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[Students for Service Not Debt] [loose]

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***STUDENTS FOR SERVICE NOT DEBT***
*A SAN FRANCISCO BAY AREA AD HOC COMMITTEE*

*3247-C HARRISON STREET*
*SAN FRANCISCO, CALIFORNIA 94110*
415/695-9528

PAM LANZA - GLENN HIRSCH
VOLUNTEER COORDINATORS

Eli Segal 3/15/93
Director, Office of National Service
Old Executive Office Bldg, Rm. 145
Washington DC 20500

RE: USSA's Recommendations on National Service

Dear Mr. Segal:

We represent "Students for Service Not Debt", a Northern California branch of the Educational Rights Coalition recently formed in Los Angeles.

WE WISH TO ENDORSE USSA's RECOMMENDATIONS ON NATIONAL SERVICE (copy enclosed), **WITH THE FOLLOWING ADDITIONS:**

1) RETROACTIVITY - According to the Department of Education's statistics, there are **$60 billion in outstanding student loans, $16.7 billion of which are in default, as of 1991.** We strongly feel that the inability of such debtors to pay their loans due to the economic recession is a matter of extreme urgency. **We recommend that National Service opportunities include the over-4 million students already indebted, who represent a tremendously energetic and skilled workforce.**

2) EDUCATION - Public education is in dire need of assistance, as are colleges, universities, Headstart programs, tutoring programs, school libraries, public libraries, and school health departments. **We recommend that National Service opportunities include jobs in the education system,** to be filled by debtors, some of whom have graduate degrees who are already trained and qualified to teach at various levels, and who are unable to find jobs in their fields.

3) AVAILABILITY - Why put more money into a bureaucracy for housing and relocation costs for National Service workers? Every community in this country has needs that could be met by workers in that community. **We recommend that "National Service" be renamed to "COMMUNITY SERVICE", and that local jobs be made available to student loan debtors.**

Glenn Hirsch Pamela Lanza

USSA

'Organizing and Advocating for Students Across the Country'

United States Student Association / 815 15th St., NW Suite 838 / Washington D.C. 20005 / (202) 347-USSA
FAX# (202) 393-5886

For more information : Stacey Leyton, USSA President
(202) 347-8772

# USSA Recommendations on National Service

## I. The Trust Fund should supplement, not replace, existing student aid programs.

***President Clinton has proposed the National Service Trust Fund as a vehicle to open the doors of higher education to all of today's students. This program can be a major contribution to student access, as long as it occurs in a manner which supplements the critical role of already existing federal financial aid.***

**(1) The Trust Fund should not undermine current grant programs.**
In the last decade, due to the shifting balance between grants and loans, more and more needy students have been forced to take on increasingly large loan burdens to finance their education. While grants constituted 80% of all federal financial aid in 1975, today less than half of student aid is in the form of grants — loans have taken their place. USSA is concerned the negative shift in governmental aid is causing students to mortgage their futures. Therefore, USSA hopes that the National Service Trust Fund will be another form of financial aid but will not supplant grants. We welcome President Clinton's earlier statements that he does not see this program replacing or in any way diminishing the importance of the Pell Grant program.

**(2) USSA proposes that the Trust Fund be accompanied by a Pell Grant Entitlement.** Year after year the money appropriated to the Pell Grant has diminished although the number of students qualifying and the amount of the awards they are told they deserve have both been growing. The maximum Pell Grant, which goes to the neediest students, has only been funded at its authorized level three times since the inception of the program. In the Fiscal Year 1993 Appropriations the maximum Pell Grant was significantly reduced to $2300 (it was $2400 in FY'92) though, ironically, it was authorized at $3900 in the 1992 Reauthorization of the Higher Education Act. A Pell Grant Entitlement would ensure that all students that qualify for a Pell Award receive the full amount of their award and would reinforce your commitment to ensuring access to higher education for all Americans.

**(3) USSA recommends that National Service be a repayment option for loans taken out under already existing loan programs (such as Stafford/GSL, Perkins/NDSL, SLS and PLUS) and that the Direct Lending pilot program be an appropriate model for the National Service Trust Fund.** Rather than create an entirely new Trust Fund, these currently existing loan programs can provide the mechanism for the implementation of this program.

