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The New York Legislature unanimously approved and adopted the Student Lending Accountability, Transparency, and Enforcement (SLATE) Act of 2007. It was introduced on April 16 by legislative leaders Joseph L. Bruno and Sheldon Silver at the insistence of New York Attorney General Andrew M. Cuomo. The landmark legislation, which is the first of its kind, codifies Cuomo's "College Loan Code of Conduct," which will be used to settle cases involving lenders and institutions. It also halts the practice of colleges receiving gifts from lenders in exchange for directing potential customers to them. The bill aims to protect students and their families from exploitation resulting from conflicts of interest in the \$85 billion-per-year student loan industry. The New York Legislature has become the first legislature to offer a solution to the student loan scandal that has affected millions of students across the country. Cuomo, praising the passage of the act, said it would give New Yorkers "confidence in knowing that state law will be on their side in dealing with the college loan industry."

### **Education Department loan official resigns**

Theresa Shaw, chief operating officer for the Federal Student Aid Office, is calling it quits as the probe into student-lender misconduct intensifies. Shaw has been at the helm since 2002, heading the department that administers federal student aid programs. For some time, she has been drawing flak for the office's alleged lax oversight of the \$85 billion student loan industry. Members of Congress and other critics allege that the federal department's officials in charge of overseeing the student loan industry had ties that resulted in conflicts of interest. In a statement, the department said that Shaw informed Secretary of Education Margaret Spellings last February that she would be quitting, but not until June 1. Shaw also headed student loan official Matteo Fontana's office. Both Shaw and Fontana earlier worked for student loan giant Sallie Mae. Fontana came under fire when stocks in a student loan company worth at least \$100,000 were found in his name.

### **Cooper appointed deputy director of Student Financial Assistance**

Michelle Asha Cooper has been appointed as the deputy director of the Advisory Committee on Student Financial Assistance. Cooper, a senior staff member, most recently served as director of policy research and has been on the advisory committee for three years. She received the National Education Association's Excellence in the Academy New Scholar Award in 2003. Cooper is, at present, conducting research on early information about and affordability of college textbooks as well as exploring the viability of federal EFC simplification.

### **Spellings questioned regarding student-lending scandal**

At a recent hearing, U.S. Secretary of Education Margaret Spellings was questioned by George Miller, Chairman of the Committee on Education and Labor, about the alleged

inaction and slow response time of her agency with regard to student-lending controversies. She was grilled about a 2003 notice sent by the Education Department's inspector general asking the department to look into kickbacks provided to college financial aid officers. The secretary defended herself, saying that programs related to student lending were monitored vigorously and that regulations would soon be proposed that would require a minimum of three lenders on a school's preferred-lender list, along with explanations of why they were chosen. She also discussed the establishment of a task force for investigating private student loans and proposals that would enable students to borrow from any lender.