

DATE : April 12, 2007
TO : Loans Committee Members
FROM : Dan Madzellan
SUBJECT : Materials for the April 18-20 negotiating session

Enclosed are most of the materials for the next negotiating session. I apologize for the delay in sending these to you. I also apologize for the continuing delay in sending you the language for preferred lenders and prohibited inducements. I expect to share those two items soon.

As was the case for our previous sessions, these materials will be posted to the Department's Negotiated Rulemaking website in a few days, but you are free to share this information as you see fit.

Once again, I want to thank the negotiators for their work "away from the table" over the past several weeks, both with the Department and among yourselves. While the enclosed draft language might not reflect all of your suggestions, this does not mean we would not discuss your interests and concerns next week.

As is our custom, included in this posting is a single package of draft regulatory language ("contextual format") in both pdf and MSWord formats. As I mentioned earlier, this package does not include language for preferred lenders nor prohibited inducements. You will note that we are providing language related to loan discharges for the crime of identity theft. However, we are not proposing to change our current policy. Rather, this language is intended to address conflicting provisions in the Higher Education Act and the Fair and Accurate Credit Transactions Act based on the discussions we had in March.

The language again is provided in redline/strikeout contextual format. We've tried to take the language we provided for the February and March sessions and make changes to it in such a way as to preserve a history of the modifications. Once again, we hope you don't find this text too confusing. We are maintaining the issue identification scheme, and we've also annotated the "Scorecard" to provide some notion of where we are in the negotiations.

Finally, we are planning to provide amendatory language to you by the end of the week. As you know, in the negotiated rulemaking process we aim for agreement on the language that will be published as a proposed rule in the Federal Register. Therefore, we have been working on a package of amendatory language that reflects the contextual language that we are providing. Of course, any changes to the discussion draft (contextual format) would be reflected in the amendatory package.

See you on the 18th at K Street.