UNC implements stricter financial aid rules

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The University of North Carolina has implemented tighter guidelines for its financial aid officers at its 16 campuses. The new rules are expected to prevent potential conflicts of interest. Earlier, New York Attorney General Andrew Cuomo found that schools were accepting gifts and favors in exchange for recommending lenders on their preferred-lender lists. According to the new guidelines for the UNC system, financial aid officers will not be able to receive any gifts from student loan providers. The rules also call for more transparency in the school's financial aid system. Financial aid officers will have to provide students' families with the names of three or more lenders who provide the best deals on educational loans based on interest rates, customer service, and fees, among other factors.

FFEL participants say auction not a good idea

Proposals requiring student loan providers to participate in an auction if they want to underwrite student loans met with criticism from Federal Family Education Loan (FFEL) Program participants. At a roundtable discussion, FFEL lenders said the proposal, if implemented, would drive small lenders out of the student loan business. Although the move may decrease the number of lenders, the proposals may not have a significant impact as far as students are concerned. Department of Education data show that 32 lenders control 90% of the market, and Sallie Mae currently controls about 40% of outstanding FFEL Program debt.

Hillary Clinton's student lender proposals approved by HELP Committee

Senator Hillary Rodham Clinton announced that key components of the measures she introduced to tackle the student loan controversy were included in legislation passed by the Health, Education, Labor, and Pensions (HELP) Committee. The measures were part of the Higher Education Access Reconciliation Act and the Higher Education Amendments of 2007, which are slated to generate $17.3 billion in further benefits for students. Provisions that were included in the bill from Clinton's Student Borrower Bill of Rights include "assistance for borrowers with disabilities," "an income-sensitive repayment program," and a requirement that "lenders…provide timely information about their loans to borrowers." Clinton's Non-Traditional Student Success Act contributed features such as "ending the work penalty," "support for parents," and "support for foster youth" to the legislation.

University of Colorado-Boulder announces largest financial aid allocation, increases tuition

University of Colorado-Boulder has announced the largest financial aid allocation in its 130-year history. Yet to be approved by the University of Colorado Board of Regents, the $6.6 million budget for fiscal year 2007-2008 was introduced following a tuition hike. For the next academic year, the campus is planning to offer a one-time $200 scholarship to every resident undergraduate student. Full-time resident undergraduates at the school's College

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of Arts and Sciences will see an average tuition increase of about $332 per semester. The tuition hike also increases the number of credit hours students must take to qualify for full-time status.

Florida governor changes stance, goes ahead with tuition increase
Governor Charlie Crist of Florida has made a surprising reversal of his stance on tuition hikes; he has passed a bill that allows University of Florida and two other top research universities in the state to increase tuition by almost 40% over the next few years. The differential tuition bill was not expected to become law in light of the fact that in May the governor vetoed a 5% tuition increase for state universities. The legislation permits the University of South Florida to raise tuition for Florida undergraduates by as much as 30% above the base tuition rate, provided tuition does not increase more than 15% in a year. The University of Florida and Florida State University will be allowed to charge in-state undergraduates as much as 40% more than the base rate.