
SALLIE MAE FACES THOUSANDS OF LAYOFFS



WSJ: Despite its recent commitment to creating jobs associated with its move to Delaware, SLM Corp. will eliminate thousands of jobs across the board. The company known for its loans to college students announced it's "growing in some areas and shrinking in others." The area it is shrinking in, apparently, is the one that has all the employees. Sallie Mae did warn that the cuts were coming. This spring it said that as many as 2,500 of its 8,600 employees were in danger of losing their jobs. Recent legislation and regulation has put a significant strain on the student loan business. In fact, this very Thursday a law was enacted that takes loan origination reins from the hands of private, government and university endorsed lenders and puts them smack dab in the middle of Uncle Sam's palms. The hit to lenders', like Sallie Mae, profits will be hard. The company has plans to now focus on private lending and other fee-based services.

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