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ANALYSIS OF THE UNIVERSITY OF MICHIGAN STUDENT LOAN PROGRAM

by
Helen Elizabeth Tanner

A dissertation submitted in partial fulfillment
of the requirements for the degree of
Doctor of Philosophy in the
University of Michigan
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Doctoral Committee:

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ANALYSIS OF THE UNIVERSITY OF MICHIGAN STUDENT LOAN PROGRAM

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The purpose of the study was to examine the student loan program at the University of Michigan. Specifically, the research was directed at support or rejection of the following hypotheses:

1. A definitive statement of philosophy relative to the operation of the student loan program does not exist.
2. Present practices are not consistent with existing policies.
3. A pattern of student borrowers can be defined.
4. Individual and group differentiation between loan applicants can be defined.
5. Directions for future policies can be identified and more closely defined to assist students in financing an education.

Designed in three parts, the initial phase includes the collection of historical data obtained from regent's proceedings, administrative reports and official university publications. The intent of this portion of the study was to identify decisive written statements of institutional philosophy and their related operational implications for the student loan program.

The second aspect of the study is a computer programmed analysis of data on student loan operations from university funds for the 1964-65 fiscal year. Analysis of the total sample and sub-groups was made on eleven variables: university grant aid received during this fiscal year,

income, expense, hours of employment, total outstanding university loans, total outstanding National Defense Education Act loans, total outstanding state loans, total outstanding private loans, first university loan received during this fiscal year, subsequent loan received, and number of months of repayment. The sub-groups utilized for analysis were: month of application, degree, sex, marital status, residence (in or out state), previous receipt of a university or National Defense Education Act loan, school or college enrollment within the University of Michigan, citizenship, employer (if any), and expected year of graduation.

The third section of the study synthesizes the historical and contemporary data in conclusions related to each of the hypotheses. In summary:

There is support for the first hypothesis since historical data indicated a greater concern for administration of funds than the enunciation of a philosophical position or guidelines for the operation of a student loan program. No definitive statement was found to exist.

The contention that present practices are not consistent with existing policies was evidenced in the comparison of historical and contemporary data relative to growth influences on the frequency, amount, limits and additional availability of other financial resources to the loan operation.

The third and fourth hypotheses were substantiated since patterns for student borrowers and the differentiation between individuals and groups of loan applicants were reported.

Support for the fifth hypothesis relative to directions for future policy development and operational practice is drawn from the data and presented in the form of recommendations. These propose development of a statement of philosophy, the identification of student loan program objectives, suggestions for reorganization of the administrative structure and management policies which might more effectively assist students.

ACKNOWLEDGMENTS

Grateful appreciation is extended to Dr. Nelson G. Lehsten, director of the study, to Dr. M. Clemens Johnson for his technical assistance in the computer programming of the study, and to the other committee members for their encouragement and assistance.

The writer also wishes to recognize the benevolence of the University of Michigan's many friends and alumni and to acknowledge the university students who invest in their future through these funds.

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CHAPTER I

DEVELOPMENT AND DESIGN OF THE STUDY

Introduction

An education is not always accessible to all qualified applicants since the ability to qualify is not always correlated with the ability to pay. Financing a college education has always been a problem for some students. Stories of humor and pathos are testimony to the effort and self-denial endured by those who have earned the education that parents were unable or unwilling to finance. With the steady growth of higher education, college has become the personal goal for more and more ambitious, intelligent young people and gradually institutions have come to the assistance of needy students through financial aid programs.

Today the dilemma of expanding the accessibility and feasibility of a college education has become acute in spite of a continual increase in private, state, and federal aid funds. The perpetual problems of record numbers of eligible applicants and the higher costs associated with obtaining an education are augmented by the

restrictions on summer earnings resulting from tri-term attendance and the changing status of students, both marital and educational. The situation has reached a magnitude which calls for an appraisal of purpose and a re-examination of the administration of student financial aid programs.

The need for action was cited by Wilbur Bender, director of the Committee of the Permanent Charity Fund, Incorporated, in an address at the 1963 colloquium held by the College Scholarship Service when he said:

> I want to say as forcibly as I can that I believe that we stand now at a central point at which radical action is necessary. We are in the midst of a period of change which is appallingly rapid when viewed against the long, slow, conservative history of American higher education; change not planned or foreseen but forced on us by events over which we have no control--by social trends in birth rates and the national mores about college and by staggering and permanent increases in the cost of operating a higher education enterprise which has become fantastically complex and expensive--but not too expensive to be paid for by an affluent American society which has solved the problem of production. We have to move from programs and institutions and ways of doing things which have served us not too badly until recently to other ways of doing things--and more quickly before we are overwhelmed.[1]

The interest for this study was fostered through the opportunity provided to the author through employment for the past three

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[1]Wilbur Bender, "Our Student Aid Patchwork Needs Drastic Revision," 1963 Colloquium, Student Financial Aid and National Purpose (Princeton, N.J.: College Scholarship Service, College Entrance Examination Board), p. 102.

years in the Office of Financial Aids at the University of Michigan. University funds which were, not too long ago, the prime source of loans for students have become increasingly supplementary to outside sources, especially those of the federal government. Interviews to discuss the financial plans of hundreds of university students have revealed that the purpose of loans from university funds has been significantly affected by the availability of monies aside from those of the university. Each year intensifies the doubt that the administration of funds is still institutionally determined but rather externally imposed. These outside pressures place institutional programs in a secondary position and, in many cases, force additional demands for which present policies and operations were not designed and are not equipped to cope. For example, the generous terms of a federal loan influence debatable issues such as the desirability of part-time campus employment instead of the assumption of maximum loans or the feasibility of three-term attendance with the subsequent loss of summer earnings. These issues not only weight the matter of self-help but also the family offer of assistance and the whole matter influences the philosophy of financial assistance to students and the role of the financial aid counselor.

