

Funds nearly exhausted

Financial aid awaits word from feds

By ANN PORTAL
Of the Emerald

The financial aid office is ready and willing to begin handing out aid to summer term students, but it faces one obstacle — it doesn't have the money.

A lower-than-anticipated financial aid surplus and a \$200,000 shortfall in collections this year have nearly exhausted the office's funds. As a result, not enough money has been conserved during the year to finance summer financial aid.

Lance Popoff, assistant financial aid director, says no aid will be disbursed until July 1, when federal grant money will replenish the financial aid coffers.

"At that time we're back in business — we can honor all those commitments we've made," he says.

However, the federal money only will cover National Direct Student Loans and Supplemental Educational Opportunity Grants. Basic Educational Opportunity Grants still are being discussed by Congress and summer allocations may not be available for several weeks.

As soon as Congress decides on a BEOG funding level and the education department sends the University a cost-of-education schedule, the financial aid office will begin BEOG payments. In the meantime, Popoff says students will have to make it "the best way that they can."

Popoff's office is doing all it can to aid financially strapped students.

A new "special short-term loan" is being worked out to allow undergraduates to borrow up to \$500 and graduates to borrow up to \$650 until July 1. The loan first must be used for tuition and deposits, with the remainder being spent on food and books. Popoff says the loan should be entirely repaid as soon as the financial aid voucher is received, and that the loans are only for students with financial aid totaling at least \$100 more than the amount of their loan.

Because students must pay fees before applying for a loan, some may consider the loans a Catch-22, Popoff says. But the University only can loan money to certified students, he says.



Graphic by Max DeRungs

"Inherent in that definition is that you pay your tuition and fees."

Popoff says he would prefer aid recipients to wait until July 1 to pay their tuition, instead of taking out the emergency loans. The short-term loan fund, which contains only \$200,000, should be used only by "de-

sparently needy" students, he says.

Late fees — usually \$5 the first day and \$1 each additional day — will be automatically waived for students who pay their tuition with a financial aid voucher, Popoff says. No arrangements need be made as long as the tuition is paid by July 1, he says.

Popoff says the latest reports from Washington indicate BEOGs will be lowered a total of \$80 next year — about \$26 each term. Although he says he is hopeful that BEOGs will be disbursed "sometime" during the summer, Popoff says it may be fall before summer BEOGs are available. If that happens, it's possible that a double payment may be made in the fall, he says.

Popoff says a downturn in the economy helped to create the summer aid shortage. Students are repaying fewer loans because they can't get jobs or aren't earning enough to continue payments — they "are not necessarily defaulting," he says.

Financial aid also has spent "a little more than anticipated" trying to meet the needs of students this year, Popoff says.

Each year, financial aid may commit nearly twice what it actually has available, to allow for students who refuse aid or attend another school, he says. Statistics show that a certain percentage always can be saved, so "we always overcommit the money we have to spend."

Popoff says there is a "remote possibility" that his office may have overcommitted for the next fiscal year, and that there is a slight chance of across-the-board reductions in aid. The amount of work study aid accepted by students is within limits, but "NDSL looks a little shaky," he says.

Depending on the Legislature's budget, Oregon State Need grants could go up slightly because original offers were based on pessimistic estimates, Popoff says. Final grant amounts may be increased late in the summer, he adds.

Guaranteed Student Loans still are in a state of flux, Popoff says. Congress is considering several GSL revisions, including legislating a \$25,000 income cap, raising the interest rate to 14 percent (which the student still would begin paying only after graduation) and eliminating the in-school interest subsidy (interest would begin while the student is in school).

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