

FOR IMMEDIATE RELEASE:

Feb. 24, 2014.

CONTACT:

Carolynn Bright
Communications Officer
(406) 495-7506

SAF, Tru Student Implement Operations Improvement Strategy in Response to Changes Related To Federal Budget Deal

Helena-based Student Assistance Foundation (SAF) and its subsidiary, Tru Student, Inc. have been informed they will not be receiving an expected contract to service federally owned Direct student loans as a result of the December passage by Congress of the Bipartisan Budget Act of 2013 that set annual spending levels of for federal FY 14.

“This comes as a disappointment to our companies given that we have been expending effort and capital preparing for this contract with the U.S. Department of Education for the past three years,” said Jim Stipcich, chief executive officer and president of SAF and Tru Student. “At this time, we are faced with making operational changes due to the loss of this anticipated business line.”

According to Stipcich, his senior management team has been working diligently to eliminate costs associated with the effort to implement the federal student loan servicing project, along with achieving operational effectiveness and process improvement. That activity will involve a reduction in operational costs, changes to the companies’ employee benefit program, and early retirement opportunities for select staff. If necessary, additional staff reductions will take place.

“Despite this changed business environment, SAF and Tru Student will continue to deliver the high quality service our customers and clients have come to expect. In addition, our companies will continue to develop our other business lines associated with the servicing of Federal Family Education Loan (FFEL) program loans, and private educational loans,” Stipcich said. “We would like to emphasize that SAF will continue its good work on behalf of Montana students and families, providing them with the knowledge and tools to pursue and fund postsecondary education.”

For the past 13 years, SAF has used proceeds from its student loan servicing business and fundraising efforts to offer a range of programs that include grants, scholarships, community outreach, counseling and more. To date, SAF has delivered more than \$27 million in public benefits.

“The management and staff of SAF and Tru Student are committed to our charitable mission, and as a business, we are committed to evolving with the industry to ensure ongoing success,” Stipcich said. “It is through this success that we will continue to support Montana students’ dreams of higher education well into the future.”

SAF and Tru Student currently employs 195 Montanans and provides high quality customer service to the student loan portfolios it services under 26 contracts with student loan holders across the nation totaling more than \$2.9 billion, comprised of more than 337,000 loans involving more than 140,000 borrowers.

Student Assistance Foundation is a 501(c)(3) nonprofit Montana corporation that provides students with knowledge and tools to pursue and fund their postsecondary education. Funds generated by SAF and Tru Student's servicing business and SAF's fundraising activities are returned to Montanans in the form of education grants and public benefit programs - to date more than \$27 million.

For more information, visit www.safmt.org or www.SmartAboutCollege.org.