The situation has markedly affected the administration of student loans in most institutions and has changed financial aids

from a minor area of student services into a major one. A growing familiarity with the program has disclosed the complex problems associated with expansion and the necessity for redirection has never been felt more acutely than it is today. While the problem is not exclusively local in nature, it appears that examination of existing conditions and the avenues of change to update the operation might well be initiated at the local level.

Statement of the Problem

The university's Office of Institutional Research announced that 9,887 residence credit students were enrolled in the fall semester of 1944-45, 18,832 in the fall of 1954-55, and 29,103 in the fall of 1964-65.[1] During these same years undergraduate student fees increased from $130 for resident students and $220 for the nonresident, to $180 for the resident and $430 for the nonresident, to $280 for the resident freshman and sophomore and $310 for the resident junior and senior, to $900 for the nonresident freshman and sophomore and $960 for the nonresident junior and senior.[2]

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[1]Table 121.1, The University of Michigan, Total Enrollment, Fall Semesters, 1941-1942 to 1964-1965.

[2]Table 152.12, The University of Michigan, Student Fees, Academic Years, 1919-1920 to 1964-1965.

The reader should bear in mind that these statistics have not included the subsequent increase in graduate student fees and the continuous rise in living costs. The constant growth in enrollment, rising costs, and the convenience of financing an education on the credit plan promoted by the federal loans have kept the demand for funds equal to the growth of university and federal monies. These circumstances have overtaxed the existing program, and the situation suggested study.

Before changes can be proposed and implemented, it appeared logical to conduct an examination of the University of Michigan student loan program in an endeavor to investigate the following hypotheses:

1. A definite statement of philosophy relative to the operations of the financial aids program does not exist.
2. Present practices are not consistent with existing policies.
3. A pattern of student borrowers can be defined.
4. Individual and group differentiation between loan applicants can be identified.
5. Directions for future policies can be identified and more closely defined to assist students in financing an education.

Procedure

Designed in three parts, part one of this study investigates the past program by tracing the historical development of the policies

and procedures for the administration of the student loan program at the University of Michigan in an attempt to identify a decisive statement of institutional philosophy relative to the operations of such a program.

Part two is a statistical analysis of the present activity in loans to students from university funds for the fiscal year July 1, 1964, through June 30, 1965, to obtain objective data on students who receive university loans and to determine if present policies continue to regulate approval.

Utilizing the historical and statistical data to provide a logical base upon which to support or reject the hypotheses of this study, part three is a projection of various directions which future operations for student loans might take.

Definitions and Limitations of the Study

The following clarification and consideration is given to factors which had a limiting influence on this study:

1. Because scholarships, fellowships, student employment, student loans, and grants are individually extensive areas of student financial aids, this study was limited specifically to financial assistance

made to currently registered students from university loan funds at the University of Michigan.

2. For the purpose of this study the term "loan" is defined as money lent, with or without an interest rate, to students for the purpose of assisting with educational expenses and which carry an obligation to repay within a specified time.

3. This study was concerned only with the policies and procedures involved in the dispensing of loan monies and did not include the collection, accounting, and maintenance of such funds.

Review of Related Literature

The volumes of Dissertation Abstracts and Index to American Doctoral Dissertations disclosed two studies, both completed at Teachers College, Columbia University, which appeared relevant.

"The Student Aid Program at Midwestern College," by Helen Elizabeth Clarke,[1] was concerned with the financial aid program in a small college, the administration of which was on a scale as not to be appropriate to this study but which revealed that there are certain problem areas in common regardless of the size of the program.

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[1] Helen Elizabeth Clarke, "The Student Aid Program at Midwestern College" (unpublished Ph.D. dissertation, Teachers College, Columbia University, 1959-60).

"A Proposal for a Coordinated Program of Student Financial Aid at Teachers College," by Donald Arthur Boulton,[1] included financial aids at the graduate level. Although the proposed study is designed to explore a single area of financial aid and in greater depth, the two studies demonstrate that the problems are shared and the solutions are similar.

A continued research of the resources of the University of Michigan libraries revealed that additional studies were completed too long ago to be pertinent or were too broad to be applicable. No studies have been identified which were concerned with the administration of the student loan program at the University of Michigan.

The historical section of this study has been documented from several primary sources, the most extensive of which were the Proceedings of the Board of Regents of the University of Michigan dating from 1837 to the unbound minutes of the June, 1965, meeting. In some instances investigation led back to the original committee proposal which initiated the action taken by the regents. The older documents were found in the Michigan Historical Collection housed in the Rackham Building on the Ann Arbor campus, and the more

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[1]Donald Arthur Boulton, "A Proposal for a Coordinated Program of Student Financial Aid at Teachers College" (unpublished Ph.D. dissertation, Teachers College, Columbia University, 1961-62).

recent primary sources are located in the vault room of the Administration Building in files labeled "Regents' Exhibits." An additional primary source was the annual report of the university's presidents which added a touch of interest and color to issues in comparison to the formality of the regents' minutes.

There has been a significant increase in written information on financial aids in the past eight years. Although it is difficult to isolate one area from a financial aid program for special consideration, sources studied were chosen for their emphasis on loans. The most useful and comprehensive of the few books written on financial aids is a manual type of publication copyrighted by the College Entrance Examination Board.[1] By far the largest number of pertinent articles appear in the College Board Review[2] and the journals of professional organizations concerned with the administrative aspects of higher education such as the Journal of Higher Education, the Personnel and Guidance Journal, and the Harvard Educational Review.

