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Iowa Student Loan/Aspire Ends Contract As Direct Loan Servicer
*Company Redirects Focus to New Student Loan Servicing Opportunities and
Programs to Benefit Iowans*

WEST DES MOINES, IOWA (July 13, 2015) — Iowa Student Loan, an Iowa-based nonprofit corporation, and its wholly-owned subsidiary, Aspire Resources Inc., announced today the receipt of approval from the U.S. Department of Education to implement an agreement to transfer responsibilities for servicing federal student loans within the William D. Ford Federal Direct Loan Program (Direct Loan) currently serviced by Aspire to the Missouri Higher Education Loan Authority (MOHELA). Once the transfer is complete later this year, the Aspire contract with the Department will terminate. The current contract includes work performed in Iowa on behalf of Aspire, Iowa Student Loan, and partner not-for-profits in Colorado, Rhode Island, and Kentucky.

In 2012, Iowa Student Loan and Aspire began servicing Direct Loans on behalf of the U.S. Department of Education under a contract enabled by Congressional action taken to expand the pool of providers of customer service to federal student loan borrowers. Iowa Student Loan began servicing Direct Loans with the vision of expanding local employment and building a revenue stream over time that could be invested into nonprofit, mission-related programs for Iowa students and families.

“We invested very significant resources into becoming eligible for and performing this work but the additional account volumes necessary to achieve efficiencies to make this venture viable have not been realized,” said Steve McCullough, Iowa Student Loan president and CEO. “Programs directly benefitting Iowans rather than this work for the federal government

will have our full attention going forward.”

During the summer, Iowa Student Loan will transfer all federal Direct Loan borrower accounts to MOHELA. This process, when completed will result in a reduced Iowa workforce from the current 300 employees to an organization of approximately 240 employees.

“Being forced to cut jobs is an extremely difficult and disheartening task, and it’s disappointing that administration of the program did not live up to goals described when the legislation was approved by Congress in 2010,” McCullough said. “We are proud of our Iowa team’s effort to improve customer service for federal borrowers. We will use the knowledge and skills gained in this endeavor to expand work in other student loan related areas. Our boards and management team are working overtime on the development of other, more promising future loan servicing opportunities and programs designed to fulfill our mission of ensuring Iowans succeed in postsecondary education.”

The MOHELA transfer agreement will allow Iowa Student Loan to utilize its resources to help ensure existing smart borrowing educational programs and initiatives and funding for necessary supplemental student loan programs and other needed initiatives to help Iowans succeed in postsecondary education will remain available and can be strengthened in the future, a large part of the nonprofit’s mission.

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About Iowa Student Loan

Since 1979, Iowa Student Loan, a private, nonprofit organization, has helped Iowa students and families obtain the resources necessary to succeed in postsecondary education. Iowa Student Loan has helped more than 386,000 students pay for college. The organization, based in West Des Moines, Iowa, also provides an array of borrower benefits, financial literacy tools and community reinvestment programs, including support for free college planning services for students and their families. For more information about Iowa Student Loan, visit www.IowaStudentLoan.org.