

WICHE  
Semi-Annual  
Commission  
Meeting

May 20, 2008

David  
Longanecker

*President*

Western Interstate  
Commission for  
Higher Education  
(WICHE)

The Crisis in  
Student Loans!

Or Not

# Student Loans



\$77 million

# Student Loans



Oh No!

# Student Loans



FEDERAL LOANS

The diagram consists of a large white hand-drawn border containing two blue rectangular boxes. The left box is labeled 'FEDERAL LOANS' and the right box is labeled 'PRIVATE LOANS'. Both boxes have a white outline and a small white triangle at the top right corner, suggesting they are pieces of paper or cards. The background is a dark blue gradient with diagonal lines.

PRIVATE LOANS

# Student Loans

FEDERAL LOANS

~~PRIVATE LOANS~~

For  
Profit

Not For  
Profit

# Student Loans

FEDERAL LOANS

76%

For Profit

24%

Not For Profit

# Student Loans

FEDERAL LOANS

76%

~~For Profit~~ Not For Profit

24%

# Federal Student Loans

Bank Based  
(FFEL)

The diagram consists of a large white hand-drawn border containing two blue rectangular boxes. The left box is labeled 'Bank Based (FFEL)' and the right box is labeled 'Direct Federal (FDSLPL)'. The text is white and centered within each box.

Direct Federal  
(FDSLPL)

# Federal Student Loans

Bank Based  
(FFEL)

