

U.S. Selects Rules Panel for PLUS Loans, Debit Cards

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The Education Department on Friday announced the negotiators who will hammer out new rules for PLUS loans, campus debit cards, state authorization for distance programs and other topics on the administration's sweeping second-term regulatory agenda.

The negotiated-rulemaking panel will convene for the first time on February 19 and meet several times over the next several months to address a range of regulations for institutions that receive federal student aid and the companies that handle the disbursement of that money.

Among the more contentious issues the panel will focus on are the eligibility requirements for obtaining a PLUS loan. Consumer advocates and some think tanks have called for tighter eligibility requirements while some historically black and for-profit colleges, whose students and their families rely heavily on the loans, have said the department's efforts to tighten the underwriting criteria have already cut off college access for low-income and underserved students.

The panel will also attempt to draft rules for student debit cards and other financial products on campus through which students receive disbursements of their federal loans and grants. Advocacy groups, lawmakers and other federal agencies have questioned the lucrative arrangements that some debit card providers have with colleges to offer such products.

In addition, the negotiated-rulemaking committee will also seek to rewrite the department's state authorization rule for distance education programs.

The rule, which required colleges providing distance education to obtain permission to operate from every state in which they enroll students, was thrown out by a federal appeals court in 2012. The panel will also tackle the conversion of clock hours to credit hours when awarding credit, and rules governing when a student can receive federal aid for repeated coursework.

Read more: <http://www.insidehighered.com/quicktakes/2014/02/10/us-selects-rules-panel-plus-loans-debit-cards#ixzz2t3EGge2s>

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