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## Medical School Loans

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## Medical School Loans Testimonials

Jennifer A. | Seattle, WA

I consolidated in my last year of medical school. I was worried about having time to do a consolidation while also trying to study for exams. Medical School Loans made my consolidation simple. They did all of the work and let me know exactly what I had to do to get the consolidation started. Thanks to them, my loans are consolidated.

## PRESIDENT BUSH THREATENS TO VETO APPROPRIATIONS BILL FOR DEPARTMENTS OF EDUCATION, LABOR, AND HEALTH AND HUMAN SERVICES - NIHIT AURORA

The U.S. House of Representatives recently voted to approve a 2008 spending bill for the Departments of Education, Labor, and Health and Human Services. This bill proposes increasing the maximum Pell Grant by \$390. Additionally, it includes an increase of \$2 billion for the No Child Left Behind Act and proposes increasing funding by more than \$227 million for a variety of programs addressing issues such as employment, job training, and worker protection.

However, President Bush has threatened to veto the bill in its current form. According to a White House statement of administration policy, the bill calls for around \$11 billion more in spending than the president proposed. If approved, the bill would increase discretionary spending for fiscal year 2008 by 9% and increase the budget deficit by 10%. The president has also threatened to veto any appropriations bill that provides more funding than he proposed.

President Bush has proposed a plan aimed at balancing the budget by 2012. In the administration's

view, this can be achieved by restraining spending instead of increasing taxes. To be able to reach this goal, his administration proposes spending no more than \$933 billion in 2008.

The White House has stated that the 2008 appropriations bill departs from a "fiscally responsible path." However, Rep. David Obey (D-WI), who chaired the Appropriations Committee, said the bill represented a "disciplined set of investments." In Obey's opinion, the president wants to prevent these appropriations so that funding for the Iraq War and tax breaks for affluent Americans can continue. He added that the appropriations were designed to benefit working families.

President Bush's threat to veto the appropriations bill has already started to raise questions regarding whether his threat is justified. Critics have voiced doubts that the president's actions are truly motivated by a desire to restore fiscal discipline.

## CONSUMERS UNION REPORT ON COLLEGE FINANCE - AMIT AGARWAL

A Consumers Union report states that parents and students, when choosing education loans, make mistakes such as selecting expensive loans. The report, "Helping Families Finance College: Improved Student Loan Disclosures," says that there is widespread confusion and misunderstanding among students when it comes to choosing loans for higher education.

### Findings of Consumers Union Report

The report finds that the existence of three federal loan types (Perkins, Stafford, and PLUS) with different rates, fees, and terms, along with the aggressive marketing of private student loans, leads consumers to make uninformed

decisions which may cost them more than necessary. Students who do not have parental support lack information on the cost of a college education. The report also said that nearly 50% of undergraduate students who take out private loans do not exhaust their low-cost federal student loans for college education. It says that high schools, higher education institutions, lenders, non-profit organizations, and the Department of Education use a scatter-shot approach to advise families on college education financing. This approach, at times, is successful, but it also, at times, fails to educate families and creates information roadblocks that are a hindrance to informed borrowing decisions.

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

## Recommendations of Consumers Union Report

The Consumers Union recommended that groups such as testing agencies provide information on financial aid to enable high school students to learn about college education financing much earlier. It called for a standardization of financial aid offer letters provided by colleges in order to

enable students to easily compare the actual costs of attending different institutions. Explanations relating to rates, fees, and terms should be in plain English so that students can easily understand them. It recommended that colleges offer more counseling on loans before encouraging students to borrow and that students exhaust low-cost federal loans before turning to private lenders.

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## NEWS IN BRIEF

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### TEXAS' "B ON TIME" LOAN PROGRAM FALLS SHORT OF FUNDING

Created to encourage students to graduate on time, Texas' "B On Time" interest-free loan program will fall short of funding this year. The program spent \$49 million on loans last year and helped 12,800 students. This year, the amount allocated has been reduced to \$41 million, enough for only 9,900 students. Additionally, 650 students who took out "B On Time" loans last year will not get them renewed this year. Financial aid officers are trying to create alternative financial aid packages for these students, but they will not be as helpful as the "B On Time" assistance they previously received. Students participating in the program who maintain "B" grade point averages and graduate on time may have their loans forgiven.

### WEST VIRGINIA NAMED AMONG TOP SPENDERS ON COLLEGE GRANTS

In a National Association of State Student Grant and Aid Programs survey, West Virginia came in fourth (after South

Carolina, Vermont, and Georgia) in terms of how much tax income it spends on college grant programs. According to the report, the state provided \$71 million to grant programs in 2005-2006; the equivalent of 20.6% of state tax appropriations was spent on West Virginia's higher education institutions. The biggest merit-based program in West Virginia is the PROMISE Scholarship Program, while its biggest need-based program is the Higher Education Grant Program.

### TEXAS A&M'S MINIMUM WAGE FOR STUDENT EMPLOYEES INCREASES

The minimum wage rate for Texas A&M University's "Student Worker I" category has been revised by the university's department of student financial aid. The wage rate for student employees now falls between \$5.85 and \$8 per hour, and the wage rate for federal work-study and Texas work-study students now falls between \$5.85 and \$16 per hour. The increase in the federal minimum wage from \$5.15 to \$5.85 per hour triggered the increases. States have the authority to set minimum wage rates higher than the national rate.