A review of articles by administrators, faculty, and financial aid officers describes their growing concern. Probably no other

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[1]College Scholarship Service, Manual for Financial Aid Officers (New York: College Entrance Examination Board, 1965).

[2]College Board Review (Princeton, N.J.: College Entrance Examination Board).

organization has contributed more constructively toward the improvement of financial aid administration through publications and conferences than the College Scholarship Service of the College Entrance Examination Board. At its 1962 colloquium, Frederick Rudolph expressively describes the state of financial aids and confirms the need for action:

> Higher education in the United States has always been untidy; it will probably never be an orderly house; surely, however, it has now reached a point at which it can take a responsible inventory of its resources for student aid, to make some effort to understand their historical and philosophical foundations and tendencies, and undertake a new and bold adventure in subsidies for wisdom, investments in democracy.[1]

Financing a college education still remains a problem, for there are many who cannot attend and some who because of financial pressures compromise academic achievement. The charge to those privileged to administer such a service is to design a program which assures the maximum use of funds in the best interests of all students. In the past, programs were more manageable for the policy-making body was also responsible for the approval of loans; now the situation has changed, with increasing activity and the greater involvement

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[1]Frederick Rudolph, "The Origins of Student Aid in the United States," 1962 Colloquium, Student Financial Aid and National Purpose (Princeton, N.J.: College Scholarship Service, College Entrance Examination Board), p. 11.

of personnel. What was formerly assumed must be defined, formerly unwritten must be written through an attempt to "understand the historical and philosophical"[1] and "move from programs . . . to other ways of doing things."[2]

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[1] Ibid.

[2] Bender, loc. cit.

CHAPTER II

HISTORICAL EVOLUTION OF THE ADMINISTRATIVE POLICIES CONCERNING THE UNIVERSITY OF MICHIGAN STUDENT LOAN PROGRAM

From the beginning, the founders of the University of Michigan recognized the need for financial aid to students and so wrote the fact into the constitution.[1] However, beset with financial problems, the young institution directed monies and gifts obtained from land sales, state aid, and individual donations toward the needs of the university and not toward the monetary help of its students.

As Michigan grew in prestige it grew in wealth; until in the year 1889 President Angell made a plea in defense of the economic plight and personal sacrifice of its students:

> --the sons and daughters of the rich do not form a very large percentage of the whole number. A very large proportion of our undergraduates have by hard toil and great self denial earned the means to support themselves in whole or in large

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[1] University of Michigan, Proceedings of the Board of Regents, 1837-1864 (Ann Arbor: The University, 1915), p. 35.

> part while here. Not a few continue to remain here only by the practice which too often endangers their health.[1]

He further stated:

> There is not a penny at our disposal for the aid in anyway of a poor student, however needy and meritorious he might be.[2]

The University of Michigan Student Loan Fund had its start when, seemingly in response to President Angell's appeal, the Class of 1894 established a class memorial of $2,000 to be called the Scholarship Fund of the Class of 1894 and designated as a loan fund for needy students in the Literary Department.[3]

The ensuing growth of the university saw a significant increase in loan funds from additional gifts from classes, clubs, student groups, and individuals; however, standard policies of management were difficult to establish since donors were generally partial to their own interest groups and incorporated restrictions as to the membership of the administering body and the eligibility of the applicants. On the other hand, directions were seldom given with regard to the limits of the amount to be loaned, nor its duration or

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[1] University of Michigan, Proceedings of the Board of Regents, 1886-1889 (Ann Arbor: The University, 1915), p. 163.

[2] Ibid., p. 354.

[3] University of Michigan, Proceedings of the Board of Regents, 1891-1896 (Ann Arbor: The University, 1915), p. 304.

the interest to be charged. Under the terms of most of the gifts, a committee was appointed with the president of the university serving as chairman and additional committee members selected from the deans of the Literary, Law, Medical, and Engineering Schools, or the dean of women, if funds were particularly delegated for use by women students. Presumably, if a student complied with the restrictions of an existing fund, he applied through such a committee which screened the applicants for presentation to the Board of Regents for final approval of the loan, the amount of which ranged from fifty dollars to as much as two hundred, extended for a period of a few months to several years, with the privilege of extension, and ranged in rate of interest from 0 to 5 percent.

From the start the allocation of loan funds continued to be directed by the donors until 1913. Whether the action was prompted by a noticeable increase in loan activity during the year or from an accumulation of overdue notes, the first provision concerning the administration of funds, beyond the specifications of the trust, occurred when the Board of Regents voted to require a coendorser for student borrowers.[1] Exactly one month later, in January, the board

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[1]University of Michigan, Proceedings of the Board of Regents, 1910-1914 (Ann Arbor: The University, 1915), p. 883.

reconsidered the plan and reverted to the prior procedure of requiring only the signature of the student receiving the loan.[1]

The inconsistencies caused by the variety of procedural provisions contained in these loan trusts continued until the administration of Marion LeRoy Burton. In what was probably one of the first acts during his five-year tenure, he called the first Conference of Deans to order in his office at 4:00 p.m. on July 7, 1920.[2] The conference, as stated by Frank E. Robbins, who served as assistant to the president, "proved a valuable means whereby the President could consult with the executives of the various units of the University concerning problems common to all."[3]

Certainly the administration of student loans was a common interest to the deans of the colleges. No doubt, the perpetual problems of increasing costs, rising enrollments, and committee demands prompted the conference members to request the appointment of a committee to study student loans. Dean Effinger of the College of

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[1] Ibid., pp. 907-8.

