



# NEWSLETTER

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## Law School Loans Testimonials

**Carlos L. says...**

Law School Loans astonished me with their array of repayment options. There were several different plans and also a variety of options for any obstacles that I might encounter. I was utterly satisfied with the selection.

## BILL INTRODUCED TO LEGISLATURE TO INCREASE THE LENGTH OF DEFERMENT FOR MEDICAL AND DENTAL STUDENTS - BROOKE HEATH

In Washington last week, Senators Chris Dodd (D-CT), John Kerry (D-MA), Richard Durbin (D-IL), and Russ Feingold introduced the Medical Education Affordability Act (MEAA) to Congress.

If passed, the bill will help to make medical and dental school more affordable for students by extending the length of economic deferment to cover the entire length of a medical or dental residency. Currently, under the Economic Hardship Deferment (EHD) program, students are allowed only three years to suspend payments on their student loans. However, residency programs and fellowship training for medical and dental students can last as long as seven years after medical or dental schooling.

As a result of the rising costs of medical and dental school, students are graduating with more debt than ever. According to Higher Education Washington, Inc.'s *NewsLine*, in 2006, the average medical student graduated with \$130,000 in debt, and recent dental graduates have carried debts of \$145,465.

"As the cost of higher-education tuition rises, far too many students are incurring significant and often unmanageable debt as they struggle to finance the long residencies required by medical and dental degree programs," said Senator Dodd. "This important legislation will help ensure that students are able to pursue a career in medicine without taking on debilitating debt."

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## TUITION INCREASES AT KENTUCKY UNIVERSITIES - BROOKE HEATH

Last week, Kentucky's Council of Postsecondary Education approved a tuition and mandatory fee increase for the state's public universities for the 2007-2008 academic year.

At a meeting in Frankfort, the council approved increases that ranged from \$180 to \$618, according to Higher Education Washington, Inc.'s *NewsLine*. These increases will affect the following five schools: University of Louisville, Kentucky State, Murray State, Northern Kentucky University, and Western Kentucky University.

The finalized increases come after a January meeting during which the council approved increases for the University of Kentucky, Eastern Kentucky University, Morehead State University, and the Kentucky Community and Technical College System.

According to the *Lexington Herald-Leader*, council president Tom Layzell said that all of the increases were within council guidelines.

He also said that for the first time in several years, none of the increases reached into the double-digits.

Below are the new figures showing what in-state students will pay for one year's tuition, as well as required fees, and the amount and percentage of each increase.

Institution	New Yearly Tuition & Fees	Increase (in \$)	Increase (in %)
EKU	\$5,682	\$490	9.40%
KCTCS	\$3,450	\$180	5.50%
KSU	\$5,320	\$370	7.50%
Morehead	\$5,280	\$410	8.40%
Murray	\$5,418	\$420	8.40%
NKU	\$5,952	\$504	9.30%
UK	\$7,199	\$595	9.00%
U of L	\$6,870	\$618	9.90%
WKU	\$6,416	\$464	7.80%

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*Tuition Increases at Kentucky Continued from page 1*

According to the *State Journal*, tuition costs for graduate students at KSU remain the same as they were for the 2007 spring semester. Full-time residents will pay \$300 per credit

hour for each semester of the academic year, while full-time nonresidents will pay \$700 per credit hour for each semester.

"There are no fee increases for us—just tuition," KSU president Mary Evans Sias said.

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Students who work in residencies make an average of \$40,000, according to the American Medical Student Association. Because of this, it can be difficult for them to begin making payments on high student loan balances while completing their residencies. If the time allotted for dental and medical residents' deferment periods is extended, students will be able to complete their residencies and establish themselves better financially; therefore, they will be able to afford to repay the high balances they accrued while in school.

"Higher education should not be a luxury available only to the wealthy," Senator Kerry said. "It's a test of whether we really believe in opportunity or whether we just say we do.

This commonsense legislation will open the door to many students and bring more qualified doctors and dentists into our communities. I'm proud to support this plan, and I thank Senator Dodd for reintroducing the bill."