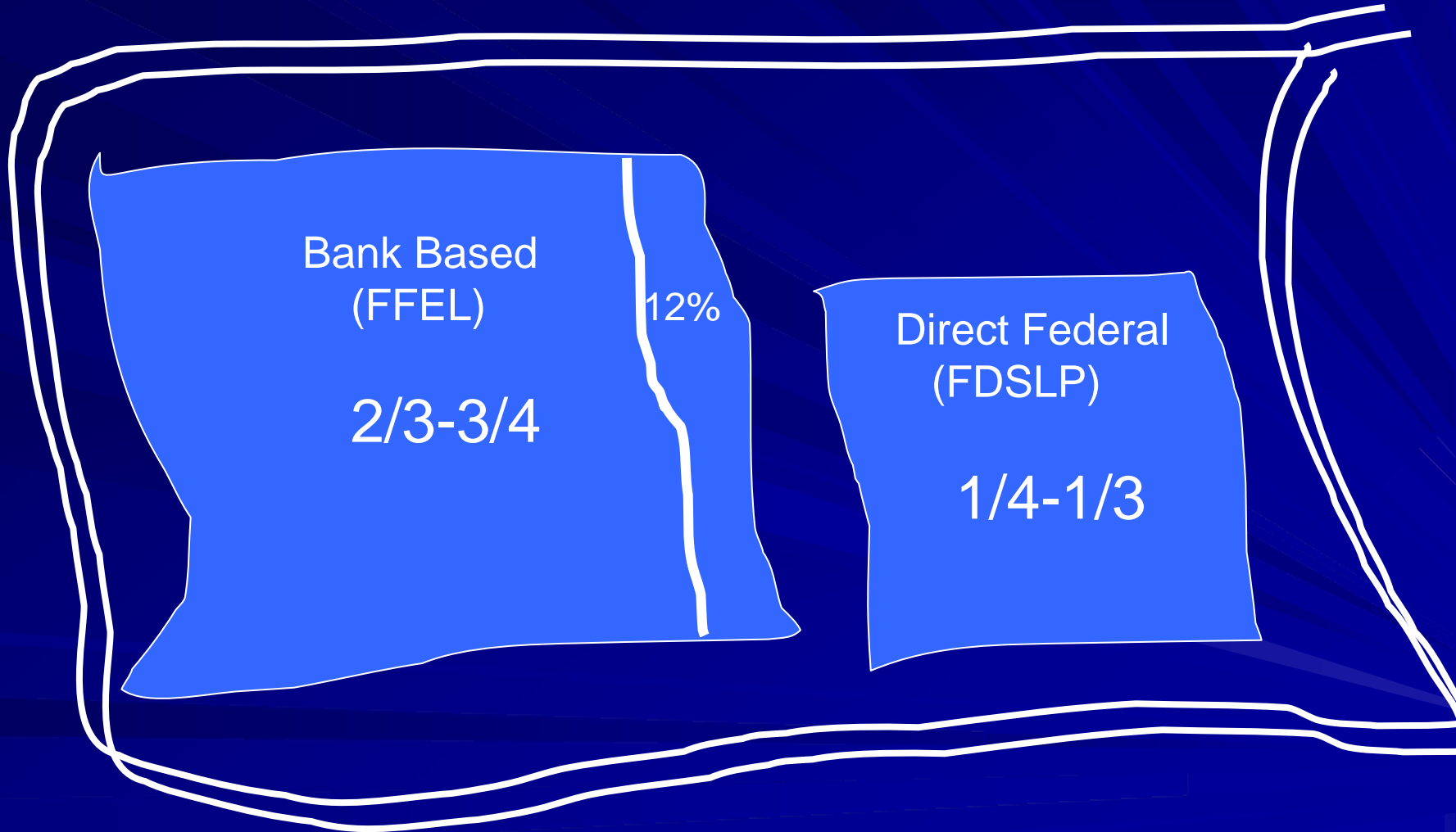
$2/3-3/4$

Dual Concerns  
Subsidy cuts  
Liquidity problems

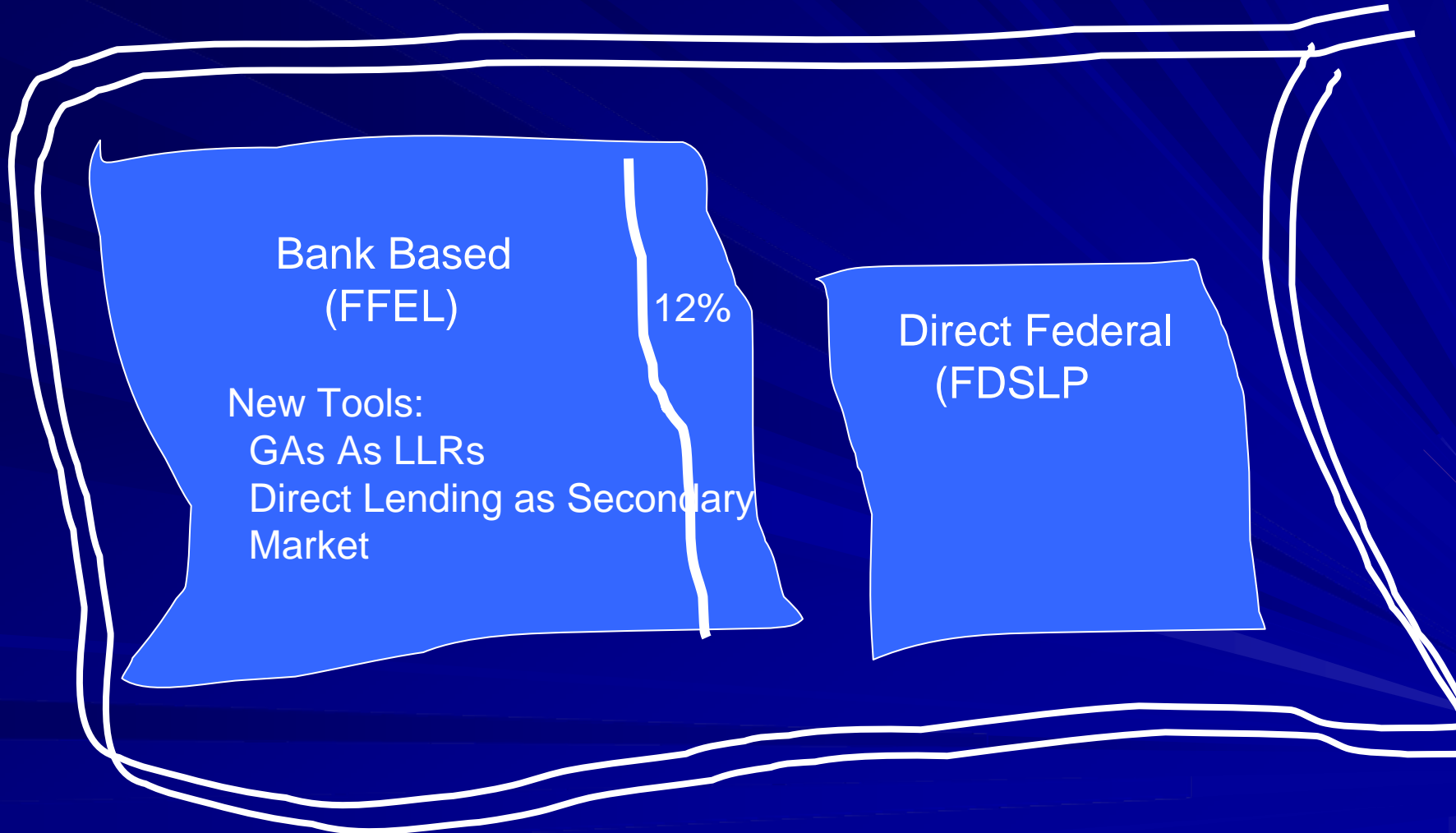
Direct Federal  
(FDSLPL)

