



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

GEN-08-01

FP-08-01

January 8, 2008

Subject: The College Cost Reduction and Access Act of 2007 (CCRAA), Public Law 110-84

Summary: This letter discusses the major changes made to the Title IV loan and grant programs by the CCRAA.

Dear Colleague:

On September 27, 2007, President Bush signed into law the College Cost Reduction and Access Act (Pub.L.110-84) (CCRAA). The Act reduces payments to lenders and guaranty agencies participating in the Federal Family Education Loan (FFEL) Program, authorizes increases in the amount of Federal Pell Grants, establishes the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program, lowers the interest rates on some student loans, and expands loan repayment options for student borrowers. The Act also creates a new loan forgiveness plan for public service employees and directs the Secretary to undertake a pilot program for auctioning the rights to originate FFEL parent PLUS loans. In addition, the Act also provides funding for several institutional grant programs aimed at improving minority-serving institutions. Technical changes to the CCRAA were made in Pub. L. 110-153 signed in to law by President Bush on December 21, 2007. The changes made by the CCRAA and Pub. L. 110-153 are discussed in the attachment to this letter.

In addition, on September 30, 2007, President Bush signed Pub. L. 110-93 to make permanent the Secretary's authority under the Higher Education Relief Opportunities for Students Act of 2003 (HEROES Act). Under the HEROES Act, the Secretary may waive or modify any statutory or regulatory provision applicable to the Title IV programs as may be necessary in connection with a war or other military operation or national emergency. A Federal Register Notice was published on December 26 with further details on the Department's implementation of this law.

If you have any questions on the issues discussed in this letter, please contact John Kolotos by email at john.kolotos@ed.gov or by phone at (202) 502-7762.

We appreciate your assistance and cooperation as we work to implement these statutory changes.

Sincerely,

A handwritten signature in black ink that reads "Diane Auer Jones". The signature is written in a cursive, flowing style.

Diane Auer Jones
Assistant Secretary
Office of Postsecondary Education