**(4) USSA proposes that all loans be subsidized for low and middle income students and that the interest rate be kept low as it has been for the GSL program.** Currently, the Stafford loan program is subsidized by the Federal government for low and middle-income families and the new unsubsidized Stafford loan (which is open to all students) gives wealthier families an opportunity to receive a loan. When a loan is subsidized, the federal government pays the interest while the student is in college so interest does not accrue. This is a critical aspect of making loan repayment manageable, and this in-school interest subsidy should continue during the time that a student performs national service. In addition, one of the salient features of the GSL program is that the interest rate on the loans is kept low, so many students are able to afford loan payments after graduation. We hope that any loans recommended by President Clinton follow the same guidelines. This is particularly important for the large segment of non traditional students who may not be able to take two years out in order to perform service.

(5) **USSA would like to see a system where only those who are facing potential default enter into an income sensitive loan repayment plan.** For 90% of students today, an income contingent repayment plan is a bad idea — they will ultimately end up accruing much more interest and paying back a larger total amount. In addition, under an income contingent loan program, many borrowers will still be paying off their loans while in their forties and fifties, when many are trying to purchase homes and raise families. Therefore, USSA believes that students should enter into this plan only when their loan payments have become so unmanageable that they are in danger of default. Additionally, we recommend that students who are still repaying their loan after a certain period of time (i.e., 20 years) should have their remaining debt forgiven.

(6) **USSA recommends that the income sensitive loan program allow hardship forbearance and deferment and maintain flexibility of options.** An income contingent loan program should be flexible to the ever-changing needs of students. Often problems can arise, such as family illness, which could change a student's ability to repay the loan on a predetermined schedule even if the payment is sensitive to their income. If the ICL remains flexible and allows hardship deferment or repayment options in emergency situations, the loan default rates will remain low. Moreover, those students who take the income sensitive route due to financial difficulties should have the option to move back into the standard ten-year repayment plan or to pay their loans back early within penalty.

(7) **USSA recommends that the IRS <u>not</u> be the agency charged with management and collection of the loan.** Though the current system is far from perfect, students having difficulty paying their loans can work with their lending institutions to chart out a payment schedule and can receive some counseling or guidance from these institutions. However, this is not the proper role for the IRS. The IRS, is a large bureaucracy, and would not be able to give such personalized attention to students. It may leave a large number of students without options and potentially lead to increased default rates.

There is a strong misconception that student borrowers have inordinately high default rates. In actuality, students who complete an undergraduate degree within a four to six year period have lower default rates than students who fail to complete degree requirements due to increased financial burdens, insufficient institutional support or other academic and non-academic reasons.

(8) **Other educational access programs should be maintained.** Veterans' benefits and other loan forgiveness options should not be replaced by National Service.

## II. All students should have access to community service as a mechanism to repay student loans.

***The promise that all students can attend college through participation in service is an offer of hope to many people who today cannot afford a higher education. Therefore every effort should be made to insure that today's students — who are often older, who come from all different racial and economic backgrounds — can fully utilize this program.***

**(1) The stipend amount should be no lower than $10,000.** Some entities and individuals are proposing that the program be modeled after City Year, which gives students $100 per week. While this might be acceptable for young people who are still able to live at home and enjoy financial support from their parents, this represents no real option for those who do not have this privilege. The intent of this program is to involve people from a variety of socioeconomic backgrounds and to give those without real hope for higher education a chance to better themselves. Making the wage unlivable will ultimately prevent the success of the program. We further suggest that the stipend be adjusted according to area cost of living and be sensitive to dependent or disability related care expenses and that the stipend level increase along with inflation.

**(2) USSA recommends that the proposed living allowance amount be determined according to local cost of living in placement area, dependent-care or disability-related expenses, and other social factors.** The $10,000 dollar living allowance may be enough for someone in a rural setting, but it is extremely low for those living in major urban centers. It also does not take into account the needs of those with dependents or disabilities. A $10,000 living allowance would prevent a large number of people, especially non-traditional students and students of color, from participating in the community service repayment program.

**(3) A residential option should be available at a minimal cost.** Because the $10,000 stipend will not cover the costs of living in some areas, especially cities, we suggest that participants have the option of living in dormitory like settings with others participating in service. This, however, should not be mandatory. Different kinds of service programs may require different residential situations.

