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A bipartisan Higher Education Act (HEA) reauthorization bill cosponsored by Senators Edward M. Kennedy and Mike Enzi includes increases in the maximum Pell Grant and other student financial aid for 2008-2009. If passed, the bill would also place a cap on borrowers' monthly loan payments. Funding for these measures would be generated by cutting subsidies to lenders that participate in the Federal Family Education Loan (FFEL) Program. The bill would create a code of conduct for schools, lenders, and guaranty agencies to ensure that lender-college agreements benefit students. It also proposes a pilot program for auctioning PLUS Loans and expands eligibility for National Science and Mathematics Access to Retain Talent (SMART) Grants.

Cuomo and McCollum urge Senate to pass Student Loan Sunshine Act

New York Attorney General Andrew M. Cuomo and Florida Attorney General Bill McCollum, along with about 30 other attorneys general, have urged the Senate to pass the Student Loan Sunshine Act as soon as possible. The act protects students and families from deceptive practices in the college lending industry. The senators made the request in a bipartisan letter to U.S. Senate Majority Leader Harry Reid and Senate Minority Leader Mitch McConnell. According to Cuomo, the U.S. needs a federal law that will augment states' investigations of inappropriate and illegal activities in the lending industry. New York already has a law that protects students from such activities.

New scholarship opportunity for Vermont students

Governor Jim Douglas has created the Next Generation Scholarship Program in an attempt to keep Vermont's young talent in the state. Vermont has allocated \$5 million for the scholarship, which is expected to receive continued funding. The University of Vermont, Vermont Student Assistance Corp., and Vermont State Colleges will each get \$1.6 million to distribute to students requiring financial aid. Eligible students will be granted \$1,000 each year for four years. The first group of students will receive funding this fall.

CBA releases report on financial aid administrators

The Consumer Bankers Association (CBA) released a report on an online survey of financial counselors (most of whom are financial aid administrators) across the nation. The "2007 Final Research Report" assesses the views of the administrators on proposed legislation that would impact student loans. The report discusses the lenders' views on the Federal Family Education Loan Program, preferred lender lists, and ways to augment lender options for student and family borrowers. Of the survey's 528 respondents, 90% indicated they did not believe that unethical practices were prevalent among private lenders. The survey was conducted by independent market research firm The Hannon Group, LLC.

Oregon to increase student financial aid

After years of dwindling state support, legislators in Oregon have more than doubled the state's budget for student financial aid. Starting in fall 2008, Oregon will spend \$106 million on student aid for the next two years. Most of the funding will be utilized by a new program supported by Governor Ted Kulongoski that will increase the number of Oregon students eligible for grants from 25,000 to 32,000. Students who contribute specified portions of their school costs will be guaranteed assistance from the state. The move is aimed at supporting Oregon's seven public universities and 17 community colleges and assisting more students with getting access to college.