

The College Board Will No Longer Serve as FFELP Lender

By Nihit Aurora

The College Board was founded in 1900 as a not-for-profit association aiming to “connect students to college success and opportunity.” Currently, the association includes more than 5,200 schools, colleges, universities, and other higher education institutions. It serves nearly 7 million students and their parents through a range of education-related programs and services. More than 23,000 high schools and 3,500 universities benefit every year from its efforts.

The College Board is a lender for the federal government’s Federal Family Education Loan Program (FFELP). It has contracted with Sallie Mae and Citibank to initiate, service, and purchase FFELP student loans. This business formed a very small part of the board’s diverse portfolio of programs and services.

However, The College Board will cease to be an FFELP lender and accept new loan applications after October 15, 2007. It will continue to serve its existing borrowers through the 2007-2008 academic year.

The College Board announced that this decision was a consequence of the enactment of new codes and legislation, as these changes have considerably affected its operations as a student lender. Though certain consequences of the new legislation were unintentional, they reportedly limited the ability of The College Board to fulfill its commitments as a membership association while maintaining its role as a student lender.

The College Board stated that the new laws and codes have imposed a host of restrictions on various operations, including the meetings of its member institutions. It added that its membership meetings were an indispensable aspect of the organization and took precedence over participation in the student loan business.

In the best interests of the organization and its members, The College Board announced, it is discontinuing its student loan business. The College Board maintains there are several other ways it can be of service to its members and is exploring an array of alternatives to meet its commitments to students and members.