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Federal Lender Code 834241

America's Top Student Loan Consolidator

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Experts Converse On College Cost

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The rising cost of education' was a subject of discussion for a panel of experts gathered in Washington, recently. The experts talked about a variety of financial aid problems facing students seeking to pursue high education.

Julie Radocchia, the Higher Education Specialist for Rep. George Miller (D-CA), said that the interest rates on student loans should be halved to create an average savings of \$5,600. Jennifer Pae, Vice president of the United States Student Association held that the \$12.7 billion cut to financial aid in February pinched the pockets of middle-class students the most.

However, Rick Hess, Director of Education Policy studies at the American Enterprise Institute, described the U.S. higher education system as an "incredible bargain." He said that with an aging population, and rising cost of living, the possibility of Congress increasing federal financial aid programs was "basically nil." He added that he wanted to create a level playing field in which it was easy for everyone to get loans; and that to compensate for federal cuts in student aid, interest rates would have to be higher.

\$25.3 Mill For Hispanic Students

For academic year 2006-2007, scholarships worth \$25.3 million have been granted by the Hispanic Scholarship Fund (HSF), a major organization working towards the betterment of Hispanic students. The scholarships will fund both new and continuing HSF student scholars pursuing college education, and the average award will be around \$2,500. The \$25.3 million corresponds to scholarships awarded through a variety of programs sponsored by a number of donors. One scholarship funded by the Bill and Melinda Gates Foundation in partnership with HSF, the Gates Millennium Scholarship, helps to provide the for any outstanding financial needs of the student scholar. The applications for the scholarships open August 1, and students can apply through the HSF web site <http://www.hsf.net>.

Established in 1975 as a 501(c)3 not-for-profit organization, HSF provides the Latino community a host of college scholarships and outreach support. The organization has awarded a total in excess of \$195 million in 78,000 scholarships since its inception.

State Rep Lauanders Scholarships

Recently, it was discovered that Alabama state representative Bryant Melton (D-Tuscaloosa) had been laundering money to pay his five-digit gambling debts.

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A board member for a college foundation, Melton used his power as a state legislator to channel funds to his foundation. The foundation then awarded most of these funds to Melton's daughter. Melton would forge her signature to cash the checks.

Melton has stated that he will plead guilty to several state and federal charges.

Update On New Bill

Recently, the Student Debt Relief Act (S.3593) was introduced by a group of Senate Democrats. As noted in our previous issue, this act will help student-loan borrowers save money.

However some student-loan companies are upset about the bill, which, if passed, will end the exceptional performer (EP) status for many of these companies.

The Department of Education's EP status is granted to education lenders who have met certain requirements. The status allows companies to more quickly file claims on defaulted loans, and these companies are reimbursed for 99 percent of the student loan. Non-EP-status companies receive around 2 percent less than these companies on defaulted student loans.

According to Sen. Ted Kennedy (D-MA), who helped write the bill, the Student Debt Relief Act "eliminates provisions in current law that allow certain lenders to receive higher reimbursement from the government for defaulted loans than other lenders."

EPI Directors Announced

On July 7, four new directors have been appointed to the board of the non-profit Educational Policy Institute. Betsy Brand, Director of the American Youth Policy Forum; Dr. Lloyd Axworthy, President of the University of Winnipeg; Dr. Raymund Parades, Commissioner of the Texas Higher Education Coordinating Board; and Dr. David Breneman, Dean of the Curry School of Education at the University of Virginia, were named.

An international think tank, Educational Policy Institute works on providing research, analysis and systems, to support institutions, policymakers, and practitioners, and works to spread out educational opportunity for all students.