[2] Minutes of the First Conference of Deans, July 7, 1920, University of Michigan, Ann Arbor (in the files of the Michigan Historical Collections).

[3] Wilfred B. Shaw (ed.), The University of Michigan Encyclopedia Survey (3 vols.; Ann Arbor: University of Michigan Press, 1942), I, 81.

Literature, Science and the Arts, as chairman, Dean Cooley of the Engineering College, and Dean Bates of the Law School were appointed as the committee "to study the question of administering student loan funds and to report a plan eliminating if possible the disadvantages of the present practice."[1]

The final report from the Committee on the Re-organization of Student Loans was completed in January, 1923, and appears in Exhibit 1. This exhibit also presents the suggestions from Mr. D. W. Springer, the university auditor, who had been approached for his comments on the report. In a February meeting the Conference of Deans acted upon Mr. Springer's recommendations and amended the original report. The final report as amended was adopted by the Board of Regents and appears in the exhibit.

With the inception of the University Committee on Student Loans, Dean Bursley welcomed the additional function to his office and wrote in his report to the president, "The Dean of Students has been endeavoring in every way possible to instill in the minds of the student body the feeling that the primary function of this office is not to dispense discipline, but to give aid and assistance in

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[1]Minutes of the Dean's Conference, September 21, 1921, University of Michigan, Ann Arbor (in the files of the Michigan Historical Collections).

EXHIBIT 1

1923 REPORT OF THE CONFERENCE OF DEANS TO THE REGENTS ON THE REORGANIZATION OF STUDENT LOAN FUNDS

Item 1

Report from the Conference of Deans, January 31, 1923:[1]

> It is recommended that the Regents suggest to future donors of loan funds that they give such funds subject to existing University regulations regarding them as proposed in the plan given below.

Supplement to the Report of the Conference of Deans, January 15, 1923:[2]

> [This item not treated.]

Action Taken by the Board of Regents, February, 1923, on Amended Report of the Conference of Deans:[3]

> Resolved, That the Regents suggest to future donors of loan funds that they give such funds subject to existing University regulations regarding them as provided in the plan given below.

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[1] Committee Report on the Reorganization of Student Loan Funds by the Conference of Deans to the Board of Regents of the University of Michigan, January 31, 1923, Ann Arbor (in the Michigan Historical Collections).

[2] Letter from D. W. Springer, university auditor, to President M. L. Burton, University of Michigan, January 15, 1923, Ann Arbor (in the files of the Michigan Historical Collections).

[3] University of Michigan, Proceedings of the Board of Regents, Sept. 1920-June 1923 (Ann Arbor: The University), pp. 729-30.

EXHIBIT 1 (Continued)

Item 2

Report:

It is recommended that when possible and expedient the Regents ask the donors of existing funds to make such modifications of the conditions under which loans are to be administered that they may all be subject to the same general plan.

Supplement:

[This item not treated.]

Action:

Resolved further, That when possible and expedient the Regents ask the donors of existing funds to make such modifications of the conditions under which loans are to be administered that they may all be subject to the same general plan.

Item 3

Report:

It is recommended that a uniform rate of interest of 5% on all loans be charged from and after graduation or withdrawal from the University.

Supplement:

[This item not treated.]

Action:

Resolved further, That a uniform rate of interest of 5% on all loans be charged from and after graduation or withdrawal from the University.

EXHIBIT 1 (Continued)

Item 4

Report:

It is recommended that all loan funds contributed by University classes shall be combined in a fund to be known as the Alumni Loan Fund and administered as a unit, the names of the various classes contributing to it arranged according to school or College to be published in the list of donors to the fund: except that when a class making a gift to the loan fund so desires, a pro rata amount of the Alumni Loan Fund shall be reserved for the exclusive use of students in the department designated by such class, and a pro rata amount of income to be reserved for students of respective units in proportion to the amounts given by alumni of the said unit.

Supplement:

It is recommended that all loan funds contributed by University classes shall be combined in a fund to be known as the "Alumni Loan Fund" and administered as a unit, the names of the various classes contributing to it, arranged according to the school or college to be published in the list of donors to the fund, and that the various classes which have established loan funds be requested at their next reunion to agree to such an arrangement, it being understood that the University Committee on Loan Funds will administer the combined funds in the interest of all departments contributing hereto.

Action:

Resolved further, That all loan funds contributed by University classes shall be combined in a fund to be known as the "Alumni Loan Fund" and administered as a unit, the names of the various classes contributing to it, arranged according to the school or college to be published in the list of donors to the funds, and that the various classes which have established loan funds be requested at their reunion to agree to such an arrangement, it being understood that the University Committee on Loan Funds

EXHIBIT 1 (Continued)

will administer the combined fund in the interest of all departments contributing thereto.

Item 5

Report:

It is recommended that all loan funds given by individuals or in memory of individuals shall when so desired [be] kept separate and so administered.

Supplement:

[This item not treated.]

Action:

Resolved further, That all loan funds given by individuals or in memory of individuals shall, when so desired, be kept separate and so administered.

Item 6

Report:

It is recommended that all applications for loans from men be made in the Office of the Dean of Students where application blanks will be furnished. Women should apply to the Dean of Women.

Supplement:

It is recommended that all applications for loans from men be made in the Office of the Dean of Students where application blanks will be furnished. Women should apply to the Dean of Women. These applications should be presented by the applicant to the Dean of the school or college in which said applicant is registered, or to a representative appointed by the Dean,

EXHIBIT 1 (Continued)

for his approval, and, after securing the same in writing, they should be returned to the office from which received.

