Celebrating 20 Years

William D. Ford Federal Direct Loan Program

1994-2014

Compiled by National Direct Student Loan Coalition
On July 1, 1994, the first Direct Loan was disbursed at midnight at Western Virginia University, one of the first 104 schools that participated in this federal loan program.
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**March 1997** – Secretary of Education Robert Riley welcomes attendees to the White House Conference Center to discuss expansion of the Direct Loan Program.
A Chronology of Federal Legislation and Actions regarding the WDF Federal Direct Loan Program

1979 – Senators Bellmon (R-OK) and Kennedy (D-MA) introduced S.1600 National Student Loan Reform Act that addressed the need to expand availability of loan capital to students by strengthening the Perkins Loan program with the use of Federal capital.

1985 – Rep. Tom Petri (R-WI) proposed H.R. 2733, the Income Dependent Education Assistance (IDEA) program: direct student loans with repayment based on income, collected through payroll deduction. Subsequent versions introduced in later years.

1990 – Credit Reform Act of 1990 leveled the playing field for all federal credit programs by putting direct loan and loan guarantee costs on an equal footing

1991 – August 2, 1991, H.R 3211, introduced by Representative Robert Andrews, proposed replacement of the guaranteed loan program with direct lending over a five-year period

1991 – October - Bipartisan Senators Simon and Durenberger introduced Financial Aid for All Students Act, a proposal to use direct loan savings to create a Pell Grant entitlement along with a version of Petri’s IDEA direct-loan proposal.

1992 – William D. Ford Federal Direct Loan Program was initially authorized as a pilot program by the Higher Education Amendments of 1992

1993 – The Student Loan Reform Act (SLRA) of 1993, which created the Federal Direct Loan Program (FDSL) was passed a part of the Omnibus Budget Reconciliation Act of 1993 which authorized that the program be phased in over a five-year period

1995 – New GOP Congressional leaders threatened to repeal SLRA, killing the direct loan program in its infancy. Secretary of Education Richard Riley agreed not to encourage or require colleges to switch to Direct Loans

1998 – Reauthorization of the Higher Education Act gave the Secretary of Education the authority to level the financial playing field between the DL and Federal Family Education Loan (FFEL) program, provided that Direct Lending benefits were revenue neutral.

1999 – Secretary reduced the 4% origination fee to 3%

2000 – Secretary reduced the remaining 3% origination fee to 1.5%

2000 – Lenders sued the U.S. Department of Education to try to block the Department from offering loan discounts to Direct Loan borrowers without offering similar discounts to FFEL borrowers. The lenders also questioned whether the discounts are cost neutral, as required by the Higher Education Act. Ultimately the lawsuit was unsuccessful

2006 – Higher Education Reconciliation Act of 2005 FFEL and Direct Loans – Doubled the 1.5% origination fee paid in 2006, the first year of the phase down of the fee to 1%; Mandated that a 1% FFEL guarantee fee be paid to the government

2007 – College Cost Reduction Act (CCRA) addressed abuse; reduced lender subsidies and reduced interest rates on student loans

2009 – Ensuring Continued Access to Student Loans Act (ECASLA) allowed the Department of Education to buy guaranteed loans made by private lenders; federal capital provided to private lenders resulted in both programs sharing more characteristics of the Direct Loan program

2010 – Student Aid and Fiscal Responsibility Act (SAFRA) included in the (H.R. 4872) Health Care and Education Reconciliation Act of 2010 eliminated the Federal Family Education Loan (FFEL) Program

(continued)
**A HISTORICAL REVIEW**

**Bibliography**

Further reading for more detailed information about the political history of the William D. Ford Federal Direct Loan Program:

5. Thomas A. Butts and Elizabeth M. Hicks, “The Direct Lending Debate: Making the Case for and Dispelling Myths About Direct Lending.” National Association of College and University Business Officer (February 1992).
Year One Schools


Advanced Institute of Hair Design
Aero Mechanics School
American Business and Fashion Institute
American University
Amherst College, Amherst
Bennett College, Greensboro
Bradley University
Braxton School
Brown University, Providence
Bryan College of Court Reporting
Cad Institute
California Academy of Merchandising, Art and Design
California Institute of Technology
Cloud County Community College
College of Charleston
Colorado Aero Technology
Colorado State University
Computer Technological
Connecticut Institute of Art
Cornell University
Cuyahoga Community College
Dalfort Aircraft Technological
Delaware Technological and Community College
Devry Institute of Technology
Dover Business College
Earlham College
Faust Institute of Cosmetology
Florida Agricultural and Mechanical University
Fox College
Gaston College
Georgia State University
Gustavus Adolphus College
Gwinnnet College of Business
Harvard University
Hood College
Hope College

