

## House Votes in Favor of Student Loan Sunshine Act

By Brooke Heath



This week, the House of Representatives voted in favor of the Student Loan Sunshine Act (H.R. 890). In a landslide vote of 414-3, the act was passed in an effort to end dishonest alliances between colleges and student lenders.

According to Higher Education Washington, Inc.'s *NewsLine*, only Republican Representatives Jeff Flake of Arizona, Ron Paul of Texas, and Lynn Westmoreland of Georgia opposed the act.

The Student Loan Sunshine Act will prevent conflicts of interest among student lenders and colleges and universities across the country by requiring schools and lenders to adhere to specific codes of conduct and guidelines.

This act, according to the House of Representatives' Committee on Education and Labor, will shield students and parents from unethical practices by:

- banning all gifts, participation on advisory boards, and revenue-sharing agreements between lenders and schools;
- requiring institutions to disclose all relationships with lenders;
- allowing "preferred-lender lists" only on campuses that create their lists with students' best interests in mind;
- allowing students access to all lenders of their choice, including those not on the preferred-lender lists;
- banning staffing of school financial aid offices by lenders;
- ensuring that schools process all loans from all lenders;
- giving students full information when taking out and repaying loans; and
- protecting students from aggressive marketing practices.

New York Attorney General Andrew M. Cuomo, who has initiated much of the investigation into relationships between lenders and institutions, was pleased with the House's vote. He said, "The U.S. House of Representatives has taken the next step in closing the book on corruption in the student loan industry. Elected leaders on both sides of the aisle have demonstrated a true commitment to protecting America's students and parents from deceptive practices and conflicts of interest which are rampant in the student loan industry."