Action:

Resolved further, That all applications for loans from men be made in the Office of the Dean of Students, where application blanks will be furnished. Women should apply to the Dean of Women.

Item 7

Report:

It is recommended that the Regents authorize a University Committee on Student Loans, to consist of the Dean of Students, the Dean of Women, and one representative from each school or College, such representatives to be appointed by their respective Deans. The Dean of Students shall be chairman of the committee unless the applicant be a woman, when the Dean of Women shall act as chairman. Applicants for loans must appear before the Dean of Students or Dean of Women and the Faculty representative of the school or College to which the applicant belongs. After such personal interviews the committee shall decide on the applications.

Supplement:

It is recommended that the Regents authorize a University Committee on Loan Funds, to consist of the Dean of Students, the Dean of Women, and the Treasurer of the University, the Dean of Students acting as chairman and the Treasurer acting as secretary. The committee should hold stated meetings in October, November, January, and February of each year, and at such other times as may be necessary. All loans shall be made in regular meetings of the committee, after a personal appearance of the applicant and in accordance with any special provisions of the fund. The committee shall report to each school or college at the beginning of each semester the funds which are

EXHIBIT 1 (Continued)

available to the students from that department. The committee shall annually report to the donor of these funds, or his representative, the use to which the fund has been put during the year.

Action:

Resolved further, That the Regents authorize a University Committee on Student Loans, to consist of the Dean of Students, the Dean of Women, the Treasurer of the University, and one representative from each school or college, such representatives to be appointed by their respective Deans. The Dean of Students shall act as chairman of the committee, and the Treasurer as secretary. This committee shall hold stated meetings in October, November, January, and February of each year, and at such other times as may be necessary. All loans shall be made in regular meetings of the committee, after a personal appearance of the applicant, and in accordance with any special provisions of the fund. The committee shall report to each school or college at the beginning of each semester the funds which are available to students from that unit. The committee shall annually report to each donor of such funds, or his representative, the use to which the fund has been put during the year.

various ways to those deserving it."[1] As chairman, he convened the first University Committee on Student Loans, April 25, 1923. Among those present were Miss Jean Hamilton, dean of women, Robert A. Campbell, treasurer of the university, and, presenting student applications from their respective colleges, Professor Sadler for Engineering, Dr. Guild for Medicine, and Dean Humphreys for the Literary College.[2]

Except for probable changes in representatives from the schools and colleges, the committee continued to function for the next ten years as recommended by the Conference of Deans with several changes, presented in Exhibit 2, showing the sources of the proposals and the resultant regental action. The board deemed it logical to add a member of the Business Office to the University Committee on Student Loans, following the September, 1927, action of the regents designating the secretary of the university and business manager as one position.[3]

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[1]J. A. Bursley, "The Dean of Students Report for 1922-23," President's Report, 1922-23 (Ann Arbor: The University of Michigan, 1924), p. 259.

[2]Minutes of the University Committee on Student Loans, April 25, 1923, University of Michigan, Ann Arbor (in the files of the Michigan Historical Collections).

[3]Agenda notes of the Regents' Meeting of September 30, 1927, University of Michigan, Ann Arbor (in the files of the Regents' Exhibits, September 23, 1926-December 2, 1927), p. 2.

EXHIBIT 2

ADDITIONS TO THE ADMINISTRATIVE POLICIES FOR STUDENT LOAN FUNDS, 1925-1928

University Committee on Student Loans Proposal, April 23, 1925:[1]

1. The amount loaned to any one student shall be limited to $200 per year instead of $100 per semester.
2. Excepting where a different provision has been made by the donor of the fund the notes shall draw interest from the date payments upon the principal begin rather than from the time of graduation or withdrawal from the University.
3. Notes shall be payable at the rate of not less than $10 per month beginning not later than six months after date of graduation. The present arrangement makes the total amount of the loan due not later than one year after the date of graduation.

Action of the Board of Regents, April, 1925:[2]

1. The amount loaned to any one student shall be limited to $200 per year instead of $100 per semester.
2. Excepting where a different provision has been made by the donor of the fund the notes shall draw interest from the date payments upon the principal begin.
3. Notes shall be made payable at the rate of not less than $10 per month beginning not later than six months after the beneficiary shall have ceased his or her connection with the University.

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[1]Report of the University Committee on Student Loans of the University of Michigan to the Board of Regents, April 23, 1925 (on file in the Michigan Historical Collections).

[2]University of Michigan, Proceedings of the Board of Regents, Sept. 1923-June 1926 (Ann Arbor: The University), p. 582.

EXHIBIT 2 (Continued)

Regental Motion, September, 1927:[1]

> Regent Stone made the motion that the Secretary and Business Manager be added to the loan committee. Motion passed.

Action of the Board of Regents, September, 1927:[2]

1. The Secretary and Business Manager was added to the University Committee on Student Loans.

University Committee on Student Loans Proposal, February 1, 1928:[3]

> --recommended that, unless otherwise provided by the deeds of gift, the rules governing the administration of student loans be changed so as to provide that these loans shall draw interest at the rate of 3% from the date the loan is made until the date the note (or the first payment on it) is due, and that interest at the rate of 6% be charged on all past due amounts.

Action of the Board of Regents, February, 1928:[4]

1. Resolved, That unless otherwise provided by the deed gift in case of an individual loan fund, the rule governing the administration of student loans be changed so as to provide that

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[1] Agenda notes of Regents' Meeting of September 30, 1927, University of Michigan, Ann Arbor (in the files of the Regents' Exhibits, September 23, 1926-December 2, 1927), p. 2.

[2] University of Michigan, Proceedings of the Board of Regents, Sept. 1926-June 1929 (Ann Arbor: The University), p. 348.