Hurun University
Inter-American University of Puerto Rico
Interior Designers Institute
International Business College
Interstate Business College
Iowa State University
ITT Technological Institute
Keiser College of Technology
Kentucky Career Institute
Keystone Secretarial and Business Administration
Lawrence University
Lehigh County Community College
Memphis State University
Miami Jacobs Junior College of Business
Michigan Institute of Aeronautics
Mid-America College of Funeral Service
Missouri Southern State College
Modern Technology School of X-ray
Montana State University
Mr. Bernards School of Hair Fashion
Neon Art and Tube Bending School
New England Technological Institute of Connecticut
New Mexico Junior College
Ohio Auto Diesel Technological Institute
Ohio University
Oklahoma State University
Old Dominion University
Pace University
Pace University, Pleasantville/Briarcliff
Philadelphia College of Pharmacy and Science
Prairie View A & M University
Red River Technical College
Rocky Mountain College of Art and Design
Roger Williams College
Rowan College
Rutgers University

Salisbury State College
Seton Hall University
Southeastern Academy
Southwest Texas State University
St. Louis Technological
Stonehill College
SUNY College Brockport
SUNY Hudson Valley Community College
Tarrant County Junior College
Tougaloo College
Union College
Universal Technological Institute
University of Alabama at Birmingham
University of California at Irvine
University of Colorado
University of the District of Columbia
University of Florida
University of Idaho
University of Illinois
University of Maine
University of Michigan
University of Minnesota
University of Oregon
University of Vermont
University of Washington
West Tennessee Business College
West Virginia University
Western Connecticut State University
Western Michigan University
William Paterson College of New Jersey
Williams College
Xavier University of Louisiana

For a list of Year Two Schools, please see http://www.directstudentloancoalition.org/about.asp

June 2004 – From left: Tom Butts, Elizabeth M. Hicks, and Charles Kolb at the Direct Loan Anniversary Conference.

The NDSLC is comprised of schools dedicated to the continuous improvement and strengthening of the Direct Loan program. Its members are financial aid professionals working at participating institutions who ensure the organization serves in the following roles:

1. Facilitate efficient delivery of loans by providing a liaison to the Department of Education through
   a. Reviewing processing and performance statistics
   b. Makes recommendations for improvement to the program
   c. Serves as an ombudsman for federal student lending when processing issues occur
   d. Providing and effective communication network amount participating schools to improve program administration
   e. Conducting and participating in a variety of training sessions at conferences sponsored by the Department of Education

2. Educate public officials, the financial aid community, professional associations, the media and the general public on student lending

3. Advocate high standards in the delivery of student loans by all participants in the process

4. Promote policies to minimize the use of student borrowing and improve the loan terms for those who borrow

5. Providing technical assistance to Congress with respect to all issues in student lending

The Coalition was incorporated on May 12, 2000 in Washington, D.C. Founding members included:

- Charles Bruce, Chair
- Marian Smithson, Past Chair
- Daniel Davenport
- Earl Dowling
- Pamela Fowler
- Phyllis K. Hooyman
- Roberta Johnson
- Craig Munier
- Paul Phillips
- Janel Schaefer

The founding members, with the assistance of Thomas Butts, former Deputy Assistant Secretary for Student Assistance at the U.S. Department of Education and then Associate Vice President of Government Relations at the University of Michigan, recognized the need for an organization to work with the Department, Congress and the community to develop a strong and effective Federal Direct Loan Program. Though supported by its members, the Coalition represented all schools in the program and continues to advocate for sound student loan policies that meet the needs of all students.
WHAT IS THE DIRECT LOAN COALITION? CONTINUED

National Direct Student Loan Coalition Chairs

1994-1996  Phyllis Hooyman  Hope College
1996-1998  Marion Smithson  Southern Illinois University
1998-2000  Charlie Bruce  Oklahoma State University
2000-2002  Dan Davenport  University of Idaho
2002-2005  Eileen O’Leary  Stonehill College
2005-2007  Craig Munier  University of Nebraska
2007-2009  Roberta Johnson  Iowa State University
2009-2011  Nancy Hoover  Denison University
2011-2013  Margaret Rodriguez  University of Michigan
2013-2015  Chuck Knepfl e  Clemson University

