



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Division of Financial Practices
Bureau of Consumer Protection

Peggy Twohig
Associate Director

July 7, 2008

VIA FIRST-CLASS MAIL

Christine Varney
Hogan & Hartson LLP
Columbia Square
555 Thirteenth St, N.W.
Washington, D.C. 20004

Re: Ed Loan Funding, Inc. d/b/a Education Loan Funding
Matter No. 072-3186

Dear Ms. Varney:

As you know, the staff of the Federal Trade Commission ("FTC") conducted an investigation of Ed Loan Funding, Inc. d/b/a Education Loan Funding ("Ed Loan Funding") for possible violations of Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45 *et seq.* The investigation concerned the seal/logo which appeared on solicitation letters sent by Ed Loan Funding that caused consumers to believe that the letters were by or on behalf of the United States government or a United States government agency. In the solicitations, the Ed Loan Funding seal/logo is a tree in a circle that looks very much like the insignia of the Department of Education. Nowhere in the direct mail solicitation to prospective borrowers did Ed Loan Funding disclose that it is not affiliated with the Department of Education or any other United States government agency.

It is the FTC's understanding that Ed Loan Funding ceased using the seal/logo after April 2007, prior to the staff commencing its investigation. The fact that the seal/logo has not been used for over a year in solicitations impacts our decision to close this investigation. However, if in the future, Ed Loan Funding sends out solicitations similar to Attachment A and/or that in any way consumers can take away the claim that the company is affiliated with the United States government or with an agency of the United States government, then Ed Loan Funding must clearly and prominently disclose that it is not affiliated with either the United States government or any United States government agency. As you know, there is no specific formula for determining whether a disclosure is clear and prominent. Instead, the FTC applies a performance standard. In other words, the disclosure must be one that consumers notice and understand. *See e.g., Dot Com Disclosures Information About Online Advertising*, available at <http://www.ftc.gov/bcp/online/pubs/buspubs/dotcom/index.pdf>; *see also, Federal Trade*

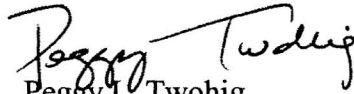
Ms. Christine Varney

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Commission, Staff Comment to the Department of Health and Human Services Food and Drug Administration, In the Matter of Request for Comment on First Amendment Issues, Docket No. 02N-0209, Sept. 13, 2002, available at <http://www.ftc.gov/os/2002/09/fdatextversion.pdf>, pp. 15-16.

The closing of this investigation is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Sincerely,



Peggy L. Twohig
Associate Director
Division of Financial Practices

Education Loan Funding
1010 Turquoise Street, Suite 320
San Diego, CA 92109



THIRD ATTEMPT



If you have not consolidated all of your federal student loans, your interest rates may be subject to increase. This change may result in significantly higher monthly payments.

Please note: This is the third attempt to contact you regarding your student loans. You are pre-approved for a Federal Consolidation loan up to \$25,000. However, failure to respond promptly could result in a higher interest rate and increased monthly payments.

- To prevent this increase, please follow the instructions below:
1. Call **1.800.488.8605**
 2. **Speak to a Loan Consultant** who can access your student loan information and answer your questions.
 3. Complete an application over the phone in **less than 5 minutes.**

Hours of Operation:
Monday-Friday: 10AM to 10PM (EST)

You can choose to stop receiving "prescreened" offers of credit from this and other companies by calling toll-free 1-888-5OPT OUT. See PRESCREEN & OPT-OUT NOTICE on other side for more information about prescreened offers.