[3] Letter to the Regents from J. A. Bursley, chairman of the University Loan Committee, University of Michigan, Ann Arbor (in the files of the Regents' Exhibits, January 6, 1928-October 26, 1928).

[4] University of Michigan, Proceedings of the Board of Regents, Sept. 1926-June 1929 (Ann Arbor: The University), p. 470.

EXHIBIT 2 (Continued)

these loans shall draw interest at the rate of 3% from the date the loan is made until the date that the note or the first payment on it is due, and that the interest at the rate of 6% per annum be charged on all past due amounts.

The first major changes in the administration of student loans since 1923 were initiated in a letter written August 11, 1933, by Dean Bursley to Vice-President and Secretary Shirley W. Smith.[1] (Mr. Smith's prior title of secretary and business manager of the university had been changed to vice-president and secretary by action of the Board of Regents at its March, 1930, meeting.)[2] A month later Vice-President Smith directed Dean Bursley's proposals to the Board of Regents in official correspondence, attached to which was a copy of the rules which, up to that time, governed the handling of student loans.[3] Additions to the former rules included the terms involved in the renewal of loans and an arrangement involving interest payments on loans negotiated on the installment repayment plan. The Brousseau Foundation loans that are mentioned were administered by a special committee approved by the regents in

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[1] Letter from J. A. Bursley to Shirley W. Smith, August 11, 1933, University of Michigan, Ann Arbor (in the files of the Regents' Exhibits, September 1933-December 1933).

[2] University of Michigan, Proceedings of the Board of Regents, October, 1929-June, 1932 (Ann Arbor: The University), p. 202.

[3] Letter from S. W. Smith to the Board of Regents, September 1933, University of Michigan, Ann Arbor (in the files of the Regents' Exhibit, September 1933 to December 1933).

their May, 1927, meeting.[1] The omission of any reference to loans from the Brousseau Foundation required a renumbering of the rules; however, the most significant change proposed was the deletion of the representatives from the schools and colleges as members of the University Committee on Student Loans and, interestingly enough, was basically the same as Mr. D. W. Springer, the university auditor, had proposed ten years earlier.[2] Mr. Springer, no doubt, envisioned then the continual demand on these growing loan funds with the resultant pressure upon the time of faculty members who personally presented before the committee the applications of all students enrolled in their school or college.

Exhibit 3 presents the former rules mentioned above and the changes as written by Chairman Bursley for the University Committee on Student Loans, which consequently the Board of Regents voted to adopt as presented at its September, 1933, meeting.[3]

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[1]University of Michigan, Proceedings of the Board of Regents, September 1926-June 1929 (Ann Arbor: The University), p. 231.

[2]Letter from D. W. Springer to President M. L. Burton, January 15, 1923, University of Michigan, Ann Arbor (in the files of the Michigan Historical Collections).

[3]University of Michigan, Proceedings of the Board of Regents, September 1932-June 1936 (Ann Arbor: The University), pp. 239-40.

EXHIBIT 3

CURRENT RULES GOVERNING THE ADMINISTRATION OF STUDENT LOAN FUNDS, WITH RECOMMENDED CHANGES FROM THE UNIVERSITY COMMITTEE ON STUDENT LOANS (1933)

Rules Governing Administration of Student Loan Funds:[1]

1. Loans shall be made to students from the various funds in accordance with the conditions established by the several donors and in accordance with the rules and regulations adopted by the Board of Regents for the administration of the same.

2. No distinctions shall be made among students on account of sex, race, religion, or course of study, further than those prescribed by the donors. "No student in law, medicine, the ministry, or the arts, other than useful, mechanical arts shall be aided or assisted by the Brousseau Foundation."

3. Unless otherwise provided for, the administration of all student loan funds, except the Brousseau Foundation, shall be by the University Committee on Student Loans, consisting of the Dean of Students, the Dean of Women, the Vice President and Secretary of the University, the Cashier of the University, and one representative from each school and college, such representatives to be appointed by their respective Deans, each to serve on the committee only when consideration is being given applications from students in the school or college which he represents. The Dean of Students shall act as chairman of the committee.

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[1]Letter from S. W. Smith, secretary of the university, to the Board of Regents, University of Michigan, Ann Arbor (in the files of the Regents' Exhibit, September 1933 to December 1933).

4. The administration of the Brousseau Foundation shall be by a special committee consisting of the Dean of Students, the Vice President and Secretary of the University and three members of the faculty to be appointed by the President of the University and serve until their successors are appointed. The Dean of Students shall act as chairman of the committee.

5. Meetings of the University Committee on Student Loans and of the Committee on the Brousseau Foundation shall be held at the call of the chairman.

6. Each application for a loan shall be upon a blank form provided for the purpose, properly filled out, and, in general, loans shall be made only after the references have been heard from, and, so far as possible, only after a personal appearance of the applicant before the proper committee.

7. Before a loan will be granted, the committee must be thoroughly convinced of the applicant's real need for assistance; and it will be considered a ground for refusal of the application if it is found that a loan is desired as a mere matter of convenience to avoid the necessity of earnest effort on the part of the applicant to obtain the necessary money otherwise. Loans will not be made to students having expensive habits or to those belonging to expensive societies or organizations. In making loans the committee will take into account the moral character of the applicant, including his sense of financial responsibility, his habits of temperance and industry, and his assiduity and success in his studies.

8. Unless provision to the contrary is made in the instrument of donation, all loans shall, except under extraordinary circumstances, which in the judgment of the committee justify a departure from this rule, be confined to seniors and graduate students, and, subject to the above exception, no loan shall be made to a student who has not been matriculated for at least one year.

