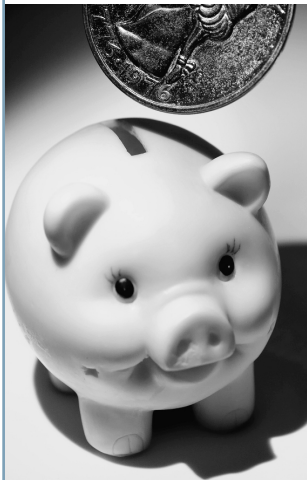




NEWSLETTER

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MORE AID FOR NON-MINORITIES

- CHARISSE DENGLER

As the result of two 2003 Supreme Court cases, schools nationwide are now making minority scholarships and other programs available to everyone. While the cases, which involved the University of Michigan, did not outlaw race specific programs, they did leave the law in an ambiguous state, causing officials to rethink many of their policies.

In *Grutter v. Bollinger*, the court ruled that the school's consideration of race in admission to its law school was acceptable. Still, in *Gratz v. Bollinger*, the court ruled that the use of race in undergraduate admissions was unfair.

The court stated that each student must be evaluated on an individual basis, and factors such as family and economic background must be considered. In other words, diversity is about more than just race.

In response to the court's ruling, more colleges are considering income and social class when it comes to admission and scholarships. For example, some

schools have even begun asking students who else in their family has gone to college.

Even though the court's decision did not mention financial aid, it is no secret that scholarships are directly linked to school admissions. Because of this, many school officials worry that the banning of race-specific scholarships is not far behind.

Colleges that have opened up their race-exclusive scholarships to all students include Williams College, Indiana University, St. Louis University, and Carnegie Mellon University. Students who can plan to benefit from such policy changes include white students coming from disadvantaged backgrounds or specializing in unusual fields of study.

"Our concern is that the law be followed and that nobody be denied participation in a program on account of skin color or what country their ancestors came from," said Roger Clegg, President and General Counsel of the Center for Equal Opportunity, in a New York Times interview.

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SALLIE MAE SPARKS STUDENT PROTESTS

- ANNE O'DELL

At an April 27 Sallie Mae seminar in Los Angeles, Southern California students showed up to protest the education lending giant's stand on the Single Holder Rule, which eliminates refinancing options for many college students and graduates.

Students called Sallie Mae "a predatory lender" and accused the company of discouraging competition through disingenuous means.

Sallie Mae is the largest education lender in the country. Its closest competitor is Citibank; still, Sallie Mae originates, holds, and consolidates more than four times the volume of loans that Citibank does.

The "Single Holder Rule" prohibits borrowers from choosing which company will consolidate their student loans if only one lender holds all education loans. For example, a student whose school automatically assigned her loans to Lender X and who did not actively decide to

use a different lender may now not choose to consolidate her loans using Lender Y.

Since Sallie Mae is the only holder for many individuals' student loans, the company stands to gain billions now that the rule is being actively enforced. One protester called the rule "the single most anti-competitive, anti-consumer law in the country"

At the protest, one student carried a picket sign reading: "What Do Sallie Mae and Tanya Harding have in common? They both eliminated competition."

Others displayed slogans such as "Sallie Mae is number one because she got rid of everyone," and "Sallie does not have our best interest rate at heart."

The group also distributed critical articles from *Fortune*, the *New York Times*, and nationally syndicated columnists.

How are students at your school affected by the Single Holder Rule? At Law School Loans, we would love to know your opinions on this rule and its enforcement. Please feel free to write to our editor, Anne O'Dell, at Anne@LawSchoolLoans.com.



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More Aid For Non- Minorities continued from page 1

"We're not looking at achieving a particular racial outcome," he said. "And it's unfortunate that some organizations seem to view the success or failure of the program based simply on what percentage of students of this color or that color can participate."

Currently, the United States Department of Education is heeding the complaints of conservative organizations and looking into programs that use race as an admission requirement.

Last year, the Department of Education forced Washington University in St. Louis to change the requirements for an undergraduate scholarship that had only been available to minorities. A year after the revisions, 12 of the 42 recipients are white.

Also, Washington University's African-American scholarships have been argued to violate the idea of individual consideration by offering full tuition and a \$2,500 allowance to 10 African-American freshmen every year.

In July of 2005, the United States Department of Justice's Civil Rights Division informed officials at Southern Illinois University that it would be investigating various programs, including the Illinois Consortium for Educational Opportunity, the Illinois Minority Graduate Incentive Program, Diversifying Higher Education faculty in Illinois, the Proactive Recruitment of Multicultural Professionals for Tomorrow Fellowship, the Graduate Dean's Fellowship, the Chancellor's Fellowship program, the McNair Scholars program, and the Bridge to the Doctorate.

In November, the Department of Justice reported that SIU was participating in employment discrimination by only allowing women and minorities to apply for certain programs and positions, and in February, SIU entered into a consent decree with the Department of Justice.

The decree prohibits assigning paid fellowship positions on the basis of race, national origin, or sex. In addition, SIU is required to report on its fellowship activities every six months for the next two years.