**(4) Options should exist for non-traditional students, particularly those with families.** The number of traditional and non-traditional students in four year schools is <u>equal</u> today and in community colleges non-traditional students outnumber traditional students by almost <u>5 to 1!!</u> A student with a dependent will not be able to live in a dormitory and will not be able to subsist on $10,000 per year. This is particularly important in allowing single parents to take part in the program and achieve a higher education. We suggest the following:
• Childcare be made available at no cost or a minimal cost. In areas with large numbers of service participants, childcare could be made available. In other areas the childcare could be subsidized so that it is affordable.
• Residential options include family housing.
• The stipend be adjusted when an individual has a dependent(s).
• Programs not be allowed to discriminate against individuals with children or older individuals in their selection process.

**(5) Emphasis should remain on flexibility of options regarding when service takes place and how loans are repaid.** We support allowing students to perform their service and earn a voucher either before college or during college. Yet many — such as those who plan careers in teaching — will want to take advantage of this program after they receive their degree. The greatest number of options will guarantee that this program is the most responsive to the real needs of students. To allow for the needs of non-traditional students, participants should also be able to perform service on a part-time basis and receive a pro-rated stipend and tuition voucher/loan forgiveness.

**(6) The selection process should be either controlled or monitored by the federal government and should insure access for all students regardless of race, ethnicity, socioeconomic class, disability, age, gender, immigration status, sexual orientation and familial status.** We are concerned that if students apply to individual programs, these programs will prefer young people who do not have families, those with superior education and/or higher socioeconomic class and those without disabilities; and selection may be tainted by other biases. We suggest that the federal government adopt guidelines for selection and closely monitor this process if applications are not federally approved. We also believe that national service should be open to non-citizens as well as undocumented students.

## III. The program should operate in a manner that enhances students' educational access and protects participants' rights.

***The program can be structured in a manner that lets students know that they WILL be able to afford college if they utilize this program, and that prioritizes making sure that students have a quality experience as service givers.***

(1) **Each year of service should earn a student a $10,000 voucher or loan forgiveness.** Some model programs such as City Year give a student $5000 for each year of service. Given today's college costs, on average $5000 will pay only for one year of a public institution's tuition and only a semester of an annual private institution's tuition. Moreover, a student who is working in a regular job for a year could probably earn $10,000 to live on as well as save $5000 for college. Thus this program would be of little benefit in enhancing educational access, and many students will feel they are unable to do service if it is financially disadvantageous. Most students are expecting — from President Clinton's promises during the campaign — that two years of service would result in the forgiveness of ALL of one's student loans (which often amounts to $20,000 to $40,000 by the end of college). A plan which only allows students to earn up to $10,000 total will be seen as a betrayal of many of the expectations from the campaign. Moreover, the amount of the voucher should increase according to the average level of tuition increases each year.

(2) **The voucher should be usable for tuition, fees, books at colleges or universities or for vocational education and training.** This program is designed for educational access and for use in bettering oneself. Participants should be able to use the voucher for the full range of educational options — including apprenticeship or vocational education programs and also graduate education. Allowing the voucher to be used for the purchase of a house or small business loan will put pressures on young people to give their vouchers to their families instead of using it to better their educational opportunities. The program was promised as a way to achieve an education, and its reality should reflect this intent.

(3) **Pre-college participation in national service and earning of a voucher should not affect Pell Grant eligibility.** A student who earns a voucher before college should not see this eliminate her/his eligibility for a Pell Grant or reduce the amount of the award. This would constitute a disadvantage to participation in the program and would make many students feel that they were "tricked" into participating with the understanding that it would make college easier to afford. The voucher should not be considered in determination of Expected Family Contribution, but should be treated as if the student received this amount in the form of a loan. Regardless of the cost of a particular institution, most students will need additional financial aid in order to cover living and educational expenses (books, fees, etc.).

(4) **Students should know whether they have access to a national service slot at the time that they make the decision to take out loans.** Since the number of slots will be limited, students should not take out extensive loans with the assumption that they can secure loan forgiveness through service and then find out differently later. While some flexibility must be maintained, students should know the likelihood of being able to have their loans forgiven from the very beginning.

(5) **National service participants should have guaranteed minimum working and living conditions as well as expectations of participants outlined explicitly.** This could include working hours, protection against forced overtime, participation in program governance, sick leave, time off and handling of workplace grievances. Such rights and protections could be in the form of a personnel policy that all programs must

adopt or a more general "Bill of Rights and Responsibilities" for participants. Participants should have a mechanism to lodge complaints and to see action taken if working conditions are unacceptable. This program, designed to educate young people and provide us the opportunity to give service, should not become exploitative or it will undermine support for the program.

