Press Release

Not-For-Profit Student Loan Providers: A Primer

ALLIE WATSON | NOVEMBER 18, 2025

The long-standing debate about how to address the cost of higher education in the United States intensified when the Biden Administration made the already troubled federal student loan system more generous and, more recently, when the One Big Beautiful Bill tightened it. These changes spurred fears that students seeking financing would have to turn to more costly private lenders. In a new primer, Director of Financial Services Thomas Kingsley and Director of Fiscal Policy Jordan Haring provide an overview of state-based not-for-profit lenders (NFPs), highlight the regulatory and economic challenges these organizations face, and explain why they remain a compelling option for certain student borrowers.

They conclude:

> *While not-for-profit student loan providers no longer sit at the center of the higher education finance system, their continued existence serves as a reminder of an alternative lending model that places borrower welfare and community investment above shareholder return. These entities are under an existential threat, however, and the path forward is narrow. In a student loan ecosystem increasingly shaped by federal dominance, regulatory complexity, and political polarization, NFPs must balance mission fidelity with operational resilience. Their future will depend not just on sound financial management, but on policymakers' willingness to preserve a diverse and mission-driven student loan lending environment.*

Read the analysis.