

April 2010

KEEP Newsletter

Keep Education Expenses a Priority!

It's April, and the end of the semester is almost here for many of us. Some KEEP members will be graduating at the end of the month. Best of luck to you!

In this month's newsletter, we'll update you on a loan bill that was recently passed in Congress and how it may affect you. Check out our new member profile, too.

Obama's Student Loan Reform

You've heard that President Obama recently signed a bill for a health care reform, but there was an important part of that bill that didn't have anything to do with health. Instead, it applied to the 8.5 million United States students who have outstanding federal student loans. That's over half of U.S. undergraduates!

New Member Profile

Richard, from Roosevelt University, Illinois

Facts about Richard:

- Tutors students and helps teachers in the classroom.
- Is founder and president of the Student Education Association, a group that promotes the advancement and preparation of future educators. The association holds monthly events and workshops to help prepare members for education careers.
- Is a youth baseball and softball coach, working to instill the importance of teamwork to young children.

In the past, the federal government paid banks to lend money to students for federal loans. But starting on July 1, 2010, the government will eliminate the position that banks have held as the middlemen and take over federal student loans entirely. Eliminating the role of banks is expected to save billions of dollars. President Obama said that this money will be used for Pell Grants to be given to low income students.

The President also said that the passing of this bill will make it easier for some students to pay back the money they owe. The money they must pay back monthly may decrease. Previously, the limit for monthly payments was 15 percent of a borrower's income. The bill has lowered that limit to 10 percent.

