



IowaCollegeAid.gov
Your Financial Aid Connection

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NEWS RELEASE

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Iowa College Student Aid Commission to Transfer Federal Student Loan Portfolio to the Great Lakes Higher Education Guaranty Corporation

Agreement enables agency to sustain programs that help Iowa students plan, prepare and pay for college

Des Moines, IA, June 26, 2012 – During its meeting on June 25, 2012, the Iowa College Student Aid Commission (Commission), after a year-long review of strategic options, voted to transfer its Federal Family Education Loan Program (FFELP) guarantee portfolio to the Great Lakes Higher Education Guaranty Corporation (Great Lakes). The Commission’s action, which has the approval of the U.S. Department of Education, preserves the Commission’s approximately \$20 million operating fund and provides substantial additional revenues to the operating fund in future years.

Karen Misjak, Executive Director of the Commission, said “This portfolio transfer will allow the College Student Aid Commission to continue to assist Iowa students and their families through support of programs that help students plan, prepare, and pay for college. The Commission looks forward to working with the Iowa General Assembly to ensure that Iowa students continue to be equipped to access and complete higher education.”

Dick George, President and CEO of Great Lakes, said “Great Lakes also looks forward to working with the Commission to expedite the transaction and to continue efforts in supporting postsecondary access and persistence in Iowa. We believe our extensive training offerings and printed materials will provide a significant contribution to schools and borrowers.”

The Commission intends to work cooperatively and expeditiously with Great Lakes and the U.S. Department of Education to ensure a seamless transition of borrower accounts to Great Lakes on or about October 1, 2012.

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Discontinuation of new FFELP guarantees, along with the Commission's business model and a smaller-than-average portfolio balance would have presented financial and operating challenges for the Commission. Like many guarantors, revenues from the FFELP subsidize other higher education services that the Commission provides to Iowa students and their families. Without changes to its structure, the Commission's operating fund would have declined significantly over the next several years.

The Iowa College Student Aid Commission is a state agency created by the Iowa General Assembly in 1963 to be Iowa's student financial aid agency. The Commission administers over \$60 million annually in state-appropriated financial aid programs and also provides college access, career planning, financial literacy, default prevention and outreach services that prepare students to enter and succeed in postsecondary education. The Health Care and Education Reconciliation Act of 2010 (often referred to as Health Care Reform) eliminated new loan originations under FFELP as of July 1, 2010.

For more information about the Iowa College Student Aid Commission, go to www.IowaCollegeAid.gov or contact the agency at 877-272-4456.

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About the Iowa College Student Aid Commission

Iowa College Aid provides college access, financial literacy, and outreach services to Iowa's students and families as they prepare, plan and pay for college. Iowa College Aid also administers state scholarship, grant, work study, and loan forgiveness programs totaling over \$60.0 million annually, administers the Federal Family Education Loan Program (FFELP) program, provides borrowers with assistance to avoid the serious consequences of default, conducts research and distributes higher education data, and offers Iowans assistance in obtaining student financial aid and college-related information. Through its role, Iowa College Aid also serves as the state-designated administrator of the U.S. Department of Education's College Access Challenge Grant, which is designed to increase the college-going culture in Iowa. Additionally, Iowa College Aid is the administrator of the Federal GEAR-UP Grant, a multi-year state-wide grant which is being utilized to provide early awareness programming and outreach initiatives to thousands of Iowa's students and families. More information is available at www.IowaCollegeAid.gov.