

# Bill to remove fixed interest

BY VICTORIA WILSON  
STAFF WRITER

A possible change in the way the federal government gives out student loans could save students money and make the system more fair, proponents say.

Republicans in Congress are suggesting that lawmakers allow the interest rate on federal loans to vary with the market, a proposal that would mark a major shift from current, fixed-rate borrowing.

Experts in student financial aid, student advocacy groups and the Bush administration all have increased pressure on Congress to allow the change.

As part of the federal financial aid system, students can consolidate their outstanding loans into one payment, made to the government during a longer period of time. Under the current system, interest rates for such loans are fixed at the outset, benefitting those who consolidate when rates are low and hurting those who do so when rates are higher.

Refinancing is not permitted, so the rate is "locked in" for the life of the loan. But variable rates would fluctuate yearly.

Steven Brooks, executive director of the N.C. State Education Assistance Authority, said the fixed-rate system can produce unfair disparities among students. "I think that making these loans

variable is probably the fairest way to make sure that current students and former are on a level playing field," he said.

The urgency to change to a variable-rate system stems from projections that interest rates soon will increase from this year's historic low of 3 percent, making consolidation at a fixed rate less attractive.

Rep. Thomas Petri, R-Wis., is in the process of drafting legislation that would allow borrowers to choose between the fixed-rate system and the variable system.

Petri's proposal would maintain an existing 8.25 percent cap on student loan interest, even with a variable rate. The plan also would produce a higher borrowing rate for fixed loans, meant to encourage students to opt for the variable system.

Jason Delisle, legislative assistant to Petri, said a variable-rate system likely would cost less for many students and save the government money.

"(Petri) thinks that it provides the best benefit to borrowers at the most responsible cost to taxpayers," Delisle said.

The Congressional Budget Office projects government savings of \$2 billion if all students were to opt for variable-rate loans.

The Coalition for Better Student Loans, an organization comprising higher education advocacy groups

and prominent lending firms, says its main concern in the process is fairness.

Pat Smith, policy scholar-in-residence for the American Association of State Colleges and Universities, said her organization works with the rest of the coalition to eliminate fixed-rate loans altogether.

"We want to make sure that no student would get stuck at a very high interest rate," Smith said.

The AASCU favors a variable interest rate system with a cap at 6.8 percent.

But legislators who oppose the change argue that variable rates could cost borrowers more money in years when interest rates are higher.

Tom Kiley, press secretary for Rep. George Miller, D-Calif., said students should not be subjected to any potential cost increases.

"In light of millions of students paying more for college, Congress should do everything in its power to keep college affordable," he said.

The measure will be considered during the reauthorization of the Higher Education Act, which is slated to occur later this year, and debate is likely to be heated.

Kiley said many Democratic lawmakers will work to keep the fixed-rate system. "We plan to fight hard."

Contact the State & National Editor at [stntdesk@unc.edu](mailto:stntdesk@unc.edu).

# With new Cabinet, CAA anticipates a fresh start

## Group to oversee Homecoming

BY KATIE CLINE  
STAFF WRITER

The Carolina Athletic Association officials taking office Tuesday said the organization is ready to start on a clean slate after undergoing a year of scrutiny.

With a plan for change and a new Cabinet, officials said, they're taking steps to ensure that problems encountered this year will not arise again.

"We looked at the total package," said CAA President-elect Justin Johnson.

When forming the CAA Cabinet, officials looked for motivated and eager students, he said, noting that experience was not the sole factor in making selections.

And this year's Homecoming should run more smoothly than last year's, thanks to the efforts of the Homecoming Collaboration Committee that Student Congress created in February, he said.

Last year's Homecoming was plagued by controversy when CAA failed to secure Sister Hazel for the concert, as officers had promised to do. The cost to bring the group to

the University would have been \$28,000.

To ensure no one person makes big decisions for Homecoming, the committee includes both student and professional campus leaders, Johnson said.

The group includes leaders from a variety of campus organizations, including the General Alumni Association, the Student Rams Club and Congress.

He has tried several different measures to get input from campus organizations, he said, but he has gotten little response.

"It is a way to get big campus leaders at one table," said CAA President Lindsay Strunk, adding that she hopes members will be able to contribute conceptually and financially.

