



**PRESS RELEASE**  
**For Immediate Release**

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## **BRAZOS SUSPENDS PARTICIPATION IN FEDERAL LOAN PROGRAM**

**WACO, TX – [July 28, 2008]** – Brazos, the nation’s largest not-for-profit provider of federally guaranteed student loans, announced today that it has temporarily suspended lending in the Federal Family Education Loan Program (FFELP).

The Brazos lenders including **Academic Finance Corporation (AFC)**, **Brazos Student Lending** and **EFSI** have stopped accepting applications for Stafford, PLUS and GradPLUS loans. This decision comes after the Department of Education posted the final piece of information relating to implementation of *Ensuring Continued Access to Student Loans Act (ECASLA) of 2008 (P.L. 110-227)*.

“Time constraints caused by the short window between receiving final program documents and the deadlines to disburse loans have left us with no confidence that we can get money to students as soon as needed. We have simply run out of time to secure financing to disburse loans as soon as they are needed.” said Murray Watson, President and CEO of Brazos Higher Education Service Corporation, Inc. (BHESC). “What is important here is that students get the money they need to go to school. To delay our decision any longer could have serious financial consequences for students, parents and schools. We felt we needed to give everyone sufficient notice so they can make other loan arrangements prior the start of the fall semester.”

Last month, Brazos began accepting applications for the fall semester based upon early ECASLA information released by the Department. “After suspending our FFELP participation earlier this year, we felt confident that the short-term liquidity plan established under the Act would provide a way for us to continue helping students achieve their educational goals,” said Watson. “Unfortunately, to date, that has not proven to be the case. We are continuing our negotiations with funding providers in hopes we will be able to return to lending later this school year.”

### **About Brazos**

Brazos is a term used to refer to a group of not-for-profit corporations that contract with and are managed by Brazos Higher Education Service Corporation, Inc. (BHESC). BHESC provides administrative support and employs all of the staff that performs the accounting, servicing and marketing activities for each of the companies. For more than 32 years, Brazos has facilitated the financing of postsecondary education, making it a reality for thousands of students nationwide. The Brazos companies combined hold the distinction of being the #1 not-for-profit holder of federally guaranteed student loans in the United States, with assets in excess of \$15 billion.

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