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## Medical School Loans

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## Medical School Loans Testimonials

Dr. J. Wang, Seattle, WA

"After completing medical school I had all of my loans consolidated through Medical School Loans. They were able to save me \$32,000 over the life of the loan. Now I am able to focus on my future without the burden of student loan debt weighing heavily on my mind."

## THE COLLEGE COST REDUCTION ACT OF 2007

- SHAILEJA MAMMEN

The College Cost Reduction Act of 2007 introduced by U.S. Rep. George Miller (D-CA), chairman of the House Education and Labor Committee, proposes the largest investment in college education since the 1944 GI Bill, according to the committee's website. If passed, this legislation will help students and families pay for college at no extra cost to U.S. taxpayers.

The legislation provides for almost \$20 billion in additional funding over the next five years for college education. The funds would be raised by reductions in federal subsidies to lenders in the education loan industry. The legislation also includes provisions to reduce the federal budget deficit by \$750 million.

The maximum Pell Grant would increase by \$500 to \$5,200 over the next five years. The objective of this provision is to eliminate the gap between the maximum Pell Grant and tuition in order to assist more low- and moderate-income students.

A reduction of interest rates by half on need-based student loans has also been proposed. Other provisions include tuition assistance for excellent undergraduates who agree to teach in

public schools, loan forgiveness for graduates who go into public service, increased federal loan limits to reduce dependence on expensive private loans, and new tuition cost-control measures.

Proponents of the legislation argue that it will be an investment in America's college students and increase U.S. economic competitiveness. The legislation will make college more affordable for the middle class by cutting interest rates, controlling tuition costs, and reducing dependence on expensive private loans by increasing federal loan limits. The increase in the maximum Pell Grant and a widening of eligibility criteria will enhance the purchasing power of Pell Grants.

Students' commitments to serve as law enforcement officers, firefighters, nurses, public defenders, prosecutors, early childhood educators, and librarians will also be rewarded through loan forgiveness. Additionally, the legislation attempts to increase the number of first-generation, low-income college students by encouraging philanthropic organizations to participate in partnerships with federal, state, and local government entities.

## YALE EXPANDS HEALTHCARE FACILITIES; FLORIDA OFFERS FINANCIAL AID TO STUDENTS IN TECHNICAL-TRAINING PROGRAMS

- AMIT AGARWAL

Yale University is all set to expand its healthcare facilities. The school recently bought Bayer HealthCare centers in West Haven and Orange, Connecticut. This move has provided the university with 550,000 square feet of additional laboratory space, as well as office buildings and other assets.

The purchase resulted from Bayer's decision to leave the region, providing Yale with ready-made facilities. Although the asset price was not revealed, the *Hartford Courant* speculated it was around \$100 million.

The buyout comes at a time when the State of Florida has passed a new law that will provide financial aid to students in technical-training programs beginning July 1. Sponsored by Rep. Aaron Bean, the bill covers a wide range of workforce training programs.

Apart from including training programs in air conditioning and refrigeration, aircraft and automotive service, carpentry, electricity, and welding, the bill also benefits students pursuing healthcare careers—eligible areas include nursing, dental assisting, surgical technology, cosmetology, and massage therapy.

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To comment to the editor, Carleen Trapp, call 626-243-1881.

Students training to become public servants (such as firefighters or correctional officers) are also eligible for aid.

The Florida Student Assistance Grant for Career Education

Program is open to students in workforce programs requiring at least 450 hours of training. Eligible students must be enrolled in programs at community colleges or career technical centers operated by Florida school districts.

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## NEWS IN BRIEF

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### NEW BILL SEEKS TO AMEND HIGHER EDUCATION ACT

Congresswoman Carolyn McCarthy has introduced a bill to amend the Higher Education Act of 1965. The Teacher and Nurse Support Act of 2007 expands the loan forgiveness program for teachers and establishes loan forgiveness for nurses. The act is aimed at improving educational and health services across the United States by encouraging people to join and continue in these professions. According to the National Center for Education Statistics, in the next 10 years, the United States will require more than 2 million new teachers to fill posts left vacant by retiring teachers or teachers leaving their jobs to join other professions. A report by the American Hospital Association states that there are more than 118,000 unfilled registered nurse positions in hospitals across the nation.

### DODD PLANS TO INTRODUCE BILL THAT WOULD REFORM PRIVATE STUDENT LENDING MARKET

Chairman of the Senate Committee on Banking, Housing, and Urban Affairs Senator Chris Dodd has announced that he plans to introduce a bill that would reform the private student lending market. The Private Student Loan Transparency and Improvement Act directs private lenders to provide customers with accurate and timely information pertaining to interest rates and other terms and conditions associated with their products. The bill is designed to help students better understand the products they are buying as well as their options and obligations. The act also prohibits various practices that have prevented students from obtaining the best and most competitive loans.

### MARYLAND ATTORNEY GENERAL WANTS COLLEGES TO ADOPT CODE OF CONDUCT

Maryland Attorney General Douglas F. Gansler has asked Maryland's colleges to adopt a "code of conduct" governing their relationships with student loan lenders. Gansler's code is similar to the one introduced by New York Attorney General

Andrew M. Cuomo. It prohibits educational institutions from receiving "anything of value" from lenders. It also disallows them from forming revenue-sharing agreements with preferred lenders and asks colleges to disclose the criteria they use for selecting preferred lenders. According to the code, students must be informed of their right to borrow from lenders other than those recommended by the college.

### CBA REACTS TO BUDGET CUTS AFFECTING FFELP

Joe Belew, President of the Consumer Bankers Association (CBA), issued a statement on the recent budget cuts affecting the Federal Family Education Loan Program. Belew called the legislation authorizing the cuts an "anti-student bill in pro-student clothing." He said the move will destabilize the student loan program, which is relied on by approximately eight out of 10 students attending higher education institutions. He also stated that customer service is likely to suffer since the budget cuts will affect administrative costs and that customers will lose out on the benefits provided by lenders. Belew said the CBA regards the move as short-sighted and urged the Education and Labor Committee to "reconsider this unsound package of legislation."

### FLORIDA WILL PROVIDE FINANCIAL AID TO STUDENTS RECEIVING TECHNICAL TRAINING

Students in technical-training programs will be eligible for financial aid from the State of Florida, effective July 1. The bill establishing the Florida Student Assistance Grant for Career Education Program was sponsored by Rep. Aaron Bean in the Florida House and by Sen. Stephen Wise in the Senate. Under the provisions of the bill, financial aid will be given to students involved in a wide range of workforce training programs, from air-conditioning and refrigeration programs to aircraft- and automotive-service programs to carpentry, electricity, and healthcare training programs. Students pursuing careers in public service will also be able to receive state aid. To be eligible for aid, a student must be enrolled in an approved program at a community college or a career technical center run by a Florida school district.