

Washington, DC -- Today, U.S. Representative Michael A. Arcuri (D-Utica) voted for the Student Loan Sunshine Act, H.R. 890, which would protect student and families from fraud and abuse that have been widely documented throughout the student loan industry.

“It is imperative that students and families have the best possible tools and resources to pursue higher education,” said Arcuri. “The recent stories about fraud and abuse practiced by unscrupulous lenders and even educational institutions are appalling. The Student Loan Sunshine Act will help students access higher education without the fear of predatory lenders.”

Recently, there have been numerous news reports of lender manipulations and even kickbacks, including exotic vacations for university staff. The Department of Education was implicated for lack of oversight of the student loan industry and improper connections between Department of Education officials and loan companies.

“The 110th Congress has made it a top priority to provide the best education in the world from Kindergarten to University,” said Arcuri. “We have passed legislation to cut in half the interest rates on federal subsidized student loans and increase Pell Grant awards to expand access to higher education. Improving and strengthening education is essential if we hope to maintain our competitive edge in today’s global marketplace.”

H.R. 890 would:

- Require educational institutions and lenders to adopt strict codes of conduct
- Ban all gifts between lenders and schools
- Require institutions to disclose all relationships with lenders
- Require financial aid officers to exercise transparency and care of duty when creating a ‘preferred lender list’
- Ensure that students have access to all lenders

In New York, there are 243,696 subsidized loan borrowers attending 4-year institutions, who will accumulate over \$14,000 in loan debt. In the 24th district alone, there are 12,681 borrowers, attending the eight outstanding four-year colleges and universities and four two-year institutions.

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