



For Immediate Release

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Tuesday, May 15, 2007

ENZI INTRODUCES BILL TO PROTECT PRIVATE INFORMATION OF STUDENT BORROWERS

Washington D.C. – U.S. Senator Mike Enzi, R-WY, Ranking Member of the Senate Health, Education, Labor and Pensions Committee (HELP Committee), today introduced legislation to protect student borrowers and their families by establishing clear, standard operating procedures to manage access to private student financial information.

Under current law, students must complete a financial application and disclose private information to receive financial aid.

“In the same way that banks protect the privacy of their customers, so too must the Department of Education protect the personal financial information of students and their parents who receive federal financial assistance,” Enzi said. “Action is needed to restore faith in the ability of the Department to protect students and families from bad actors who would misuse private, financial data.”

The “Student Financial Aid Data Privacy Protection Act” requires the Department of Education to establish protocols for limiting and restoring access to the National Student Loan Data System (NSLDS), a database that contains personal financial information about student borrowers and their families and is used by students, schools, lenders, and guarantee agencies.

The “Student Financial Aid Data Privacy Protection Act” is co-sponsored by Senator Lamar Alexander (R-TN), Senator Richard Burr (R-NC), Senator Johnny Isakson (R-GA), Senator Pat Roberts (R-KS), and Senator Wayne Allard (R-CO).

Key provisions of the bill include:

- Requiring the Department of Education to establish protocols for limiting access to the database when there are suspicions that the system is being used inappropriately, and specific steps to be taken in order to restore access;
- Requiring the Department to conduct a data security assessment of NSLDS to test the adequacy of the new protocols;

- Requiring the Department of Education, lenders and guaranty agencies to assist students and parents in better understanding how their sensitive, financial information is entered into the National Student Loan Data System and then accessed by thousands of lenders, consolidators and guaranty agencies across the country;
- Prohibiting nongovernmental researchers and policy analysts from accessing sensitive borrower-specific information; and,
- Directing the Secretary of Education to explore ways to help students and parents control which lenders are accessing their sensitive, financial information.

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