

Financial Aid Update

On Wednesday, May 7th, President Bush signed into law HR 5715. A few of the highlights include:

- Increases unsubsidized annual and aggregate loan limits (effective July 1, 2008, \$2,000 increase to annual limits and increases aggregate undergraduate dependent students from \$23,000 to \$31,000 – no more than \$23,000 of which can be subsidized – and increases aggregate undergraduate independent students from \$46,000 to \$57,500 – no more than \$23,000 of which can be subsidized).
- Temporarily authorizes the Department of Education to purchase FFEL loans originated after 10/1/2003 provided those purchases do not result in any cost to the federal government. This authority expires on 7/1/2009. (comment: many student loan groups are anxious for the Secretary of Education to utilize the authority given to her under HR 5715 and, as a result, help ease the current student loan liquidity situation).
- Provides clarification for Lender of Last Resort (LLR) and gives the Secretary certain authority relative to LLR (in Montana, MGSLP will be the LLR and has procedures in place to ensure uninterrupted access to student loans).
- Makes a variety of technical and other changes to ACG and SMART Grants. These changes will benefit students.

Additional items of interest in the world of financial aid include:

- 260 MUS Honor Scholarships were awarded under the revised Regent policy with an expectation that approximately 200 students will use their scholarships. Although a few counselors and parents expressed concern, the number of issues was consistent with past years.
- Notification to Governor's Scholarship recipients will go out over the next week or two. A Governor's Merit Scholarship goes to at least one person at every high school providing the high school has a qualifying student.
- On July 1, 2008, the new federal regulations governing school, lender, and guarantor relationships go into effect. All MUS schools are already in compliance. MGSLP conducted trainings and provided regulatory guidance at the Montana Association of Student Financial Aid Administrators' conference and at the Montana Financial Aid Directors' retreat.
- MUS and OPI are working jointly to submit Montana's USDE Challenge Grant application. The application is due June 27th and will provide \$660,000 over two years. The purpose of the grant is to support states in their efforts to increase postsecondary education access and affordability for low-income students.