touched every American, indeed people around the world. Those who were most deeply affected, of course, were the family and friends of the victims, the students who were injured, the entire Virginia Tech community. Our hearts go out to them. And we will work to move away from racial tensions that sometimes threaten to break apart our national community? We are all part of a greater community that feels tremendous sorrow and grief, as Americans across all backgrounds, no matter what our nationality may be.

If there are any glimmers of hope to come out of these horrible events at Virginia Tech, they are, first of all, the great courage, faith, and compassion demonstrated by these Hokies and the extended Virginia Tech family.

One other glimmer of hope is the fear of a lender. Even though the program cost the Federal Government only $3.85—$13.81 for the private lender, per $100 of loans.

For a few years, the Direct Loan Program grew quickly, capturing one-third of the student loan market. My predecessor in office, Senator Paul Simon of Illinois, was one of its strongest advocates. Under the FFEL program, which subsidizes lenders and guarantees them against losses, the Government-sponsored entity then known as the Student Loan Marketing Association, euphemistically called Sallie Mae, to create a secondary market for lenders participating in the loan program. Sallie Mae would purchase loans from the lenders, thereby providing liquidity so that the FFEL lenders could continue loaning money to each new class of students.

Even though the program cost the Federal Government less money, these private lenders went to the universities and said, well, why don’t you just use the Federal loaning money directly to students. The General Accounting Office, the Congressional Budget Office, even President Bush found that the Direct Loan Program cost the Federal Government a lot less than the FFEL program. Using the President’s numbers, for every $100 private lenders loaned to students in 2006, it cost the Federal Government $13.81 for the FFEL Government loans, while the same amount borrowed through the Direct Loan Program cost the Federal Government only $3.85—$13.81 for the private lender, per $100 of loans.

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now is one of the most dominant players in the student loan market in America. Its shareholders and executives have benefited handsomely. Let me show what has happened to the stock price of Sallie Mae, SLM if you want a long luck way to look it up on the Internet. Stock prices from 2001 to the present have appreciated 281 percent. This is the industry loaning money to our students across America. Doing quite well, Company revenue went from $3.5 billion in 2001 to $8.75 billion in 2006.

One would like to think these Federal subsidies would at least make college more affordable if we are putting this much money into this private corporation that is loaning money to students. Let's see what happened to college costs. Tuition, fees, and room and board at 4-year public schools have followed a similar trajectory, increasing by 42 percent since the year 2001. The result going to make today have a lot to do with the people who are loaning money to students across America, how profitable it has become, how well they have done, and how poorly the students are doing. The debt is being heaped on them. They end up graduating from college, if they are lucky, with a debt as big as the mortgages most of us faced when we bought our first home. Now we say to these students: Congratulations, here is your diploma and your book to pay back your loan. Good luck in America.

I don't want to absolve the colleges and universities from this conversation. The fact is, they have been a party to the dramatic increase in the cost of higher education during this same period of time. We will save that topic, as important as it is, largely for another day.

Speaking to the student loan industry, with higher government subsidies and higher college costs, something is wrong with this picture. Remember Mr. Albert Lord I mentioned earlier, the former CEO and now chairman of the company called Sallie Mae? Mr. Lord has done pretty well loaning money to students across America, so well that he recently got into a little controversy in the Washington area. He proposed the construction of a golf course, and people in Anne Arundel County didn't like the idea much. They didn't want the traffic that might be associated with the golf course, so they started complaining. Mr. Lord, however, disabused them of the notion that this would cause traffic congestion when he told them that the 244 acres he was setting aside for the golf course was for his own personal and private golf course.

Doing quite well, isn't he, at the expense of students across America? He had enough personal wealth to lead a serious but unsuccessful bid to purchase the Washington Nationals baseball team. In 2002, Mr. Lord, appropriately named, was ranked first in the Washington Post's executive compensation survey of local companies, and Sallie Mae's current CEO, Thomas Fitzpatrick, was ranked second. What a terrific business it is loaning money to students struggling to get their education.

In 2004, Mr. Lord was ranked second on total compensation. Not a bad year. Yes, Sallie Mae's executives have come quite far from the days when they worked as a quasi-governmental operation. Sallie Mae's dramatic financial growth has happened without some financial help. Since the start of the Bush administration, Federal officials have turned a blind eye to problems surrounding private lenders. And why wouldn't they? The Bush administration rewarded loan industry officials with key positions in the Department of Education.

