

Financial Aid -The Complete Story

By Edward M. Eimendorf

Newspaper, radio, and television reports of substantial cuts in Federal financial aid to college students have triggered a barrage of phone calls to the U.S. Department of Education in Washington, D.C.

Callers, both students and parents, are often confused by misleading or incomplete information. Many have expressed fear that the government has let them down; that college is no longer affordable.

It is true that student financial assistance programs have undergone considerable change in the past two years. There have been some reductions. Most of the changes, however, reflect an effort to return the aid programs to their original purpose, which was to help students cover the cost of college education -- not to carry the whole burden. A successful return to original intent will help ensure the survival of these aid programs for future student.

Federal financial assistance is divided into three categories. "Grants" are awards of money that do not have to be paid back. "Loans" are borrowed money which a student must repay with interest. "Work-Study" provides the chance to work and earn money to off-set college costs while attending classes.

The Pell Grant Program is one of the best known of the Federal student aid programs. Formerly called the Basic Educational Opportunity Grant, Pell is often the first source of aid in a package which may be composed of other Federal and non-Federal sources. In the 1982-83 school year, 2.55 million students share \$2,279,040,000 in Pell Grants.

The U.S. Department of Education uses a standard formula to determine who qualifies for Pell Grants. Students should contact the college financial aid administrator to apply on the free "Application for Federal Student Aid." This is the form used for all Federal student aid programs. **THE DEPARTMENT GUARANTEES THAT EACH PARTICIPATING SCHOOL WILL RECEIVE THE MONEY IT NEEDS TO PAY Pell Grants.**

The Supplemental Educational Opportunity Grant provides another mechanism for making awards to students. SEOG is different from the Pell Grant in that it is managed by the financial aid administrator of each participating college. Each school receives a set amount of money from the Department and when that money is gone, there are no more SEOG funds for the year.

In 1982-83 the Department of Education will provide 440,000 students with \$278,400,000 in Supplemental Educational Opportunity Grants. Students will get up to \$2,000 a year under this program.

Grant programs are designed to help the most needy students get a college education. The Pell Grant, in particular, is targeted to help those students whose families earn less than \$12,000 per year. Grant aid is not meant to cover all college costs but is expected to be combined with a reasonable contribution from the student's family and individual self-help, generally in the form of loans, private scholarships, and work.

Another type of student financial

assistance is the College Work-Study Program. Designed to provide on- or off-campus jobs for undergraduate and graduate students who need financial assistance, Work-Study is usually managed by the college financial aid administrator. Some 950,000 students will receive \$528 million under this program in 1982-83.

A great deal of publicity has been generated lately on Federal student loans, particularly the National Direct Student Loan Program. Although all colleges do not participate in the NDSL program, 3,340 of them do. This program takes available low interest (5 percent) loans that students must begin repaying six months after completing school (either by graduating, leaving or dropping below half-time status). Up to 10 years is allowed to repay the loan. Application is made to a school's financial aid administrator who manages the loan fund. The fund is a revolving account, designed to allow a school to continually make new loans as existing loans are repaid. About 800,000 students will receive NDSLs in 1982-83; 10,000 more than 1981-82.

Recently, Secretary of Education T.H. Bell signed a regulation which provides incentives for an institution to reduce the default rate of its NDSL program fund. A college which has a default rate over 25 percent is asked to turn responsibility for collecting the debt over to the Federal government. If an institution is not prepared to do this, and the default rate remains 25 percent or more, the Federal government will cut off NDSL funding.

The Guaranteed Student Loan Program, much in the news lately, makes available low interest loans to students, with the Federal government paying the interest while a student is in school. These loans are made by a lender (such as a bank, credit union, or savings and loan association) and insured by either the Federal government or State Guarantee Agency. This, the largest student aid program, will make available over \$9.5 billion in loans during the 1982-83 school year.

Undergraduate students can borrow up to \$2,500 a year and graduate students can borrow up to \$5,000 under GSL. The total debt an undergraduate can carry is \$12,500. For graduate or professional study this figure is \$25,000. A student borrower whose family income is less than \$30,000 automatically qualifies for an interest-subsidized loan. Students whose family income exceeds \$30,000 may still be eligible for GSL interest benefits if the college's financial aid administrator determines that the student has demonstrated financial need.

A new loan program started in 1981, called the Auxiliary Loan (or PLUS) Program, allows parents, independent students, and graduate students to borrow up to \$3,000 a year. There is no income cut off for eligibility. The interest on PLUS loans will be lowered from 14 to 12 percent sometime in October as a result of lower average U.S. Treasury bill interest rates.

As the economy continues to recover, we can expect a continued lowering of interest rates, thus easing student repayment costs and reducing Federal expenditures. In addition, the Reagan Administration has embarked on a major initiative to collect delinquent and defaulted loans under the National Direct and Guaranteed

Father, Daughter Team Up

By Jackie Stewart

Some students find getting away from their parents one of the main attractions of going to school. But this isn't the case with pretty Wrenn Crowe who followed in her father's footsteps to also become a student here.

Mr. Marion Crowe, a senior Physical Education major and his daughter Wrenn, a junior Business Administration major, evidently enjoy doing things together.

Both father and daughter are active Broncos in their own rights. Mr. Crowe is Vice President of the PEM (P.E. Majors) Club, Treasurer of the Off Campus Day Student Organization, a member of the Pep Club, Candidate for Who's Who, and has a role in the upcoming Drama production, "The Mighty Gents," while maintaining a 3.1 GPA. Wrenn was a senator from the Day Student Organization during her freshman year (she lives on campus now), is a member of the Collegiate Fellowship and the Social Life and Recreational Committee. She was also a member of the Essence of Beauty Club.

But sports appear to be the thing that both the Crowe's are most actively

involved in and where they spend a lot of time doing things together. This year, Mr. Crowe serves as team statistician for the Broncos while Wrenn is captain of the flag girls. But this association with sports as a family goes way back.

When Wrenn was a cheerleader at Spring Lake Jr. High, her dad was the cheerleading coach. And when she was a cheerleader at Pine Forrest High School, Mr. Crowe was the team statistician.

When Mr. Crowe was the coach of the Spring Lake Hornets (softball team) guess who his statistician was-- that's right, his daughter Wrenn.

When *The Voice* asked Wrenn about having her father on campus with her, she flashed a pretty smile and said, "Everybody asks. It's nice; I enjoy having him on the yard with me. When I have a problem, he's right here. I don't have to wait to try to get him on the telephone. We get along more like brother and sister than father and daughter."

And what does Mr. Crowe think of having his daughter around? With a devilish twinkle in his eye he said, "She keeps her daddy straight!"

Student Loan Programs. It is anticipated that \$80 million will be collected on delinquent loans to be recycled in the loan programs; under

available to future college students.

Student aid reforms proposed by the Reagan Administration re-establish the fundamental principal that a student and his or her family share the primary responsibility for meeting college costs. The Federal and State government have a role in bridging the gap between what a family can reasonably contribute and the cost of attending college. Only by maintaining its fiscal integrity can the Federal government continue to play its part in bridging this gap through student aid programs.

ROTC Food Drive

By Cheryl Brown

AFROTC in conjunction with WFLB, is having a Thanksgiving drive to supply families with food and clothing. The cadets are sponsoring this event. Their purpose is to "give to the community." Donations are to be given to the Cumberland County Community Action Program to help families through the holiday season. The drive is the project of David Holloway, the cadet commander. Captain Love states: "The only thing we look for in this drive is to be able to help someone else." This is the first year of this event.

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For more information contact:

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