



## NEWS RELEASE

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FOR IMMEDIATE RELEASE

### **Iowa Student Loan Board of Directors Votes to Discontinue Cost Reimbursement Program**

**WEST DES MOINES, IOWA** (May 15, 2007) — Iowa Student Loan Liquidity Corporation today announced that it is discontinuing the Partnership Loan Cost Reimbursement Program. The program reimbursed the actual, documented administrative costs to colleges and universities for administrative work with students seeking Partnership Loans. The program mirrored similar reimbursement allowances the federal government provides to schools for other forms of financial aid.

“This program has been a legal and appropriate way to help schools deal with the unfunded mandate made by the state when it authorized the formation of the Iowa Partnership Loan Program in 1991. For the past five years it has operated in complete compliance with state and federal laws and helped to defray some of the costs incurred by schools, and we believe that all of the schools that participated used the funds to benefit students,” said Steven W. McCullough, president and CEO of Iowa Student Loan.

Iowa Student Loan has canvassed colleges about the program and they have indicated that they do not plan to apply for cost reimbursements in the future. Consequently, Iowa Student Loan’s board has decided to redirect the funding for this program to other student benefits.

“Colleges and universities that participated in the program reinvested the funds into additional student aid and resources for students,” noted Tom Gronstal, chairman of the Iowa Student Loan Audit Committee and state superintendent of banking. “It is clear with the likelihood of cutbacks at the federal level, we are reprioritizing Iowa Student Loan’s budget. This program is no longer a priority for either the corporation or Iowa colleges and universities.”

Iowa Student Loan is a private, nonprofit corporation founded in 1979 by a proclamation of Iowa Governor Robert D. Ray to help students and parents obtain the financial resources necessary for a postsecondary education. Based in West Des Moines, Iowa Student Loan employs approximately 370 people. To date, the company has helped more than 300,000 students pay for college. ISL also operates the College Planning Center, whose employees reach out to students and their families with information and resources to help them make informed decisions about succeeding in college.

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