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Feds foil GSLs; 10,000 affected

By ANN PORTAL
Of the Emerald

A "turf war" between Congress and the Federal Reserve Board froze the processing of many Guaranteed Student Loans last week, causing a scramble by Congress to reverse a recent reserve board decision.

The Federal Reserve Board sent a note to all national banks ordering them to fulfill a "Truth-in-Lending" disclosure requirement already waived by Congress. Two Oregon banks — apparently the first to understand the note's implications — quickly stopped processing GSLs last week. The halt now is spreading to national banks in three other states.

The Truth-in-Lending law requires lending institutions to disclose information about the origination fee on any loans.

In Oregon, the Federal Reserve Board's decision holds up between 3,000 and 4,000 student loans, with 200 to 300 new loans coming in each day that also cannot be processed, according to Jeff Lee, executive director of the Oregon Scholarship Commission.

"It has gotten to be a fairly serious thing," Lee says.

A letter from Oregon Sen. Mark Hatfield delivered to the Federal Reserve Board Monday urges the board to take immediate action to reverse the decision, says a Hatfield staff member.

"I am appalled at this decision of the Federal Reserve and am dismayed at the insensitivity and disregard accorded to the thousands of college students who depend on the Guaranteed Student Loan program to help finance their higher education experience," Hatfield's letter says.

Congress originally exempted GSLs from the Truth-in-Lending requirement for this academic year to speed up GSL processing, already weeks behind at many banks.

The only banks involved are national banks — U.S. National and 1st Interstate in Oregon — and the only loans affected are those on which the promissory note had not been signed by Aug. 23.

Those loans are subject to the new 5-percent origination fee and the Federal Reserve Board ruled that fee cannot be exempt from the Truth-in-Lending requirement.

But that ruling conflicts with the law, as determined by Congress, and bank representatives say they will process no more loans until the conflict is resolved.

Ed Vignoul, University financial aid director, says he's heard that several House and Senate members sent letters to Federal Reserve Board members telling them to "back off."

"But they still haven't," Vignoul says.

The decision seems to have been made without Federal Reserve Board governors knowing about it, Lee says. Letters sent by Congressional members have attempted to further explain the intent of Congress in waiving the lending requirement, he says.

The reserve board is expected to reconsider the decision at a Thursday meeting, and Lee says a members of Oregon Sen. Bob Packwood's staff assured him the board now "knows the intent of Congress," and "it sounds" like the decision will be reversed.

Even if the decision is reversed, GSLs that include the 5-percent fee will be delayed an additional two or three weeks, arriving close to the end of the term, Vignoul says.

"Some of these students were counting on the checks to pay their second and third installment of deferred tuition. And obviously, some of these people need this money to live on," he says.

Vignoul says his advice to students in a financial bind is to take out an emergency loan. Late fees will not be waived for students who still haven't paid tuition because they're waiting for GSLs, he says.



Photo by Bob Baker

The lights shine late in PLC. University administrators are trying to save money by keeping excess lighting and heating to a minimum.

Neglected lights, heat wasting energy budget

Knowing the University must prepare for a \$150,000 cut in the 1982-83 energy budget, Ray Hawk, vice president for administration and finance, has asked for new ideas on conserving energy in campus buildings.

The goal of his request last Friday to deans, directors and department heads is to find ways to see that lights are turned off in classrooms and offices, and that windows in upper floors are shut.

A survey of campus buildings conducted Nov. 5 between midnight and 4 a.m. showed 24 buildings with an excessive number of lights still on and many with upper-floor windows open, Hawk says.

There are opportunities for saving electricity and heating costs if ways can be found to solve this problem, he says.

Campus security regularly closes and locks windows and doors that provide outside access to buildings,

but does not have the staff to handle lights and windows throughout all campus buildings, Hawk says.

University employees may not be aware that, in order to save money, custodial shifts have been changed and custodial personnel no longer are available to take care of lights and windows, he says.

The survey found five buildings with no open windows or excessive lighting problems: the library, Science I and Science III, Oregon Hall, and the student health center.

In the other buildings, the lighting problem ranged from 5 percent excessive lights on in Johnson Hall to 90 percent of classroom lights left on in the Education Building, according to the public safety office survey.

Other buildings with more than 50 percent excessive lights on throughout the building included Allen Hall, Friendly Hall, Gerlinger Hall, Chapman Hall and the music school.

Nationwide smokeout blasts off Thursday



Graphic by Max DeRungs

The American Cancer Society believes it's time for smokers everywhere to grit their teeth and tell the Marlboro man to take a ride.

To get the point across, the ACS set aside this Thursday as the Great American Smokeout day. The organization is asking smokers to stop puffing for at least 24 hours.

The nation-wide event creates a "supportive environment" for smokers wishing to kick the habit, says Cynthia Kane, campus organizer for the Smokeout. Pledge cards, to be signed by students participating in the Smokeout, will be available at EMU information tables Tuesday and Wednesday.

Pledge cards help strengthen the commitment to stop smoking, Kane says, adding that non-smokers are encouraged to sign a pledge to help friends who smoke.

Most smokers have an "it-can't-happen-to-me" attitude and disregard the strong scientific evidence that shows a correlation between smoking and lung cancer, she says. Even so, the information table will include literature on the dangers of smoking.

The Tobacco Institute's claim that there is not enough evidence to prove cigarettes are harmful is

"ridiculous," Kane says.

"You can question any research but the evidence is definitely there."

Kane backs up her assertion with a six-page "fact sheet" compiled by the ACS that shows tobacco can cause more than lung cancer. Some findings in the report show that:

- Nicotine, a known poison, is found in the breast milk of nursing mothers who smoke.
- The chances that a child will contract pneumonia or bronchitis in the first year of life are increased if the mother smokes.
- Moderate-to-heavy smoking increases the risk of miscarriages, stillbirths and pregnancy complications.
- Kidney diseases and cancer of the pancreas now have been linked to smoking.
- A non-smoker breathes the equivalent of one cigarette when in a closed room with 10 smokers puffing away.

Kane says she won't be disappointed if one in five University smokers gives up cigarettes.

"If one person stops smoking because of my efforts, it's worth it."