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College Savings Foundation Convenes Summit Addressing Short-Term College Credit Crisis and Long- Term Lending Landscape

Assistant Secretary of Education Diane Auer Jones To Headline

Washington, DC, May 13, 2008—On the brink of the biggest loan and credit crisis higher education has ever seen, the College Savings Foundation (CSF), a nonprofit whose mission is to help American families achieve their education savings goals, is gathering decision makers from government, academia and finance for the first time to discuss the possibility that many families and students may not be able to pay their tuition bills this summer and that the long-term lending landscape for college financing will be forever changed. **“Perspectives on College Access, Savings and Debt”** will be held at the Capitol View Conference Center, 101 Constitution Avenue, NW, Chamber Room, 9th Floor, on May 21, 2008 from 1:00-5:30 p.m.

Diane Auer Jones, assistant secretary for postsecondary education at the U.S. Department of Education, will open the Summit with an update on the Department’s and Congress’ initiatives to ensure that American families have access to affordable loans and funding for their children’s college education. “This is a critical moment in history for Americans seeking higher education and no better time to forge solutions to this crisis,” she said.

In the face of the perfect college financing storm that is bearing down on American families as over 50 major private lenders and numerous state loan authorities have ceased making student loans, CSF Vice Chairman Peter Mazareas, said, “In the short term, public and private decision makers need to collaborate to devise solutions so that families’ dreams aren’t dashed. In the long term, we envision a silver lining emerging from these stormy times as families recommit to saving for college rather than borrowing and that Congress will continue to promote savings while developing more effective loan programs.”

Although growing numbers of colleges are applying to participate in the Federal direct loan program in which students borrow from the government, it won’t be enough to make up for the amount of pure private funding that parents have historically relied on to either fund college or close gaps in student financing packages, Mazareas says.

As the pool of private funding has substantially diminished, the cost of college has swelled. While Ivy League and other heavily-endowed schools have been digging into their endowments to offset costs for students through financing, grants and rolling back tuition, some 8,000 other schools rely on tuition.

“Many families may be faced with heartbreaking choices like the best school versus the more affordable school or no school at all,” said Elizabeth K. Fontaine, Deputy Executive Director, Massachusetts Educational Financing Authority and a CSF member. “We will see private lenders raise the rates for families with low credit scores to manage risk or simply turn them down all together.”

In CSF’s 2007 report on “The State of College Savings,” <http://www.collegesavingsfoundation.org/pdf/CollegeSurveyV8.pdf>, the group warned of the impending danger in parents treating college financing as a second mortgage and encouraged families to save early, often and strategically.

Summit Agenda:

1:15 Opening:

The Honorable Diane Auer Jones, Assistant Secretary of the Department of Education

1:30 The College Crisis: Tuition prices and rising costs

Sandy Baum, Professor of Economics, Skidmore College and Senior Policy Analyst at The College Board

Michael McPherson, President, the Spencer Foundation

Moderator: Peter Mazareas, Vice Chair, College Savings Foundation

2:30 The State of College Financing: The impact of the credit crunch, loan availability and financial aid uncertainty

Kathleen Smith, President, Educational Finance Council

Justin Draeger, Assistant Director for Communications, The National Association of Student Financial Aid Administrators

Moderator: Elizabeth Fontaine, Member, College Savings Foundation

3:30 The Future: Innovative ideas and solutions

James Delaplaine, Partner, Davis and Harman

Joe Hurley, CPA and Founder, Savingforcollege.com

Pamela Perun, Policy Director, Aspen Institute, Initiative on Financial Security (“IFS”), Author “Towards a Sensible System for Saving”.

Moderator: Bruce Harrington, Member, College Savings Foundation

4:20 Roundtable discussion with all panelists

5:45 Reception

For more information on CSF: www.collegesavingsfoundation.org.

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