



EduCap Statement in Response to New York Attorney General Findings

George C. Pappas, Senior Vice President of EduCap, issued the following statement in response to an initiative announced today by the New York Attorney General's Office to require disclosure of relationships between student loan lenders and college financial aid offices:

"EduCap agrees with the New York Attorney General's efforts to expose and end special relationships between student loan providers and colleges."

"EduCap does not engage in the practices that are the focus of the New York Attorney General's investigation. As a lender offering personal education loans directly to students and their families, not through the financial aid office, EduCap has felt the adverse effects of these relationships between university financial aid offices and lenders participating in the federal loan program. The two central elements to these practices are involvement by both a college financial aid office and a lender that provides government loans. EduCap does not provide these kinds of loans and does not have any agreements with college financial aid offices."

"EduCap supports passage of federal legislation that promotes competition, choice, and opportunity in student lending, enhances transparency, and targets federal subsidies to the students and families that most need help. We also support changes to the law to strengthen disclosures to students and families about their options for student loans and about relations between lenders and financial aid offices."

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About Loan to Learn

Loan to Learn is a program of EduCap Inc. EduCap pioneered the non-government guaranteed student loan industry in the late 1980s and launched the multi-billion dollar private education financing industry. Under the leadership of financial services entrepreneur Catherine B. Reynolds, EduCap has achieved an impressive number of "firsts" in the student lending arena, including the first nationwide credit-based student loan program, the first student loan securitization in Wall Street history, and the first program to provide access to affordable student loans as an employee benefit. For more information about Loan to Learn, please visit our Web site at www.loantolearn.com