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July 10, 2007

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232 The Capitol
Washington, D.C. 20515

Dear Speaker Pelosi:

I am writing on behalf of the members of the American Bankers Association to express our opposition to H.R. 2669, the College Cost Reduction Act of 2007, which the House of Representatives is scheduled to consider later this week.

H.R. 2669 is the Education and Labor Committee's response to the reconciliation instruction included in the fiscal year 2008 budget resolution. The legislation includes more than \$15 billion in budget cuts to the Federal Family Education Loan Program, the student loan program relied upon by 80 percent of all new borrowers. These cuts are in addition to \$15 billion in cuts made to this same program less than 18 months ago.

Proponents of H.R. 2669 suggest that the legislation represents a significant expansion of federal student aid in the form of a higher maximum Pell Grant and creation of more than a half dozen new, smaller entitlement programs. In reality, H.R. 2669 would decrease benefits to most student loan borrowers, many of them middle income students, in order to fund very modest increases in benefits for some students.

We urge you to vote "no" on H.R. 2669, as it will harm, not help, student loan borrowers. Thank you for considering our views.

Sincerely,

A handwritten signature in black ink that reads "Floyd E. Stoner".

Floyd E. Stoner