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## Medical School Loans

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## Medical School Loans Testimonials

Richard D., New York, NY

I was surprised to receive so much personal attention from Medical School Loans, it was almost as if they were eager to save me money. The people I spoke with were helpful and they were able to save me \$26,321 off of the total loan cost.

## SENATOR HERB KOHL INTRODUCES BILL TO HELP STUDENTS REMAIN OUT OF DEBT

- NIHIT AURORA

Predatory lending is the use of unethical lending tactics to keep gullible borrowers in debt as long as possible. Predatory lenders usually target vulnerable groups like students, the elderly, minorities, and people with poor credit records.

This is a widespread practice among mortgage lenders and credit card companies. They flourish by lending to consumers who need more than they can afford. They have a knack for making borrowers believe that the credit they are offering is necessary and affordable.

Recently, U.S. Senator Herb Kohl (D-WI) introduced a bill called the Student Credit Card Protection Act, which is a measure to help students remain out of debt by making student credit card companies adhere to strict and financially accountable lending practices.

Co-sponsored by Senators Gordon Smith (R-OR), Richard Durbin (D-IL), and Claire McCaskill (D-MO), many advocacy groups like the Center for Responsible Lending, National Association of Consumer Advocates, Consumer Federation of America, Consumer Action, Consumers Union, and National Consumer Law Center endorse this bill. The Student Credit Card Protection Act proposes to introduce measures such as:

- verification of the gross annual incomes of students under the age of 21
- co-signatures of parents, legal guardians, or spouses in the cases of students who have no verifiable incomes
- required approval from cosigners for increases in credit

- limitation of credit amounts based on students' annual incomes
- prohibition of issuance of multiple credit cards to students

Credit card companies identify and encourage college students to apply for high-interest charge cards despite their lack of means to make payments or negligible/non-existent credit histories. They often launch glitzy campaigns like sponsoring campus events, setting up tables to solicit students on university grounds, or sending attractive promotional letters to students' on-campus addresses. Very often, the tactics they employ hide the fact that they charge extremely high interest rates. Students find themselves besieged with debt when they realize they cannot pay.

Senator Kohl said that although students ought to remain eligible for debt, this measure makes it certain that they do not receive credit on conditions that they cannot fulfill. Currently, as many students leave universities with high education loans, paying off credit card debt should not add to their existing financial problems.

### On the Net:

Predatory Lending  
[www.hud.gov/offices/hsg/sfh/pred/predlend.cfm](http://www.hud.gov/offices/hsg/sfh/pred/predlend.cfm)

Loan Sharks and Predatory Lending  
[www.loansharks.com/](http://www.loansharks.com/)

Press Release  
[kohl.senate.gov/~kohl/press/07/06/2007801A27.html](http://kohl.senate.gov/~kohl/press/07/06/2007801A27.html)

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

## MEDICAL STUDENTS TO BENEFIT FROM NELNET-AMSA PARTNERSHIP

- SHAILEJA MAMMEN

Nelnet and the American Medical Student Association (AMSA) have combined their expertise to help medical students pay for their education expenses. The complete student aid program is a customized loan to the members of AMSA, the largest medical student organization.

David Bottegal, chief executive officer of Nelnet, a leading education planning and financing company, said that the Nelnet-AMSA partnership is "committed to educating students about financial responsibility and debt management," along with the best financing options. The partnership will work to help students in achieving their educational goals by eliminating any financial hardship that may come their way."

According to Michael Ehlert, president AMSA, the collaboration will be "able to provide a comprehensive loan program that best suits the needs of all medical students." He expressed his satisfaction and said, "AMSA is now in the position to educate medical students in partnership with one of the premiere education planning and financing companies. AMSA has always provided premium resources for physicians-in-training. This ground-breaking program finally provides students the tools to make well-informed financial decisions to cover the cost of their educations."

Nelnet has been serving education-seeking families and helping them to plan for their educations for the past 28 years. The company also plays a role in preparing families for their career and helps with paying for their educations. The company has significantly invested in products, services, and technology improvements not only for students, but also for the educational institutions they attend.

AMSA is the oldest and largest independent association of medical students with more than 50 years of medical student activism. A non-profit organization founded in 1950, AMSA is committed to addressing the concerns of physicians-in-training. AMSA is also committed to improving medical training and advancing the profession of medicine for its 68,000 members, including medical and premedical students. Its strategic priorities include universal healthcare, diversity in medicine, disparities in medicine, and transforming the culture of medical education.

### On the Net:

Nelnet Partners With AMSA To Offer Loan Program Specifically For Medical Students  
[www.medicalnewstoday.com/articles/78541.php](http://www.medicalnewstoday.com/articles/78541.php)

## NEWS IN BRIEF

### PRIVATE STUDENT LOAN TRANSPARENCIES AND IMPROVEMENT ACT

The Government Accountability Office's recent study on the private loan industry and a series of investigations of college loan offices has lead Congress to debate a number of bills, including the Private Student Loan Transparency and Improvement Act. The bill, which is under consideration by the Senate, aims to regulate and monitor student loan providers. Authored by democratic presidential candidate and Connecticut Senator Christopher Dodd, the bill requires lenders to provide clear disclosures on their interest rates, fees, terms, and deferral options. It also requires lenders to inform students of their eligibilities for federal loans.

### LOW RESPONSE TO SCHOLARSHIPS OFFERED IN NJBEST PROGRAM

A college-savings plan in New Jersey that provides scholarship money is not being fully utilized by many families. According to *The Record*, only 363 scholarships have been awarded through the plan, which started in 1998. The NJBEST program awards \$500 to \$1,500 in scholarships to families who have invested a minimum of \$1,200 by the time the student enters high school. Though out-of-state students can also invest in the program, only resident families are eligible for scholarships. A reason for the low response to the program is that many families may not know that they have to apply for the scholarship. Another reason may be that eligible students may not be old enough to go to college yet. Many families started investing when their children were very young.

## **AMERICA COMPETES ACT APPROVED BY CONGRESS**

Legislation to promote math and science skills and develop the technology required to compete in the world economy has been passed by Congress. Approved by a voice vote, the America Competes Act will spend \$33.6 billion from 2008 to 2010 on science, technology, engineering, and

mathematics research and education programs across four federal agencies. The bill also authorizes competitive grants aimed to increase the number of teachers serving schools of high need and to expand access to higher placements. The bill will now proceed to the White House for President Bush's signature.