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## Graduate School Loans

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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!"

## SENATORS URGE SPELLINGS TO REFRAIN FROM IMPOSING NEW ACCREDITATION REGULATIONS

- AMIT AGARWAL

Senator Edward M. Kennedy and members of the Health, Education, Labor, and Pensions (HELP) Committee have asked U.S. Secretary of Education Margaret Spellings to refrain from imposing new accreditation regulations on colleges and universities until Congress reauthorizes the Higher Education Act.

In a letter written to Spellings, 18 of the 21 senators on the HELP Committee stated that Congress is considering changes to current accreditation provisions. The letter says these changes would strengthen the nation's accreditation system by clearly defining the responsibilities of the Department of Education regarding recognition of organizations and accreditation agencies. The changes would specify the criteria agencies must look for when reviewing institutions of higher education. The letter also asks Spellings to wait until proceedings in Congress addressing the same issues are completed. The Department

of Education was earlier accused of aggressively pursuing its own plans for new regulations.

HELP members and Republican Senators Wayne Allard of Colorado, Tom Coburn of Oklahoma, and Orrin Hatch of Utah refrained from signing the letter. Although the three Republicans have abstained from signing the letter, it states that the committee's members support the Education Department's overall aim of ensuring that the accreditation system promotes quality in higher education.

Apart from Senator Kennedy, other committee members who signed the letter are Michael B. Enzi, Christopher Dodd, Judd Gregg, Tom Harkin, Lamar Alexander, Barbara A. Mikulski, Richard Burr, Jeff Bingaman, Johnny Isakson, Patricia Murray, Lisa Murkowski, Jack Reed, Pat Roberts, Hillary Rodham Clinton, Barack Obama, Bernard Sanders, and Sherrod Brown.

## NORTHERN ILLINOIS UNIVERSITY STUDENTS FACE TUITION HIKE

- SURAJIT SEN SHARMA

According to members of the board of trustees of Northern Illinois University (NIU), the disparity between the rates of inflation and state funding can be made up for only by raising tuition fees.

In a meeting held in May, the finance committee of the NIU board of trustees approved a proposal to raise tuition fees by 10.8%. The hike would raise tuition for graduate students from \$204 to \$226 per credit hour. For law students, the tuition rate would increase from \$398 per credit hour to \$441 per credit hour.

The fee escalation comes in the wake of the passage of the Truth-in-Tuition law, which requires incoming freshmen and transfer students to be charged at the same rate for the following eight semesters. John Peters, NIU president, said, "It is difficult to peer four years into the future and estimate exactly what our costs will be. However,

we can say with almost absolute certainty that our costs won't be going down, and it is unlikely that we will see any substantial increase in state funding to offset those costs."

Eddie Williams, NIU's vice president of finance and facilities, lent support to Peters' contention, saying, "All of these tuition increases are connected to the fact that our state appropriations have fallen short over the years."

J.D. Bergman, a member of the board of trustees, said of the issue, "The reason this happened is salary increases and inflation rise at 3% each year. The state funding rose last year by 1%. The only way we could make up the difference was to raise tuition."

If approved, the proposal would mandate a cost of \$468 per credit hour for new out-of-state students, while incoming students from Illinois would pay

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\$224 per credit hour. Residence hall rates and meal plan rates are also slated to increase as part of the same proposal.

Although the proposed measures indicate that the sliding

tuition scale at NIU favoring students taking heavier class loads is going to end, students would still only pay for a maximum of 16 hours per semester—additional hours would be provided free of charge.

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## NEWS IN BRIEF

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### **HIGHER EDUCATION ACT REAUTHORIZATION BILL WOULD INCREASE FINANCIAL AID**

A bipartisan Higher Education Act (HEA) reauthorization bill cosponsored by Senators Edward M. Kennedy and Mike Enzi includes increases in the maximum Pell Grant and other student financial aid for 2008-2009. If passed, the bill would also place a cap on borrowers' monthly loan payments. Funding for these measures would be generated by cutting subsidies to lenders that participate in the Federal Family Education Loan (FFEL) Program. The bill would create a code of conduct for schools, lenders, and guaranty agencies to ensure that lender-college agreements benefit students. It also proposes a pilot program for auctioning PLUS Loans and expands eligibility for National Science and Mathematics Access to Retain Talent (SMART) Grants.

### **CUOMO AND MCCOLLUM URGE SENATE TO PASS STUDENT LOAN SUNSHINE ACT**

New York Attorney General Andrew M. Cuomo and Florida Attorney General Bill McCollum, along with about 30 other attorneys general, have urged the Senate to pass the Student Loan Sunshine Act as soon as possible. The act protects students and families from deceptive practices in the college lending industry. The senators made the request in a bipartisan letter to U.S. Senate Majority Leader Harry Reid and Senate Minority Leader Mitch McConnell. According to Cuomo, the U.S. needs a federal law that will augment states' investigations of inappropriate and illegal activities in the lending industry. New York already has a law that protects students from such activities.

### **NEW SCHOLARSHIP OPPORTUNITY FOR VERMONT STUDENTS**

Governor Jim Douglas has created the Next Generation Scholarship Program in an attempt to keep Vermont's young

talent in the state. Vermont has allocated \$5 million for the scholarship, which is expected to receive continued funding. The University of Vermont, Vermont Student Assistance Corp., and Vermont State Colleges will each get \$1.6 million to distribute to students requiring financial aid. Eligible students will be granted \$1,000 each year for four years. The first group of students will receive funding this fall.

### **CBA RELEASES REPORT ON FINANCIAL AID ADMINISTRATORS**

The Consumer Bankers Association (CBA) released a report on an online survey of financial counselors (most of whom are financial aid administrators) across the nation. The "2007 Final Research Report" assesses the views of the administrators on proposed legislation that would impact student loans. The report discusses the lenders' views on the Federal Family Education Loan Program, preferred lender lists, and ways to augment lender options for student and family borrowers. Of the survey's 528 respondents, 90% indicated they did not believe that unethical practices were prevalent among private lenders. The survey was conducted by independent market research firm The Hannon Group, LLC.

### **OREGON TO INCREASE STUDENT FINANCIAL AID**

After years of dwindling state support, legislators in Oregon have more than doubled the state's budget for student financial aid. Starting in fall 2008, Oregon will spend \$106 million on student aid for the next two years. Most of the funding will be utilized by a new program supported by Governor Ted Kulongoski that will increase the number of Oregon students eligible for grants from 25,000 to 32,000. Students who contribute specified portions of their school costs will be guaranteed assistance from the state. The move is aimed at supporting Oregon's seven public universities and 17 community colleges and assisting more students with getting access to college.