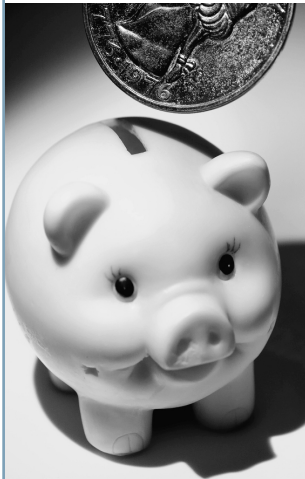




NEWSLETTER

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ON THIS DAY IN HISTORY 1920

He is baseball's "Sultan of Swat" and one of the sport's most renowned legends. On this day in history, the New York Yankees acquired Babe Ruth, beginning the "curse of the Bambino" that haunted the Boston Red Sox for decades.

PROPOSED TUITION FREEZE

- EMILY ZABORNIAK

Escalating tuition is a major factor negatively affecting the enrollment of higher education. As a result, many politicians and education spokespersons are pushing the issue of college affordability to the forefront of their agendas. Recently, Governor Christine Gregoire proposed another way to financially assist prospective college students.

Gregoire proposed a tuition cap, effective for community and technical-college students in Washington state. The cap would limit the annual tuition to \$2,586, which is the current cost. Over the past year, tuition jumped a significant five percent, inciting concern. The proposal is a small part of a very large \$172.9-million-dollar plan to focus on the state's higher education.

In a recent *Seattle Times* article, staff reporter Andrew Garber relayed Gregoire's intention to encourage students. "It would send the right message," Gregoire said, "Go to a community

or technical [college], and then we hope you'll transfer and get a four-year university degree."

Additionally, the governor's plan would cap the tuition at the University of Washington and Washington State, along with five percent of all other four-year public universities—a considerable portion for a beginning plan.

About \$20 million of the plan's budget will be allocated to keeping two-year colleges at their present costs. The governor's plan would also expand WSU medical-education offerings in Spokane to train dentists, nurses, and doctors. That expansion would run about \$15 million, in combination with a program offered by WSU, the UW, and Eastern Washington University.

The reaction to Gregoire's plan has mostly been positive, but is not devoid of criticism. Specifically, state Senate Republican Floor Leader Mark Schoesler commented that the governor's plan could have made a sharper

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FORMER SENATOR PASSES, LEAVES LEGACY

- EMILY ZABORNIAK

On December 23, Robert T. Stafford died in Rutland, VT, at 93. Stafford represented his state in the U.S. Senate for 17 years. Despite his passing, his effect on student loan funding will remain considerable for years to come. Because Stafford was a strong advocate of educational opportunity, in 1988, Congress named the main federal guaranteed student loan program after Stafford. His namesake loan has financially assisted millions of college students pursuing their dreams of higher education. The senator's legacy will be perpetuated by the existence of Federal Stafford Loans.

Federal Stafford Loans assist the majority of federal loan borrowers. The first component to understanding Stafford Loans is noting the differences between the subsidized and unsubsidized versions of the loans.

For a student to be awarded a subsidized Stafford Loan, he or she must demonstrate financial need. Once granted, a subsidized Stafford Loan is beneficial because the government pays the interest on it while the student is attending school. Also, there is a six-month "grace period" provided to the student after graduation, during which he or she does not have to make payments. When the grace period expires, repayment begins.

When a student takes out an unsubsidized Stafford Loan, there are significant differences. The borrower is responsible for the interest accruing while in school, although actual repayment is deferred until after graduation.

The interest accumulates and is added to the loan balance. Unsubsidized Stafford Loans are available to all students, regardless of level of

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need. It is not uncommon for an eligible student to combine both subsidized and unsubsidized loans to take advantage of as much funding as possible.

Stafford Loans may be granted by Federal Family Education Loan Program (FFELP) providers or by Federal Direct Student Loan Program (FDSLP) providers. FFELP loans are provided by private lenders, including banks and loan associations. FDSLP loans are provided directly by the government to students and administered by Direct Lending schools.

Interest rates are subject to change annually on July 1. For Stafford Loans that were disbursed **before July 1, 2006**, the

fixed interest rate stands at 6.8%. Loan lenders offer the same interest rate. Additionally, lenders may offer interest rate reductions if borrowers consolidate their loans with them, set up auto-debit accounts, or make consistent on-time payments.

There are fees associated with taking out a Stafford Loan, but they're small considering the opportunities that investing in education affords. To apply for a Stafford Loan, a student must complete and submit a Free Application for Federal Student Aid (FAFSA). This is the procedure for both unsubsidized and subsidized Stafford Loans. The application determines financial need for a subsidized loan and is necessary for the processing of both types of loans.