**(6) National service participants should receive health insurance coverage.** An individual making $10,000 per year will be unable to afford health insurance. We suggest that a decent plan be provided for those who are not otherwise covered. Furthermore, we suggest that provisions should be made for those who are injured while in the middle of their service, particularly those who are injured while on the job.

## IV. Service should be directed in a manner that truly meets societal needs.

**(1) USSA recommends that the areas currently specified as community service jobs (law enforcement, health care, teaching and drug counseling) be expanded to include other vital community service positions such as working in battered women's or rape crisis programs, community advocacy programs and other programs that may not fall within the categories mentioned above.** Many people work in community service areas outside of those mentioned in the preliminary National Service Trust Fund proposal. Many people provide extremely necessary assistance through legal work, counseling for different types of abuses, working to clean up the environment, and giving a voice to the underrepresented. These vital positions should not be overlooked as possible Community Service careers. Furthermore, students should be able to either perform service close to home or to travel to a different locale for a service opportunity.

**(2) Certification of local programs should have priority over the creation of new federal programs.** We agree with the recommendations coming from those in the service community — such as Public Allies and Youth Service America — that rather than duplicate efforts the government should support and facilitate the expansion of existing programs. This will allow for innovation, for programs that truly meet local needs and for decentralization of the bureaucracy. Conditions of certification should include some amount of accountability or control by the local community, the inclusion of National Service participants in decision making about the program and participation in a federally certified training program. The certification process should be monitored to make sure that it is non-partisan.

**(3) Appropriate training should be provided.** This training should include awareness of the conditions of the local community, issues of community empowerment, multi-cultural sensitivity and skills building. Such training will guarantee that the program is beneficial both to the service giver and to the community. USSA's foundation has run a training program called GrassRoots Organizing Weekends (GROW), which has trained over 5000 students and young people in the past three years, and we plan to work with others to develop a model training program that would treat the needs of an individual involved in national service. We also recognize that there are some service jobs — such as teaching or health care — which require specific educational backgrounds and we suggest that these requirements be maintained. Those designing the National Service program should also recognize that service can be important job and/or academic training and that many colleges and universities may want to link service with academic credit. The City Year model provides an example of how students can gain academic skills while in the midst of service.

**(4) Displacement of current service workers should be avoided.** In careers such as teaching, every effort should be made to make sure that the program does not displace current workers. These workers who are devoting careers to giving service should be rewarded and their efforts at achieving higher wages and better conditions should not be undermined by a major influx of low paid, less qualified personnel.

**(5) Long-term career choice should be rewarded.** Rather than only giving students credit for a short, two-year service stint, those who enter careers in health care or teaching should also be rewarded. This could be through a second tier of the National Service program which offers loan forgiveness for those who are enter these careers; the federal government should not have to pay the stipend, but instead these service givers would be paid through normal channels. This is particularly important for careers which require a specific educational background.

**(6) The Department of Education should maintain jurisdiction over the loan aspect of the program.** Proposals have circulated that would place the entire program under a separate agency. USSA believes that the Department of Education must have extensive involvement with the development and implementation of this program.

## V. Students should be integral participants in the development and implementation of this program.

***As those who will be filling the ranks of national service programs, we should be represented in committees, commissions, advisory boards and other bodies that will be determining the structure and the functioning of national service. This will insure that programs are designed in a manner which is effective in increasing community service and which meets students' needs. We look forward to participating in future discussions and opportunities to develop a truly visionary program.***

# *NATIONAL SERVICE SOLVES TWO NATIONAL PROBLEMS*

### *STUDENT DEBTS ARE REPAID WITHOUT DEFAULT*
### *PUBLIC EDUCATION GETS THE RESOURCES THEY DESPARATELY NEED*

Through 1991, 6.5 million students have defaulted on over sixteen billion dollars in student debts -- isn't it time that the nation convert these debts into additional teaching positions, library staff, specialist teaching positions and other school services?

The country can greatly benefit from a system of National Service that provides indebted college graduates with an alternative to personal bankruptcy through the donation of professional skills to their local schools, universities, and libraries.

