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**COHEAO To Fight Budget Plan to Eliminate Perkins Loans**  
***Coalition of Higher Education Assistance Organizations Vows to Stand up for Students***

(Washington, DC) – On behalf of the millions of students who need financial aid for higher education, members of the Coalition of Higher Education Assistance Organizations vowed to stop the elimination of the Federal Perkins Student Loan Program as called for in the President's Fiscal Year 2007 budget request to Congress.

If enacted into law, this misguided budget proposal would take away loans from half a million students each year by eliminating funding for the low-cost Perkins Loan program and forcing colleges and universities around the country to send \$6 billion in financial aid funds to Washington. COHEAO will take its case to Congress to demonstrate the need and importance of these loans, which will carry interest rates and loan cancellation opportunities that are far better than other types of student loans.

"It is widely accepted that education is the key to the American dream; Congress must not lock that door and throw away the key," said COHEAO President Alisa Abadinsky. "Failure to protect our investment in our students' future could have astronomical social and economic costs."

The administration's rationale for eliminating Perkins Loans is based on the highly suspect "Program Assessment Rating Tool" (PART) which claims the program is both duplicative and redundant to other loan programs. But, according to the Government Accountability Office, "There is limited evidence to date of the PART's influence on outcome-based program results."

"The Perkins program is one of the most efficient ways to use federal resources – schools partly match federal capital, and all the money is recycled into loans for future generations. Students need Perkins more than ever. The alternatives to pay for education for the 500,000 students who will get Perkins this year are credit cards and expensive private loans," said Harrison Wadsworth, COHEAO executive director.

Since it was launched in 1958 by the National Defense Education Act, the Perkins Loan Program (formerly known as National Defense Student Loans and National Direct Student Loans) has proven both its effectiveness and efficiency in securing college access for generations of Americans. The program has provided \$25.7 billion to 25 million students from a federal contribution of only \$7.8 billion. Eliminating this program would close the door of opportunity on America's students most in need.

The Coalition of Higher Education Assistance Organizations is a partnership of over 300 educational and commercial members that promotes access to postsecondary education. Our focus is on legislative and regulatory advocacy for Federal Perkins loans and other campus-based student loan programs. <http://www.coheao.com/perkinframe.html>