

□

For Immediate Release:

May 9, 2007

Contact: Peter Karafotas

(202) 226-6898

SCHAKOWSKY VOTES TO END UNETHICAL PRACTICES IN STUDENT

STUDENT LOAN SUNSHINE ACT WOULD CLEAN UP RELATIONSHIPS BETWEEN LENDERS AND

WASHINGTON, DC—U.S. Representative Jan Schakowsky (D-IL) today joined a majority of her colleagues

“At a time when students and families are taking on enormous amounts of debt in order to afford college

The Student Loan Sunshine Act was introduced in response to investigations at the federal and state level

The Student Loan Sunshine Act would prevent these abuses in the future by taking the following steps,

- Requiring institutions and lenders to adopt strict codes of conduct that adhere to specific guidelines
- Banning all gifts, participation on advisory boards, and risk-sharing agreements between lenders and institutions
- Requiring institutions to disclose all relationships with lenders;
- Only allowing “preferred lender lists” on campuses with strict assurances that the list was created with the best interests of students in mind
- Ensuring that students have access to all lenders of their choice, including those not on the preferred lender list
- Banning staffing of school financial aid offices by lenders;
- Ensuring that schools process all loans, from any lender, and do not steer students away from their preferred lender
- Giving students full and fair information when taking out and repaying loans; and
- Protecting students from aggressive marketing practices.