

THE PROJECT ON STUDENT DEBT

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Shireman Praises House for Passing Student Loan Sunshine Act, Urges Senate to Move Quickly *Project Releases Comparison of Proposed Restrictions on Lenders, Schools*

Washington, D.C.: “By an overwhelming margin of 414 to 3, the House of Representatives yesterday passed the Student Loan Sunshine Act to stem the unethical practices plaguing the student loan industry. This legislation is a sorely needed step towards eliminating the disturbing conflicts of interest that pervade the student loan system. Colleges should not be enriching lenders or themselves at the expense of students and families struggling to afford college.

“Among other provisions, the House bill would: require lenders and institutions to adopt strict codes of conduct; ban gifts, participation on advisory boards and revenue-sharing between lenders and schools; require institutions to disclose relationships with lenders; and protect students from some aggressive marketing practices.

“The Senate should move quickly to pass similar reforms, and President Bush should waste no time in signing them into law. With student debt at record levels, we must do much more to clean up the loan system and make college more affordable.”

NOTE: A key provision in the House bill is a requirement that institutions and lenders adopt strict codes of conduct to govern their practices. The Project on Student Debt has developed and posted created a [comparison chart](#) to help explain and compare the House bill and some other major legislative, regulatory and voluntary proposals. Issues covered include lender-college relationships, preferred lender lists, and disclosures to borrowers. The chart, Student Loan Reforms: Preventing Conflicts of Interest, is posted at http://projectonstudentdebt.org/reforms_comparison.vp.html.

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