

# Exhibit 15

## Information Item

### Update on federal student loan legislation

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On August 9, 2013, President Obama signed H.R. 1911, the *Bipartisan Student Loan Certainty Act*. The President lauded members of both parties in the House and Senate who “*came together to design a sensible, common-sense approach to keeping student interest rates at a reasonable level so that young people have a better opportunity to go to college, get the education that they need not only to better their own lives but also to strengthen the country’s economy.*”

The new law amends Title IV (Student Assistance) of the Higher Education Act of 1965 to set the annual interest rate on;

- Direct Stafford loans and Direct Unsubsidized Stafford loans for undergraduates at the rate on high-yield 10-year Treasury notes plus 2.05%, but caps that rate at 8.5%.
- Direct Unsubsidized Stafford loans for graduates at the rate on high-yield 10-year Treasury notes plus 3.6%, but caps that rate at 9.5%.
- Direct PLUS loans at the rate on high-yield 10-year Treasury notes plus 4.6%, but caps that rate at 10.5%.
- Direct Consolidation loans at the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of 1%.

The interest rate would be determined the June 1 prior to loan disbursements on or after the following July 1 and fixed over the life of the loan to provide borrowers with certainty to plan for the future academic year.

The resulting interest rates for loans taken out between July 1, 2013 and June 30, 2014, would be;

- 3.86% for subsidized and unsubsidized loans for undergraduate students,
- 5.41% on unsubsidized loans for graduate students, and
- 6.41% on PLUS loans for parents and graduate students.

Due to calls from student advocacy groups and lawmakers, the law also requires the Government Accountability Office to undertake a complete study of the actual cost to the Federal Government of carrying out the Federal student loan programs authorized under title IV of the Higher Education Act.

An oral presentation will be made to update Commissioners on other relevant legislation and activities by Federal Agencies.

**Responsible Person(s):** Ed Emerson, Chief  
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