**The President is considering this issue in the next few months -- now is the time to act.** In order to insure equal opportunity in education, national service should not only serve as a "credit system" for future students, but also as a means of repayment for past and present borrowers who wanted an education, who are now trained and who want to give something back to the education system.

Under National Service, graduates should be able to pay off their debts by working for forgiveness vouchers in the following:

- Faculty and staff positions in colleges and universities that have recently been cut or are facing cuts;
- Public or school library positions to expand severely shortened hours of operation;
- "Specialist" positions in areas that are typically cut first (eg, art, music, multicultural studies, drama, literature);
- Teachers' aide and lab tech positions which have recently been cut -- national service would supplement current staff and not replace existing graduate student assistantships;
- Head Start, tutoring, or school nutrition or health programs;
- School building upgrade, maintenance, repair or remodeling.

National Service opportunities for college graduates eliminates the need for costly training programs. National Service in each graduate's own community eliminates the need for costly housing and relocation expenses in other parts of the country.

**Are college graduates "criminals" because they cannot find teaching jobs to repay their college loans?** How can we watch schools and colleges fight to upgrade standards and maintain qualified teachers, aides, and other staff while millions of qualified graduates work in unskilled service jobs and slide into permanent insolvency?

## *NATIONAL SERVICE IS A NECESSARY SOLUTION - ACT NOW !*

***A SUGGESTED LETTER CONTACT LIST IS ATTACHED***

**This leaflet prepared by:**
**STUDENTS FOR SERVICE NOT DEBT**
**c/o Pam Lanza, Glenn Hirsch**
**3247-C Harrison Street**
**San Francisco CA 94110**
**(415) 695-9528**

**Send Letters of Support to:**
**Your Congressperson**
**Eli Segal (address attached)**
**Stacey Leyton (address attached)**

# Student loans enrich banks

■ **Fact:** Student Loan Marketing Association wastes $1 billion annually

COMMENTARY

**Jack Anderson**

National columnist

IF THE FOOD STAMP PROGRAM were run like the federal government's college loan system, grocers would be getting rich, the needy would go hungry and at least $1 billion ʌould be needlessly spent.

So why do Democrats and Republicans ɔlerate the student loan program? Sen. 'aul Simon, Ill., blames special interests. 'his federal program, which provides rela-.vely small loans averaging $3,000 a year to tudents is easy money for the two mid-lemen in the $6 billion a year student loan ıaze: banks and the Student Loan Market-ıg Association (Sallie Mae).

Banks make $1 billion a year issuing stu-ent loans, and Sallie Mae officials pay ıemselves salaries that might make Mike lilken blush. In order of profitability, stu-ent loans outpace auto loans, mortgage-acked securities, adjustable- and fixed-rate ıortgages and U.S. Treasury securities. 'nly credit cards and commercial and in-ustrial loans rank higher for profitability, ccording to the Department of Education.

With commercial bank profits setting new ɛcords every quarter — the total for the ɪrst nine months of last year registered at 24.1 billion — student lending should have a ırger public purpose than serving as a prof- stream for the Chase and Citicorp, which njoy a disproportionate share of the busi-ess.

This middleman racket would be replaced ıith a system of direct lending if Simon and 'ep. Robert Andrews, D-N.J., get their way. 'hough there are many several variations f the direct-lending concept, it would essentially create a system of direct lending from the government to college campuses that would bypass the banks. Simon calls for collections to be handled by the Internal Revenue Service as part of withholding from paychecks after graduation. Or, under one Clinton proposal, the debts could be worked off through community service.

During the campaign, Clinton said he supports an approach aimed at "simplifying the student-aid program by eliminating banks from the process and making direct loans to students through their colleges." The Bush administration grudgingly approved a very limited direct-lending test program last summer.

Simon thinks Clinton will tackle the issue in his first 100 days. Simon's meetings with Clinton Cabinet designees indicate strong support for the idea, and an even stronger revulsion toward the current system of middleman exploitation.

But transition team officials are already tasting the lobbying war that looms. Sallie Mae officials, for example, recently traveled to the home of one transition official to make the case for the status quo.

Simon is happy to have a White House ally after years of lonely struggle, but fears that the recent full-court press by Sallie Mae and the big banks could scuttle chances for reform. Simon says he understands "that in politics you can get in just so many fights. But this is one where the General Accounting Office says we can save more than a $1 billion a year."

