



Senate Passes Bill to Regulate Private Educational Loans

edfed, August 03, 2007

URL: <http://www.pr9.net/society/socedu/6050august.html>

A new act is passed to help protect students and families with private educational loans.

PR9.NET August 03, 2007 - Washington, DC - Yesterday, the U.S. Senate Committee on Banking, Housing, and Urban Affairs unanimously voted to pass a bill that will establish requirements for private institutions that lend educational loans. In light of the passing of the Student Loan Sunshine Act to protect students who borrow federal loans, the committee initiated this bill to give students the same protection when borrowing private loans.

The purpose of the new bill, known as the Private Loan Transparency and Improvement Act of 2007, is to prevent unfair and deceptive practices in private educational loans and eliminate conflicts of interest between lenders and school officials.

The act would ban private lenders from giving gifts of value over \$10 to a college or university employee--this includes transportation, lodging, and meals. It would also require that private lenders disclose more information to borrowers than is currently being disclosed. This information includes the terms and costs of a borrower's loans such as the range of potential interest rates, whether the interest rate is fixed or variable, the need for a co-signer, finance fees and charges, and deferment options, to name a few.

The act was initiated by Senator Christopher J. Dodd (D-Conn). Dodd, who is currently serving as chairman of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, worked to develop the final version of the bill with Senator Richard Shelby (R-Ala.).

The Private Loan Transparency and Improvement Act will be voted on by the full Senate.

"The passing of this bill will ensure that students and families receive the best savings and values with their private educational loans," said EdFed's customer service manager, Jodie Corzano.

"It's important that with the rising cost of college tuition, students get the financial aid they need so that they don't walk away from the experience with a lifetime of student loan debt to pay off. At EdFed, we are doing our part to help students and graduates manage the loans that they borrow while in school and save as much money as possible."

###

About edfed

As a leader in the student loan industry, EdFed is dedicated to helping students and graduates realize all of their educational goals and meet their student loan and consolidation needs.

Phone: 800-821-5659
Website: <http://www.edfed.com>
E-Mail: bheath@edfed.com

[PR9.NET - Your Free Press Release Service](#)