

IN THIS ISSUE:

- + College Admissions
- + Fighting Identity Theft



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Medical School Loans Testimonials

Jason C. | Richmond, VA

Thanks for taking such consistently fine care of me during the consolidation process!

COLLEGE ADMISSIONS ARE STILL BEYOND THE REACH OF THE ECONOMICALLY UNDERPRIVILEGED

- SURAJIT SEN SHARMA

College education is still a dream for almost 20 million of the nation's working poor adults, according to a report released on July 7 by the Institute for Higher Education Policy (IHEP). IHEP reports that in 2005, working poor adults between the ages of 24 and 64 earned an average salary of \$19,000 per year compared to an average salary of \$56,000 for non-poor adults. Even with monetary aid, studying at a state university is beyond the means of most working poor adults. The average cost of tuition and fees at universities stands at about \$13,000, which is excessive for those with low incomes.

The government-funded report, "College Access for the Working Poor: Overcoming Burdens to Succeed in Higher Education," is built upon data from the U.S. Census Bureau and other federal sources.

IHEP's findings include the following:

- Heavy work and family responsibilities prevent working poor adults from attending college full-time even when they consider education their highest priority. In 2003-2004, only 37% of working poor adults enrolled full-time, while more than 50% of non-working or poor adults with less work enrolled in full-time courses.
- The financial aid that working poor adults receive is inadequate for college costs. According to statistics from the 2003-2004 academic year, working poor adults receiving financial aid had to

shell out \$4,000 in personal resources to continue their education over the year.

- Patterns of part-time enrollment favored by working poor adults reduce their chances of receiving financial aid. The average grant received by 54% of working poor adults in 2003-2004 was \$3,000; an average grant of \$3,500 was received by 67% of non-working poor adults.
- Part-time enrollment poses a barrier to completing and performing well in academic courses. It was observed that 50% of working poor adult students left college without completing their courses or receiving credentials.

Recommendations made in the report include, among others:

- Provide tax relief for working poor students
- Offer additional institutional support for working poor students
- Focus on supporting single parents who are working poor adult students
- Provide extra institutional support for first-generation working poor adult students

The report can be downloaded at:
www.ihep.org/Pubs/PDF/College_Access_for_the_Working_Poor_2007_Report.pdf

- SHAILEJA MAMMEN

FIGHTING IDENTITY THEFT

Cology, Inc., will collaborate with LifeLock, which will in turn work with TuitionU.com to protect students from identity theft. LifeLock offers preventive measures to stop identity theft and provides a guarantee of \$1 million. LifeLock

protects its members from problems arising from the exposure of private, non-public information in the process of finding financial aid. Cology, Inc., has had 50 years of experience providing outsourced student loan products and

Continued on page 2

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

services to education finance companies. It offers services like student loan market management, sales management, origination, and disbursement to lenders participating in the Federal Family Education Loan Program (FFELP) and private loan programs.

Identity theft is a growing concern among parents, students, universities, and lenders, as it has been labeled one of the fastest-growing crimes. Identity theft is the act of using personal identifying information such as someone's Social Security number, date of birth, name, address, or credit card number to commit fraud. Every year, a large number of people are victims of identity theft and resulting monetary losses.

LifeLock helps consumers make their personal information

useless to identity thieves. The company offers its service to individuals as well as companies who use can it for the benefit of their customers, as in the case of Cology, Inc. The service that LifeLock offers is available for free.

LifeLock protects against identity theft and fraud by asking the credit bureaus to set up fraud alerts on behalf of individuals and continuously renewing each request every 90 days. The company continues to do this regularly until the customer opts out. LifeLock also requests the removal of individuals' names from pre-approved credit card and junk mail lists. These requests are also regularly renewed as they expire, as such lists are known to be the most common avenues by which thieves hijack identities. The company orders free credit reports on behalf of clients.

NEWS IN BRIEF

HOUSE PASSES COLLEGE COST REDUCTION ACT

The College Cost Reduction Act has passed in the U.S. House of Representatives by a large majority (273 to 149). The bill cuts almost \$19 billion in subsidies to student loan providers and transfers the funds to Pell Grants and other federal student aid. Although most Republicans voted against the bill, 47 joined the Democrats in supporting it. Rep. Howard P. McKeon and a number of other Republicans said that the bill would hurt small lenders, driving them out of business. Author of the bill Rep. George Miller, supported by his fellow Democrats, said the College Cost Reduction Act of 2007 (H.R. 2669) was the most important piece of legislation in higher education funding since the G.I. Bill was passed in 1944.

SENIOR AIDES TO PRESIDENT RECOMMEND VETO OF H.R. 2669

According to a White House statement of administration policy (SAP), senior aides to the President have recommended that he veto H.R. 2669, the College Cost Reduction Act of 2007, if it is presented to him in its current form. The statement contends that the House student loan budget reconciliation bill "fails to target aid to the neediest students currently in college and creates new mandatory federal programs and policies that are poorly designed and would have significant long-term costs to the taxpayer." The White House highlighted a number of problems with the bill. It said the bill does not allocate enough Pell Grant funding and that the reduction of student loan interest rates, a costly proposal, would benefit students only after they leave school.

DEPARTMENT OF EDUCATION WARNS COLLEGES NOT TO LIMIT LENDER CHOICE

The U.S. Department of Education has sent letters to remind more than 900 higher education institutions not to limit their students' choices of lenders. Jeff Baker, policy liaison at the Education Department's federal student aid office, said that in the future, colleges could be fined or disallowed from participating in the FFELP if they do not adhere to the department's student loan policies. Dated June 29, the letter is the first strong statement to college campuses by the Education Department relating to preferred lender lists.

INDIANA GOVERNOR APPOINTS MEMBERS TO STATE COLLEGE BOARDS

Indiana Governor Mitch Daniels has named a number of higher education leaders to boards of the state's colleges and universities. The new members will replace those whose terms have expired. Indiana State University's board will add Norman Lowery and Joyce Rogers as members. Ron Carpenter will be an alumni member, while Amy Huntsinger will be a student trustee. The governor appointed Kellie Conrad as student trustee at Ball State University. University of Southern Indiana also saw new appointments. Jeff Knight and Ted Ziemer have been named as board members, while Jaime Johnson has stepped in as a student trustee. Ian Barrett of Vincennes University will also serve his college as a student trustee.

NASSGAP REPORTS INCREASE IN STATE STUDENT AID

According to a report released by The National Association

of State Student Grant and Aid Programs (NASSGAP), state financial aid spending escalated by about 7% in 2005-2006 to \$8.5 billion. However, taking into account inflation, student financial aid spending has actually slowed down. Funding for need-based grants has increased by 5% and now totals \$7 billion. Apart from grants, financial aid, including loans

and work-study aid, witnessed a 15% rise. Nearly 65% of undergraduates in California, Illinois, Indiana, New Jersey, New York, Pennsylvania, and Texas received need-based grants. The full report, which can be accessed at www.nassgap.org, named New York as the state that received maximum aid (\$937,079) in 2005-2006.