



NEWSLETTER

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Law School Loans Testimonials

Michelle H. St. Louis, MO
says...

I was always under the impression that I had to wait until I got out of school to consolidate. Law School Loans explained that I could, and helped me through it. Thanks to them I was able to lock in a low interest rate, which saved me \$6,328.

NO THREAT TO FEDERAL STUDENT LOAN AVAILABILITY

- CARINA ZARAGOZA

On March 17, 2008, witnesses testified before the Senate Education Committee regarding the availability of federal student loans. The committee met at Northeastern University in Boston and was called by Senator Edward M. Kennedy (D-MA), chairman of the Health, Education, Labor, and Pensions (HELP) Committee. Recent reports of possibly reduced or no funds for the fall semester have prompted Congress to take action.

"We simply cannot allow the problems in the credit markets to prevent our young people from going to college," Kennedy said in his opening statement.

Kennedy has long been an advocate for the U.S. Department of Education's Direct Loan Program. Northeastern University recently announced it will move its loan activities to the Direct Loan Program, a decision Kennedy commended.

A major benefit the Direct Loan Program offers students and schools is its dependability, or so claimed Kennedy, calling the program "a tested and reliable program in the U.S. Department of Education." On the other hand, lenders operating under the Federal Family Education Loan (FFEL) Program are vulnerable to market conditions, or as Kennedy described them, "shaky banks."

Among the witnesses who testified were Sara Martinez Tucker, undersecretary of education; Eileen O'Leary, assistant vice president and director of student financial services at Stonehill College in Easton, Massachusetts; Thomas M. Graf, executive director of the Massachusetts Educational Financing Authority; and Deanne Loonin, director of the Student Loan Borrower Assistance Project, a National Consumer Law Center initiative. Also present was Eliaquin Gonell, a student attending Salem State College, who

offered his experience paying for school and advocated for more colleges and universities to transition to the Direct Loan Program.

Undersecretary of Education Tucker assured the committee, as well as students and families, that "federal student aid will continue to be available."

O'Leary pointed out that it is primarily the non-federal lending sector that is feeling the squeeze due to the current credit crisis. She anticipates that "students with bad credit will be unable to obtain alternative loans" but actually sees this as positive because alternative loans for the most part carry "high interest [rates] and exorbitant fees" and are "not dischargeable, even in bankruptcy or death."

The representative of the private lending sector, Graf, assured the committee that the Massachusetts Educational Financing Authority (MEFA) is working hard to ensure funds will be available for students but did concede that "MEFA's ability to provide families with affordable financing programs to achieve and maintain access to higher education" may be at stake in today's economy.

Senators present at the hearing also voiced concerns over whether students will face interrupted access to loans, in particular those made by FFEL lenders.

Meanwhile, the House and Senate approved their 2009 budget resolutions, but funding may be difficult due to partisan voting.

On the Net

Higher Education Washington Inc.
www.hewi.net

Committee Hearing Full Text and Audio
help.senate.gov/Hearings/2008_03_17/2007_03_17.html



NEWSLETTER

HARVARD LAW SCHOOL TO WAIVE TUITION FOR 3LS

- CARINA ZARAGOZA

Harvard Law School recently announced it will waive tuition for third-year law students. These students may see a savings of more than \$40,000. The condition is that they must pledge to work for five years with the government or a nonprofit organization. Harvard Law already offers loan forgiveness programs to students choosing public service work upon graduation.

The main impetus for creating this new, and unique, tuition incentive is to encourage students to enter the public service sector. From 2003 to 2006 only about 10% to 12% of students entered public service jobs. Many students who would have entered public service may have been dissuaded by the high salaries law firms offer, in many cases well over \$100,000.

Harvard Law is also addressing the issue of the large amount of debt students graduate with. Harvard recently introduced a new financial aid plan that increases aid to undergraduate students. Students who enter the public service sector typically receive lower salaries than their counterparts who enter the corporate world. Both groups graduate with the same amount of debt, but it is the public sector attorneys who feel the financial pressure. Thus, many recent graduates are pushed into high-paying private sector jobs, if only to manage their education debt.

How many students will take Harvard Law up on its offer remains to be seen. Harvard Law is anticipating the waiver program will cost \$3 million per year. Plus, there are already systems in place to track whether students remain in the public service sector for the entire five years that is required. If they don't, Harvard Law will ask for its money back.

The Public Service Initiative will begin with the entering class of the fall 2008 semester. Students currently enrolled are eligible for smaller tuition grants. Qualifying public service jobs include any full-time job with a government agency, any full-time job with a nonprofit organization, any full-time job for a political campaign, and clerkships.

In other Harvard Law news, the Global Poker Strategic Thinking Society rallied against the Massachusetts State House to oppose a bill that would penalize individuals who participate in online poker. The Global Poker Strategic Thinking Society supports online poker as an educational tool, claiming the game teaches skills like strategic thinking, risk assessment, and money management. The Poker Players Alliance is also in opposition to the bill. Should the bill pass, anyone playing online poker would receive criminal penalties and, if convicted, could face two years in jail and a fine of up to \$25,000. The president of the Global Poker Strategic Thinking Society is Charles Nesson, a professor at Harvard Law.

On the Net

Harvard Law
www.law.harvard.edu/news/2008/03/18_publicserviceinitiative.php

ABA Journal
www.abajournal.com/news/harvard_law_will_waive_tuition_for_3ls_planning_public_service

New York Times
www.nytimes.com/2008/03/18/us/18law.html?ex=1363579200&en=201c22312730fa93&ei=5124&partner=permalink&exprod=permalink



NEWSLETTER

NEWS IN BRIEF

RECORD NUMBER OF APPLICATIONS RECEIVED BY CHARLESTON SCHOOL OF LAW

A record number of applications have arrived at Charleston School of Law for the 2008-2009 school year. About 1,270 applications were submitted for 135 full-time slots. This reflects a 40% increase from the past year. The school has earned provisional accreditation from the American Bar Association and sits on a 1.25-acre plot bought from the city of Charleston. Charleston School of Law plans to develop the land and believes that the city did the right thing in helping them out. It is essential for the school to demonstrate room for growth in order to continue with its accreditation process.

UNIVERSITY OF VIRGINIA SCHOOL OF LAW GETS NEW DEAN

Paul G. Mahoney, a law professor at the University of Virginia School of Law, has been appointed the law school's new dean. Mahoney, who joined the law school's faculty in 1990, is an expert in corporate law.

While serving as academic associate dean between 1999 and 2004, Mahoney administered the school's academic policies as well as its curriculum. He also has received an All-University Outstanding Teaching Award. His predecessor, John C. Jeffries, began a \$150 million fundraising campaign, contributed to public service and curricular programs, and worked to improve student recruitment during his term.

WHAT DRIVES PEOPLE TO LAW SCHOOL?

According to a survey, 52% of males and 34% of females said they would consider a political run. The recent Kaplan survey asked about 2,000 potential law school applicants why they wanted to be lawyers. The answer was clear: financial gain and political ambition. About 73% of those surveyed said that high income potential was the reason they selected the legal profession. Others wanted to use their law degrees to launch political careers. About 42% said they would definitely or probably run for a political office in the future.

