

Ensuring Continued Access to Student Loans Act of 2008

(H.R. 5715, as amended by the Senate)

The bill would ensure that students continue to have access to the Federal student loan program in the coming school year. Specifically it would:

Reduce the need for students to take out expensive private loans by increasing loan limits for guaranteed low-interest Federal student loans.

- The bill would increase federal loan limits by \$2000 annually for dependent undergraduate students, with a total cap on the loan amount at \$31,000; and
- Increase federal loan limits and by \$6000 annually for independent undergraduate students and students whose parents can't obtain federal parent loans because of poor credit, with a total cap on the loan amount at \$57,500.
- Increased loan limits go in effect for loans first disbursed on or after July 1, 2008.

Provide better options for parents who borrow for their children's college education

- The bill would allow parents to defer repayment of federal parent PLUS loans while the student is enrolled in college.

Improve parent access to PLUS loans during the current mortgage and credit crisis.

- The bill would ensure that parents and students are not automatically ineligible for a PLUS Loan because of delinquency on a primary home mortgage or medical bill payments occurring during the mortgage and credit crisis.

Help keep the availability of federal student loans stable for students by:

Shoring up the current "lender of last resort" program and allowing the U.S. Secretary of Education to designate entire institutions as "lender of last resort" schools.

- The bill would ensure loans made through the "lender of last resort" program are made with similar terms and conditions as other FFEL loans;
- Sunset the Secretary's authority to designate entire institutions for the "lender of last resort program" at the end of the 2008-09 school year;
- Sunset school participation in this program at the same time;
- Guard against abuse in the lender-of-last-resort program by requiring guaranty agencies and lenders as lenders-of-last-resort to report on loans made through this program; and
- Ensure that guaranty agencies and lenders in this program are subject to the same ethics rules as other FFEL lenders.

Clarifying the Secretary of Education's authority to provide FFEL lenders with the capital to make loans to students.

- Allows the Secretary to address any lack of loan financing for the coming school year by agreeing to purchase loans from lenders.
- This authority sunsets at the end of the 2008-09 school year.
- The purchase of loans under this Act must be noticed in the Federal Register.