

New Student Loan System Proposed

President would save money by bypassing banks

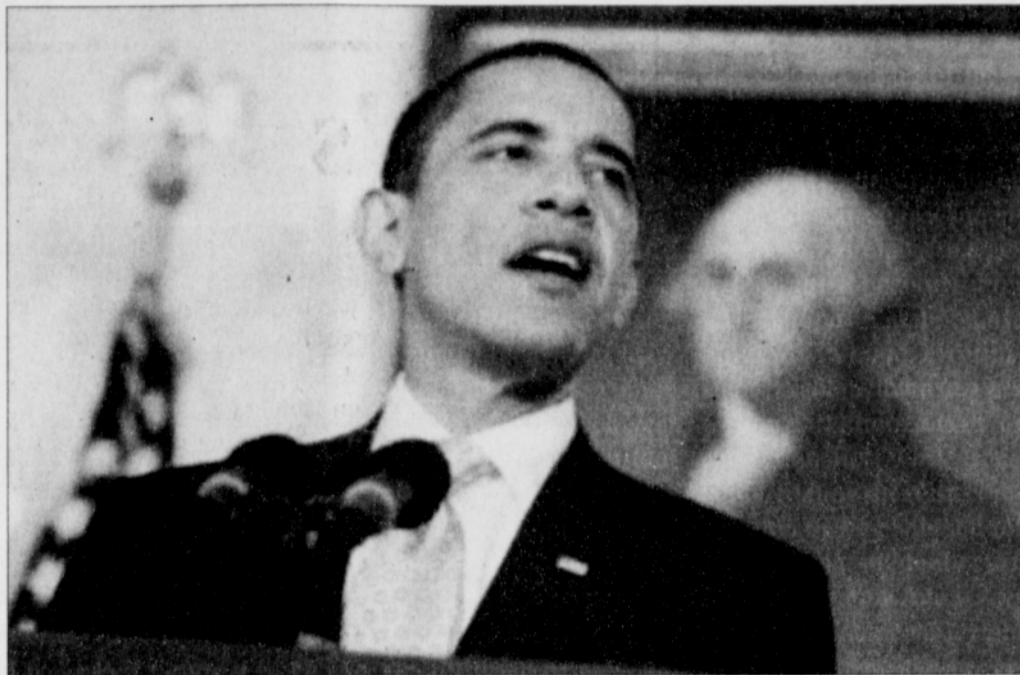
(AP) -- President Barack Obama has renewed his call for the government to stop backing private loans to college students and replace them with direct financial aid to young people.

Obama said the surest test for success in the challenging economy is a college degree or other training, yet access to higher education continues to shrink as costs rise. To reverse that, the president repeated his campaign proposal that would eliminate the Federal Family Education Loan program that costs taxpayers \$15 million a day.

"In a paradox of American life, at the very moment it's never been more important to have a quality higher education, the cost

of that kind of education has never been higher. ... Yet, we have a student loan system where we're giving lenders billions of dollars in wasteful subsidies that could be used to make college more affordable for all Americans," Obama said Friday at the White House.

The administration has pushed for federal financial aid to go directly to students, not to banks that lend money to students. Obama said he wants to eliminate the "middle men" lenders that he says add inefficiency to the system — "that's a premium we cannot afford, not when we could be reinvesting that same money in our students, in our economy and in our country."



President Barack Obama speaks about higher education in the Diplomatic Room at the White House.

Obama wants to end the decades-old, dual system the federal government uses to advance loans to students to pay for college. Under that system, students at some colleges borrow directly from the government, while others get loans

from banks, nonprofits or state agencies that in turn receive subsidies from Washington.

The president's proposal would switch the federal student loan system entirely to direct lending from the government.

Obama has claimed that the change would save at least \$48 billion over the next 10 years — money that could be funneled to student aid. But Republicans are concerned about the costs of that and even some Democratic lawmakers

oppose the switch. The president acknowledged that proposal's critics.

"In the end, this is not about growing the size of government or relying on the free market, because it's not a free market when we have a student loan system that's rigged to reward private lenders without any risk," Obama said. "It's about whether we want to give tens of billions of tax dollars to special interests or whether we want to make college more affordable for eight and a half million more students."

Obama also noted the plan would be tough to pass.

"The banks and the lenders who have reaped a windfall from these subsidies have mobilized an army of lobbyists to try to keep things the way they are. They are gearing up for battle. So am I," Obama said.

Cascade Connections Financial Aid for the Asking

First step is filling out an application

BY ALGIE GATEWOOD



Back in the early 1990s, when I was studying to earn my doctoral degree, I found myself facing a problem that confronts virtually every college student at one time or another: I needed more money. I was already working in higher education administration at the time, so I wrote a letter to the foundation of the school where I worked and asked them if there was any more scholarship money available that I might use.

Much to my surprise and satisfaction, the foundation gave me exactly what I asked for.

My point is not that I was a special case, or that my "insider" position as an administrator gave me some sort

of advantage over other students. No — my point is that in the vast majority of circumstances, you have to ask for something before you can get it. Unfortunately, I fear that too many college educations wither on the vine because would-be students don't know how to ask for what they need.

