
SALLIE MAE RESTRUCTURING TO WIPE OUT 2,500 JOBS



Sallie Mae is cutting 2,500 jobs, despite reporting a quarterly profit Wednesday, because of a change in student loan laws. The 45-year-old Federal Family Education Loan Program (FFELP), which provides federal subsidies to private student lenders, is coming to an end this quarter through a bill approved by Congress and signed into law by President Barack Obama. Sallie Mae said, as a result, there has been a complete restructuring of the company's business model that makes the job cuts inevitable. Sallie Mae earned \$240.1 million, or 45 cents per share in the first quarter, compared with a loss of \$21.4 million, or 10 cents a share, last year. Sallie Mae spokeswoman Martha Holler said about half of the positions will be gone by the end of the year with the balance to be terminated by the end of 2011.

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