Past Members of the Board of Directors of the National Direct Student Loan Coalition*

Orlo Austin  University of Illinois
Earl Dowling  Iowa State University
Karen Fooks  University of Florida
Pamela Fowler  University of Michigan
Mariko Gomez  Southwest Texas State University
Tally Hart  Ohio State University
Susan Little  University of Georgia
Mona Lucas  Cornell University
Paula Luff  DePaul University
Susan Murphy  University of San Francisco
Paul Phillips  California State University, San Marcos
Daniel Pinch  Emerson College
Cheryl Resh  University of California Berkeley
Micki Roemer  Tarant County Community College
Renee Saleh  Northampton Community College
Mary SanAgustin  Palomar College
Janel Schafer  Virginia Commonwealth University
Phyllis Schroeder  Valparaiso University
Edmond Vignoul  University of Oregon
Lori Zarkower  Boston University
Marsha Weiss  Career Education Corporation

*Since incorporation in May, 2000

Current National Direct Student Loan Coalition Board of Directors

Chuck Knepfl e, Chair
CLEMSON UNIVERSITY
S. Kay Lewis, Chair Elect
UNIVERSITY OF WASHINGTON
Margaret Rodriguez, Past Chair
UNIVERSITY OF MICHIGAN
Jean Rash, Treasurer
RUTGERS UNIVERSITY
Kristine Wright, Secretary
UNIVERSITY OF MINNESOTA, TWIN CITIES

Dan Davenport
UNIVERSITY OF IOWA
Suzanne Day
HARVARD UNIVERSITY
Janice Dorian
MANSFIELD BEAUTY SCHOOLS

Rachelle Feldman
UNIVERSITY OF CALIFORNIA - BERKELEY
Anna Griswold
PENNSYLVANIA STATE UNIVERSITY
Nancy Hoover
DENISON UNIVERSITY
Roberta Johnson
IOWA STATE UNIVERSITY
Peg Julius
KIRKWOOD COMMUNITY COLLEGE
Doug Severs
OREGON STATE UNIVERSITY
Tom Butts (Advisor)
Retired, UNIVERSITY OF MICHIGAN


July 2007 – Representative Tom Petri receives a plaque from NDSL Chair Roberta Johnson to recognize his work for students and the Direct Loan Program.
**List of Mentors to help schools with the 100% transition to Direct Lending**  
*(SCHOOL AFFILIATION IN 2011-2012)*

<table>
<thead>
<tr>
<th>School</th>
<th>Mentors</th>
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<tbody>
<tr>
<td>Albion College</td>
<td>John Nickless</td>
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<tr>
<td>Bemidji State University</td>
<td>Marjorie Gildersleeve</td>
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<tr>
<td>Bethel University</td>
<td>Julie Ellis</td>
</tr>
<tr>
<td>Boston University</td>
<td>Leah L. Barry</td>
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<tr>
<td>Brown University</td>
<td>Wynette Richardson</td>
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<td>The College of New Rochelle</td>
<td>Anne D. Pelak</td>
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<td>College of Western Idaho</td>
<td>Kevin Jensen</td>
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<tr>
<td>The College of Wooster</td>
<td>David B. Miller</td>
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<tr>
<td>Colorado State University</td>
<td>Carla J. William, Andy Carter</td>
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<tr>
<td>Cuyahoga Community College</td>
<td>Kimberly Nash-Yore</td>
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<td>Denison University</td>
<td>Nancy Hoover, William Sperry</td>
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<td>Ferris State University</td>
<td>Nancy Wencl</td>
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<td>Harper College</td>
<td>Earl E. Dowling</td>
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<td>Suzanne Day</td>
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<td>Phyllis Hooyman</td>
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<td>Iowa State University</td>
<td>Roberta Johnson, Mike Stueckradt</td>
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<td>James Madison University</td>
<td>Richard M. Gardner</td>
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<td>Loyola University in Maryland</td>
<td>Margaret Vale</td>
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<td>Luther College</td>
<td>Aaron Steffens</td>
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<td>Kirkwood Community College</td>
<td>Peg Julius, Susan Spraker</td>
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<td>Judy L. Florian</td>
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<td>Mansfield Beauty Schools</td>
<td>Janice Dorian</td>
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<td>Marietta College</td>
<td>Kevin D. Lamb</td>
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<td>Miami University</td>
<td>Chuck Knepfle, Brent Shock, Matt Moore</td>
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<td>MidAmerica Nazarene University</td>
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<td>Northeastern University</td>
<td>Anthony R. Erwin, Nicholas W. Zinser</td>
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<td>North Park University</td>
<td>Lindsay Mitchell</td>
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<td>Northwest Missouri State University</td>
<td>Marge Stoner</td>
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<tr>
<td>Old Dominion University</td>
<td>Vera E. Riddick</td>
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<tr>
<td>Owens Community College</td>
<td>Betsy S. Johnson</td>
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<td>Pacific Northwest University of Health</td>
<td>LeAnn Hunter</td>
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<td>Sciences</td>
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<tr>
<td>Penn State University</td>
<td>Melissa J. Kunes</td>
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<tr>
<td>Pioneer Pacific Colleges</td>
<td>Michael J. Hargrave</td>
</tr>
<tr>
<td>Plattsburgh State University of New York</td>
<td>Kerry Lubold</td>
</tr>
</tbody>
</table>

