

## “Best Practices” for New Act

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The 2006 Deficit Reduction Act has left little time and much work for lenders and administrators.

Fortunately, an industry group has published several guides to fully explain the changes and how they will affect student loans.

These question-and-answer documents are approved by the National Council of Higher Education Loans Programs and the Student Loan Servicing Alliance, among other organizations.

The documents include many helpful guidelines provided by experts in different parts of the student loan industry.

As the language of the Deficit Reduction Act is will require careful inspection and responsible interpretation by student loan-industry professionals, administrators are advised to await complete instructions from the Department of Education. However, the “Best Practices” guides give good advice for the interim.

### BP Scholarships Total \$2M

Residing in and around New York, 80 recent high school graduates and returning college students will be awarded with \$112,000 in scholarships by BP America, in partnership with operators of BP retail outlets. The scholarships are awarded to a diverse group of students based on academic performance, personal essays, work experience, individual goals, extra-curricular activities, and demonstrated financial need.

Providing more than \$2 million for nearly 1400 scholarships to students in Manhattan and Long Island, the BP Community Scholarship Program is now in its 18th year. The program also operates in major BP markets in Chicago and Washington, D.C.

### House Brings New HEA Bill

The House Committee on Education and the Workforce introduced another short-term Higher Education Extension Bill, H.R. 5603. The bill was introduced for purpose of extending the date of programs under Section 2(a) of the Higher Education Extension Act of 2005 from June 30, 2006, to September 30, 2006.

Cited as the Second Higher Education Extension Act of 2006, the bill has been critically analyzed by some student loan communities who complain that rectification of the PLUS interest rate discrepancies was not incorporated in the bill. The exclusion of the provision may have been due to Democratic objections.

### **Bush Signs Single Holder Repeal**

On Thursday night, President Bush put his signature to the Emergency Supplemental Appropriations Act, H.R. 4939, effectively ending the single-holder rule for student loans.

Now, borrowers who have student loans with just one Federal Family Education Loans Program (FFELP) lending company can choose to consolidate those loans with another FFELP lender.

The repeal is effective immediately.

### **UT Finaid Going Unused**

According to a recent report in the *Deseret Morning News*, an estimated 50 percent of federal and state financial aid and scholarships available to Utah college students is not being used.

Utah college financial aid administrators stated that scholarships can be difficult to find, and obtaining Pell grants can be problematic for many college hopefuls. Al Church, principal of the Academy of Math, Engineering and Science High School in Cottonwood Heights, was quoted as saying that low-income students are scared off by the possibility of accruing high amounts of student debt. The report also noted that the ratio of high school counselors to students is around one counselor per 500 students.

### **Money for WV Miners**

As of this month, mineworkers in West Virginia may be eligible to receive as much as \$1,000 per family for college, vocational training programs, or career counseling. The Diocese of Wheeling-Charleston announced the scholarships.

Catholic Community Services created the Miners Relief Fund to memorialize the 12 mineworkers who died in the Sago Mine tragedy in January 2006. One purpose of the fund is to support the educational needs of miners and their dependents.

Thousands of West Virginians have contributed to the fund so far.

To be eligible, applicants must be West Virginia residents who work in mining or who have worked at a mine within the last year.

Experts also noted that supporting education for mineworkers would have an uplifting effect on the fragile local economy. Now, only 15.3 percent of adults in West Virginia hold bachelor's degrees.