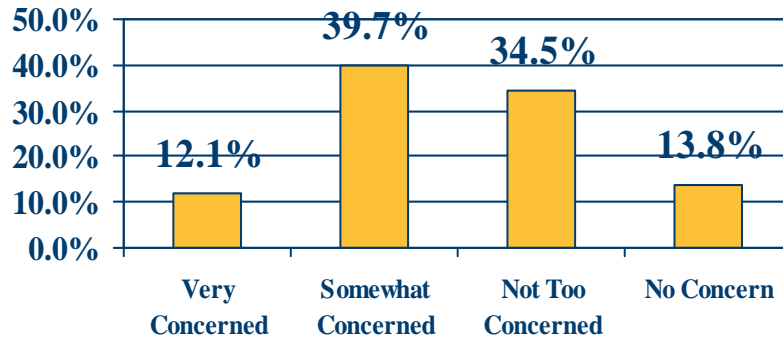
- Administrators at higher cost 4-year schools tended to be most concerned about alternative loan availability, however there was also a sense of unease among their 2-year counterparts too.
 - Administrators at 4-year private schools expressed the greatest concern with 27.8% being “very concerned” and 46.0% being “somewhat concerned” about the availability of alternative loans (see chart below).
 - It is important to note that 69.6% of 4-year private schools had a Cost Of Attendance (COA) over \$30,000 vs. 17.2% of 4-year public schools.

4-Year Private



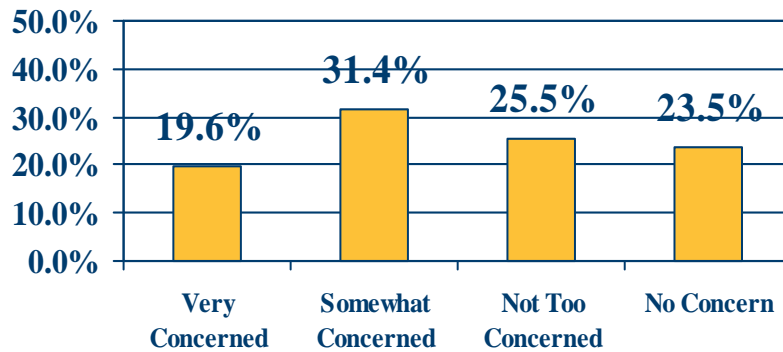
- Given their lower Cost of Attendance (COA), aid professionals at 4-year public institutions showed significantly less concern than their 4-year private school peers.

4-Year Public



- Despite their lower cost of attendance, administrators at 2-year public schools signaled higher levels of concern than might have been expected; 19.6% indicated being “very concerned” and 31.4% said that they were “somewhat concerned.”
 - This concern may be linked to the ongoing exodus of several large FFEL lenders from the community college market.

2-Year Public



- Financial Aid Administrators are providing the following strategies to address the issue of alternative loan availability with their students and their families:

Strategy	Percentage of respondents
Encourage parents to use Parent PLUS loans	77.6%
Encourage students to get co-signer on application	68.1%
Build alternative lender list	63.5%
Seek additional institutional loans/grants	18.6%
Encourage students to apply to multiple lenders	16.0%
Recommend peer-to-peer lending networks	2.7%

ABOUT STUDENT LENDING ANALYTICS. Student Lending Analytics provides research and advisory services to assist financial aid officers in their lender selection process. SLA utilizes financial models and proprietary surveys to provide a customized, objective and analytical approach to selecting the best student lenders. For additional information on Student Lending Analytics' research and services, contact Tim Ranzetta (see contact information below) or visit www.studentlendinganalytics.com.

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