There isn't anything inherently wrong having people with experience in the loan industry working in the Department of Education. What I am asking, though, is how the very relationship that developed between the Bush administration, the Republican-led Congress, and the lenders have left the loan industry essentially unregulated.

If I was a lender who heard Representative Boehner, former chairman of the House Education Committee, say to the loan industry, "know that I have all of you in my two trusted hands," what do you think I would do? Exactly what the lending industry has done—do whatever it takes to push the student loan industry in my favor—especially at a time when I knew no one would be there to stop me.

This is when revenue-sharing arrangements between colleges and lenders began. Sallie Mae led the way with one of the most offensive schemes called "opportunity pools." Here is how it works. A lender provides a school with a fixed amount of private loan money the school can lend a student who otherwise wouldn't qualify for loans. These loans come at higher interest rates. In return, the college agrees to make the lender its exclusive provider of federally backed loans.

Some of Sallie Mae's competitors complained to the inspector general; however, Department officials chose not to take any action, insisting that the loan industry could regulate itself. What do you think Sallie Mae's competitors did? They filed a lawsuit. Did they get anywhere? They did what any business would do to compete—they began offering similar deals to schools.

But they didn't stop at opportunity pools. Lenders have loaned financial aid offices staff and have operated call centers on behalf of schools. Students and their families seeking information and advice on tuition financing options are talking to individuals they believe to be school officials but are actually employees of the lenders. Lenders have even purchased the corporate headquarters of office trinkets, such as post-it pads and pens. No harm done. However, in recent years the little trinkets have turned into gifts, such as iPods and trips to exotic locations for so-called educational conferences. Let me give you one example. Last year, EduCap, a nonprofit lender who offers loans under the name, Loan to America, invites university presidents and their spouses or guests from all across the Nation to an educational, all-expense paid "summit" held at the luxurious, beachfront Four Seasons Resort in Nevis in the West Indies.

The resort, by the way, has been rated as one of the top luxury resorts by Travel and Leisure magazine. Between symposiums, forums, and roundtable discussions on the importance of addressing the rising cost of higher education, guests could enjoy snorkeling, water and beach sports, sailing, kayaking, volleyball, sailboarding, access to an 18-hole championship golf course, a 10-court tennis complex, and a luxury spa. Not a bad deal for college officials being entertained by the student loan industry. News of the trip generated such negative response from the public that EduCap had to cancel it, unfortunately, before it occurred.

After reading about the West Indies trip, I asked the inspector general of the Department of Education to investigate whether lenders are offering kickbacks or inducements to school officials in return for loan business. My staff passed along information provided to us by constituents regarding these inducements. You can imagine my disappointment when a member of my staff received an e-mail from the inspector general's office. The e-mail merely described the results of the inspector general's conversations with my constituents. My staff didn't think the e-mail could possibly be the inspector general's official response and followed up to confirm. Even with all the recent news stories, I am still waiting to hear from the inspector general of the Department of Education as to whether they are going to initiate an investigation into these lender inducements.

Sallie Mae recently agreed to be bought out and turned into a private company. Is this a good deal? Is it good for taxpayers that subsidize student loans? Is it good for students? It certainly is a good deal for Sallie Mae's executives and shareholders.

The buyers, two private investment funds, J.P. Morgan Chase and Bank of America, have agreed to pay $22 billion for this company at $36 a share for its stock. In case you are wondering how much that is over the stock price that is published, it is 50 percent, a 50-percent premium over Sallie Mae's share price before news of this deal went public. Let's see how much Mr. Lord and Mr. Fitzpatrick are going to do if this deal goes through.

Well, it looks like Mr. Lord is going to come in with $47.2 million, and Mr. Fitzpatrick, a little better, with $56.6 million. They are riding high. They are riding high at the expense of students all across this country.
There was a time when this Congress cared enough about students in this country to create a program called the National Defense Education Act. It was a time when Sputnik had been launched. We were afraid of the Soviet Union and what it might do with its satellite capacity, and Congress, for the first time, said let's create a student loan program, the first time ever. I know a little about this program because I was one of the recipients, one of the borrowers. I borrowed money to go to college and law school from the National Defense Education Act and paid it back after graduation at 3 percent interest. I couldn't have asked for better treatment and better consideration from those who were lending money.

