



## News & Views

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### **House Education Committee Approves Student Loan Reform Bill**

The House Education and Labor Committee has approved the Student Aid and Fiscal Responsibility Act of 2009 to implement President Obama's proposal to eliminate the Federal Family Education Loan (FFEL) program. The committee adopted a "manager's amendment" that omits a provision of the bill as introduced that would have

terminated the authority of the Department of Education to make interest subsidized loans to graduate and professional students.

As passed by the committee, the bill eliminates the FFEL program and originates all loans after July 10, 2010, under the Direct Loan program. A primary concern among the financial aid community is the quality of customer service that will be offered by the Department of Education considering

the expected substantial increase in the volume of direct loans. The bill also restructures the funding structure of the Perkins loan program and eliminates the in-school interest subsidy for these low-interest, need-based loans. The bill also proposes simplifications to the Free Application for Federal Student Aid (FAFSA).

For additional information, go to [www.aamc.org/advocacy/library/washhigh/2009/072409/start.htm#6](http://www.aamc.org/advocacy/library/washhigh/2009/072409/start.htm#6). ❖

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