



# NEWSLETTER

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## **Law School Loans Testimonials**

### **Paul F. Says:**

"An advocate at Law School Loans helped me consolidate my loans and now I have the necessary financial basis upon which to build my law career."

## **FEDERAL AGENTS RAID FLORIDA-BASED STUDENT LOAN COMPANY - BROOKE HEATH**

Last week, in Largo, FL, federal agents raided Student Funding Services, confiscating many of the not-for-profit company's documents. The local FBI agents were accompanied by agents from the Office of the Inspector General for the Department of Education. However, neither agency would say what it was looking for or reveal the purpose of the raid.

According to *The St. Petersburg Times*, former employees watched as the agents filled a large U-Haul truck with boxes of documents after 4:00 p.m. on Wednesday, May 23.

According to Higher Education Washington, Inc.'s *NewsLine*, Student Funding Services, owned by Joseph A. Pursley, was established in 2004. The marketing company promotes consolidations to people with student loans. Last year, Student Funding Services brought

in \$4.6 million in sales, and according to *The St. Petersburg Times*, the company employs about 60 people.

In an interview with *The St. Petersburg Times*, Terri Still, 42, a former employee of Student Funding Services, said that she was fired earlier this year for questioning Pursley's business practices.

"I don't know what clicked in his head, but his persona changed," she said.

Still continued, saying that when she was with the company, she was paid commission on the loans that she consolidated and that she made more than \$100,000 with Student Funding Services last year.

"It's crazy. We all made sick, legitimate money," said Still.

## **STUDY SHOWS HALF OF 2007 GRADUATES HAVE JOBS - BROOKE HEATH**

A recent study shows that more than half of 2007 graduates had full-time jobs lined up prior to graduating this spring. According to the preliminary results of a study conducted by the National Association of Colleges and Employers (NACE), 51.2% of graduates who had searched for jobs had accepted jobs in early May. Additionally, close to 30% more had offers that they had not yet accepted.

NACE's 2007 Graduating Student Survey was conducted online between March 15 and May 7. More than 12,000 students at four-year colleges and graduate schools across the country were polled. Of the 12,000 polled, more than 10,000 were seniors.

According to Higher Education Washington, Inc.'s *NewsLine*, Executive Director of NACE Marilyn Mackes said, "Our survey shows that among those who have applied for jobs,

81.1% have received at least one offer." She also added that the average number of offers was 2.25 per student.

According to NACE's Job 2007 Outlook Spring Update, released last month, employers planned to hire almost 20% more new graduates this year than in 2006.

Surveys also indicated that employers were particularly looking for graduates in business, engineering, and computer science fields.

Mackes commented, "...Employers told us that competition for new college graduates was their biggest challenge this year, and results of our student survey seem to bear that out."

These surveys are conducted annually by NACE. According to a press release from the

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association, the purpose of the studies is to “look at students’ attitudes regarding the job search, job market, employers, after-graduation plans, and related issues.” NACE has been providing information about the employment of college graduates since 1956.

Final results of the 2007 Graduating Student Survey are expected to be released later this month.

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## NEWS IN BRIEF

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### CUOMO BOASTS THAT TWO MORE SCHOOLS HAVE AGREED TO ABIDE BY HIS CODE OF CONDUCT

Attorney General Andrew M. Cuomo announced he has reached agreements with two more universities. Drexel University in Pennsylvania has consented to refund student borrowers about \$250,000, which the university received in the form of revenue-sharing fees from lenders. Capella University in Minnesota has agreed to disclose information pertaining to the business relationship the university’s director of financial aid had with student loan lenders. Both universities have accepted Cuomo’s code of conduct, which requires institutions to revise their practices with respect to student loans. Cuomo’s code of conduct has been accepted by 22 other schools to date.

### SIMPLIFICATION OF EXISTING TAX BREAKS FOR MIDDLE-CLASS STUDENTS

If the recently introduced Universal Higher Education and Lifetime Learning Act is passed, existing tax breaks for students will be strengthened and simplified. The bill targets three existing tax breaks that students receive when paying for higher education: the Hope Scholarship, the Lifetime Learning Credit, and deductions for tuition and fees. A Government Accounting Office (GAO) study indicates that 27% of eligible tax filers do not claim tuition deductions or tax credits, partly because of the complexity of the system. Students and parents currently must struggle through a daunting 83-page IRS document in order to determine their eligibility. The Universal Higher Education and Lifetime Learning Act would simplify the tax code. The new bill would help approximately 9 million students at four-year institutions and about 1.1 million students at community colleges. U.S. Representatives Rahm Emanuel and Dave Camp, along with Senator Evan Bayh, introduced the bill. According to Emanuel, “This bill makes college more affordable and accessible for the middle class and provides a significant investment in ensuring that our workforce remains the envy of the world.”

### PRESIDENT BUSH EXPECTED TO NOMINATE JONES FOR ASSISTANT SECRETARY POST

Diane Auer Jones, Principal Deputy Assistant Secretary for the Office of Postsecondary Education, may be nominated by President Bush for the higher post of Assistant Secretary; the White House has released a statement conveying President Bush’s intention to nominate Auer Jones for the seat. A Washington policy expert, Auer Jones has had considerable relevant experience. Prior to joining the Department of Education, she served as Deputy to the Associate Director for Science in the Office of Science and Technology Policy within the Executive Office of the President. Jones, who earlier served as Director of the Office of Government Affairs at Princeton University, is also the former chair of the Intellectual Property Working Group of the Council on Federal Relations for the Association of American Universities.

### CIVIL ACTION SUITS FILED AGAINST SEVERAL OHIO UNIVERSITY ALUMNI

A number of former Ohio University students who have defaulted on their student loans are now facing the heat. Ohio Attorney General Marc Dann, who had been probing into debt-consolidation firms that cater to college graduates via alumni associations, is now turning his attention to OU alumni. Twenty-nine civil action suits have been filed with the Athens County Common Pleas Court against former OU students who have defaulted on student loans. The alumni owe debts ranging from \$1,000 to about \$13,000; together, they owe a total of \$96,000. Most of the defendants defaulted on Perkins Loans.

### NASFAA TO SEND CUOMO REVISED CODE OF CONDUCT

The National Association of Student Financial Aid Administrators (NASFAA) plans to send New York Attorney General Andrew M. Cuomo a revised code of conduct pertaining to controversial student-lending issues. An earlier

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draft sent by NASFAA was criticized by Cuomo. The attorney general wrote to Dallas Martin, president of NASFAA, "The code you have proposed is inadequate in that it does no more than recite vague, lofty goals of generalized ethical behavior." Cuomo wants the association to adopt his own code of conduct. The attorney general also wrote that his code of conduct forbids higher education institutions from accepting anything of value from a student loan company for any advantage requested by the lender and states that

financial aid officers cannot receive anything of value for being on a student loan company's advisory board. Earlier, NASFAA approved the practice of accepting "reimbursement of actual and reasonable expenses" for serving on a company's advisory board but later changed its position. The association said that the final draft of its code of conduct will "incorporate both the letter and spirit of what the New York Attorney General has asked."