

**NATIONAL DIRECT STUDENT LOAN COALITION****MEMBERS OF THE EXECUTIVE COUNCIL:**

ROBERTA JOHNSON
Iowa State University
Chair

NANCY HOOVER
Denison University
Vice Chair

CRAIG MUNIER
University of Nebraska-
Lincoln
Past Chair

EILEEN O'LEARY
Stonehill College

DAN DAVENPORT
University of Idaho

MARGARET
RODRIGUEZ
University of Michigan
Treasurer

JEAN RASH
Rutgers University

SUZANNE DAY
Harvard University

PHYLLIS HOOYMAN
Hope College

JANICE DORIAN
Mansfield Beauty Schools

KRISTINE WRIGHT
University of Minnesota –
Twin Cities

CHERYL RESH
University of California-
Berkley

CHARLIE BRUCE
Oklahoma State University

CHUCK KNEPFLER
Miami University

MARSHA WEISS
Career Education
Corporation

PAULA LUFF
DePaul University

Input about Direct Lending and other Federal Aid Priorities to be considered for President-Elect Obama's Education Policy

FEDERAL DIRECT LENDING PROGRAM

OPERATIONAL

- Promote DL as a successful delivery method for student loans.
- Enhance the servicing of loans for DL student and parent borrowers by providing adequate staffing and training of personnel.
- Establish efficient ways for FSA to quickly change programs to meet legislative requirements; establish efficient processing components within servicing to adapt quickly to needs of borrowers.
- Combine the web sites for eMPN and electronic entrance and exit counseling; develop skip logic to ensure that first time borrowers complete both the eMPN and counseling at the same time.
- Develop screens in COD for schools to view whether the entrance and exit counseling has been completed for individual students.
- Replicate the streamlined process for Parent PLUS loan application that FFEL has developed.
- Reinstate the DL/COD Focus groups with schools and their respective software vendors to strategically plan the programming needs that will occur to implement changes to regulations for loans.
- Utilize the DL/COD Focus groups for continuous enhancement and streamlining of the COD system.
- Produce written and electronic training materials in timely manner; the Direct Loan Guide is partially complete and it has taken almost 10 years to get this guide updated from the 1999 version.
- Provide expanded DL training opportunities at FSA conference.
- Produce training webinars frequently about various aspects of DL processing as well as best practices for reconciliation.
- Produce training webinars in collaboration with the major software vendors that process Direct Loans.
- Provide more financial literacy information to students.
- Provide more transparency of statistical data that the Department generates for Direct Loan processing without requiring FOIA requests.
 - Create and maintain a current database of DL schools with the following data:
 - Name of school
 - Valid/current contact information for school
 - Number of loans processed for academic year
 - Dollar volume of loans processed
 - Type of school (i.e. private, public....etc)
 - Enrollment of school
 - Software vendor used to process loans
 - Calculate and publish default rates of FFEL and DL; calculate the DL default rate with exclusion of bad loans that have been referred to DL by the Department for collection.

POLITICAL



- Combine DL and FFEL loan programs and have all federal student and parent loans delivered through the DL delivery system.
- Allow private lenders to compete for servicing the loans on the back end through consolidation opportunities. Ensure adequate service levels and borrower protections are written into any legislation or contracts. Require that lenders who have servicing contracts for loans cannot originate loans to avoid a conflict of interest between DL and FFEL.
- Eliminate origination/default fees for all student loans.
- Use savings from the elimination of subsidizing FFEL loans to increase benefits to students. Options might include increased grant funds or increasing the unsubsidized annual amounts undergraduate students can borrow to eliminate the need for expensive private loans.
- Extend loan forgiveness programs for domestic service, Peace Corps, etc.
- Ensure that the ED budget is protected; move to make 458 funds mandatory rather than discretionary.

OTHER FEDERAL AID OPPORTUNITIES

- Streamline processing of federal grants, provide greater access to students, and increase the Pell Grant maximum by combining the ACG, SMART, and TEACH Grant allocations into the Pell Grant funding.
- Simplify the required verification process for schools by utilizing IRS data from parents and students; work with focus groups from comprehensive variety of schools to determine the best approach for this initiative.
- Require all private loans to be certified by the educational institution.