

Loan default increase prompts stiff penalties

By Molly Watkins
 ■ The Evergreen
 Washington State U.

In response to an increase in the number of students who don't repay their student loans, the U.S. Department of Education has announced stiff measures punishing schools with high default rates.

Starting in January 1991, schools with default rates of more than 60 percent will have their guaranteed student loan (GSL) programs limited, suspended, or, in extreme cases, terminated. A little more than 200 schools currently would fall into this category.

Schools with default rates between 40 percent and 60 percent will be

required to reduce their numbers by 5 percent a year or the same penalties will apply. About 450 schools would fall into this category if the measures were enacted now.

Schools with default rates of more than 20 percent will be required to develop default management plans. There are 1,700 such schools presently.

Washington State U. Financial Aid Director Anna Griswold said the high national default rate reflects a national shift in financial aid from mostly grants to mostly loans. "Students are graduating more in debt."

However, Griswold said she doesn't expect any schools to have their GSL programs entirely eliminated.

"I don't see it as a viable option," she

said. The loans aren't from the schools, so the schools can't guarantee their repayment, she said.

Other regulations include a requirement to provide entrance counseling to first-time borrowers. Vocational schools must provide information to prospective students regarding completion rates and job placement.

WSU Minority Recruiter Aaron Haskins said the new rules aren't too stringent and are not intended to adversely affect low-income students.

A large percentage of the students defaulting on loans don't complete their degrees and can't pay back the loans because they lack employment, Haskins said. There needs to be more of an effort to retain students, he said.

Strings

Continued from page 1

exempt from registering.

But officials from both Kansas State U. and Boston U. said they are not going to actively review student records to find drug-related convictions.

"We're not going to look for it and we wouldn't normally hear about it," said Boston U. Financial Aid Director Barbara Tornow.

■ Marcia Gelbart, *The Campus Times*, U. of Rochester; Joanna Glickler, *Round Up*, New Mexico State U.; Marcia Kapustin, *The Eagle*, American U.; Steven Ochs, *The Daily Pennsylvanian*, U. of Pennsylvania; Lori Rigberg, *The Daily Free Press*, Boston U.; Shawn Schuldies, *The Daily Nebraskan*, U. of Nebraska-Lincoln; and Robert Short, *The Kansas State Collegian*, Kansas State U., contributed to this story.

Bill

Continued from page 1

Currently, a student can receive \$99,300 in federal aid for an undergraduate education, \$43,000 of which can be in the form of non-repayable grants, a marked difference to the \$24,000 maximum a student could receive under Nunn's plan. Federal student aid programs assist about 2 million first-year students annually, whereas the Nunn bill would serve only 700,000.

The bill would cost \$5 billion more a year than the student aid programs it would replace, mainly because its reward system isn't linked to student financial need.

"It does look like it comes up short, but it's an opportunity to work before starting an education," Nunn's press secretary said.

But U. of Iowa Financial Aid Director Catherine Wilcox suggested the bill might deter students from attending college.

"I'd imagine if they went ahead with this program there'd be a number of students who'd say 'Forget this' and not go to school altogether," she said.

China

Continued from page 2

protests feel that it's dangerous to go back now."

For those Chinese students who want to stay in this country temporarily, President Bush has offered one-year visa extensions. But some officials at the U. of Minnesota are advising students not to take the extension as long as they can stay on their current visa.

Chinese students fear that if they take the extension, they will be branded as "counterrevolutionaries" by the Chinese government. And they don't know whether they will be forced to leave after the one-year period.

"Basically, the president makes a slapdash decision saying we'll take care of all the Chinese students who are here. And all the students go, 'Hooray, we'll be OK.' But then it turns out it's not such a great deal after all," said Mark Schneider of the U. of Minnesota's Office of International Education.

There are 650 Chinese students and scholars at the U. of Minnesota — the largest group at any U.S. school. Most support a bill in Congress under which Chinese students would be given "extended voluntary departure status" similar to that granted to Polish, Ethiopian and Ugandan students in the past.

They can make your average anything but.



Smith Corona presents three products that can help make schoolwork academic.

The Smith Corona PWP 2000 Personal Word Processor is in a class by itself. It's so compact it can fit in the most compact dorm room. Yet, thanks to features like a built-in disk drive, 100,000 character DataDisk capacity, and a crystal clear display, it makes it easy to transform B's into A's.

For those who prefer an electronic typewriter, the Smith Corona XD 4600 is the typewriter of preference. With its 16 character display and approximately 7,000 characters of editable memory,

you can have the convenience of word processing features with the simplicity of a typewriter.

Of course, the pocket-size Spell-Right™ 300P also comes with impeccable references. In this case, a built-in electronic dictionary, a thesaurus, a calculator, even a collection of challenging word games.

So if you're thinking Magna Cum Laude at the end of this year, don't forget to think Smith Corona at the beginning of this year.



For more information on these products, write to Smith Corona Corporation, 65 Locust Avenue, New Canaan, CT 06840 or Smith Corona Canada, 440 Tapscott Road, Scarborough, Ontario, Canada M1B 1Y4