

News

Students in D.C., Nation Struggle After Loss of Perkins Loans

By Courtne' Dixon
Howard University News Service

WASHINGTON -- Thousands of college students in Washington D.C. -- and more than 500,000 in cities and towns across America -- have been stripped of more than \$1 billion in aid following the Senate's refusal to renew the nation's oldest loan program for college students.

The 57-year-old federal Perkins loan program expired at the end of September after the Republi-



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Students at Howard University and other historically black colleges and universities -- along with low-income students nationwide -- are struggling following the expiration of the Perkins Loan program at the end of September.

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can-controlled Senate, led by Sen. Lamar Alexander (R-Tenn.), chair of the Senate Health, Education, Labor and Pensions Committee, blocked legislation to extend it -- even after the legislation passed the House of Representatives, which has a stronger Republican majority.

Students with exceptional financial need can borrow up to \$5,000 at a 5 percent fixed rate.

The program serves close to 1,700 schools and in the 2013-14 academic year awarded over \$1.15 billion in aid to over 539,000 students according to the U.S. Department of Education.

Approximately 5,000 District college students received over \$16 million in Perkins aid last year, according to the Department of Education.

Brian Johnson, associate director of financial aid at Howard University, said the loans have been a boost to needy students and the absence of the funding could create a huge strain on the university and its students.

"Now students who usually received those funds will have to seek funding from other sources. Hopefully we will be able to assist students with other resources, but again, that will be challenging for those students who were recipients in the past," Johnson said.

Some historically Black colleges and universities will also take a hit.

For instance, Hampton University in Virginia will lose about \$1 million, nearly 500 students at Tuskegee University will lose \$1.7 million and 15 percent of the students at Clark Atlanta University who receive the loans will go without \$1.3 million.

Starting Oct. 1, some candidates may still receive the loan on a limited basis, according to Miriam Niblack, assistant director of Georgetown University Student Loan Services, if they meet certain criteria.

End of Loan Program Creates 'Scramble' at Portland State

The expiration of the Perkins Loan program earlier this fall created a scramble for administrators at Portland State to ensure students' funds were disbursed at the end of September -- but it also wasn't unexpected. No new federal dollars had been invested in the program since 2009, and university administrators were not optimistic that Congress would vote to continue the program.

"We just didn't know when the axe was going to fall," said Mike Johnson, PSU's financial aid director.

Johnson said administrators had been anticipating for several years that the Perkins loan program would sunset this fall.

Students who meet certain criteria may be eligible for "limited grandfathering provisions" that allow them to receive Perkins loans, he said, though the criteria are so complicated determining who will be eligible will be "administratively burdensome."

"The loss of the program for new borrowers takes away an aid program that takes away aid for our neediest students," Johnson said.

Johnson was not able to provide a specific demographic breakdown, but noted that in general, students of color, including African American students, are more likely to come from low income families and need more financial aid. He anticipates students of color will be disproportionately affected by cuts to the 57-year-old program.

"It's a loan, which is not ideal, but among the best out there," Johnson said, in part because the Perkins loan program offered so many options for loan forgiveness. "It was one that we could use to fund our neediest students."

Every school that participates in the Perkins loan program has been recycling repaid Perkins loans since 2009, Johnson said.

During the 2014-15 school year, PSU had just over 500 Perkins loan borrowers, with the average loan amount being \$2,200. The number of students borrowing may be artificially low due to dwindling funds, Johnson noted.

In 2014-15, 3 percent of the student body at PSU, which touts itself as Oregon's most diverse public institution of higher education, self-identified as African American. Latino students were 10 percent of the student body, Asian Americans were 7 percent, Native Americans were 1 percent, Native Hawaiians/Pacific Islanders were 1 percent and 5 percent of students identified as multi-racial. Eight percent of students were listed as "international" students (with no further elaboration of racial or ethnic identification). Sixty percent of PSU's student body identifies solely as White, making the school notably more diverse than Oregon as a whole, where 87.9 percent of the population identifies as White according to Census data.

—Christen McCurdy

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