James Hollins, the new Homecoming chairman, said leaders still need students to participate on the committee. "It will definitely help to have experienced people who have put on a concert before or have connections in the music industry."

But with more input from different groups, the committee will have more voices to accommodate.

Anita Walton, manager of student and young alumni programs for the GAA, said she wants to make sure students have an enjoyable Homecoming so they will return to

future events.

"We want to support students and make sure they have a memorable experience," she said.

Other committee members seek specific ways to make Homecoming work for their constituents.

Ken Bushman, president of the Graduate and Professional Student Federation, said she is brainstorming ways to make Homecoming better for graduate students.

The CAA also has faced problems concerning the use of its allotted basketball tickets. Yet the new Cabinet features the same ticket distribution chairman.

Johnson said he based the decision to retain Charles Robinson on the ticket office's good experience with him this year.

"It makes sense: It is the person with the most experience," he said. "It comes down to who the ticket office wants."

Luke Farley, chairman of the Rules and Judiciary Committee of Student Congress, said Congress will keep a closer eye on what is going on in the CAA. "I'm not concerned with who runs (the ticket distribution) as long as they stay within ticket guidelines."

Contact the University Editor at [udesk@unc.edu](mailto:udesk@unc.edu).

## Year-Round Excitement at CHAPEL RIDGE!

Internet and Cable

1,2,3 & 4 Bedrooms

Pool & Tennis

All Utilities Included

Roommate Matching

Social Events

Tanning



Washer/dryer

Private Bathrooms

Game Room

Individual Leases

Fitness Center

Fully Furnished

Volleyball & Basketball

Go Heels—Final Four Bound!

919.945.8875  
[www.collegeparkweb.com](http://www.collegeparkweb.com)

## Staying In Chapel Hill This Summer?



## Work At The Rathskeller!

NOW HIRING SERVERS, HOSTS & BARTENDERS

CALL (919) 942-5158

OPEN 11:00-9:00 SUNDAY-THURSDAY; 11:00-10:30 FRIDAY & SATURDAY

UNCGiCampus.com

# Surfin' USA

Whether you're boogie-boarding in Baja, catching a wave on the Carolina coast, or just hanging out by the pool, UNCG's Summer Session is as close as your computer. Surf's Up this summer at UNCGiCampus.com.

UNCG Summer Session Online

May 18-July 29

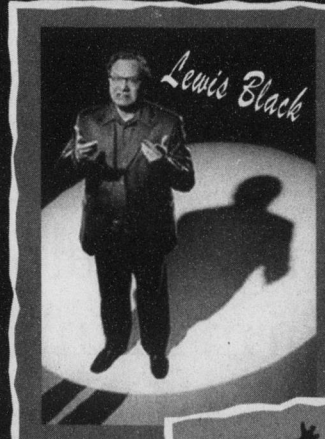


ONLINE COURSES & DEGREES

# the Carolina Comedy Festival

presented

april 11-17



by CUA B

monday  
april 11

Open Mic: Student  
Comedy Showcase  
Union Cabaret 8 pm

tuesday  
april 12

Big Funny Film Night:  
"Groundhog Day"

w/ screenwriter Danny Rubin  
Union Auditorium 7 pm  
cosponsored by Writing for Stage and Screen Program

wednesday  
april 13

Funny Student  
Film Night Union Cabaret  
8 pm

thursday  
april 14

The Onion writers  
Peter Koechley & Joe Garden  
Hamilton 100 7:30 pm

friday  
april 15

Comedy Fest Kick-off  
The Pit Noon

saturday  
april 16

Chicken Ranch Improv  
Union Auditorium 9 pm

saturday  
april 16

Student Comedy  
Showdown  
Union Auditorium 7:30 pm

sunday  
april 17

Lewis Black and friends  
unc students tickets - \$5, Union Auditorium  
avail. at Union Box Office 9 pm

sunday  
april 17

Funny Film Matinee:  
"Monty Python and  
the Holy Grail"  
Union Auditorium 2 pm

[www.unc.edu/cuab](http://www.unc.edu/cuab)

INTERACTIVE WORKSHOPS WITH PARTICIPANTS FRIDAY & SATURDAY



Division of  
Continual Learning