

The College Student Relief Act of 2007

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Aiming to reduce interest rates on student loans by half, Democrats in Congress plan to introduce the College Student Relief Act of 2007. The move is part of the agenda the Democrats hope to start working on during the first 100 hours of the 110th Congress. The College Student Relief Act of 2007 would reduce interest rates on loans taken out by undergraduate students over a period of five years. If passed, it would reduce the fixed interest rate on student loans to 3.4% from the present rate of 6.8%. The interest rate cuts would go into effect on July 1, 2007. The act's provisions would apply only to subsidized Stafford Loans.

2007 appropriations bill awaiting passage of continuing resolution

The 2007 continuing resolution, which will allow federal government departments to spend at the same rates and for the same purposes as last year, has also held up the passage of the Department of Education's fiscal year 2007 appropriations bill. Congress will work out the minimum and maximum Federal Pell Grant amounts for the 2007-2008 award year only after the fiscal year 2007 appropriations bill has been signed by the president. Furthermore, final awards for 2007-2008 campus-based programs will not be made until Congress has passed the appropriations bill.

PHEAA set to appeal court ruling

The Pennsylvania Higher Education Assistance Agency (PHEAA) is seeking to appeal a ruling by a Commonwealth Court that ordered the agency to show its expense records to three news organizations per the state's Right-to-Know Law. Between 2000 and 2006, PHEAA spent about \$900,000 on seven board retreats and refused to turn over records when they were demanded by three news organizations—*The Patriot-News* of Harrisburg, The Associated Press, and Pittsburgh's WTAE-TV. PHEAA contends that the court should uphold the appeal since the case may affect the agency's operations and because it is one of first impression in Pennsylvania. Even if the court allows the appeal, PHEAA would still have to go to the state supreme court. According to PHEAA, the records contain trade secrets and personal information that cannot be exposed. It also states that the records do not fall under the jurisdiction of the Right-to-Know Law because some PHEAA board members are legislators.

Program to offer \$40,000 in grants to New Yorkers

The 2007 Rewarding Young Leaders in Our Community program will award cash grants to outstanding high school seniors from public and private schools in New York. The program, which was introduced by Financial Service Centers of New York (FSCNY) and MoneyGram International, aims to provide development opportunities for young people who will return to their communities and help improve the quality of life of fellow New Yorkers. The program will disburse a total of \$40,000 in scholarships to 16 individuals. Students will be short-listed based on leadership skills at school and in the community, as well as academic achievement. The application deadline is Monday, March 5, 2007.

ISAC opens bidding for 15% of its loan portfolio

The Illinois Student Assistance Commission (ISAC) has initiated bidding for about 15% of its student loan portfolio, the sale of which will fund the Monetary Award Program (MAP) and the new MAP Plus initiative as well as make the agency more “Illinois-centric.” The highest bidder will provide ISAC with the value of the auctioned loans in a lump sum and will keep receiving balance installments from borrowers until the loans are paid off. ISAC is slated to auction off about \$650 million in student loans, a large portion of which has been lent to out-of-state students attending out-of-state schools.