

Local bank leaves student loan group

By KATHY CRAFT
Of the Emerald

Citizens Bank of Oregon, a Eugene-based bank with nine branches, is no longer accepting new applications for loans through the federally-insured Guaranteed Student Loan Program.

The bank will continue granting loans, however, to the approximately 385 students already receiving money through its student loan program, until they complete their education. Most of these students attend the University or Lane Community College. The maximum amount they are allowed to borrow will not change — \$1,000 for undergraduates and \$1,500 for graduate students.

According to Clark Compton, manager of the bank's downtown branch, the bank is withdrawing from the program, after almost 10 years of involvement, because it will earn more through other kinds of loans. "A bank only has so much money to lend," he explains, "and we have to establish loan priorities. We've simply changed our priorities."

Compton emphasizes that reports concerning numerous defaults on student loans "have nothing to do with our decision. Our relationship with the Scholarship Commission and the students has been excellent. And I don't think the delinquency ration on these loans is out of line."

Generally, students only pay a seven per cent interest rate on Guaranteed Student Loans. The federal government is then supposed to subsidize the participating banks so that interest rates they receive are raised to current level. "The problem is," explains Compton, "that the rate isn't current. We usually get about eight

and one-half per cent on student loans; we can get nine and one-half or 10 per cent on other loans."

The fact that student loans are generally small ("typically about \$500,") and require large handling costs in proportion to their return is also a factor in the bank's decision, Compton explains. "When we combine lower interest rates with high handling costs, we lose money," Compton says.

Citizens Bank appears to be the only major, full service bank in the area planning to withdraw from the program. First National Bank of Oregon, U.S. Bank National Bank of Oregon and the Oregon Bank do not plan similar action. Neither does Pacific Continental Bank, although in order to apply for a student loan there, an applicant must have banked with Pacific for the previous academic year and retained an account over the summer as well. Oregon Mutual Savings Bank doesn't participate in the program.

Discrimination question: Claimant drops charges, accepts compensation

By MARTHA BLISS
Of the Emerald

Former University faculty member Anne Frenz accepted a \$3,600 salary compensation from the University last week and has agreed to drop a charge of sex discrimination in employment against the University.

Frenz was a visiting professor and research associate in the University's Center for Educational Policy and Management last year on a federally-funded, fixed-term appointment. She charged the University with discrimination last fall when she did not receive an employment renewal while male faculty members on the same funding program did. Also included in her charge were general on-the-job complaints.

The University's Equal Employment Opportunity Commit-

tee (EEOC) reviewed Frenz's case in November 1975, and submitted its findings that Frenz was indeed subjected to discrimination to University Pres. William Boyd. Boyd, in turn, reviewed the case and stated that Frenz had not been discriminated against.

Frenz then appealed her case to the Oregon State Board of Higher Education, which remanded it on April 29, upon the requests of Boyd and Frenz's attorney, Charlene Sherwood, to the University for resolution.

At this point, Boyd disregarded the EEOC and appointed a special ad hoc committee to rehear Frenz's case.

Sherwood says she considered this act highly "improper" because the EEOC is designed precisely for reviewing discrimination in University employment and can serve no

purpose if Boyd has the authority to disregard it. She also says she thought Boyd "knew they were going to have problems with the case" if it returned to the EEOC.

"They were looking for a way out of it," Sherwood says about the University administration. "The longer it was going, the deeper a hole they were digging for themselves."

Before the ad hoc took any action on the case, however, Frenz agreed to a settlement of \$3,600 for moving expenses and will withdraw all complaints filed against the University by Sunday. She also releases the University from all future claims arising from the charge.

Frenz' visiting appointment terminated in June and she now has another teaching position in California.

Zero funding threatens LCC students

The student government of Lane Community College (LCC) faces a monumental problem in funding next year's programs if the LCC Board of Education doesn't reverse its decision to eliminate mandatory student fees.

A group of five "concerned students" from LCC supported Lauris' charge of corruption in the ASLCC. Neither the students nor Lauris have yet given their definitions of the exact corruption in student government. But the allegations seem to refer to past illegal activities, and both acknowledge that the present ASLCC is more responsible than past governments.

The board made that decision last February, and since then there have been heated arguments by both sides. Board member Catherine Lauris, also University catalogue editor, feels the student government has become a "corrupt thing," and that of the \$45,000 the Associated Students of LCC (ASLCC) received last year, "a hell of a lot of it was wasted."

Student Body Pres. Ken Pelikan wants to know what evidence Lauris has for making such allegations. In a recent open letter, he invited Lauris and the board to investigate their organization for any corruption. Pelikan says the student government feels "secure in our integrity."

Yet he's worried about next year's proposed budget of \$62,000. If mandatory student fees are abolished, he believes it will mean an end to virtually all student government programs and services. Pelikan and other student leaders want to see a fee of \$2.70 a term per student established in order to maintain present services.

The services include paying salaries to student officers, operating offices and the student resources center and supporting a legal aid program and all student clubs.

Student government has had a rocky history at LCC. At ASLCC's inception, students had full control of all student fees. In 1974, that system came under attack, and a process called the Special Programs Advisory Fund (SPAF) was created. A group of students, faculty, and administrators served on the SPAF Board.

A mandatory SPAF fee was set at about \$5 per student a term and these funds went to the SPAF Board. From there, the money was distributed to student government, athletics, the health center and the Torch, the weekly campus newspaper.

In February, the LCC Board of Education voted to break down the funding for athletics, health and the newspaper into separate accounts which would receive money from the general tuition funds.

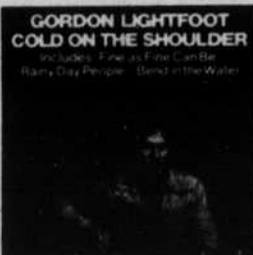


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