

The Vermont Student Assistance Corp. (VSAC) will receive up to \$1.3 million in additional funds to continue helping students find grants, loans and scholarships, the Vermont congressional delegation announced today.

The delegation also helped nonprofit lenders like the Winooski, Vt.-based VSAC secure a higher rate from the U.S. Department of Education for servicing student loans.

Sen. Bernie Sanders (I-Vt.), who serves as a member of the Senate education committee, led the effort on behalf of VSAC, with strong support from Sen. Patrick Leahy (D-Vt.) and Rep. Peter Welch (D-Vt.).

"At a time of soaring college costs, I have supported President Obama's move to increase the maximum Pell grant, which enables millions of low- and moderate-income students who go to college, by ending the billions in subsidies that big banks received to issue federally-guaranteed student loans," Sanders said.

"At the same time, we in Vermont value the important work done by VSAC, and similar work done by nonprofits in other states. Thousands of Vermonters have been able to go to college because of VSAC counseling, both in making higher education available to them and in helping students and their families manage the costs of college. We are very pleased that our ongoing efforts to protect VSAC's critical role in our state have paid off. VSAC will be able to continue doing the excellent and important work it has done so well over the years," Sanders said.

Leahy said, "No student should be denied the opportunities of a college education because of her or his family's financial resources. College costs make it difficult – often, extremely difficult -- for families to afford higher education. I strongly support the Obama administration's recently enacted expansion of student financial aid and I am pleased that Senator Sanders, Congressman Welch and I have succeeded in convincing the U.S. Department of Education to recognize VSAC's importance as an instrumental partner in guiding Vermont students through the complexities of financing their college educations. I continue to hear from students and adult learners across the state that VSAC's outreach counselors gave them the support system they needed to graduate. Vermonters have come to rely on the comprehensive programs and collaborative efforts among VSAC, our public schools and the higher education community."

Welch said, "This is great news for Vermont students and families. Today's announcement will allow VSAC to continue doing what it does best, provide high-quality services to Vermonters and increase access to higher education. As college tuitions rise, the services provided by VSAC are integrally important in helping students and families navigate the path to higher education."

The Department of Education last week announced the higher rate for the first 100,000 loans serviced by VSAC and other nonprofit state lending agencies. The department's Federal Student Loan Agency has agreed to provide VSAC with \$1 million in conversion fees and up to \$300,000 to cover initial start-up expenses for implementing a structure to service these new

loans, while it continues to provide outreach, support, and loan services to students. VSAC will also be eligible to compete for the assignment of additional loans in the future.

VSAC and 15 similar nonprofits throughout the nation have entered into an agreement with the Education Department that begins the process of assigning the initial 100,000 loans.