

**Prepared Statement of**

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**Pennsylvania House of Representatives**  
**Committee on Appropriations**

Thank you for the opportunity to address your committee today and to offer my comments on Sallie Mae.

My name is Richard Bellows. I appear before you as someone who has worked on the college campus in student financial aid for almost 30 years. I am Executive Director of Financial Aid at Butler University. I have been at Butler for 14 years; prior to that, I served at two other colleges as director in the state of Indiana. I also have served as President of my State and Regional financial aid associations.

In addition, I have been a member of the National Association of Student Financial Aid Administrators and the College Board national committees. Currently, I am on the National Coalition of Higher Education Loan Programs (NCHELP) national financial aid professionals committee.

Butler University was founded in 1855; it is a coeducational, liberal arts and sciences-based private university, located in Indianapolis, Indiana.

Butler's relationship with Sallie Mae was borne in the summer of 2000 from its merger with USA Group, a not-for-profit entity that served as a guarantor of student loans, a servicer and a secondary market. With the merger, Sallie Mae then entered into an agreement to perform both guarantor and loan servicing. Any time an organization or business undergoes a major change or shift in its vendor relationships, there can be cause for concern. In our case, however, this was not the situation.

Today, post-merger world, the combined strength of both companies has proven a major plus --- from service levels to technology --- for the University and our students.

I can sum up the reason for this in one word: **people**. Sallie Mae's staff provides a great service to our office, as well as to our families. I appreciate the relationships we have developed with senior management, as well as those with the regional representatives. Our school representatives, along with those at the school's help desk, make our loan processing transparent to our students.

All Sallie Mae staff is responsive when we have questions or need help support with our loan processing. Our families have an expectation of a certain level of service from our office and that same level of service is carried on by Sallie Mae staff to our students as they call in about their loans and repayment.

Butler is a mid-size university; we have slightly under 5,000 students. We are not on the top 100 schools for loan volume or a high profile school. In terms of customers, you might surmise that we are not a big school for any loan processor yet Sallie Mae does pay attention to our concerns and treats us as if we had a portfolio 10 times that which we have.

Sallie Mae staff takes an interest in us and our concerns. Sallie Mae representatives are available at any time to help us with a range of issue that comes up with processing student loans today. Sallie Mae has a wealth of resources available to help us with any aspect of student loan administration --- from the initial loan application, to changes in loan amounts, to repayment to consolidation questions.

Sallie Mae provides both federal and private loans to Butler University students. Its Signature Loan Program in particular has proven extremely useful for students needing additional financing sources in that it has an extremely high approval rate, as well as a very competitive interest rate.

In terms of technology, Sallie Mae is at the forefront. Its OpenNet loan delivery system has enabled Butler staff to more easily track loans; it simplifies loan applications; it makes changes easier to input; and it allows us to get funds to students on the exact day they need it. All of this makes for a much more efficient and effective financial aid office.

The goal of the Butler Office of Financial Aid is to make the financial aid process as **seamless and transparent as possible**. Sallie Mae has partnered with us to achieve these goals. The calls and questions in our office these days are not about how to process aid or a loan application; rather we are talking to families about other resources or counseling families on how to best finance their education. Equally important, students can concentrate on their studies and campus life.

I can tell you that while we did not actually “choose” Sallie Mae in the beginning, but rather opted to continue the relationship following the merger with USA Group in 2000, it has been an extremely satisfying relationship. The bottom line: Sallie Mae is about helping students and schools and putting their needs first.

Thank you.

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