



**The State PIRGs'
HIGHER EDUCATION PROJECT**

November 13, 2007

Dear Representative,

On behalf of millions of college students across the country we encourage you to support H.R. 4317, the College Opportunity and Affordability Act. This legislation contains several important policy changes to increase access to college and help protect students, families and taxpayers. H.R. 4317 includes at least one notable provision of concern as well as several areas that deserve further reform as this process goes forward. We urge you to pass this legislation but also to support measures to strengthen student and consumer protections.

The College Opportunity and Affordability Act:

Will help increase college opportunity by strengthening the Pell Grant Program, our nation's most successful college access program. This bill will increase the maximum authorized level for the Pell Grant to \$9,000, charting a path to regaining the buying power of the maximum Pell award lost over the last thirty years. In addition the legislation allows students who have accelerated their studies to receive two Pell Grants in a calendar year, the so-called "Year Round Pell" provision. Together these changes will help move this valuable program in the right direction.

Provides the nucleus of meaningful reform to the private student loan system. The legislation helps ensure students maximize their federal loans before taking out private loan debt by notifying them clearly and repeatedly about their eligibility for federal aid, banning co-branding of private loans, and ensuring that private loans are separated from federal loans in financial aid packaging. H.R. 4317 helps students understand their private loan offers by mandating lenders provide a uniform loan statement describing the rate and terms of the loan and making all private loans subject to the Truth in Lending Act (TILA). Finally the bill begins to provide private loan borrowers with some basic protections including a 30-day period after the loan is offered where the terms cannot change and a three-day delay between consummation and disbursement.

Helps lower the cost of textbooks for millions of students. The bill mandates publishers disclose the price of textbooks when they sell them to faculty as well as additional information about the book's history of revisions. In addition publishers must sell books and supplemental materials unbundled, ending a practice that drives up the cost of textbooks for many students. Lastly, this bill includes language to encourage schools to share information about textbooks with students so that they have time to shop around.

Begins the process of reforming the FAFSA form. The Free Application for Federal Student Aid should help low and middle-income students access valuable student aid. Unfortunately the complexity of this form keeps approximately one and a half million aid eligible students from accessing meaningful student assistance. The bill begins the

process of simplifying the financial aid application by reducing the number of questions and encouraging the Secretaries of Education and Treasury to investigate ways to calls on the Secretaries of Education and Treasury to develop a simple process for drawing the needed income information directly from the IRS.

On the critical issue of higher education program integrity this legislation unfortunately moves in the wrong direction. By weakening regulation around the 90/10 provision, designed to protect students and taxpayers against fraudulent institutions, the bill opens up the higher education programs to further abuse by bad actors. On a rule already gamed by institutions, the legislation provides additional flexibility by requiring schools to be out of compliance for two years before facing punishment. In a bill designed to increase the integrity of the student aid programs and protect consumers this provision is incongruous. We should be working to defend students and taxpayers from fraudulent institutions, not weaken what few protections we have. We encourage you to support measures to retain the current 90/10 provision and strengthen it and other integrity provisions.

Several other issues deserve the attention of Congress before this reauthorization process is finished, including:

- Restoring financial aid to students with drug convictions. This provision has prevented approximately 200,000 students from receiving financial aid since it went into effect in 2000.
- Expanding upon the private loan provisions to provide greater protections for borrowers including a reform to the non-dischargeability of private educational loans in bankruptcy. Our full recommendations for private loan reform can be found at:
<http://uspirg.org/html/GroupLetterHouseEdCommitteePrivateStudentLoans>

Over the next week and months, the College Opportunity and Affordability Act will be subject to numerous amendments both in committee and on the floor. We urge you to support the key provisions in the underlying bill but also efforts to strengthen the legislation in the interest of students and families.

Sincerely,

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