



# NATIONAL DIRECT STUDENT LOAN COALITION

## *A Letter from the Chair...*

As we look back at this incredibly exciting and busy year, I want thank all you - our loyal members - for your continued support of the National Direct Loan Coalition. This past year, hundreds of schools switched to the Direct Loan Program and - thanks to your support - the Coalition was well-positioned to serve as a critical resource to these schools through the transition.

The Coalition is extremely excited about all that we have accomplished over the past year and we are extremely excited about our work for this coming year. With a new President, a new Congress, and new Department of Education leaders, the Coalition has an ambitious agenda for 2009. While there are extremely pressing national and international issues awaiting the new President and Congress, the Coalition will not relent in its effort to make sure that the interests of Direct Loan schools are protected.

In this last newsletter of 2008, we thought we would share some of the Coalition's highlights with you.

Have a great New Year!

Sincerely,

Roberta Johnson  
Chair, National Direct Student Loan Coalition  
Director of Student Financial Aid, Iowa State University  
Sincerely,

## **Past Coalition Chair Selected for Negotiated Rulemaking**

Eileen O'Leary, Past Chair of the Coalition and Director Financial Aid at Stonehill College, was selected by the Department of Education to prepare proposed regulations for the student financial aid programs authorized by Title IV of the Higher Education Act of 1965, as amended. This is the second year in a row that Eileen has been selected and we are grateful to have such a dedicated leader in our community at the table. Eileen met in Washington, DC with other stakeholders in early January and will meet again next week.

## **Coalition Chair Testifies in House Education and Labor Committee Hearing**

Roberta Johnson, Director of Financial Aid at Iowa State University and Chair of the Coalition, testified in front of the House of Representatives' Education and Labor Committee on March 14th. Roberta did a great job discussing the value of Direct Lending at Iowa State University. The Coalition is extremely honored to have our Chair testify in front of Congress.

The mission of the National Direct Student Loan Coalition is to promote the success of the Federal Direct Student Loan Program in serving the interests of students, families, taxpayers and institutions.

### **EXECUTIVE COUNCIL**

**Roberta Johnson**, Chair  
*Iowa State University*

**Nancy Hoover**, Chair Elect  
*Denison University*

**Craig Munier**, Past Chair  
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*Rutgers University*

**Cheryl Resh**  
*University of California-Berkeley*

**Marsha S. Weiss**  
*Career Education Corporation*

**Kristine Wright**  
*University of Minnesota-Twin Cities*

## Past Coalition Chair Testifies at Senate HELP Field Hearing

Eileen O’Leary, Past Chair of the Coalition and Director of Financial Aid at Stonehill College, testified at a Senate Health, Education, Labor & Pensions Committee (HELP) Field Hearing on March 17th. Moderated by HELP Committee Chair, Sen. Ted Kennedy, Eileen gave a presentation entitled Ensuring Access to College in a Turbulent Economy where she debunked some of the erroneous claims that there is a federal student loan crisis. The Coalition was extremely honored to have the chance to serve as a resource for Congress and set the record straight on access to federal student loans.

## Webinar with NACUBO

In May the National Direct Student Loan Coalition in cooperation with NACUBO held a well-attended and successful webinar entitled, “The Federal Direct Student Loan Program - a Successful and Viable Option for Students and Schools.”

The program covered:

- Reasons why moving from the bank-based Federal Family Education Loan Program (FFELP) to the Federal Direct Student Loan Program (FDSLPL) makes good business sense;
- Issues for schools to consider in the decision-making process about business practices that impact both the business and financial aid offices;
- Operational requirements for cash management requirements;
- Best business practices at current direct loan schools.

Scheduled presenters included:

**Craig Munier**, National Direct Student Loan Coalition, immediate past-chair;  
University of Nebraska-Lincoln

**August Daquila**, Controller, Ramapo College, New Jersey

**Cory Bastik**, Senior System Support Specialist, Rutgers University

**M.E.G. Calabrese**, Loan Unit Manager, University of Minnesota, Twin Cities

**Peg Julius**, Director of Financial Aid, Kirkwood Community College

## Direct Lending: Separating Myths from Reality

In November the National Direct Student Loan Coalition (NDSLCL) released “Direct Lending: Separating Myth from Reality,” a publication intended to dispel the myths about Direct Loans that have been perpetuated by the lending industry. Many colleges and universities have contacted the NDSLCL for information about the Federal Direct Loan program. One concern regularly noted is that they continue to hear from private lenders that the program is difficult to administer and presents obstacles to loan processing.

To help schools separate myths from facts, the NDSLCL document highlights the ease of administering the Direct Loan program. The brochure presents testimonials from financial aid professionals who are both recent and long-term participants in the program.

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The brochure is available on line at the NDSLCL web site:  
[http://directstudentloancoalition.org/media/documents\\_autogen/myths.pdf](http://directstudentloancoalition.org/media/documents_autogen/myths.pdf)

The NDSLCL also has published other material (available on line) that is helpful in all phases of the decision-making process for schools that are considering moving from FFEL to the Direct Loan program. NDSLCL encourages financial aid administrators to contact the mentors who have agreed to work with schools that are new to Direct Loan program or that are considering the move to Direct Loan program.

## Visits to Washington, DC

This past year the Coalition made three visits to Washington, DC - in February, June and September. During these visits the Coalition met with Federal Student Aid at the Department of Education, Congressional leaders on Capitol Hill, and key education leaders and representatives from higher education associations. These visits to DC serve as an opportunity for the Coalition to educate decision-makers in Washington on the importance of the Direct Loan Program and to advise on improving the program for the future. With a huge influx of new schools to the DL Program this year, the Coalition's advice and expertise was in great demand.

## Mentoring New DL Schools

This past year we have seen hundreds of schools switch to the Direct Loan Program and the Coalition was extremely proud of our efforts to help mentor and support schools through this transition. Coalition board members and our members helped hundreds of schools - from large state schools to small private schools and everything in between - make the transition to Direct Loan Programs. The Coalition sincerely thanks all of our member schools who volunteered to be mentors!

If you are in contact with colleagues that are considering switching to DL, please refer them to our website. We have lots of helpful resources that make the transition a simple process. We also have a list of mentors based on software platform that have volunteered to help schools with the transition. The Coalition and its allies have already mentored dozens of schools and we are ready and willing to help any other schools looking to make the switch.