To be sure, his most withering fire is reserved for Sallie Mae officials.

Sallie Mae was set up by the Nixon administration to increase the volume of student loans by creating a secondary market. Although a federally chartered corporation, it has taken on a political life of its own by vociferously resisting any changes that would cut it out of the action. Sallie Mae officials are fighting for their self-preservation, and here's why:

General Accounting Office figures show that Sallie Mae President Lawrence A. Hough earned more than $2 million in 1991 (about 10 times as much as the U.S. president) and Albert Lord Jr., Sallie Mae vice president, received $1.7 million. The No. 3 official, Mitchell Johnson, earned total compensation of more than $826,000. Even the fifth man on Sallie Mae's totem pole earned more than twice what the president is paid.

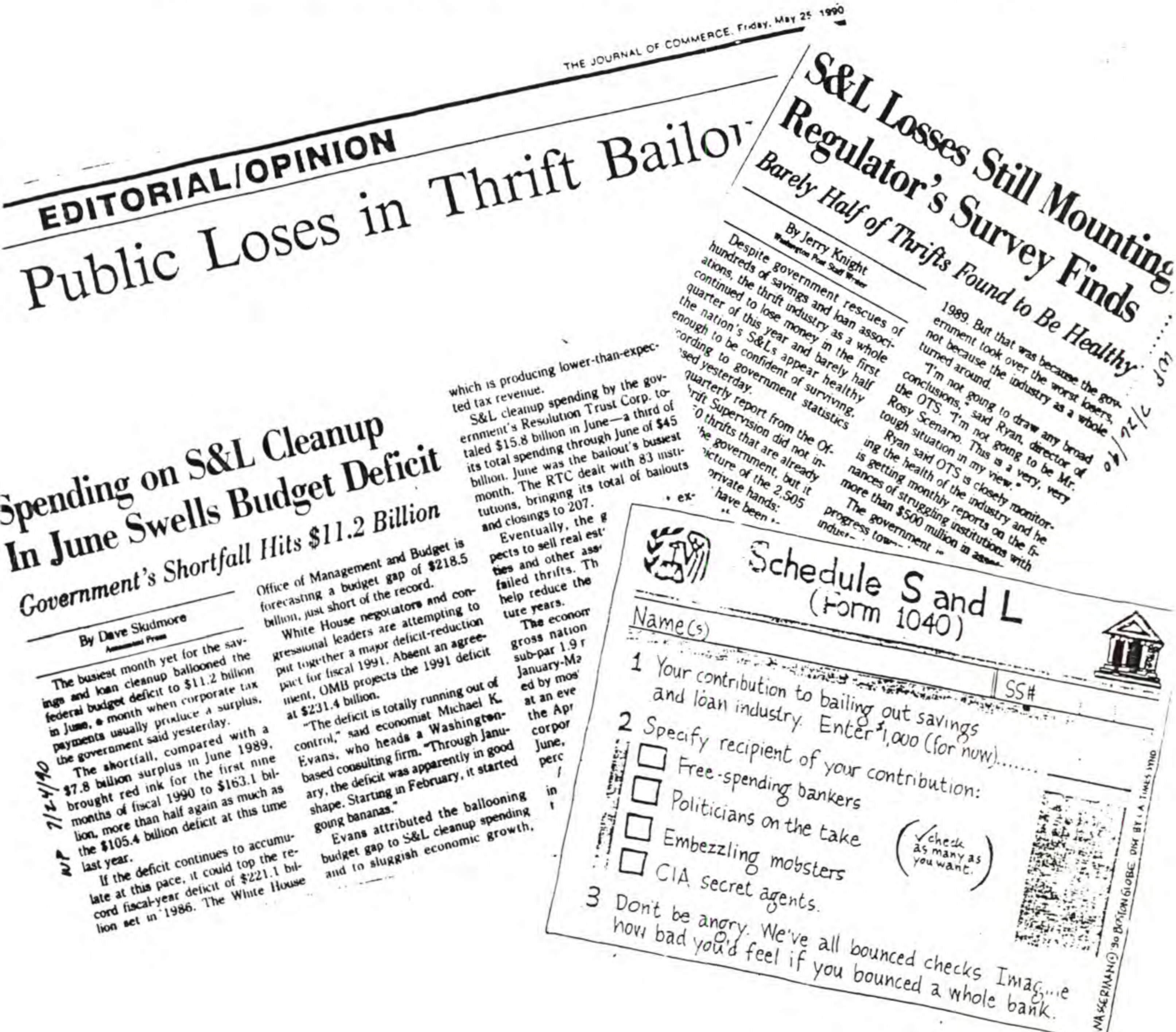
"No wonder they are fighting changes in the student assistance program," Simon told us. "This is a student assistance program, a higher education assistance program, and not a Sallie Mae assistance program .... One of the things we have to keep in mind as we create these entities (is that) they may be created to help students or to help some other function, but at some point they start getting interested in self-perpetuation rather than the mission that we created them for."