Those were the early days when we were just thinking about students and education. Now we are talking about big business, fat profits, basically indefensible compensation for the CEOs who run these companies. I hope someone is able to uncover what other fees and payments Sallie Mae subsequently did with the information. We don't know for sure, but I intend to find out. I have sent letters to the large nonrelated loan products to students? lenders using this information gathering outside access to the database. Were lenders using this information gathered from the database to sell other nonrelated loan products to students? We don't know for sure, but I intend to find out. I have sent letters to the largest student loan companies asking them to reveal how many times they have accessed the database in the last 4 years and what they subsequently did with the information. I am concerned about the proposed sale of Sallie Mae. A private Sallie Mae could lead to even less information being disclosed to the public. Sure, lenders are required to provide certain information in order to participate in the Federal loan program, but we should make sure all lenders are held to the same standard. Regardless of whether the lender is a school or a nonprofit, a private or a publicly traded company.

Let me conclude by saying that tuition of public institutions has risen by 42 percent in the last 5 years. Students and their families are struggling to pay off college debt. Students are leaving college, on average, with nearly $20,000 in debt, and many much more. We must take serious steps to help these students achieve the American Dream.

On the Democratic side of the aisle we are proposing a $1,090 increase in the maximum Pell grant over 5 years, so all borrowers have a 15 percent of an individual's income, and reducing the student loan interest rate. How will we pay for it? By cutting $22.3 billion from the lenders' subsidies, which we give to those like Sallie Mae. Sure, it is more than the Bush proposed cut, but only a little bit, $2.3 billion. Of course, lenders are claiming that the proposed cut goes beyond what they think is sustainable and that lenders will decide to leave the student loan business. It is difficult to be moved by these claims when a company like Sallie Mae is worth $25 billion and its buyers are willing to pay a 50-percent premium, knowing that the lenders' subsidies will likely be cut.

It is time we return to the day when the Federal Government makes a serious investment in one of its most valuable assets, its children. The future of our country depends on it. We need to be asked to be involved in this business of student loans to keep in mind first these students and their families.

THE RETIREMENT OF JOHN C. HICKMAN, JR.

Mr. DURBIN. Mr. President, one of the ways Congress maintains its contact with the American people is by the official report of the business we do. Through its recent modern history, we have published a CONGRESSIONAL RECORD so that people across this country, online and in printed form, can read the words of Senators and can follow the flow of questions and the debate on the floor of the Senate. None of this effort would be productive or even possible were it not for those in the Office of the Official Reporters of Debates who come here and follow every word that is spoken on the floor so that they make these publications possible.

Today, Jack Hickman, the Morning Business Clerk for the CONGRESSIONAL RECORD, is marking the end of his service to the Senate. In the future he will be able to listen to Senators and not remember a word. But at this point in time he has dispatched his official duties.

I know I speak for the entire Senate family, thanking Jack Hickman for his service.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WITTHOUSE): The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NELSON of Florida). Without objection, it is so ordered.

VOTE EXPLANATION

Mr. ROCKEFELLER. Mr. President, I want to explain why I missed two votes early during yesterday's session, Senator DeMint's amendment No. 930 and Senator Coburn's amendment No. 938 on COMPETES Act, a bill that I cosponsored. I was confident that my vote would not change the outcome, and the DeMint amendment failed by a vote of 22 to 79 and the Coburn amendment failed by a vote of 27 to 79. If I had been in the floor, I would have voted against both amendments, but the outcome would have been the same.

The reason I missed the votes was that I was attending a very special hearing in the Senate Veterans Affairs Committee on mental health issues for our returning soldiers. The first panel included a recent Iraq veteran with PTSD, parents of an Iraq veteran who committed suicide after returning home, and parents of an Iraq veteran soldier who died of an overdose of his own prescription drugs while in VA care. One of the families had come from Iowa and the other from California to talk about the tragedy of each son's death and to seek ways to ensure that other families might avoid such tragedies. The Iraq veteran, a combat medic, spoke eloquently on his own problems acknowledging and treating his PTSD and the similar problems of fellow soldiers in his platoon.

One father testified that after his son died of an overdose in VA care, he and his wife went to claim his son's personal effects, and the items were handed to them in a plastic garbage bag. I was shocked and outraged. I knew that it would seem heartless to cut their panel short and not let these parents and this veteran share their full story so I volunteered to stay and listen so that the full story could be given in committee. These families already feel that the VA does not care, and that is sad. I needed to stay to chair the hearing and let these courageous witnesses continue their testimony.

I am very glad I did. Despite the tragedy and grief these individuals face, they are speaking out boldly in hopes of changing the current system so other veterans and other families do...