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attempt to cap tuition, "I'd like to see it capped at inflation," he said. "I'm very concerned about affordability of tuition to our universities by middle-class families.

Senator Schoesler isn't the only one to voice his concern for middle-class families. Recent press has focused around U.S. Secretary of Education Margaret Spellings' speeches and Senator Ted Kennedy's Sunshine Loan Act.

Several Democratic leaders showed outward support for the proposal, as well as the president of UW, Mark Emmert, calling it terrific news for the entire state.

According to Garber's article, other highlights of the plan include: 1) \$106.6 million for training programs and to increase enrollment at the state's colleges and universities by 8,300-including more than 3,000 students in high-demand fields such as engineering. 2) \$750,000 to create small-business-development centers at Grays Harbor, Kelso, and Pullman. 3) \$19.3 million to increase university research and help turn research into new jobs.

NEWS IN BRIEF

COMMISSION ON AMERICAN WORKFORCE SKILLS REESTABLISHED

The National Center on Education and the Economy (NCEE) has announced that it will reestablish the Commission on the Skills of the American Workforce. First formed in 1990, the bipartisan panel released a report entitled "America's Choice: High Skills or Low Wages!" Recommendations made in this report led to major changes to state and federal legislation. The new commission will address the implications of the evolution of world economies that has taken place over the past decade and how it has affected education in the U.S. The U.S. faces challenges from growing economies such as China and India that offer skilled workforces willing to accept relatively low wages. The commission will recommend changes to the American educational system necessary to prevent a decline in the American standard of living. The commission, which will issue a final report in the next six months, is chaired by Charles Knapp; its members include former governors, cabinet secretaries, and senators.

FGMG TO HELP THOUSANDS OF FIRST-GENERATION COLLEGE STUDENTS

Passed by the 2006 Florida Legislature, the First Generation Matching Grant Program (FGMG) will provide financial aid to needy undergraduate students at state universities whose parents have not earned baccalaureate degrees. Higher education institutions have raised donations for individual scholarship funds, which will be matched dollar-for-dollar by the state. \$6.5 million has been appropriated to be used throughout the state under the program. Eligible students' parents must not have earned bachelor's degrees, applicants must be Florida residents, and applicants must be seeking degrees. According to state education officials, about 53,000 first-generation college students reside in Florida.

SPELLINGS TO HOLD SUMMIT IN THE THIRD WEEK OF MARCH

As part of her plan to move forward in response to the recommendations made by the Commission on the Future of Higher Education, Secretary of Education Margaret

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will hold a summit in Washington March 21st through 22nd. The Department of Education has sent email invitations to college groups asking them to nominate other participants for the meeting, who, according to the new under secretary, Sara Martinez Tucker, will “focus on galvanizing action and distributing leadership and accountability across all sectors.” Summit attendees will discuss issues such as increasing need-based financial aid, increasing the transparency of college costs, accreditation, and providing better educational opportunities for non-traditional students and adults.

GOVERNOR’S BUSINESS COUNCIL OF TEXAS PROPOSES CHANGES TO HIGHER EDUCATION SYSTEM

A nonprofit organization comprised of Texas’ top business executives, the Governor’s Business Council of Texas has released a draft of a report recommending, among other things, replacing the Texas Higher Education Coordinating Board with a new entity. The new Texas higher education board proposed by the council would be organized as a public corporation with greater authority, responsibility, and stature. The new board would be the top authority on choosing locations for new campuses and the establishment of new degree programs; it would also be responsible for creating a long-range financing plan to achieve the state’s educational goals. The business council’s recommendations also call for an increase in financial aid and provisions that will allow the University of Texas at Austin and Texas A&M

University at College Station to exercise more independence, which will in turn allow them to focus on research and graduate education. The report, which is a result of a review that Governor Rick Perry requested more than a year ago, is apparently stirring controversy among lawmakers and higher education experts, especially because it includes a proposal for a new higher education entity.

“BIG BANG” PROPOSED TO CURB BRAIN DRAIN IN WISCONSIN

Suffering from a brain drain, the state of Wisconsin has proposed a new plan referred to as the “Big Bang.” The plan is an attempt to curb the outflow of young people from the state. The proposal will set up a system to provide students with four years of reduced or free college tuition in exchange for staying in Wisconsin for at least 10 years after graduation. Based on current rates, the recommendation will defer an estimated \$27,000 in tuition and fees over four years for each participating undergraduate Wisconsin resident at University of Wisconsin, Madison, and about \$83,000 over the same period for each participating out-of-state student. Although the high cost of the plan may make it a bust rather than a bang, there is a chance that its proposals will be put into effect, as similar proposals have been passed in other states facing similar dilemmas.