well as contributing to neighborhood and community stability, among many other attributes.

For most households, purchasing a home is the most significant financial transaction they will ever make. Therefore, it is very important that homebuyers understand and are able to choose the mortgage loan product that best fits their individual financial needs. In order for a consumer to make the right choice, however, they must be financially literate.

Moreover, a well-informed consumer is the first line of defense against mortgage fraud and predatory mortgage origination practices. If consumers are able to fully understand the options before them, they will be better able to defend themselves against those who hope to take advantage of them.

From a broader perspective, our member companies strongly believe that financial education has a direct impact on the economic health of our families, our communities, and our nation.

Again, we thank and applaud you for your leadership on this important initiative.

With best regards, I am

Sincerely,

ANNE C. CANFIELD,
Executive Director.

[From the Washington Post, Mar. 30, 2007]

MONEY'S ON THE LINE DURING THESE CLASSES: COLLEGES TEACH FINANCIAL BASICS

(By Susan Kinzie)

Heather O'Brien graduates from Georgetown University this spring with an education in biology, in English, in history. She leaves with a newfound conviction that she should work in the ministry. And with about $63,000 in debt.

''When I got here,'' she said, ''finances were the last thing on my mind. I was on my own for the first time, in a new place. It was very exciting—and it seemed like college would last forever.''

Now, she's taking one last set of classes. It's a sort of Real World 101, a crash course in money: Georgetown is offering a series of financial literacy workshops for seniors, covering such topics as loan repayment and consolidation, spending, credit cards, taxes and benefits.

The professors and other financial experts leading the classes all say the same thing: If only I'd known this when I was your age.

''These are lessons best learned young,'' said adjunct business professor Michael Ryan, ''when there's not a lot on the line.''

Students are leaving college with more debt than ever, now that more of them have to rely on loans, tuition keeps rising and credit cards are being pushed on many campuses. The median education loan debt is nearly $20,000 for full-time students at four-year colleges. And that's not including credit cards; more than half of students surveyed this winter by Sallie Mae had piled on more than $5,000 in debt in school. And one-third added more than $10,000 in credit-card debt.

Some students treat credit cards and student loans like found money, for spring break trips or betting on NCAA brackets. But many are struggling to afford college; nearly a quarter charge part of their tuition. And most need to get used to managing expenses, learning—often the hard way—as they go along.

Now some schools are adding courses on financial basics. Beginning this academic year in Virginia, for example, public universities are required to offer some financial literacy training, said Barry Simmons, Virginia Tech's director of scholarships and financial aid. The school designed an optional online class, covering budgeting, credit cards and other basics for freshmen. The University of Virginia has a pilot program, too.

Financial companies offer occasional courses on campus, and some have pitched in on the Georgetown classes. The added focus comes as scrutiny on universities' relationships with lenders increases and as Congress moves to ease the burden on students.

Some students arrive on campus used to managing credit, balancing budgets, maybe even trading stocks. But others—

''We get the sense that students don't really understand how money works,'' said Greg Pasqua, a senior at Georgetown who heads the student-run credit union and helped organize the seminars. ''People do things that aren't very intelligent with their money. Overdraw accounts six times on $2 purchases, and get hit with six fees for buying bubble gum. Or get reported to Equifax because you didn't pay your loan on time, and you're like, 'I'll get it next time.' ''

Ryan said, ''It's amazing what some students don't know—that 30 to 40 percent of their proceeds will be taxed away . . . Even basic things like 401(k)s,'' or whether they should put money into the pretax retirement savings accounts.

At two recent workshops at Georgetown, students interrupted to ask, ''What is a 401(k), anyway?''

So professors and other experts sorted through the unfamiliar names and the jargon, explained the types of benefit choices they'll be expected to make, how to figure out what their monthly loan payments and take-home pay will be, how to invest in their 20s.

It's not difficult stuff. It's just—who has time to think about credit scores and interest rates when there's so much else going on?

Until a car loan or a lease is turned down because of a bad credit score, or late fees pile up.

When O'Brien was a high school senior in Texas, she was offered a full scholarship to another school. But she loved Georgetown; when she visited, someone told her that everyone there has been given many gifts and that they should think about how to give back.

So she didn't pay too much attention to the details of the loans she was taking out. ''When I was a freshman, I was like, 'Loans, great! I don't have to pay them back 'til I stop going to school—cool.' ''

It's not just tuition (which is a hefty $33,000-plus this year, before housing, books and fees.) In Georgetown, with shops selling $200 jeans and bars mixing $15 cocktails, there are plenty of ways to bleed money within stumbling distance of campus.

O'Brien didn't make any big mistakes; she was careful. She knew she didn't want to drop a couple of weeks' paychecks from her on-campus job on a top from some little boutique nearby; she'd rather take a bus to shop somewhere cheaper. She's not a big drinker, so she doesn't wake up wondering what happened to her wallet. But she does like ordering music and books online, and she didn't realize how quickly it could add up.

''It wasn't until senior year, when I had to pay my own rent and pay utilities, that I really understood what $60,000 was,'' she said, referring to her tuition debt.

This year, too, she started setting rules for herself. ''I eat lunch on campus once a week and pack my lunch the other days.'' And she limits her online purchases to $20 a month. She opened a separate account for her rent money so she's not tempted to dip into it.

The classes have already changed her mind-set, she said. She learned about interest rates and credit scores. ''I have had a couple of late payments that dinged me. I just thought, 'Oh, one day late, not a big deal.' '' But in the class she learned that could cost major benefits. ''If you go three years [paying] on time, you could have a 3 percent decrease in the interest rate—which is amazing.''

She doesn't regret taking out the loans; she had so many great classes at Georgetown that she kept switching majors, from premed to English and so on. ''This is the place that made me who I am,'' she said, ''The ideals, the professors, the chaplains, the friends I made.''

She's excited to become a chaplain or a grief and crisis counselor at a hospital after graduate school. She knows she won't get paid much, but she's absolutely sure it's what she's meant to do.

''There are some things I look back and wish they were different,'' she said. She might have taken out smaller loans, with less money for expenses. ''I might have had more of a realization that all of that was [racking up] interest and would take a long time to pay back.''

Now she has a better idea of how to manage loans and evaluate benefits and salary. The classes reminded her to budget carefully and put money away for retirement when she can.

Then again, she's not sure that had she learned all this earlier it would have changed many of the decisions she made. ''Graduation,'' she said, ''was so far away.''

SUPPORTING THE GOALS AND IDEALS HIGHLIGHTED THROUGH NATIONAL VOLUNTEER WEEK

SPEECH OF

HON. PHIL HARE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 17, 2007

Mr. HARE. Madam Speaker, in celebration of National Volunteer Week, I rise today to honor the many volunteers in my Congressional District and throughout the country. In 1974, National Volunteer Week was established to encourage Americans to dedicate their time and energy to improving their communities and making a difference in the lives of others. We observe these goals this week and reaffirm our commitment to supporting our Nation's volunteers.

Throughout our country, volunteers make America better by reaching out to help their neighbors in need. These caring individuals give to people who have nothing, mentor children who lack love and attention, feed those who are hungry, and shelter those who are homeless. In the aftermath of hurricanes Katrina and Rita, people throughout the country came forward to help the Gulf Coast recover and rebuild—a true testament of the American spirit.

Since the original enactment of National Volunteer Week, the number of volunteers has increased at incredible rates. The resolution before us today rightfully acknowledges the diligent efforts of these millions of individuals who care deeply about the future of our country and their fellow citizens.

I am extremely proud to be a cosponsor of this legislation, and urge all my colleagues to vote for its passage.