



Sonny Perdue
GOVERNOR



Georgia Student Finance Commission
Georgia Student Finance Authority
Georgia Higher Education Assistance Corporation
GAcollege411

Timothy A. Connell
PRESIDENT

August 10, 2009

RE: Suspension of State Funded Service Cancelable Loan Program

Dear Colleagues:

On July 21, 2009, the Governor's Office of Planning and Budget issued budget instructions to all agency heads and fiscal officers instructing each agency to withhold 5% from all allotment requests beginning with August 2009. In addition, the instructions advised agencies to anticipate and prepare plans to reduce their budgets by as much as 8%.

In anticipating such reductions, GSFC is reluctantly announcing that it will suspend the state funded service cancelable loan program for the 2009 - 2010 fiscal year. This suspension is effective immediately and will impact the following programs:

- All service cancelable loans made by GSFA under the Federal Family Education Loan (FFEL) Program (Lender ID 833624) including the following sub programs/fields:
 - Allied Health Related Fields.
 - Nursing Programs, the Ladders in Nursing Careers Program, and the Department of Human Resources Nursing Program.
 - The Intellectual Capital Partnership Program (ICAPP).
 - Agriculture Education.
- The Georgia National Guard (GANG) Service Cancelable Loan Program.
- The Northeast Georgia Health Systems Nursing Program.
- The Registered Nurse Service Cancelable Loan Program.

Because we do not know the extent of the budget reductions at this time, all applications and loans for the above referenced programs for the 2009 - 2010 academic year will be cancelled. Should funding for the program become available, GSFC will notify eligible postsecondary institutions as soon as possible.

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Please note that this action affects only the \$3,189,883 for Service Cancelable Loans which is contained in the GSFC state budget. The suspension of this program does not in any way affect standard FFEL loans made by GSFA (Lender ID 822573), nor does it affect any lottery funded service cancelable loan programs.

We appreciate your cooperation and support throughout this process. Please know that we will continue to work closely with all stakeholders to help manage these anticipated reductions in a manner that least impacts students and schools. If you have any questions or concerns, please contact Mr. Tracy Ireland, Vice President of Financial Aid Operations directly at (770) 724-9066 or via email at tracyi@gsfc.org.

Sincerely,



Timothy A. Connell