*(continued)*
**List of Mentors to help schools with the 100% transition to Direct Lending**

(SCHOOL AFFILIATION IN 2011-2012)

- **Rochester Institute of Technology**
  - Verna Hazen
  - Linda Chalmers

- **Roosevelt University**
  - Maria Dikranian

- **Rutgers University, The State University of New Jersey**
  - Jean Rash
  - Cory Bastek

- **Shawnee State University**
  - Charlotte Hardy

- **Spokane Community College**
  - Janet L. Rice

- **Spokane Falls Community College**
  - Jane McLean

- **Stonehill College**
  - Eileen K. O’Leary
  - Janice Lindstrom

- **Texas State University**–San Marcos
  - Crisselda E. Jass

- **UC Berkeley**
  - Cheryl Resh
  - Roberta C. Johnson
  - Leslie Wills

- **University of Idaho**
  - Dan Davenport
  - Tom Valles
  - DeeDee Bohman

- **University of Oregon**
  - Elizabeth Bickford

- **University of St. Thomas** (Minnesota)
  - Chad R. Nosbusch

- **University of Kansas**
  - Joan C. Weaver

- **University of Maine at Presque Isle**
  - Christopher Bell

- **University of Michigan**
  - Margaret H. Rodriguez
  - Julie Cole-Calhoun
  - Mary Ann Przytulski

- **University of Minnesota**
  - Kristine A. Wright
  - Meg Calabrese

- **University of Nebraska - Lincoln**
  - Marty Habrock
  - Craig D. Munier
  - Kay Dinkelman

- **University of Toledo**
  - Carolyn Baumgartner

- **University of Washington**
  - S. Kay Lewis
  - Peggy Fitzwater
  - Tess Domingo-Herrera

- **Valencia Community College**
  - Bradley E. Honious

- **Valparaiso University**
  - Phyllis Schroeder

- **Wabash College**
  - La Toshia Everson

- **Wayne State University**
  - Gabriela K. Garfield

- **Western Michigan University**
  - Jodie Laraway

- **Western New England College**
  - Kathleen M. Chambers

- **Western University of Health Sciences**
  - Otto Reyer

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Mar. 2010 – President Barack Obama signs the Student Aid and Fiscal Responsibility Act (SAFRA).

Mar. 2010 – Nancy Hoover, NDSLC Chair, and Tom Butts at the signing of SAFRA.
June 2010 – From left: Margaret Rodriguez, Tom Wolanin and Eileen O’Leary at the reception celebrating the signing of SAFRA.

June 2010 – Pat Smith, from the Association of State Colleges and Universities, and Dan Davenport celebrate at Coalition Reception.

June 2010 – From left: Dan Matzelyn, Tom Butts and David Burgeron discuss program history.

June 2010 – From left: Margaret Rodriguez, Tom Wolanin and Eileen O’Leary at the reception celebrating the signing of SAFRA.


June 2010 – Kris Wright, Barmak Nisserian from AACRO, and Phyllis Hooyman celebrate 100% Direct Loans!

June 2010 – From left: Craig Munier, Representative Tom Petri, Dan Davenport and Orlo Austin celebrate 100% Direct Loans.

June 2010 – Eileen O’Leary and Jon Oberg celebrate the signing of SAFRA.

June 2010 – From left: Craig Munier, Roberta Johnson and Nancy Hoover during a Hill visit.

Sept. 2010 – The NDSLC Board meets with Secretary Arne Duncan to discuss transition to 100% Direct Loans.

June 2012 – NDSLC Board Members honor Representative Tom Petri.