

October 1, 2008

The Honorable Jim Cooper
U.S. House of Representatives
1536 Longworth House Office Building
Washington, DC 20515

Dear Congressman Cooper:

I write to proudly announce a significant step the university is taking to make a Vanderbilt education more accessible for all talented undergraduate students. Like you, we are committed to ensuring that academically qualified students across the country have access to education regardless of their financial situation.

Our ability to attract and enroll bright, engaging young people of all backgrounds ensures that a multitude of differing perspectives, ideas, and experiences will continue to contribute to this great university. Ultimately, our goal is to provide an unparalleled educational experience for all deserving students so they may enter the global arena prepared to lead and serve. The Vanderbilt experience must therefore be a place where connections and relationships form across race, culture, faith, and socioeconomic class.

For many years, Vanderbilt has employed a “need-blind” admissions approach in which students’ applications are reviewed and evaluated on the basis of a number of factors, such as character, academic endeavors, leadership, extracurricular activities, standardized test scores, and community involvement, to mention a few. A family’s income level and ability to pay, however, are not factors that are considered nor even known by the admissions reviewers in determining a student’s acceptance; thus making the process “need-blind.”

In 2001, Vanderbilt began implementing an aggressive debt reduction program for qualified undergraduates. The result has brought about a twofold competitive advantage: total student indebtedness has declined and admissions selectivity has increased each year to record levels of diversity and academic achievement.

These strategies have now made possible the final dramatic step in our enhanced financial aid initiative: the elimination of need-based loans and their replacement with Vanderbilt grant and scholarship assistance in the financial aid packages offered to undergraduates.

The Enhanced Financial Aid Initiative at Vanderbilt

It is critical that Vanderbilt take steps to increase access for highly capable and deserving students. Quite simply, this is the right thing to do. Our values tell us that ability, achievement,

and hard work – not family income – should determine access to a great education for leadership and service in life. The investments in financial aid over the past several years have yielded increased quality and diversity among our students, while reducing the indebtedness of our graduates. This effort will yield the best possible living and learning environment at Vanderbilt for all students. Furthermore, it will allow graduates to make decisions about career choices and future study without concern about undergraduate debt.

Vanderbilt took a broad look at its own strategic use of financial aid, considered many responses to the changing marketplace, and concluded a policy based on demonstrated need was necessary. We chose this approach because we know there are deserving students from a range of incomes with financial need who rule out Vanderbilt. There are many factors (e.g., sibling(s) in college, medical expenses, geographic location, etc.) besides income that should be considered when determining a student's financial need. This methodical approach based on demonstrated need will increase access to Vanderbilt for the greatest number of low and low-middle income students.

Financing the Enhanced Financial Aid Initiative

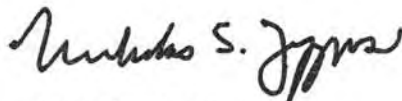
Vanderbilt has created a plan to finance the initiative relying on three sources of funding. The primary source will be existing available endowment funds for financial aid resources. The second source will be new endowment earnings from additions to the endowment, generated by Vanderbilt's *Shape the Future* campaign and additional giving specifically for need-based aid. To fully realize Vanderbilt's plans to eliminate need-based loans, we will seek \$100 million in endowment gifts and pledges from alumni, parents, and friends explicitly for this program. The third source will come from a proposed increase in the endowment payout rate.

Implementation Plan

The Enhanced Financial Aid Initiative will be implemented in full beginning in the fall of 2009, with all new and returning students with demonstrated need receiving institutional grants as opposed to need-based loans beginning in fall 2009. However, it is important to note that students and their families will still be eligible for non-need-based loans. In a good faith effort to our current seniors set to graduate in May 2009, we have also decided to replace their need-based loans with institutional grants for the spring semester.

I hope you share my enthusiasm about this new initiative, which marks an even stronger commitment to opening Vanderbilt's doors to a diverse pool of academically talented students. As we implement this initiative, I look forward to sharing with you updates regarding the initiative's impact. In the meantime, I appreciate your continued strong support of access to higher education for all students.

Sincerely,



Nicholas S. Zeppos
Chancellor