This bill is endorsed by several organizations, including the American Medical Student Association, the Association of American Medical Colleges, and the American Dental Education Association.

Leana S. Wen, the national president of the American Medical Student Association supports the bill and said, "We need changes in the laws, such as those proposed by MEAA, to help physicians stay financially viable and in the practice of medicine."

## NEWS IN BRIEF

### **NEW YORK ATTORNEY GENERAL ANNOUNCES SETTLEMENT OF LOAN CHARGES**

The ongoing probe into the actions of lenders offering benefits to schools for persuading students to borrow from them has come to a halt. New York Attorney General Andrew M. Cuomo has announced that he has reached a \$5.27 million settlement agreement with Citibank and a number of universities. According to the agreement, Citibank will provide \$2 million for a national fund created to educate students about the financial aid industry. The schools agreed to reimburse students with loan revenues. The universities involved include New York University, St. John's University, Fordham University, Long Island University, Syracuse University, and the University of Pennsylvania. In a statement, Cuomo said, "The College Code of Conduct spells out in black and white that no lender may pay a school for placement on a preferred lender list and no school may hide the reason it chose to recommend a particular lender."

### **NASFAA RESPONDS TO CUOMO'S PRESS RELEASE**

The National Association of Student Financial Aid Administrators (NASFAA) has reacted strongly to the New York Attorney General's settlement announcement regarding kickbacks from student loan lenders. The association has released a statement in response to the announcement of the settlement with higher-education institutions. The association said that although it respected the decisions of schools that agreed to the Attorney

General's settlement, it would stand by any institution that chose to pursue litigation over the matter. In response to the Attorney General's statement that he is "beginning the process of restoring trust between universities and students," the association said that Cuomo's inflammatory press statements and media comments had already unnecessarily damaged students' trust in their schools. The statement commended the efforts of student aid administrators who work diligently to get students the best deals on student loans. It said that what happened at the schools involved in the scandal is very rare and that almost every financial aid officer and school is "extremely ethical."

### **MANNING REMINDS FFELP PARTICIPANTS ABOUT STUDENT CHOICE**

James F. Manning, Delegated Authority of the Assistant Secretary for the Office of Postsecondary Education, recently wrote a "dear colleagues" letter reminding schools participating in the FFEL Program about students' rights to choose their lenders. According to the letter, Manning has received complaints from students, parents, and lenders that some participating schools are not allowing students to borrow from FFEL lenders of their choice. Manning states in the letter that regulations do not allow an institution to refuse certifying a loan on the basis of the borrower's choice of lender and that schools not complying with the requirements may face fines or administrative actions.

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## ARIZONA STUDENTS RALLY FOR FINANCIAL AID

About 60 students from Arizona State University and the University of Arizona recently marched in Phoenix, shouting "Yee-ha!" in support of additional financial aid. The rally, which was organized by the Arizona Students' Association, urged the legislature to allot \$13.4 million for the Arizona Financial Aid Trust. Under the current agreement, 1% of student tuition is moved to the trust, and the state doubles the amount. Legislators who attended the event in support of the rallying students included Senators Karen Johnson and Jack Harper as well as Representatives Jackie Thrasher, David Schapira, and Jennifer Burns. Those who gathered for the event contended that as the trust is the only state-based financial aid resource for public universities, the funds allotted were not enough to meet students' financial needs.

## PELL INSTITUTE RELEASES REPORT ON FIRST-GENERATION STUDENTS

A report released by The Pell Institute for the Study of Opportunity in Higher Education focused on college life for first-generation students in Texas. "Straight from the Source: What Works for First-Generation College Students" recognizes the efforts made by state policymakers and educators to expand postsecondary education opportunities for low-income, minority, and first-generation college students. The survey was conducted to find out which types of efforts have the greatest impact when it comes to affecting enrollment of first-generation college students. It involved focus groups addressing areas such as aspirations and encouragement to go to college; academic preparation for college; "college knowledge" (knowledge about how to apply and pay for college); and academic, social, and cultural transitions into college life. The findings from the study are expected to help administrators and staff improve the practices they use to direct first-generation students toward college.