



NATIONAL DIRECT STUDENT LOAN COALITION

IMMEDIATE RELEASE:
March 19, 2010

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Education Reform Bill Positioned to Put Students Ahead of Special Interests

Statement of Nancy Hoover, Chair of the [National Direct Student Loan Coalition](#), representing over 2000 Direct Loan Colleges and Universities serving millions of students nationwide, urging Congressional support of H.R. 4872

Washington, D.C., March 19, 2010: "On behalf of National Direct Student Loan Coalition (NDSLC) I commend Speaker Nancy Pelosi and Education Chairman George Miller for taking the difficult but bold step to put college students nationwide ahead of special interests and the status quo. The Coalition asks all Members of Congress to support the student aid reform proposal included in H.R. 4872. This legislation will not only prevent significant reductions in Pell Grants that are on the horizon, but will also increase Pell, the basic federal education grant for college students.

As financial aid administrators at schools already participating in the Federal Direct Student Loan Program, we are confident that a single federal direct loan origination system will be a great benefit to students, taxpayers and schools. The CBO reports that the transition to direct lending will make billions available to pay for increased support for education – a goal that we wholeheartedly support.

The NDSLC represents all institutions that participate in the Direct Loan (DL) program. In the 2009-10 academic year, 2,300 schools successfully originated Direct Loans. Nearly all institutions nationwide are now ready to begin originating Direct Loans beginning July 1 of this year. We are also confident that schools can make the transition to the Direct Loan Program by July 1, 2010 with minimum cost and effort.

Schools that have transitioned during the last year have reported overwhelmingly that the transition was easier and less expensive than expected. Our Coalition of volunteers will continue to work with the Department and our colleagues to offer assistance and advice as schools make this transition.

The Department of Education has demonstrated its ability to administer the Federal Direct Loan program, to assist schools transitioning and to prepare for 100% Direct Lending. From our experience, we know that the Department can manage this transition and continue to provide a secure, stable and efficient federal loan program for all borrowers.

The time has come for Congress to vote for student success over lender profits. The support provided to students nationwide will help them afford the higher education they so desperately want and our country needs."



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The Facts

DIRECT LOAN TRANSITION

Did You Know?

- ▶ Because H.R. 4872 eliminated subsidies for lenders and redirected funds to students Pell Grants increased.
- ▶ Federal Student Aid (FSA) has processed 52 million promissory notes in 2010, a 319% increase over the same time last year.
- ▶ The National Direct Student Coalition’s mentoring program assisted over 1,000 schools to make the transition to direct lending.

Direct Loan Transition Summary

▶ Domestic Schools

FSA Report as of 9-10-10

5,106 Total Domestic Schools

- Direct Lending Ready.....4,826 (94.5%)
- In Transition.....262 (5.5%)
- Ineligible/Not Participating18

Domestic School Types	Total Count	SCHOOLS FULLY TRANSITIONED		Ineligible or NOT Participating
		Count	%	
PUBLIC	1,545	1,406	91%	5
PRIVATE	1,622	1,535	94.6%	7
PROPRIETARY	1,939	1,885	97.2%	6
Total	5,106	4,826	94.5%	18

▶ Progress updated weekly at <http://federalstudentaid.ed.gov/datacenter/>

Schools representing **99.7%** of the federal student loan volume for 2009–2010 have originated a direct loan for 2010–2011 as of 9-10-10.



NATIONAL DIRECT STUDENT LOAN COALITION

For Immediate Release:
September 28, 2010

Contact: Nancy Hoover 740-587-6279
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"The National Direct Student Loan Coalition applauds the U.S. Department of Education in successfully transitioning all postsecondary schools into the Federal Direct (DL) Student Loan Program for the 2010-2011 academic year," states Nancy Hoover, Chair of the National Direct Student Loan Coalition. "As of September 16, the Department reports that 4,880 or 96% of 5106 domestic schools have successfully originated loans. In addition; all remaining eligible schools who intend to participate are now in transition," Ms. Hoover affirms.

By moving all student lending to DL, President Obama used the budgetary savings that resulted to increase funding for the Pell Grant Program.

Conversion to direct lending as the single source of federal loans has proven straightforward. The transition experience for schools has been successful, states Hoover, because of the assistance provided by the U.S. Department of Education and the mentoring offered by the National Direct Student Loan Coalition.

Valencia Community College made the switch to direct lending for the 2009-2010 academic year. "Students, parents, and staff appreciate the ease of the new process and guarantee of funding," states Bradley Honious, director of financial aid for the Valencia Community College District in Orlando, Florida. "Changing to Direct Lending has not added to our staffing and has simply made the entire process much better. We have processed over \$50 million without a hitch and are happy we have made the switch for everyone involved – especially student borrowers."

Walter O'Neill, assistant vice president for financial aid at Roosevelt University in Chicago was skeptical of transition success. However, Mr. O'Neill has become a strong supporter of DL as his school moved to direct lending in only three months last spring. "Our experience has been and continues to be absolutely phenomenal,"

The National Direct Student Loan Coalition looks forward to supporting the Administration to ensure that all schools successfully transition into the Federal Direct Student Loan Program.

The National Direct Student Loan Coalition (NDSL) is comprised of schools dedicated to continuous improvement and strengthening of the Direct Loan program. Its grass-roots members are financial aid professionals working at participating institutions. For more information regarding the National Direct Student Loan Coalition and their mentoring program, please see www.directstudentloancoalition.org.



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