Hough believes that his agency can be the Clinton administration's "best allies in accomplishing his policy objectives" and that the "present system of private capital-based educational credit . . . continues to be the best vehicle through which to serve the nation's students and their families."

The bottom line is that the government spends $3 billion a year, $1 billion of which could be saved if Sallie Mae and banks were cut out of the process. With that kind of math, the current student loan program deserves a failing grade.

The Billings Gazette Tuesday, January 19, 1993

# <u>Who</u> is defaulting on whose loans?



THE JOURNAL OF COMMERCE, Friday, May 25, 1990

EDITORIAL/OPINION

Public Loses in Thrift Bailo

Spending on S&L Cleanup In June Swells Budget Deficit

*Government's Shortfall Hits $11.2 Billion*

By Dave Skidmore
Associated Press

WP 7/24/90

The busiest month yet for the savings and loan cleanup ballooned the federal budget deficit to $11.2 billion in June, a month when corporate tax payments usually produce a surplus, the government said yesterday.

The shortfall, compared with a $7.8 billion surplus in June 1989, brought red ink for the first nine months of fiscal 1990 to $163.1 billion, more than half again as much as the $105.4 billion deficit at this time last year.

If the deficit continues to accumulate at this pace, it could top the record fiscal-year deficit of $221.1 billion set in 1986. The White House Office of Management and Budget is forecasting a budget gap of $218.5 billion, just short of the record.

White House negotiators and congressional leaders are attempting to put together a major deficit-reduction pact for fiscal 1991. Absent an agreement, OMB projects the 1991 deficit at $231.4 billion.

"The deficit is totally running out of control," said economist Michael K. Evans, who heads a Washington-based consulting firm. "Through January, the deficit was apparently in good shape. Starting in February, it started going bananas."

Evans attributed the ballooning budget gap to S&L cleanup spending and to sluggish economic growth, which is producing lower-than-expected tax revenue.

S&L cleanup spending by the government's Resolution Trust Corp. totaled $15.8 billion in June—a third of its total spending through June of $45 billion. June was the bailout's busiest month. The RTC dealt with 83 institutions, bringing its total of bailouts and closings to 207.

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The econom... gross nation... sub-par 1.9 ... January-Ma... ed by mos... at an eve... the Apr... corpor... June, ... perc...

S&L Losses Still Mounting, Regulator's Survey Finds

*Barely Half of Thrifts Found to Be Healthy*

By Jerry Knight
Washington Post Staff Writer

Despite government rescues of hundreds of savings and loan associations, the thrift industry as a whole continued to lose money in the first quarter of this year and barely half the nation's S&Ls appear healthy enough to be confident of surviving, according to government statistics released yesterday.

... quarterly report from the Office of Thrift Supervision did not in... 0 thrifts that are already ... the government, but it ... picture of the 2,505 ... private hands: ... have been ...

1989. But that was because the government took over the worst losers, not because the industry as a whole turned around.

"I'm not going to draw any broad conclusions," said Ryan, director of the OTS. "I'm not going to be Mr. Rosy Scenario. This is a very, very tough situation in my view."

Ryan said OTS is closely monitoring the health of the industry and he is getting monthly reports on the finances of struggling institutions with more than $500 million in asse...

The government ... progress tow... indus...

6/12/90



**We hear a lot about the greedy students defaulting on their loans - but who are the real defaulters? Experts now estimate that it will cost us $500 billion to bail out the S&L's. The student loan defaults are only a fraction of that and are largely due to the shift from grants to loans for needy students. Why are we blaming low-income students instead of going after the real criminals. How about a "bailout" for the education budget that has been shrinking year after year?**