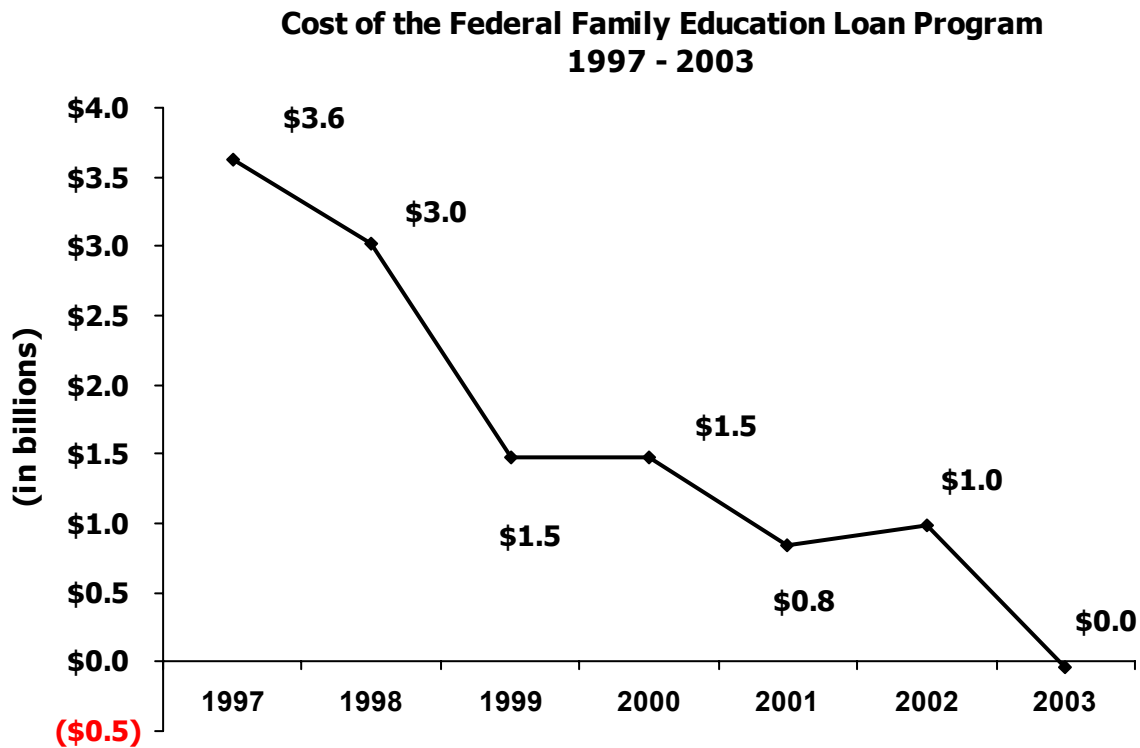


The cost of the FFELP to taxpayers has declined sharply since FY 1997. On a cash basis since 1999, the Federal government has spent more on the FDLP each year than on FFELP. In FY 2003, the FFELP supported \$213 billion in student loans at no net cost to taxpayers. In fact, since FY 2001, the Department of Education has *reduced* funding for the FFELP program \$12 billion because it *overestimated* the cost to taxpayers of the FFELP. The declines in FFELP costs since 1997 have occurred while the number of borrowers has increased 63 percent and loan volume has increased 82 percent.



Source: FFELP spending - actual cash outlays from DE. Federal Student Loan Data Book FY 1997-FY 2000, Table 1, adjusted to include all default collections; FY 2001 and FY 2002 from the Department of Education; FY 2003 from the FY 2005 President's Budget Appendix; FFELP costs adjusted to constant dollars using deflators from FY 2005 President's budget, Historical Tables, Table 10.1, deflators for payments to individuals.

For more information, contact America's Student Loan Providers,
<http://www.studentloanfacts.org>