



Robert Sciarrino/The Star-Ledger

Students tour Montclair State University.

Lobbyists are attempting to derail a long-overdue reform of the federal guaranteed student loan program. They shouldn't be allowed to succeed.

Last year, **President Obama** proposed **eliminating "the middle-man" in student loans** — private lenders who earn billions from the transactions, but absorb little of the risk when students default on their federal loans. Direct loans have been a small part of the program, but the president's plan would have the government take over the operation of what is already a federal program.

After the House approved the bill last year, it seemed the Senate would fall in line quickly. After all, the Congressional Budget Office estimated \$87 billion in savings for taxpayers under the direct loan system — money that Obama wants to make available for community colleges, early childhood education and more loans.

But reports indicate big lenders such as Sallie Mae have been emboldened, perceiving weakness in the loss of the Democrats' filibuster-proof majority and the standstill on health care reform. Sallie Mae, the biggest student lender, is pouring millions into the effort to stop reform.

Democratic senators have to stand firm against the pressure. This is no time to go soft on a plan that would make life easier for college students and their families.

© 2010 NJ.com. All rights reserved.