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Lisa G., NC

"Graduate School Loans made it so easy for me to take care of my educational debt. I did it all online and now I'm saving thousands of dollars on my loans!"

THE COLLEGE COST REDUCTION ACT OF 2007

- SHAILEJA MAMMEN

The College Cost Reduction Act of 2007 introduced by U.S. Rep. George Miller (D-CA), chairman of the House Education and Labor Committee, proposes the largest investment in college education since the 1944 GI Bill, according to the committee's website. If passed, this legislation will help students and families pay for college at no extra cost to U.S. taxpayers.

The legislation provides for almost \$20 billion in additional funding over the next five years for college education. The funds would be raised by reductions in federal subsidies to lenders in the education loan industry. The legislation also includes provisions to reduce the federal budget deficit by \$750 million.

The maximum Pell Grant would increase by \$500 to \$5,200 over the next five years. The objective of this provision is to eliminate the gap between the maximum Pell Grant and tuition in order to assist more low- and moderate-income students.

A reduction of interest rates by half on need-based student loans has also been proposed. Other provisions include tuition assistance for excellent undergraduates who agree to teach in

public schools, loan forgiveness for graduates who go into public service, increased federal loan limits to reduce dependence on expensive private loans, and new tuition cost-control measures.

Proponents of the legislation argue that it will be an investment in America's college students and increase U.S. economic competitiveness. The legislation will make college more affordable for the middle class by cutting interest rates, controlling tuition costs, and reducing dependence on expensive private loans by increasing federal loan limits. The increase in the maximum Pell Grant and a widening of eligibility criteria will enhance the purchasing power of Pell Grants.

Students' commitments to serve as law enforcement officers, firefighters, nurses, public defenders, prosecutors, early childhood educators, and librarians will also be rewarded through loan forgiveness. Additionally, the legislation attempts to increase the number of first-generation, low-income college students by encouraging philanthropic organizations to participate in partnerships with federal, state, and local government entities.

NORTH TEXAS STUDENTS NOW ELIGIBLE TO ATTEND NORTH TEXAS UNIVERSITY FOR FREE

- NIHIT AURORA

A significant number of American students resort to financial assistance to fund their educational needs. This includes a variety of sources, such as loans, grants, and savings. College education in the United States can cost between \$10,000 and \$30,000 per year. This usually does not include costs such as accommodations, travel, and other living expenses. Many students seek employment while attending college to defray their education-related expenses.

The United States economy has not been performing well lately. Rising costs coupled with a slump in the housing sector are making it

extremely difficult for parents to pay for college. Many in the U.S. consider higher education unaffordable due to high costs.

According to Dr. Gretchen Bataille, president of the University of North Texas, a number of people believe they are not worthy of college educations because they cannot afford them. She has therefore conceived a new scholarship program at the University of North Texas called the "Emerald Eagle Scholars (EAS)" program that aims to provide four years of annual tuition fees to needy North Texas students. Tuition fees will be paid by a combination of funds from state, federal,

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To comment to the editor, Carleen Trapp, call 626-243-1881.

and institutional resources. Unlike other similar programs, the EAS program requires students to enroll in a mentorship program and work on campus.

The University of North Texas is already required by law to aid financially needy students. Financial aid provided by the university amounted to nearly \$5.4 million last year. Authorities

at the University of North Texas estimate that an additional sum of \$1.4 million will be added to this figure in September. During an inauguration ball on April 13, Bataille also raised more than \$350,000 for the EAS program.

It is expected that more than 400 participants will take part in the scholarship program beginning in the fall of 2007.

NEWS IN BRIEF

NEW BILL SEEKS TO AMEND HIGHER EDUCATION ACT

Congresswoman Carolyn McCarthy has introduced a bill to amend the Higher Education Act of 1965. The Teacher and Nurse Support Act of 2007 expands the loan forgiveness program for teachers and establishes loan forgiveness for nurses. The act is aimed at improving educational and health services across the United States by encouraging people to join and continue in these professions. According to the National Center for Education Statistics, in the next 10 years, the United States will require more than 2 million new teachers to fill posts left vacant by retiring teachers or teachers leaving their jobs to join other professions. A report by the American Hospital Association states that there are more than 118,000 unfilled registered nurse positions in hospitals across the nation.

DODD PLANS TO INTRODUCE BILL THAT WOULD REFORM PRIVATE STUDENT LENDING MARKET

Chairman of the Senate Committee on Banking, Housing, and Urban Affairs Senator Chris Dodd has announced that he plans to introduce a bill that would reform the private student lending market. The Private Student Loan Transparency and Improvement Act directs private lenders to provide customers with accurate and timely information pertaining to interest rates and other terms and conditions associated with their products. The bill is designed to help students better understand the products they are buying as well as their options and obligations. The act also prohibits various practices that have prevented students from obtaining the best and most competitive loans.

MARYLAND ATTORNEY GENERAL WANTS COLLEGES TO ADOPT CODE OF CONDUCT

Maryland Attorney General Douglas F. Gansler has asked

Maryland's colleges to adopt a "code of conduct" governing their relationships with student loan lenders. Gansler's code is similar to the one introduced by New York Attorney General Andrew M. Cuomo. It prohibits educational institutions from receiving "anything of value" from lenders. It also disallows them from forming revenue-sharing agreements with preferred lenders and asks colleges to disclose the criteria they use for selecting preferred lenders. According to the code, students must be informed of their right to borrow from lenders other than those recommended by the college.

CBA REACTS TO BUDGET CUTS AFFECTING FFELP

Joe Belew, President of the Consumer Bankers Association (CBA), issued a statement on the recent budget cuts affecting the Federal Family Education Loan Program. Belew called the legislation authorizing the cuts an "anti-student bill in pro-student clothing." He said the move will destabilize the student loan program, which is relied on by approximately eight out of 10 students attending higher education institutions. He also stated that customer service is likely to suffer since the budget cuts will affect administrative costs and that customers will lose out on the benefits provided by lenders. Belew said the CBA regards the move as short-sighted and urged the Education and Labor Committee to "reconsider this unsound package of legislation."

FLORIDA WILL PROVIDE FINANCIAL AID TO STUDENTS RECEIVING TECHNICAL TRAINING

Students in technical-training programs will be eligible for financial aid from the State of Florida, effective July 1. The bill establishing the Florida Student Assistance Grant for Career Education Program was sponsored by Rep. Aaron Bean in the Florida House and by Sen. Stephen Wise in the Senate. Under the provisions of the bill, financial aid will be given to students involved in a wide range of workforce training

programs, from air-conditioning and refrigeration programs to aircraft- and automotive-service programs to carpentry, electricity, and healthcare training programs. Students pursuing careers in public service will also be able to receive

state aid. To be eligible for aid, a student must be enrolled in an approved program at a community college or a career technical center run by a Florida school district.