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April 27, 2010

OSFA's commitment to schools, students, and parents

As the Health Care and Education Affordability Reconciliation Act of 2010 (H.R. 4872) becomes law, OSFA wants to reassure our clients that we will continue to guarantee all loans with first disbursements prior to July 1, 2010. OSFA is committed to continuing to provide life-of-the-loan support for loans remaining in our portfolio.

However, in light of recent industry developments, OSFA has had to reevaluate its Federal Default Fee Policy for the 2009-2010 academic year and will discontinue paying the federal default fee for loans guaranteed on or after June 1, 2010. OSFA's 2009-2010 Federal Default Fee policy resulted in an annual savings of \$6 to \$7 million for borrowers and their families who chose OSFA as the guarantor of their student loans. Choosing OSFA as a guarantor also helped fund the Florida Student Assistance Grant, a need-based grant program available to degree-seeking, resident, undergraduate students who demonstrate substantial financial need and are enrolled in participating postsecondary institutions.

OSFA will still continue to serve as the administrator of Florida's scholarship and grant programs and fulfill our mission to facilitate higher education access and services by providing exemplary customer attention, comprehensive financial aid information, and convenient and efficient products.

As your institution prepares to transition to the William D. Ford Direct Loan Program, please know that OSFA and the Outreach Team will continue to be available to assist you with any questions or issues you may have. We are also in the process of putting the final touches on our online Direct Loan Transition Resource Center. As soon as it becomes available, we will let you know.