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The Missouri General Assembly failed to pass the Lewis and Clark Discovery Initiative, which planned to spend around \$450 million to beef up higher education in the state, primarily through the construction of college buildings.

Related legislation proposed selling loans from the Missouri Higher Education Loan Authority as a means of funding the initiative.

Last Friday marked the close of the state's legislative session; as of that date, MOHELA did not have the ability to transfer funds to colleges or to the state.

Single Holder Rule in Jeopardy

Amid protests from student interest groups and a wave of media backlash, Congress has been debating the abolition of the single holder rule for education loans.

This rule prohibits students who use only one education lender from consolidating their student loans with a different lender of their choosing.

The House of Representatives voted to repeal the rule a month ago; the Senate is set to examine the related bill, S. 1614, this year.

A representative from the Senate Committee on Health, Education, Labor, and Pensions said that although the bill is on the Senate calendar, there is no specific date set for it to be discussed on the floor. Still, she said, they hope to bring S. 1614 to a vote this year.

The College Access & Opportunity Act entails several amendments to the Higher Education Act. With its passage, supporting lawmakers hope to provide students from low- and middle-income families some relief from rising tuition fees.

Loans Soar at U. of Hawaii

UH-Manoa and UH-Hilo, the two largest campuses in the University of Hawaii system, reported a soaring increase in the total amount of money owed by students to the federal government in the form of federally guaranteed student loans.

While UH-Manoa's federal loan count is estimated at \$50 million, a 92-percent increase since 2001-02, UH-Hilo's students received \$6.9 million, a 115-percent increase from 2002. Both the colleges saw a fivefold increase in private loans in the five-year span.



Also, the enrollments at the University rose three points to 18 percent, while the tuition fee hiked up five points to 12 percent. The Hawaiian Bank has started offering loan option in all its 62 branches, which was restricted to only the University branch five years back.

Although 135,000 students were eligible for the grants last year, only 22,500 students received this aid.

UGA Students Borrowing More

Students at the University of Georgia are borrowing more money than they did 10 years ago—roughly keeping pace with students nationwide—even though Georgia's HOPE Scholarship pays undergraduate students' tuition if they keep up their grades.

The amount of money UGA students borrow has been climbing seven times faster than the university's enrollment since the early 1990s.

UGA enrollment increased by 10.5 percent from 1994 to 2004, while the number of loans awarded to UGA students increased by 18.8 percent. During the same period, the total amount UGA students borrowed increased by 75 percent, from \$52.4 million to \$91.7 million.

According to an Athens Banner-Herald interview with financial aid director Susan Little, in the spring of 2005, the average loan debt for graduating seniors at UGA was \$13,000.

"We don't see a lot of movement in that figure," Little said.

Katrina-Related Forbearance Ends

Following Hurricanes Katrina and Rita's destructive advent on the Gulf Coast, the Department of Education declared a special forbearance period for borrowers affected by the natural disasters.

That administrative forbearance officially ended on May 1, and the borrowers in question have once again entered repayment.

Originally, the forbearance was effective from the time of the hurricanes through February 28, 2006. That date was later extended to April 30, 2006.

Borrowers needing additional time to make payments should contact their loan holders to request further forbearance.