

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

(202) 225-2011

February 28, 2008

The Honorable Ben S. Bernanke
Chairman of the Federal Reserve
Board of Governors
Twentieth St. and Constitution Ave.
Washington, DC 20551

The Honorable Henry M. Paulson, Jr.
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20220

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The Honorable Margaret Spellings
Secretary of Education
U.S. Department of Education
400 Maryland Ave. SW
Washington, DC 20202

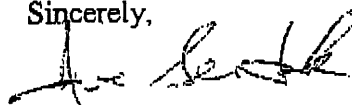
Dear Chairman Bernanke, Secretary Paulson and Secretary Spellings:

I write to express my strong concern over growing issues in the capital markets that have the potential to curtail availability to and increase costs for student loans under the Federal Family Education Loan Program (FFELP).

I believe that education is a key pillar supporting our Country's long-term national security. In that regard, I have made improving access to and affordability of college education one of my priorities. I have fought to reduce reliance on and the burden of student loans through provisions in the College Cost Reduction and Access Act. At the same time, I understand the importance of available and affordable student loans in the total mix of financing options open to students and their families.

That is why I am so troubled by the short- and potential long-term impacts on federal student loans of the recent disruptions in the capital markets. In Pennsylvania, the Pennsylvania Higher Education Assistance Agency has a long history of innovative and essential support for students and educational institutions. Its ability to continue this support is threatened by the recent shut-down of access to capital markets in an orderly and cost-effective fashion. I understand that at the root is a much broader crisis of investor confidence striking all areas of structured finance. However, I would ask that your organizations cooperatively use their existing authorities to provide liquidity and availability of alternative financing sources for the important and lower risk area of federally funded student loans. Thank you for your attention to this matter.

Sincerely,



Joe Sestak