



STUDENT PROTECTION AGENDA

As education professionals dedicated to helping all students make the transition to postsecondary education, National Association for College Admission Counseling (NACAC) members believe in serving students responsibly by safeguarding their rights and their access to postsecondary education. In accordance with NACAC's Code of Ethics and Professional Practices, Association members make protecting the best interests of all students a primary concern in the admission process and aim to promote ethical practice in college admission and financial aid.

NACAC urges Congress to support the interests of low-income and disadvantaged students in postsecondary education enrollment. Based on decades of recruitment and lending practices that take advantage of students and taxpayer dollars, NACAC has identified recommendations under three major policy areas to improve enrollment transactions.

Protect Students in the Admission Process

Rationale The U.S. Department of Education's regulatory efforts that protect students and the integrity of the Title IV Federal Student Aid programs are critically important to prevent aggressive and misleading recruitment tactics.

Recommendations

- * Enforce and strengthen program integrity regulations for college admission activities, including:
 - * Incentive Compensation
 - * Misrepresentation of Information to Students
 - * Definition of a High School Diploma
 - * Ability to Benefit Tests

Protect Student Borrowers

Rationale Private student loans are one of the riskiest ways to pay for postsecondary education, as they typically have uncapped, variable interest rates that victimize borrowers who can least afford them and reward irresponsible lenders. Private loans also lack the basic consumer protections and flexible repayment options of federal student loans.

Recommendations

- * Amend the Higher Education Act (HEA) to require that colleges certify private loans and inform students of any untapped federal loan eligibility before taking on a private student loan.
- * Amend the Elementary and Secondary Education Act (ESEA) to include financial literacy education in college counseling programs to equip students with information necessary for taking on federal and private loans.
- * Amend bankruptcy law to enable private student loans to be discharged in bankruptcy.

Protect Taxpayer Dollars

Rationale There exists an opportunity for fraud and abuse in weakening the HEA's 90/10 Rule. This provision was enacted to ensure that an institution must receive at least 10 percent of its revenue from a source other than the federal government, assuring that the business sustain some degree of market viability. This rule also helps protect against "sub-prime" practices that target low-income students for their taxpayer-funded education benefits.

Recommendations

- * Strengthen the 90/10 Rule to protect federal student aid program (taxpayer) dollars.
- * Amend the Higher Education Act to include funds from the U.S. Departments of Defense and Veterans Affairs when calculating the 90/10 Rule.