

RESOLUTION  
Of The  
MONTANA BOARD OF REGENTS

Relating to the Student Loan Program in Montana

WHEREAS, under section 20-26-1103, MCA, the Board of Regents of the Montana University System (BOR) has the statutory responsibility to manage the Montana Guaranteed Student Loan Program and, as guarantor, has general oversight over the student loan industry in Montana; and

WHEREAS, the BOR is committed to access to higher education and affordability for Montana students and believes that a critical aspect of that is the ready availability of affordable student loans; and

WHEREAS, Montana's Guaranteed Student Loan Program is a public partnership between the government of the state of Montana and the federal government, which acts through various public and private entities; and

WHEREAS, the federal government authorizes a limited amount of tax exempt bonds to Montana from which the state has historically provided 26%, plus such carry-forward amounts, of tax exempt bond authority as deemed appropriate by the State of Montana for student loans, demonstrating commitment to providing low cost loans under the student loan program; and

WHEREAS, despite the fact that there are current significant financing difficulties in the national student loan industry which have reflected themselves in Montana, appropriate actions have been taken such that Montana student loans will be available for the next academic year; and

WHEREAS, because of changes in the national student loan industry, certain financing abilities have been constrained, including some constraint on the ability of Montana students to consolidate their student loans; and

WHEREAS, a proper balance between student benefits and financial risk is a goal to which the BOR aspires; and

WHEREAS, the boards of the Student Assistance Foundation (SAF) and the Montana Higher Education Assistance Foundation (MHESAC), have requested assistance from Congress to help solve the credit problems that face the student loan industry nationally and here in Montana; and

WHEREAS, Montana's U.S. Senators Max Baucus and Jon Tester have, in turn, requested information about the operation of student loan programs in Montana; and

WHEREAS, students, parents, and the general public of Montana, as citizens and taxpayers, have a proper vested interest in adequate public involvement, oversight and accountability in the operation of a sound and balanced student loan program in Montana; and

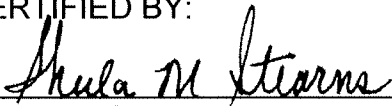
WHEREAS, the BOR has responded to questions about the student loan program in Montana by appointing a task force to address those problems and has unanimously accepted the recommendations of that task force;

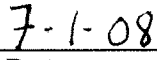
NOW, THEREFORE, BE IT RESOLVED that the Board of Regents of Higher Education:

1. Reaffirms its commitment to a quality higher education system that is accessible and affordable to Montana students, including its commitment to the ready availability of affordable student loans through a sound and balanced student loan program; and
2. Supports SAF's recommendation for the enactment by Congress of legislation requiring the Secretary of Education (or other federal agencies) to provide Standby Loan Purchase Agreements with respect to the financing of Federal Family Education Loan Program (FFELP) loans in the private sector; and
3. Directs the Commissioner of Higher Education to prepare a detailed, specific and complete draft response to all of the inquiries of Senators Baucus and Tester for the review and final approval by the Board of Regents as a way to assist the Senators in supporting the aforementioned federal legislation, and requests that MHESAC and SAF provide such data as is necessary to assist the Commissioner in preparation of such report; and
4. Agrees, upon review and deliberation, to consider supporting passage of appropriate legislation by the 2009 Montana Legislature to provide public involvement, oversight and accountability of the student loan program in Montana; and
5. Recognizes the efforts of the BOR Task Force on Student Loan Issues and affirms its continued support of the task force recommendations that were unanimously accepted by the BOR on March 6; 2008.

THE BOARD OF REGENTS, having considered the above Resolution in a telephone conference call, properly noticed meeting of the Board of Regents held on April 29, 2008, adopted said Resolution by the following votes: Regents voting in favor were: Stephen Barrett, Lynn Morrison-Hamilton, Clayton Christian, Kerra Melvin and Lila Taylor. Regents voting against were Todd Buchanan and Janine Pease.

CERTIFIED BY:

  
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Sheila M. Stearns  
Commissioner of Higher Education  
Secretary of Board of Regents

  
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Date