



JULY 2012

NATIONAL DIRECT STUDENT LOAN COALITION

Dear Member,

As the summer heated up, so did the fight over the student loan interest rate. Over the last few months, Congressional leaders worked to try and find a resolution that would ensure all students continued access to an affordable college degree. While in Washington, D.C. in June, we met with several key members of the House and Senate Education Committees. All members expressed support for keeping the interest rate for subsidized Stafford student loans at the current 3.4%, however without action before July 1 the interest rate would have ballooned up to 6.8%. Thankfully, Congress heard us loud and clear and passed the student loan interest rate extension at the last minute.

July brings a few changes to our Board of Directors. We are happy to announce the two newest Coalition Board members, Rachelle Feldman from the University of California, Berkeley and Darryl Marshall from Florida State University. Both Rachelle and Darryl have been supporters of direct lending and we welcome their dedication and expertise to the Board of Directors. We will also say goodbye to Craig Munier from the University of Nebraska – Lincoln. Craig has been a valued member of our Coalition Board for many years and we will miss his humor and vast knowledge of the Direct Loan Program. We all wish him well in his new role as President-Elect of NASFAA.

The summer also brings us to the beginning of our 2012-2013 membership year. You should have received your invoice in June and please feel free to contact me or Ashley Smith, Membership Coordinator, if you have any questions. We are extremely grateful to have such loyal members over the years and we hope you will continue to support us in the coming year.

As the rest of the summer progresses, the Coalition remains extremely active in resolving any outstanding issues with the Direct Loan Program as we get ready for a new school year. Please contact me if the Coalition can be of assistance to you and your students!

Sincerely,

Margaret Rodriguez, *Chair*
National Direct Student Loan Coalition

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.

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Coalition Visits DC

The National Direct Student Loan Coalition had a great visit to DC in early June. We were fortunate to meet with Deputy Under Secretary for Education, Georgia Yuan and her staff once again to discuss the federal loan programs and student debt. In addition to our time with the Under Secretary, the Coalition met with Rohit Chopra from the Consumer Financial Protection Bureau. We discussed CFPB's new student loan complaint system and their work to protect students from predatory lending practices.

The Coalition had a full day of meetings with House and Senate Education Committee members on Capitol Hill. We expressed our support for passing a one year extension of the current 3.4% interest rate, spoke about the need for improvements to federal loan servicing and the need to rethink the not for profit servicers' carve out. Overall, it was a productive day that helped the Coalition to continue to build valuable relationships with key members of Congress.

Congress Extends Student Loan Interest Rate

After a year of debate about student loan interest rates, Congress finally acted to protect students. H.R. 4348, the Moving Ahead for Progress in the 21st Century Act (MAP-21) was approved in the House of Representatives by a 373-52 vote and in the Senate by a 74-19 vote on June 29. The bill included a one year extension on the current subsidized Stafford student loan interest rate of 3.4%, as well as a two year reauthorization of the transportation bill. The President signed the bill into law on July 6.

Over the last year NDSLCL members, student financial aid administrators and students across the country have urged policymakers to take action to prevent student loan interest rates from doubling. In April, over 150 letters were delivered to Senators from NDSLCL members asking them to protect students and prevent the interest rate hike on subsidized Stafford student loans. To view our statement on student loan interest rate extension, [click here](#).

Coalition Provides Testimony in Preparation for Next Round of Negotiated Rulemaking

On May 31, the Coalition submitted written testimony regarding issues that should be considered for action by the negotiating committees to proposed regulations for the Federal Student Aid programs. Our testimony focused on five distinct areas:

- Curbing Fraud and Abuse
- Enhancing Electronic Options for Disbursement
- Reduced Administrative Burden
- Seamless Front End for Loan Servicing
- The Perkins Loan Program

To read the entire testimony, please [click here](#).

NASFAA reception for Coalition Members

At NASFAA's annual conference in late July, the Coalition hosted a reception for its members and heard from Sue O'Flaherty, Senior Manager at Federal Student Aid. Also in attendance were representatives from most of the Federal Direct Loan Servicers, as well as the COD Servicer, Accenture. The meeting was very timely as our members were able to provide feedback and receive an update from FSA on the new Financial Awareness Counseling Tool on StudentLoans.gov.

Membership

We have come to the end of our 2011 – 2012 membership year and we want to thank you for your continued support. We envision the upcoming year to be just as busy and productive and we hope that you will renew your membership for the 2012 – 2013 year.

To renew your membership, please [click here](#).

If you have any questions about membership, please feel free to contact our Membership Coordinator, Ashley Smith, at asmith@mrss.com or 202-478-6141.

In the News

- Obama Unveils Form to Streamline College Aid Shopping (July 24, 2012)
- Subprime Private Student Loans: No Way Out (July 23, 2012)
- Obama Signs Transportation-Student Loans Bill (July 6, 2012)