



# NEWSLETTER

## **IN THIS ISSUE:**

- + Illinois Legislation
- + Defaulted Student Loans



## **Law School Loans**

Visit us on the Web  
[www.LawschoolLoans.com](http://www.LawschoolLoans.com)

- + Use our interactive interest rate calculator
- + Sign up for our weekly eNewsWire
- + Download our latest FREE E-Book

## **Law School Loans Testimonials**

**Ted M. Says:**

"I was just starting my legal career, and I wanted to get everything in order. I selected Law School Loans to consolidate all of my student loans, and with the help of a loan specialist, I got exactly what I aimed for – financial control."

## **LEGISLATION PROPOSED IN ILLINOIS TO ALLOW ILLEGAL IMMIGRANTS TO RECEIVE STUDENT LOANS**

- BROOKE HEATH

Recently, Illinois Senator Martin Sandoval (D-Chicago) proposed a law that would make any Illinois resident with a 3.0 grade point average eligible to receive state-backed student loans, even if he or she is an illegal immigrant. If passed, this controversial bill would allow any Illinois student seeking financial aid to be eligible for \$5,000 per year to pay for his or her higher education, regardless of citizenship status.

According to Higher Education Washington, Inc.'s *NewsLine*, in addition to having a "B" average to qualify for financial aid, students must also have lived in the state for a minimum of three years and graduated from an Illinois high school. The bill also requires that any student who is not a U.S. citizen or permanent resident sign an affidavit stating that he or she will apply for permanent residency as soon as he or she is eligible.

Sandoval stated, "Whether you're a citizen or a permanent legal resident or an immigrant, you...should have a right to an education."

## **OHIO ATTORNEY GENERAL TAKES ACTION AGAINST BORROWERS WITH DEFAULTED LOANS**

- BROOKE HEATH

Ohio University alumni with defaulted student loans have reason to worry. Recently, the Office of Ohio State Attorney General Marc Dann announced that he is in pursuit of a number of alumni who have neglected to repay their student loans and, as a result, have gone into default.

These long-delinquent loans have been referred to the attorney general's office from Ohio University. According to *The Athens News*, the majority of the debt is in the form of Perkins Loans, which are campus-based loans given directly to students at the university.

According to the *Chicago Sun-Times*, this bill was one vote short of passing, but because of a parliamentary move, it was kept alive.

But many are against this legislation. Senator Bradley Burzynski (R-Clare), who voted against the bill, said, "This program...would provide loans to illegal immigrants. Not to immigrants-to *illegal* immigrants."

He continued by stating that he would not support legislation that provided more services to illegal immigrants. "The state of Illinois can only provide so much," Burzynski said.

Still, Senator Sandoval supports this legislation because it will provide low-cost loans to high-achieving students. However, according to the *Sun-Times*, Sandoval could not estimate how much students who receive the state-backed loans would save in comparison to what they would save with other loans.

Senator Sandoval said, "Shame on my colleagues who threw the immigration red herring out. That is not what this bill is about."

These loans are also need-based; students need to demonstrate financial need to be eligible to receive these low-interest loans.

A spokesperson from Ohio University said that the university refers defaulted student loans to the Ohio Attorney General's Office and that all collection actions are handled by that agency.

"Ohio University is not supposed to go out after that debt," the spokesperson explained. "That is the attorney general's role and only his role."

*Continued on page 2*

To comment to the editor, Carleen Trapp, call 626.243.1881.



# NEWSLETTER

According to Higher Education Washington, Inc.'s *NewsLine*, these outstanding loans range in size from less than \$1,000 to more than \$13,000, totaling more than \$96,000. Since April 1, 29 of these cases have been filed with the Athens County Common Pleas Court.

The majority of those who owe on the loans live in the state, but their places of residence range from Athens, Ohio, to Atlanta, Georgia. The loans also vary in age, ranging from loans that were taken out in the past few years to some that were taken out 15 years ago.

According to *The Athens News*, Ben Espy, executive attorney for Ohio State Attorney General Dann, said that these actions against the delinquent loans reflect standard operating procedure.

Espy also said that prior to taking this step, the attorney general would have tried to encourage the debtor to pay on his or her loan.

"These are old cases," Espy said. "This is a last resort."

---

## NEWS IN BRIEF

---

### SENATOR EDWARDS ANNOUNCES COLLEGE OPPORTUNITY AGENDA

Senator John Edwards has announced a plan to make higher education more affordable for millions. His College Opportunity Agenda lays out a national "College for Everyone" initiative. The proposal would cover one year of tuition, fees, and books for students who attend public colleges and who show willingness to work hard. Edwards' agenda also provides students with the necessary tools to apply to college and obtain financial aid. It calls for simplification of the FAFSA, encourages states and institutions to maintain low tuition rates, and strengthens high school curricula in order to prepare students for college. Edwards also plans to do away with the FFEL program, which would allow students to bypass banks and go directly to the Department of Education for their borrowing needs. According to Edwards, the elimination of bank subsidies would leave about \$6 billion per year that could be utilized to make higher education more affordable.

### MCKEON AND KELLER CONCERNED ABOUT BUDGET PROCESS FOR CHANGES TO DIRECT LOAN PROGRAM

Senior Republican Member of the Education and Labor Committee Howard P. McKeon and Ranking Republican Member of the Higher Education, Lifelong Learning, and Competitiveness Subcommittee Ric Keller wrote a letter to members of the House Committee on the Budget. The letter expresses concern over the budget process to be used to instigate changes in favor of the Direct Loan student aid program. In the letter, McKeon and Keller state that the method being considered would

subvert legislative order and permit policy changes by way of a process typically reserved for deficit reduction.

### ENZI INTRODUCES STUDENT FINANCIAL AID DATA PRIVACY PROTECTION ACT

Senator Mike Enzi, Ranking Member of the Senate Health, Education, Labor, and Pensions (HELP) Committee has introduced the Student Financial Aid Data Privacy Protection Act. Enzi's move is aimed at protecting the private information of student loan borrowers and their families compiled by the Department of Education. It requires the department to create protocol that limits access to the National Student Loan Data System (NSLDS), which is used by students, institutions, lenders, and guarantee agencies. The bill is co-sponsored by senators Lamar Alexander, Richard Burr, Johnny Isakson, Pat Roberts, and Wayne Allard.

### DEMOCRATIC CONGRESSIONAL LEADERS REACH AGREEMENT ON 2008 BUDGET PROPOSAL

Democrats in Congress have reached an agreement on a budget proposal for the 2008 fiscal year. The \$2.9 trillion budget plan promises a budget surplus in five years and clearly indicates that the Democrats are bent on altering the Higher Education Act. The Democratic plan would introduce legislation that would cut off financial support for student loan providers and utilize the savings to provide financial aid for students. The proceeds could be used to increase the maximum Pell Grant and slash interest rates on student loans. The budget resolution includes an increase in discretionary funding for education and training that is \$9.5 billion greater than the increase requested by the president.