9. Except in case of loans made from the Brousseau Foundation, the amount loaned to any one applicant shall not exceed $200 a year, unless the circumstances are extraordinary. The limit on the Brousseau Foundation loans shall be determined

by the committee in accordance with the terms of the deed of gift.

10. Each student borrowing shall sign a note for the full amount of the loan. The committee may require the maker of the note to furnish additional security: either an endorser or acceptable collateral. Excepting where a different provision has been made by the donor of the fund, these notes shall draw interest at 3% per annum from the date the loan is made until the date that the note or the first payment on it is due, and interest at the rate of 6% per annum shall be charged on all past due amounts.

11. Loans shall be payable in a lump sum, or in installments of not less than $10.00 per month, which payments shall apply toward the reduction of principal and interest. The loan, or the first payment, shall be due not later than six months after the date of probable graduation. In case the borrower leaves college before graduation, the loan shall become due six months after the date of leaving.

Recommended Changes from the University Committee on Student Loans, September, 1933:[1]

1. Loans shall be made to students from the various funds in accordance with the conditions established by the several donors and in accordance with the rules and regulations adopted by the Board of Regents for the administration of the same.

2. No distinctions shall be made among students on account of sex, race, religion, or course of study, further than those prescribed by the donors.

3. Unless otherwise provided for by terms and conditions laid down by the donors thereof, the administration of all student

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[1] University of Michigan, Proceedings of the Board of Regents, September 1932-June 1936 (Ann Arbor: The University), pp. 239-40.

loan funds shall be by the University Committee on Student Loans, consisting of the Dean of Students, the Dean of Women, and, a representative from the Financial Office of the University. The Dean of Students shall act as chairman of the committee.

4. Meetings of the University Committee on Student Loans shall be held at the call of the chairman.

5. Each application for a loan shall be upon a blank form provided for the purpose, properly filled out, and, in general, loans shall be made only after the references have been heard from, and so far as possible, only after a personal appearance of the applicant before the proper committee.

6. Before a loan will be granted, the committee must be thoroughly convinced of the applicant's real need for assistance; and it will be considered a ground for refusal of the application if it is found that a loan is desired as a mere matter of convenience to avoid the necessity of earnest effort on the part of the applicant to obtain the necessary money otherwise. Loans will not be made to students having expensive habits or to those belonging to expensive societies or organizations. In making loans the committee will take into account the moral character of the applicant, including his sense of financial responsibility, his habits of temperance and industry, and his assiduity and success in his studies.

7. Unless provision to the contrary is made in the instrument of donation, all loans shall, excepting under extraordinary circumstances, which in the judgment of the committee justify a departure from this rule, be confined to seniors and graduate students, and, subject to the above exception, no loan shall be made to a student who has not been matriculated for at least one year.

8. Except in case of loans made from the Brousseau Foundation, the amount loaned to any one applicant shall not exceed $200 per year, unless the circumstances are extraordinary. The limit on the Brousseau Foundation loans shall be determined by the committee in accordance with the terms of the deed of the gift.

9. Each student borrowing shall sign a note for the full amount of the loan. The committee may require the maker of the note to furnish additional security:--either an endorser or acceptable collateral. Except where a different provision has been made by the donor of the fund, these notes shall draw interest at 3% per annum from the date the loan is made until the date that the note or the first payment on it is due, and interest at the rate of 6% shall be charged on all past due amounts. In case the borrower is unable to meet his payments when they come due, he may renew the note at the rate charged on the original loan, provided that if such renewal note is not paid on time, the interest rate shall be increased to 6% on the balance due on the note, unless in the opinion of the committee circumstances warrant further renewals at the original rate.

10. Loans shall be payable in a lump sum, or in installments of not less than $10 per month, which payments shall apply toward the reduction of principal and interest. The loan, or the first payment, shall be due not later than six months after the date of probable graduation. In case the borrower leaves college before graduation, the loan shall become due six months after the date of leaving college.

11. In case the loan is to be paid in installments, the amount due on the first installment shall be the accumulated interest. That due on subsequent installments shall include both the amount due on the principal and the interest due to date of payment.

During the next nineteen years (1933-1952) there were two transient enactments pertaining to the administration of student loans. The first request, in 1941, originated from the University Committee on Student Loans which asked and was granted the authority to waive the interest that might accrue while a student was serving in the armed forces.[1] The board rescinded this action at the April, 1950, meeting.[2]

The second request was passed when, at the May, 1945, meeting of the Board of Regents, Vice-President Shirley W. Smith emphasized the problem arising from making loans to foreign students and recommended that no further loans be granted except from funds specifically provided for this purpose or with a collectible endorser for the loan.[3] The regents rescinded their action at their December, 1946, meeting when the University Committee on Student Loans requested the authority to exercise discretionary action in each case

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[1] Letter from Dean J. A. Bursley to Vice-President Shirley W. Smith, August 19, 1941, University of Michigan, Ann Arbor (in the files of the Regents' Exhibit, Dec. 1940-Dec. 1941).

[2] University of Michigan, Proceedings of the Board of Regents, July 1948-June 1951 (Ann Arbor: The University), p. 809.

