



For Immediate Release

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Wednesday, June 20, 2007

***ENZI COMMENDS HELP COMMITTEE FOR TAKING FIRST STEP  
TO REAUTHORIZE CRITICAL HIGHER EDUCATION BILLS***

**Washington, D.C.** - U.S. Senator Mike Enzi (R-WY), Ranking Member of the Senate Health, Education, Labor and Pensions (HELP) Committee, today said the HELP Committee had taken the first step toward approving two key higher education bills that will make college more affordable, protect students from bad actors in the student loan industry, and provide students with clear information they need to understand and manage their debts.

The Committee approved the Higher Education Amendments of 2007, S. 1642, which Enzi supported as an original cosponsor, and the Higher Education Access Reconciliation Act.

“After over three years of negotiations, Republicans and Democrats have reached agreement on a number of key measures to help American students,” Enzi said, noting that S. 1642 provides meaningful increases to Pell Grants to make college more affordable by boosting the maximum authorized level for low income students by \$500 next year.

S. 1642 will restore students’ trust in student loan programs by holding lenders and schools to a code of conduct to ensure that the agreements between lenders and universities work to serve the best interests of students. It will also ensure that students and parents have the information they need about the costs of college and the financial impact of their loans so they can make sound decisions about their futures.

“I do not believe that a student or parent at a financial aid fair could be induced into signing up for a lifetime of debt in exchange for trinkets and memorabilia, as some reports suggest,” Enzi said. “I do believe that we must do more to ensure that students and parents receive sound, honest advice about their student loans, and have the information they need to understand and manage their debts.

The Committee’s reconciliation package includes tradeoffs between loan programs and need-based aid that will help address the challenges of the rising costs of post-secondary education while saving about \$1 billion for deficit reduction.

“Deficit reduction is a tool that should be taken seriously,” Enzi said. “While I am pleased that we have saved \$1 billion in this process, I will continue to look for additional savings between now and when we consider the bill on the floor.”

Enzi said he knows there is concern about the transfer of credit provisions in this bill, and he plans work with Senator Ted Kennedy, Chairman of the HELP Committee, and others who are interested in the issue to reach an agreement.

“I look forward to bringing these bills to the full Senate and working with my colleagues to find ways they can be improved. I welcome their suggestions as we work to ensure that the final bills we pass in the Senate are as strong and as responsible as they can be.”

Key provisions of the two bills include:

- Raising the authorized level for a maximum federal Pell grant award for low income students to \$5,400 for academic year 2008-09, with additional increases through 2012;
- Expanding eligibility for National Science and Mathematics Access to Retain Talent (SMART) grants to more students majoring in fields of math, science, engineering, technology and critical foreign languages;
- Expanding grant assistance opportunities, including year-round Pell Grants for non-traditional students;
- Providing consumer friendly, easy to access and understand, detailed information about college tuition and fees;
- Calling for the Department of Education and IRS to coordinate and automate the FAFSA process;
- Requiring the Department of Education to establish protocols for limiting and restoring access to the National Student Loan Data System, a database that contains personal financial information about student borrowers and their families and is used by students, schools, lenders, and guarantee agencies;
- Requiring colleges to establish Codes of Conduct to prohibit their financial aid employees from receiving anything of value in exchange for advantages sought by lenders; and,
- Expanding prohibitions on guaranty agencies and lenders that restrict the offering of any premiums, payments, prizes, and tuition payments.

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### **Statement of Michael B. Enzi**

#### **Senate Committee on Health, Education, Labor and Pensions**

Mark up of the Higher Education Access Reconciliation Act and the Higher Education Amendments of 2007

June 20, 2007

MR. CHAIRMAN: Today we markup two very important pieces of legislation – the Higher Education Access Reconciliation Act and the Higher Education Amendments of 2007. It has not been an easy task to get to this point, but it would not have been possible without the commitment on both sides to arrive at a compromise. This is a good first step.

Higher education is an on ramp to success in the global economy, and it is our responsibility to make sure that everyone has the opportunity to attend college and have a good job.

The American system of higher education is renowned throughout the world. However, we are concerned that fewer people can afford and access a quality education and are not prepared to compete in the global economy.

This legislation will make college more affordable, protect students from bad actors in the student loan industry, and provide students with clear information they need to understand and manage their debts.

After over three years of negotiations, we have reached agreement on a number of key measures to make college more affordable for students by providing meaningful increases to Pell Grants, restore students' trust in student loan programs by holding lenders and schools to a code of conduct, and ensure that students and parents have the information they need about the costs of college and the impact of their loans to make sound decisions about their futures.

While I do not believe that a student or parent at a financial aid fair could be so easily induced into signing up for a lifetime of debt, I do believe that we must do more to ensure that students and parents receive sound, honest advice about their student loans, and have the information they need to understand and manage their debts.

Students should continue to be able to trust their financial advisors at their schools to provide them honest, unbiased advice about the loans that will affect their lives for years to come. This bill requires schools, lenders, and guaranty agencies to abide by an ethical code of conduct that addresses the bad actors that have tarnished the reputation of the higher education community.

I think many of us agree that if there is excess in the system, it is in the best interest of the taxpayers to eliminate it. The key questions are how much and how to eliminate it. Reconciliation should be respected as a tool of meaningful deficit reduction. While I am pleased that we increased deficit reduction to almost \$1 billion, I want to continue to seek additional deficit reduction while preserving competition both within the FFEL program and between the FFEL and Direct Loan programs.

While these two bills are a good first step, there are still improvements that need to be made. For example, I know that there continues to be concern about the transfer of credit provisions. I am hopeful that I can work with the Chairman and others who are interested in this issue before floor consideration.

I also want to stress the importance of a comprehensive approach to the Higher Education Reauthorization. At this time, the markup has split two very integral pieces of the reauthorization. We must debate the Higher Education Act in a regular order manner and not simply kick the can down the road and abandon the important reforms included in the reauthorization bill.

Before we proceed to amendments, I want to thank all of the Committee members and staff for their work on this product, as well as Chairman Kennedy for establishing an inclusive process and reaching across the aisle.

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