

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF STUDENT
ASSISTANCE FOUNDATION OF MONTANA RELATING TO ACCESS TO
STUDENT LOANS**

Adopted effective April 9, 2008

WHEREAS, the Board of Directors of the Student Assistance Foundation of Montana (“SAF”) is concerned about access to student loans for the students of Montana and across the United States; and

WHEREAS, the Federal Family Education Loan Program (the “FFEL Program”) and its private-public partnership currently provides approximately 80% of the federal student loans in the United States, including student loans made in Montana; and

WHEREAS, the combined impact of the current status of the financial markets and legislation recently adopted by Congress threaten the ability of the private sector to provide capital to the FFEL Program; and

WHEREAS, through the cooperative efforts of the office of Governor Schweitzer, Montana schools, Montana lenders, the Montana Guaranteed Student Loan Program and the Montana Higher Education Student Assistance Corporation, monies have been raised prior to the current financial crisis to provide Montana students with FFEL Program student loans for academic year 2008-09; and

WHEREAS, notwithstanding these efforts, concerns still exist over whether all Montana students will have access to student loans for post-secondary education. Such concerns include doubts as to the ability of Montana student loan program participants to raise funds for academic year 2009-10 and beyond; and

WHEREAS, members of Congress have recently introduced various bills (including bills that would provide for the Secretary of Education to commence purchasing of FFELP Loans) in an attempt to assure access to student loans; but such proposed legislation is unlikely to result in new capital for federal student loans, and thus would not be expected to provide the desired assurances; and

WHEREAS, it is believed that increased capital for federal student loans can be achieved with more efficiency and effectiveness than that provided for in proposed legislation through the simple expediency of the Secretary of Education (or other federal agencies) providing standby loan purchase agreements (“Standby Loan Purchase Agreements”), pursuant to which the Secretary of Education (or other federal agencies) would agree to purchase FFELP Loans from participants in the private sector under certain circumstances, thus enabling such participants to access new capital for FFELP Loans; and

WHEREAS, it is believed by the Board that action by the Federal government is necessary to ensure access to federal student loans (including both FFELP Loans and Direct Loans) and that such action is essential to permit all U.S. students to pursue post-secondary education;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Student Assistance Foundation of Montana as follows:

1. SAF supports and recommends the enactment by Congress of legislation requiring the Secretary of Education (or other federal agencies) to provide Standby Loan Purchase Agreements with respect to the financing of FFELP Loans in the private sector.

2. SAF recommends that the Governor of Montana, the Montana Board of Regents, Montana's Post-Secondary Education Schools and Montana's students become informed and actively engaged in the efforts to ensure continuing access to student loans.

3. SAF authorizes and directs each of its officers and employees, and its counsel, to carry out or cause to be carried out, and to perform, such actions as they, in consultation with counsel to SAF, shall consider necessary or advisable in connection with these Resolutions.

The foregoing Resolutions of Student Assistance Foundation of Montana were adopted and approved by the Board of Directors of SAF on April 9, 2008.