Also, in January, the State University of New York made \$6.8 million available to white students. The money, which is

awarded through two scholarship programs, had previously only been available to minorities.

Some schools say they are changing their scholarship program requirements not because of pressure from the government but simply because they want more academically advanced students applying, regardless of ethnicity.

Indiana University is one example of such a school, having recently changed one of its scholarship programs, the Minority Achievers Program, to the Hudson and Holland Scholars Program. A program that awards scholarship money to 150 freshmen each year, the Hudson and Holland Scholars Program will still primarily concern itself with minorities; but now any student may apply.

On other campuses, the push for equality is coming from the students. Utah State University's College Republicans, in an effort to protest discrimination, offered a \$100 "diversity" scholarship during the school's Diversity Week. The scholarship was open to everyone except white Americans.

The organization believes that scholarships should be open to students of all races and should be awarded based on academic qualifications, and its members are urging USU to take a stand against discrimination. In order to apply for the scholarship, students were required to write a 50-word answer to the question, Does reverse discrimination exist in America and in what form?

"We aren't campaigning for all-white scholarships. Race should just not be a factor in the equation to receive financial benefits. We do not see minorities as having a disadvantage because of their race," said Spencer Taylor, president of the College Republicans, in an interview with the Utah Statesman Online.

Some officials and minority students worry that opening up scholarships and programs to all students will deplete the funds and make it harder for minority students to get financial aid.

As a solution, some schools are asking their states for more money to add to the scholarships. These schools feel that this would allow them to offer more scholarships and, they hope, prevent any possible negative effects on minority students.

WILL STUDENTS BE 'ABLE' TO CHOOSE?

Some representatives of public universities and community colleges in Florida have lately been arguing that the Access to Better Learning and Education program (ABLE), which offers state-funded grants to students, even those who choose to attend private institutions. They assert that students seeking education in for-profit colleges should not be granted state aid.

However, their opponents contend that private colleges participating in ABLE are regionally accredited and meet the same stringent standards as do public community colleges

and state universities; thus, their students should not be barred from receiving state grants. Moreover, they say that private colleges provide flexible schedules, degrees, certifications, and certain features not found in public colleges; and that freedom of choice should not be taken away from students.

CA STUDENTS TO GET A BREAK?

A state assembly bill co-sponsored by the California State Student Association and the California

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State University aims to help more of the state's financially disadvantaged students to cover the cost of attendance.

Authored by assembly member Hector De La Torre (D-South Gate), the bill will increase grant amounts and restructure the Cal Grant program.

At this time, the state offers Cal Grant B awards to students attending four-year institutions, but the grants cannot be used during the first year of college. The proposed legislation would give Cal Grant B recipients financial aid to cover tuition and fees during the first year of attendance.

The bill would also double the funds available to competitive-grant recipients. Currently, although more than 135,000 students were eligible for the grants last year, only 22,500 students received this financial aid.

DEAN SLAMMED FOR FINAID FRAUD

After falsely claiming that four of his institution's academic programs were properly accredited, the former dean of a career school pleaded guilty in federal court in Pittsburgh on May 5, 2006, to a charge of making false statements in order to get federal financial aid for students.

The Western School of Health and Business Careers' former dean, Thomas Wollett, admittedly forged signatures on documents sent to the U.S. Department of Education. These documents contained statements that four programs were accredited by the Accrediting Commission of Career Schools and Colleges of Technology.

The programs in question are the veterinary technology, massage therapy, and criminal justice programs at the WSHBC campus in Pittsburgh and the massage therapy program at the Monroeville campus.

MAP PLUS SCHOLARSHIPS EXPANDED

Legislation passed in the state of Illinois has expanded the Monetary Award Program (MAP), which now includes a

\$34.4 million plan to award \$500 scholarships to 68,000 college students. Even students from families with incomes of up to \$200,000 could now benefit from state-funded tuition assistance.

The money would be put into a "MAP Plus" program along with a similar amount for MAP, thus increasing the total number of students eligible by 225,000. According to the plan, The Illinois Student Assistance Commission, which operates MAP and other college-aid programs, will be required to generate \$100 million.

Supporters say the scholarships will help a greater number of students without damaging existing, need-based grants programs; however, many financial aid administrators are troubled that public funds are being used for non-need-based student aid.

GEORGETOWN-CHINA ESTABLISH FELLOWSHIP

The China Scholarship Council-Georgetown University Fellowship Program was established on May 8 by Georgetown University and the China Scholarship Committee. The program will support graduate and post-graduate education programs for students from China at Georgetown University.

Georgetown will now support one-year post-doctoral fellowships for studies at Georgetown in fields such as applied social sciences, physical and life sciences, public policy, and international affairs. Applicants will be considered for the 2007-2008 academic year, and the number of fellows may vary from year to year.

Fellows will receive a financial aid for travel as well as a stipend, and they will have access to Georgetown's academic facilities, the ability to audit certain graduate-level classes, and an appropriate space for academic work and research. Applicants should have completed a doctoral degree from a university in China within the past five years and must be employed at a Chinese university or research institute.