Even in these economic times, the cost of higher education need not be a barrier to enrollment. This is especially true at community colleges, which are the best higher education bargain to be found. The fact is that there is an abundant amount of financial aid available, despite the economic downturn. One doesn't have to be a 4.0 student; often, one just needs to show initiative and promise. All that needs to be done in order to enjoy its benefits of financial aid is to ask for it.

The first step is to fill out a Free Application for Federal Student Aid (FAFSA) form. As the name suggests, it's free — and you can fill it out online at fafsa.ed.gov or at

your local community college campus' financial aid office. The FAFSA is quite literally the gateway to financial aid; the information that students provide is used to evaluate their eligibility for aid from a whole array of sources — federal and state governments, educational institutions, and independent scholarship funds.

Once a student submits a completed FAFSA, it could be a matter of only a few days before he or she receives confirmation from the federal government. And then, depending on need and eligibility, a whole range of aid becomes available, including:

- **Federal Pell Grants:** The Pell Grant is one of the best kinds of financial aid, because it doesn't need to be repaid. As much as \$5,350 per year can be available to full-time students.
- **Supplemental Educational Opportunity Grants:** Like a Pell Grant, a SEOG doesn't need to be repaid. The maximum amount available each year varies by educational institution.

• **Oregon Opportunity Grants:** Another grant that students don't need to repay. The maximum OOG amount available for the 2009-2010 academic year has yet to be determined; it was \$2,600 in 2008-2009 for full-time students.

• **Federal Work Study:** Work study dollars allow students to work a part-time, on-campus job for pay, while helping to cover educational costs at the same time. The maximum amount available each year varies by educational institution.

• **Federal Perkins and Stafford Loans:** Low-interest federal loans that students must repay after leaving school. The maximum amount available each year varies by educational institution. In my personal opinion, however, I recommend borrowing as little money as possible, and only when necessary.

• **Institutional or external aid:** These are scholarships and grants issued by a student's college or by an outside organization. A little

research in this area can really pay off — in many cases, a student can find scholarships that are specifically targeted toward his or her background or educational goals. The list doesn't end there — aid from additional sources is available. A financial aid advisor is the best source of more information.

Most students who apply for aid, through a combination of some or all of these various resources, are able to significantly offset the cost of their education to the point that it becomes a manageable opportunity, and going to school becomes a realistic proposition. For those students whose circumstances require them to work to support themselves or their families while they study, finding the right combination of financial aid resources can suddenly turn higher education into something that is achievable right now, rather than at some far-off, undetermined point in time.

As I mentioned above, submitting a FAFSA is the

first step toward receiving financial aid — but hardly the only one. I highly recommend visiting the financial aid office at your local college campus and talking to a financial aid advisor. He or she can assist you with completing the FAFSA, and help you to find and apply for sources of aid for which you are eligible. In addition, many institutions — like Portland Community College, for example — hold periodic workshops and orientations on filling the FAFSA and applying for financial aid.

The bottom line is that there is much more financial aid available than many people realize, and it's easier to obtain than one might think. There is enough, perhaps, to make higher education a possibility even in dire economic times such as these.

But that same old rule still applies — if you want something, sometimes you simply have to ask for it.

Algie C. Gatewood, Ed.D., is president of Portland Community College's Cascade Campus.

Training for Tomorrow's Leaders

Ethnic Minorities get involved in civics

Forty two individuals, representing 37 different ethnicities, recently gathered for a public advocacy seminar at Portland City Hall.

Engage '09 is a partnership between the Immigrant and Refugee Community Organization (IRCO) and the City of Portland which will take the participants through six training sessions over a period of 3 months.

The project encourages ethnic minorities to get involved in civic processes. The kick-off event included a keynote address by City Commissioner Amanda Fritz, presentations, and hands on exercises.

Ranging in age from 17 to 78, the participants were mostly people who had agreed to put aside their fears of civic engagement, stemming from



PHOTO COURTESY KATIE ANDERSON PHOTOGRAPHY
Francoise Gakuba, who came to Portland from Rwanda, snaps a photo for her personal memories during a public advocacy seminar at Portland City Hall.

their experiences in countries of origin where they were, at best, shut out of the civic process and, at worst, had suffered significantly at the hands of elected officials. People from places such as Somalia, Eritrea, India, Viet Nam, and Russia gathered to learn the American art of public advocacy.

For example, Mang Suan Pau was a member of the

Burmese Zomi ethnic group and a longtime promoter of human rights who spent several years of torture and imprisonment under the Myanmar military junta before escaping to Malaysia. He worked in nonprofit social services in Malaysia while waiting for State Department approval for resettlement in the U.S.

The driving force behind

Engage '09 is that with increased levels of civic engagement, local policy can be shaped to improve outcomes for the immigrant and refugee communities.

At the same time, the program enriches the city by bringing in the social capital of those communities and engaging their members in volunteerism, community development and social justice.

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75 NE Wygant (Between Rodney & Cleveland)
For More Info Contact
Gregory or Martha Thomas
At 971-533-2800

For Directions Visit our secure website
Fullharvestfellowship.vpweb.com

I must work the works of him that sent me, while it is day: the night cometh, when no man can work. **John 9:4**