



U.S. Congressman
Nick Rahall
WORKING FOR WEST VIRGINIANS

FOR IMMEDIATE RELEASE
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CONTACT: KENT KEYSER
Acting Press Secretary
Phone: (202) 225-3452

DIRECT STUDENT LOAN PROGRAM COMES HOME TO WEST VIRGINIA
Marshall University and Valley Training Center selected to participate

WASHINGTON, DC--U.S. Rep. Nick Rahall (D-WV) announced today that the U.S. Department of Education selected Marshall University and Princeton's Valley Training Center to participate in a new direct student loan program.

Under this legislation, the federal government will increasingly make loans directly to our students through schools rather than through private lenders, who tend to have higher interest rates. Student borrowers will be able to choose from several repayment options, including arrangements that are compatible with their incomes.

"Indeed, this proposal will bring home some financial aid to our students," said Rahall. "Furthermore, the proposal will save our taxpayers' hard-earned money by capitalizing on the government's ability to borrow at lower interest rates."

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UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF LEGISLATION AND CONGRESSIONAL AFFAIRS

May 12, 1994

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Honorable Nick Joe Rahall, II
House of Representatives
Washington, DC 20515

Dear Congressman Rahall:

The Department of Education is pleased to announce the selection of 983 more schools to participate in year two of the direct student loan program enacted by Congress last year.

As you may recall, the Department announced last November the first 104 schools selected to participate in the direct loan program for the 1994-95 academic year. By law, that first year was limited to five percent of student loan volume. The second group of 983 schools being announced this week will join the direct loan program for the 1995-96 academic year. The next application closing date for schools interested in participating in the 1995-96 academic year is July 1, 1994.

Under the direct loan legislation (P.L. 103-66, Omnibus Reconciliation Act of 1993), the federal government will increasingly make loans directly to students through schools rather than through private lenders as in the Federal Family Education Loan Program (FFELP). Direct loans allow schools to offer "one-stop shopping" to students and to process a student's full aid package, including Pell Grants as well as loans. Student borrowers can also choose from several repayment options, including arrangements tailored to their income.

Overall, the program is estimated to save the American taxpayer \$4.3 billion through FY 1998 by eliminating excess profits in the system and capitalizing on the government ability to borrow at a lower interest rate.

I have enclosed a list a schools from your state or district. I hope this information will be useful to you in responding to your constituents on this subject. If the Office of Legislation and Congressional Affairs can be of any additional assistance, please let me know.

Sincerely,

Kay Casstevens
Assistance Secretary

Enclosure

BK-Tolga
Please draft
a press
release
announcing
this

SCHOOLS SELECTED FOR THE
FEDERAL DIRECT STUDENT LOAN PROGRAM

Page 57

MV

ID NUMBER	Schoolname	Address	City	Congres. District
003806	Alderson Broadus Colg		Philippi	01
003808	Bethany Colg	Locust Ave	Bethany	01
003812	Fairmont State Colg	400 Hal Greer Blvd	Fairmont	01
003815	Marshall Univ ✓	223 W Main St	Huntington	03
003820	Salem Teikyo Univ	59 Colg Ave	Salem	01
003830	West Virginia Wesleyan Colg	316 Washington Ave	Buckhannon	02
003831	Wheeling Jesuit Colg	148 Willey St	Wheeling	01
005007	West Virginia Career Colg	1500 Winchester Ave	Morgantown	01
026094	Valley Training Centers	1109 Stafford Dr	Martinsburg	02
030842	Valley Training Centers ✓		Princeton	03