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Graduate School Loans Testimonials

Trish T., Redondo Beach, CA

I was overwhelmed with all of the debt that I had from graduate school. I felt like nothing could help me manage all of it! But I was wrong! Graduate School Loans not only helped me consolidate my multiple loans into one, easy-to-manage loan, but also helped me save a substantial amount of money in the process!

CALIFORNIA STUDENTS GET RELIEF, 2007-2008 STATE BUDGET PASSED

- AMIT AGARWAL

An impasse blocking the approval of the 2007-2008 California state budget that provoked widespread discontentment among students and parents was finally resolved on August 24. Governor Arnold Schwarzenegger approved the state budget after a 52-day deadlock, enabling students to access state grants just as their fall semesters began.

The budget released almost \$11 million in grants to San Francisco State University (SFSU) students a few days before they started their classes, providing relief to those who depend on Cal Grants for their housing, textbook, and transportation needs.

For the University of California, the final budget allocated \$3.27 billion (reflecting a 6.4% increase in funding from the previous year) for the fiscal year that began July 1.

The standoff resulted because 14 Republican state senators disagreed with parts of the budget

and refrained from voting for its passage, preventing it from receiving approval by the required two-thirds majority. Finally, on August 21, Minority Leader Dick Ackerman and Senator Abel Maldonado decided to support the \$145 billion budget.

During the standoff, the state controller's office accumulated about 60,000 unpaid claims submitted by hospital, school, and childcare programs. State education officials contend that there was a contingency plan in place to provide funding if the budget's approval was delayed further. Campuses with surplus funds were to provide loans to students that would have been repaid with Cal Grants.

As state legislators have missed the June 30 budget-approval deadline 13 times in the last 20 years, this year's delay did not come as a surprise to many.

HEWI REPORTS NUMEROUS SCHOOLS OFFER NO CHOICE OF LENDERS TO STUDENTS

- SHAILEJA MAMMEN

A large number of colleges and universities participating in the Family Federal Education Loan Program reportedly offer no choice of lenders to their students. According to a document obtained by Higher Education Washington, Inc., (HEWI) from the Department of Education, about 300 (32.5%) of the schools regarding which HEWI received information have 100% of their loan volume with just one lender.

A document containing a list of 921 colleges and universities was handed over to HEWI in response to a federal Freedom of Information Act request. The colleges and universities on the list have at least 80% of their loan volume with one lender.

Nearly 25% of the 291 schools that use only one lender have 100% of their loan volume with Sallie Mae, a major player in the education loan industry.

Based on this document, the Department of Education reminded the schools that they were restricting their borrowers' choice of lenders by using just one lender. Preferential treatment of

lenders and their relationships with schools have recently faced state and federal investigations. New York Attorney General Andrew M. Cuomo started the investigations, and similar actions were soon taken by Congressional leaders. This has led to new laws in some states and pending federal legislation that has been passed by both houses but is still awaiting the president's approval.

This new federal legislation is aimed at ensuring that no lender gets preferential treatment from a college or university. The legislation requires lenders and schools to provide more information about loans to parents and students.

In August, U.S. Secretary of Education Margaret Spellings again urged schools, lenders, and guarantors associated with them to regulate themselves and adopt the practices suggested in the provisions of the proposed legislation. She also said she would use the tools available to her, ranging from compliance agreements to loss of federal funding, to check violations.

NEWS IN BRIEF

ARKANSAS GOVERNOR ANNOUNCES NEED-BASED GRANT PROGRAM

Arkansas Governor Mike Beebe has announced a new grant program for the state's high school graduates. A need-based program, the GO! Opportunities Grant Program will provide up to \$1,000 per year to Arkansas students pursuing full-time college education. Eligible students attending college part-time can receive \$500 per year. Students receiving funding from the program are required to maintain 2.0 GPAs and must certify that they are drug-free. Students also must have been Arkansas residents for at least 12 months prior to applying to the program and must have graduated from Arkansas high schools or obtained their General Education Development (GED) degrees.

IWU'S FINANCIAL AID OFFICE ANNOUNCES TWO NEW APPOINTMENTS

Illinois Wesleyan University's financial aid office has named two of its employees to new positions. Lynn Nicholson, director of financial aid at Illinois Wesleyan University, will now serve as assistant dean of enrollment management. Scott Seibring,

director of new student financial aid, will now serve as director of financial aid. Nicholson, who has been the school's director of financial aid since 1963, will continue to work on financial aid policy matters, research, and government regulations issues. Seibring, who has been with the university for 22 years, has worked in its financial aid office for the past 13 years.

IOWA GOVERNOR INTRODUCES ALL IOWA OPPORTUNITY SCHOLARSHIP

Iowa Governor Chet Culver has announced the launch of a new need-based scholarship program that will provide \$1.5 million in scholarships to Iowa residents who plan to go to college. The "All Iowa Opportunity Scholarship Program" is aimed at increasing Iowa students' access to college. Eligibility requirements include enrollment at an Iowa college or university within two years of high school graduation; a high school GPA of 2.5 or greater; enrollment in at least three semester hours of college courses; satisfactory academic progress in college; and completion of the Free Application for Federal Student Aid (FAFSA).