

From: Auburn University, Melody Caldwell
Subject: Reg Z - Truth In Lending

Comments:

Please do not require that additional self-certification form for Private Loans. Financial Aid offices are running with less staff, due to budget cuts and the financial crisis. This additional work would result in a major load of undue work on the Financial Aid Administrator. I agree that there should be some changes and regulations in the Private loan world, but this is definitely not a solution to the problem.

The biggest problems that I see in the Private lending sector are direct mailings, and the lenders not releasing the Disclosure until after the loan is disbursed. I have, on several occasions, had students come in and ask that their Private loan be returned to their lender, b/c they received their notice of disclosure that their loan rate would be something astronomical. I have had a parent scream at me about the rate that their child received on a Private loan. Unfortunately, the school doesn't have any idea what the rate is, unless the student shares the disclosure with us, and the student doesn't have any idea what the rate is until after they've spent the funds on tuition, books, rent, etc.

I appreciate your time and attention to my comments and hope that they are well-received.

Sincerely,

Melody Caldwell
Auburn University