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Senators Maria Cantwell (D-WA) and Norm Coleman (R-MN) led a group of about 30 senators who urged the chairman and ranking member of the Senate Budget Committee to reinstate funding for the Perkins Student Loan Program in next year's budget proposal. Apart from eliminating all federal aid for the Perkins Loan Program, the current budget proposal annuls the \$7 billion grant previously provided by the federal government to educational institutions that offer Perkins Loans. The appeal to Senators Kent Conrad (D-ND) and Judd Gregg (R-NH) was made in response to the Bush administration's budget resolution, which eliminates Perkins Loans. The House of Representatives also witnessed a similar move. There, about 70 House members signed a letter written by Congressman Tim Bishop (D-NY) and Congresswoman Cathy McMorris Rodgers (R-WA) urging the chair and ranking members of the Subcommittee on Labor, HHS, Education, and Related Agencies of the House Committee on Appropriations to take similar action. The Coalition of Higher Education Assistance Organizations (COHEAO) has also voiced its support for the Perkins Loan Program.

CBA president lashes back at Kennedy

In response to Senator Edward Kennedy's letters to student loan lenders asking them for details related to their administration of the Federal Family Education Loan Program (FFELP), President of the Consumer Bankers Association (CBA) Joe Belew issued a statement. Belew said that, in his letters, Kennedy made no specific allegations against any particular student loan lender and that he selected lenders based on the list of top FFELP loan originators. He stated that it was unfortunate that Kennedy exercised his oversight function with regard to the loan program by requesting detailed documents and speaking out in a press release before discussing these information needs with lenders. According to Belew, by sending the letters and suggesting lenders had engaged in misconduct in a press release, Kennedy made "allegations of unethical conduct" against the lenders in question without any evidence to back them up.

New legislation intended to expand the use of FIPSE funds

New legislation introduced by U.S. Representative Ric Keller aims at curbing digital piracy, including the downloading of music and movies on college campuses. The Curb Illegal Downloading on College Campuses Act of 2007 would allocate money provided by the Fund for the Improvement of Postsecondary Education (FIPSE), a Department of Education program, to serve this purpose. The act provides for anti-piracy pilot programs on college campuses that aim to persuade students to refrain from digital piracy. According to Keller, such illegal downloading on college campuses consumes a large volume of bandwidth on computer networks and makes computers susceptible to harmful viruses. He also condemned the act, stating that piracy steals billions of dollars in intellectual property from hardworking people. Recently, the Recording Industry Association of America (RIAA) accused about 400 students at 13 universities of indulging in this wrongful behavior.

Texas loan representative indicted on theft charges

A former employee of the Texas Higher Education Coordinating Board has been indicted on charges of theft. Allan Dee Paiz, who worked as a loan representative, has been accused of stealing more than \$100,000 from the agency's college student loan programs. Paiz allegedly entered false information into the agency's computer systems, seeking loans for individuals who never applied for them. He has been held for executing a document by deception, a second-degree felony for a public servant punishable by 20 years' imprisonment and a fine of \$10,000. The State Auditor's Office conducted a special investigation into improprieties reported in an internal audit that revealed Paiz's wrongdoing. Each year, the Texas Higher Education Coordinating Board processes about \$319 million in grants and loans.

New bill in Maryland proposes granting in-state tuition status to illegal immigrants

Following the passage of similar laws in Texas, California, New York, and Utah, the State of Maryland has proposed making illegal immigrants eligible for in-state tuition rates at the state's public universities. In an 81-to-57 vote, the Maryland House of Representatives consented to provide less expensive education for residents regardless of their citizenship status, a move that will save qualifying students about \$10,000 per year. Non-citizen students would be required to possess degrees from Maryland high schools and would also need to apply to colleges within five years of completing high school. Those opposing the decision contend that the proposed law would cost taxpayers thousands of dollars, add to the university system's financial burden, increase tuition costs, and decrease the availability of college seats for legal residents. A few years ago, a similar bill was vetoed by Governor Robert L. Ehrlich. However, Governor Martin O'Malley, a Democrat, is expected to support the latest legislation.