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Information Item

California Student Aid Commission

Loan Advisory Council Chair's Report of the November 9, 2006 Meeting

The Loan Advisory Council (LAC) reviews the activities and policies of the Federal Family Education Loan (FFEL) Program and regularly advises the Commission of its findings and recommendations.

LAC met on November 9, 2006 and among other things, elected a new Chair and Vice Chair. A written report from Chair Carrie Steere-Salazar is enclosed for your review.

Recommended Action: No action is required.

Responsible Staff: Janet McDuffie
Chief, Management Services
and Acting Chief, Federal
Policy & Programs

Loan Advisory Council Report for November 9, 2006

I would like to apologize in advance for not giving this report to you in person, but my role as chair of the LAC is relatively new, and I already had other obligations that precluded me from being here in person today.

The LAC met for the first time in a long while on November 9th and formally elected a chair and vice-chair. I am happy to report that Community College student representative Alan Crane is the vice chair, and that I will fulfill duties of chair for the coming year.

The role that the LAC can take in advising the Commission is an important one. The LAC members are nominated for this committee by their constituent groups, and represent the interests of all the segments in California higher education. While getting anecdotal information from the field is certainly an important way to gather information, it is by its very nature ad-hoc and not necessarily representational. A standing committee of members selected by their own colleagues is crucial.

The rising cost of education and the matching loan debt continue to be of primary concern, of course. Our student representatives on LAC pointed out that books alone account for a huge portion of their educational expenses. Financial aid programs are complex, and the need to inform students in ways that both capture student interest as well as help them understand the availability of programs is still paramount.

One critical factor to making the LAC an effective advisory body is going to be the willingness of the Commission to support regular in-person meetings of the LAC. We have an ambitious agenda, including a review of the myriad of loan forgiveness programs, best practices for debt management programs, including measurable programs that reduce borrowing, direct-to-consumer marketing by lenders, the role of alumni groups in loan repayment, college affordability and the fact that independent undergraduate students do not have access to PLUS loans, while dependent and graduate students can both borrow through this program.

The committee feels that at least three in-person meetings over the next 12 months are appropriate to the scope of our agenda topics.

Respectfully submitted:
Carrie Steere-Salazar
Loan Advisory Council Chair 2006-07