

# State Senator Robert Mayer The Mayer Memo

Senator Robert Mayer - Serving Butler, Dunklin, New Madrid, Pemiscot, Ripley, Stoddard & Wayne Counties



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## Expanding Student Loan Availability

JEFFERSON CITY — Missouri students and families seeking loans to pay for a college education will benefit from legislation I successfully advanced through the state legislature this year. Senate Bill 967 gives the Higher Education Loan Authority of the State of Missouri (MOHELA) the authority to expand its loan offerings by allowing the state student loan organization to serve as the original source for federal Stafford loans.

The legislation permits MOHELA to offer federal Stafford loans — generally the most affordable student loans available — up to 10 percent of the state's total student loan volume, which is determined by student loan activity of all lenders across the state. Currently, that amount ranges from \$1.6 to \$2 billion per year and thus gives MOHELA the ability to loan between \$160 and \$200 million more per year to Missouri students and families to further their education goals.

Until now, MOHELA was one of the only state-based student loan lending institutions in the country that did not originate, or serve as the original funding source for, federally-guaranteed Stafford loans. As a secondary student loan market, MOHELA previously only purchased student loans from lenders.

In an era where some of the largest lenders are leaving the student loan program, and those that remain may not be working with all educational institutions in the state, MOHELA is equipped to work with families of students attending any of Missouri's 155 public and private educational institutions.

The recent credit crisis affecting the entire student loan industry made it necessary

to take this important step to ensure MOHELA's long-term financial ability and the availability of low-cost student loans to Missouri students and families. As chairman of the Senate Education Committee and a long-time supporter of education, I believe it's very important to continue to find ways to make higher education a reality for as people as possible so that no one is priced out of an all-too-important education.

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