$1/4-1/3$

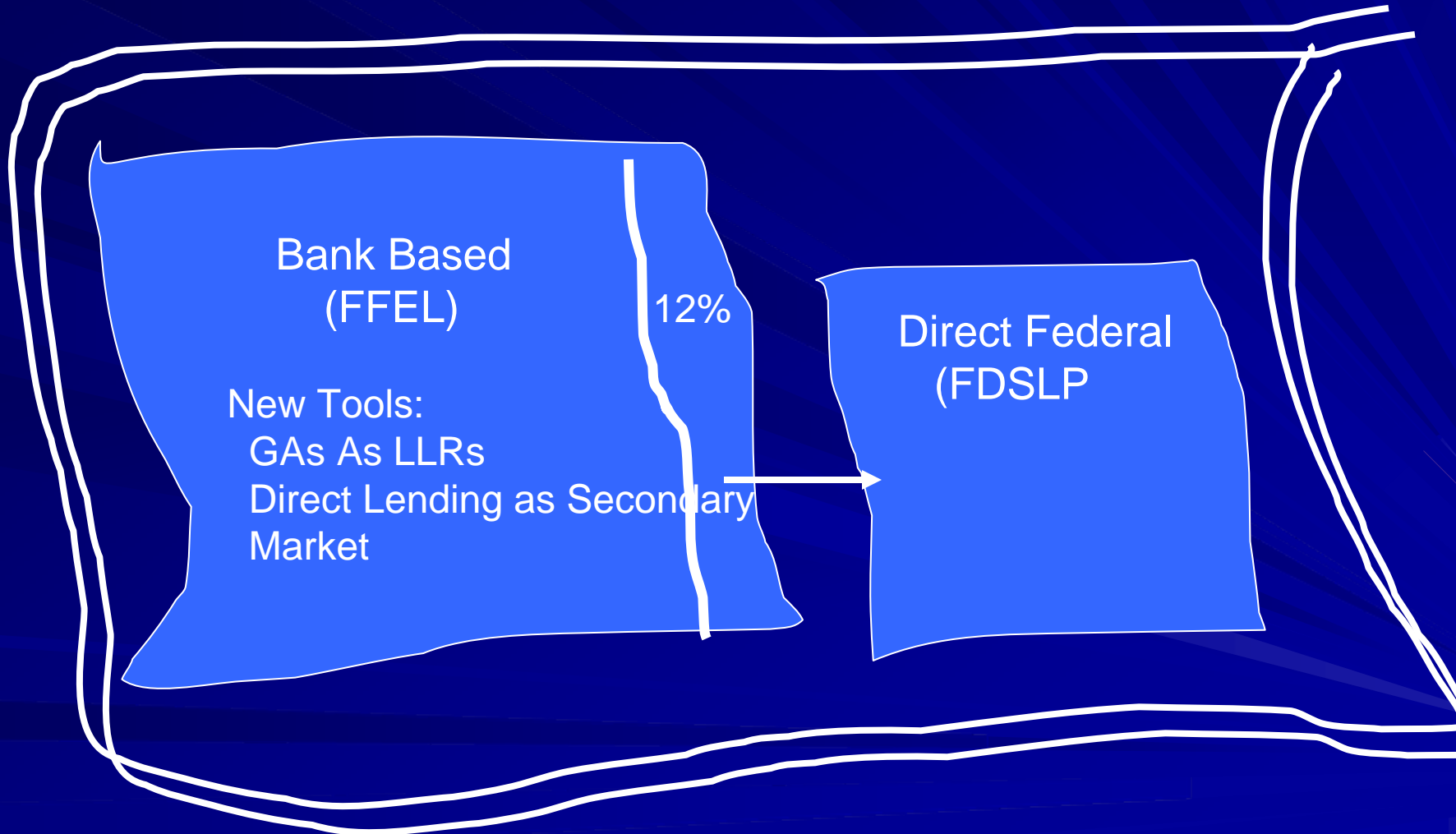
# Federal Student Loans



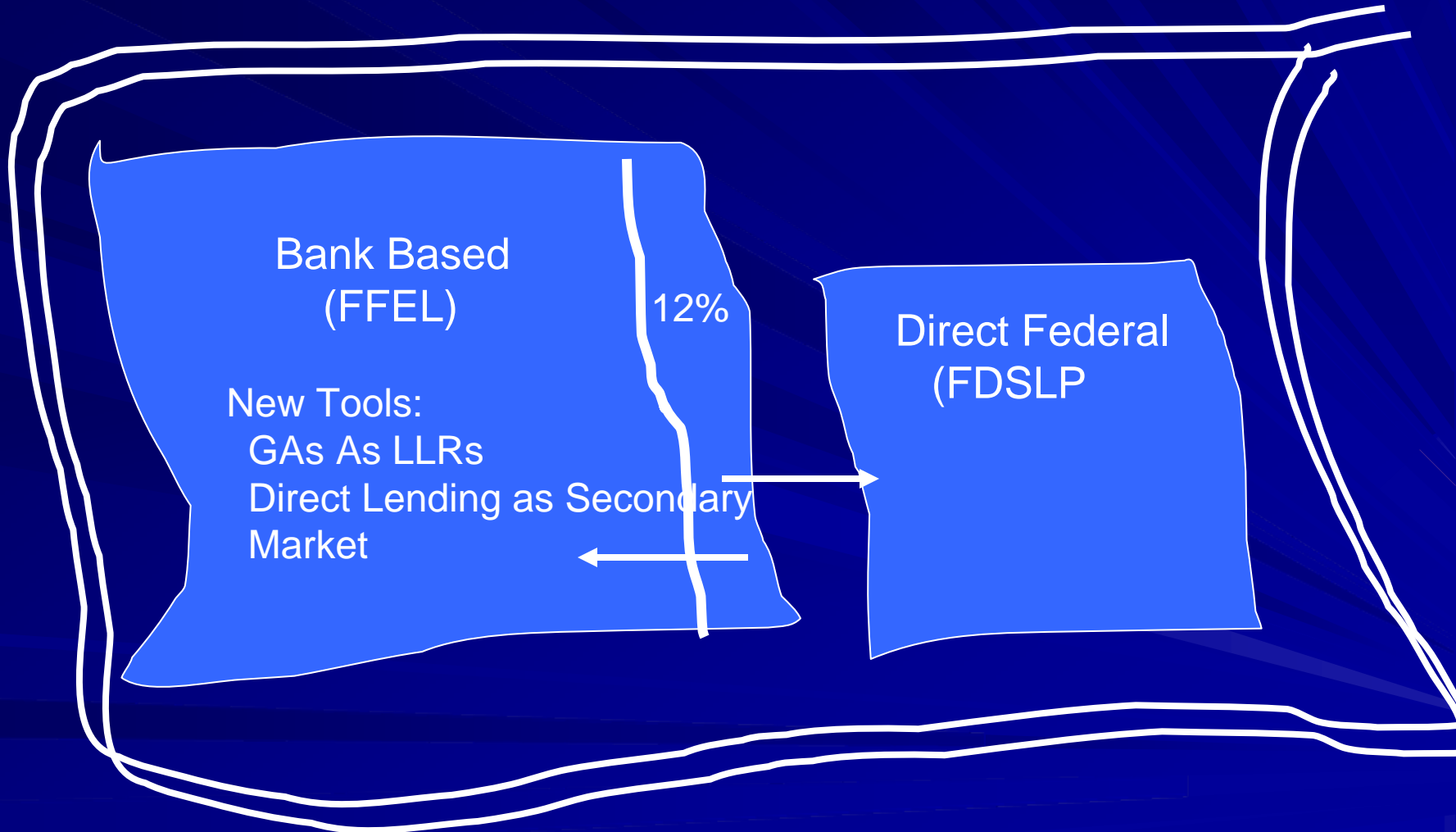
# Federal Student Loans



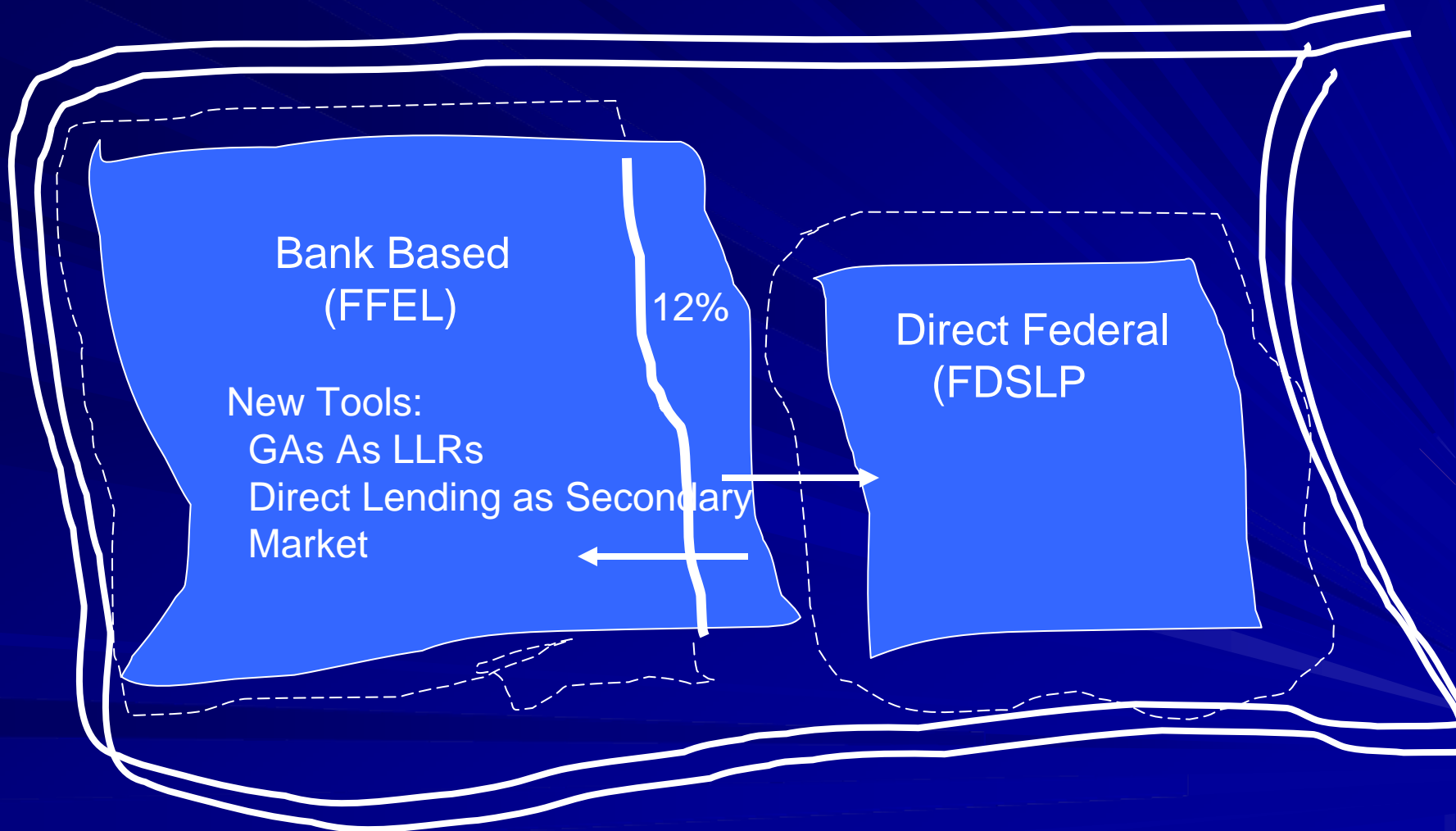
# Federal Student Loans



# Federal Student Loans



# Federal Student Loans



# In sum

- Private for profit loans will be greatly reduced.
  - Particularly for proprietary schools & community colleges
  - Not so much for law school and med students
- Non-federal non-profit loans
  - Short-term shortages due to limitations on credit markets

# In sum

- Federal Loans

- Some concern for lenders
- Much less concern for borrowers

- So,

- If program is for lenders, we have a problem
- If program is for borrowers, we have some inconvenience, but not a big problem