[3] Letter from Vice-President S. W. Smith to the Board of Regents, May 25, 1945, University of Michigan, Ann Arbor (in the files of the Regents' Exhibit, March 1945-February 1946).

since the previous regulation had made it very difficult to financially assist these particular students.[1]

The next major revisions of the rules and regulations concerning the administration of loans have proven to be the last. They had their beginning in October, 1952, when, at the recommendation of President Hatcher, the regents approved the creation of the Office of the Dean of Men and appointed Mr. Walter B. Rea, then associate dean of students, as dean of men.[2] In May of the following year a revision in the regents' by-laws authorized the dean of men to be a member of the University Committee on Student Loans, reinstated the secretary of the university as a member of the committee, and specified that the representative from the business and financial staff was to be appointed by the president, on recommendation of the vice-president in charge of business and finance.[3] The membership of the committee remained as such until September, 1957, when the action of the Board of Regents established what

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[1] University of Michigan, Proceedings of the Board of Regents, July 1945-June 1948 (Ann Arbor: The University), p. 652.

[2] University of Michigan, Proceedings of the Board of Regents, August 1951-June 1954 (Ann Arbor: The University), p. 669.

[3] Ibid., p. 881.

continue to be the last regentally approved policies for the administration of student loans. These policies appear in Exhibit 4.[1]

During the interim from 1957 to the present a number of significant events have occurred which have directly affected the student loan program. First, the National Defense Education Act in 1958 not only made a great deal of money available on easy terms but also changed the outlook on borrowing for an education.[2] The yearly government allotment to the University of Michigan has grown from approximately a quarter of a million dollars to over a million for the current year.

Second, two years later (1960) the state of Michigan provided still more funds through the agency of the Michigan Higher Education Assistance Authority, which guarantees educational loans made by participating banks to students.[3]

Third, the University Committee on Student Loans, stating that "in view of the recent growth of this financial assistance (and

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[1] University of Michigan, Proceedings of the Board of Regents, July 12, 1957-June 10, 1960 (Ann Arbor: The University), pp. 114-16.

[2] U.S., Congress, National Defense Education Act, Public Law 85-864, 85th Cong., 1958, p. 1580.

[3] Michigan, Public and Local Acts of the Legislature, 1960, Number 77, p. 70.

EXHIBIT 4

SEPTEMBER, 1957, ACTION OF THE BOARD OF REGENTS CONCERNING STUDENT LOANS

Administrative Policy Established by the Committee on Student Loans and Approved by the Board of Regents:[1]

1. Unless otherwise provided by the terms and conditions laid down by the donors thereof, the administration of all student loan funds is by the Committee on Student Loans. The Committee consists of the following members: the Dean of Men, the Dean of Women, the Secretary of the University, and a representative from the business and financial staff of the University appointed by the President on recommendation of the Vice President in charge of Business and Finance; the Dean of Men serves as chairman. Meetings of the Committee are held regularly and on call of the Chairman. Under conditions set forth below, the Committee may delegate to individual members of the Committee or other persons specifically approved by the Committee certain procedural functions of the Committee.

2. In general, a student may borrow from the University to help finance his education if he is currently enrolled as a student at the time he makes application or if he has established a record of responsible academic achievement.

3. The amount of money available to a student within a given year and for his total program depends upon a number of factors which the Committee takes into account. A part of the application procedure is a personal interview with the appropriate Dean or with the Committee as a whole, in which the student discusses his yearly budget, sources of income, need for a loan, and plans for repayment of the loan. Applications for loans are filed upon forms provided for women

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[1] University of Michigan, Proceedings of the Board of Regents, July 12, 1957-June 10, 1960 (Ann Arbor: The University), pp. 114-16.

EXHIBIT 4 (Continued)

at the Office of the Dean of Women and for men at the Office of the Dean of Men. A student under 21 needs a letter of parental approval to accompany the application, and all students must have a faculty recommendation.

4. The Committee on Student Loans has specifically delegated to the Dean of Men and the Dean of Women the granting of loans in an amount not to exceed $300 as a cumulative total for one student, payable before the beginning of the next University year. Each Dean must submit periodically to the Committee a detailed report of all loans granted in this manner.

5. Each student borrower shall sign a note for the full amount of this loan. The Committee may require the maker of the note to furnish additional security--either an endorser or acceptable collateral.

6. Except where a different provision has been made, student loans shall draw interest at 3% per annum from the date the loan is made. In case the borrower is unable to meet his payments when they come due, he may apply for a renewal of the note at the rate of interest charged on the original note. Overdue notes will bear interest at the rate of 6%.

7. Loans shall be made payable in a lump sum or in installments to be arranged with the Loan Committee. Payments are applied to liquidate accumulated interest before they are applied to reduce principal. The Loan Committee will determine the maturity date of the note.

8. If a borrower is unable to make payments when it is due, he may apply for renewal of the note at the rate of interest charged on the original loan. Loan renewal requests by students, in residence or by students returning to the University are made by women at the Office of the Dean of Women and by men at the Office of the Dean of Men. Loan renewals requested by students no longer in residence are made to the Chief Accountant of the University.

9. If the loan is due before the end of the semester, and is not paid or renewed, the student may not receive credit for his semester's work, will not be issued a transcript and may not re-register until payment or renewal is made. This delinquency is posted on the student's personnel record.

10. If a loan is due before the beginning of the semester and is not paid or renewed, the student is not allowed to register or is asked to withdraw if he has already registered.

the anticipated increase), and in view of the recommendations of the Internal Audit Department memo of May 4, 1960,"[1] on July 2, 1960, approved the following policies for the administration of student loan funds:

> 1. The Committee on Student Loans shall function as a policy making body on all matters relating to student loans as set forth by the Board of Regents. It shall meet at the call of the Chairman (the Dean of Men). In addition, it may serve as a review board for action taken by a central administrative loan office. The Committee shall delegate to the central office that authority and responsibility necessary for that agency to administer the policies established by the committee. The current membership of the committee as set forth in By-Law 8.12 shall be changed by removing the "Secretary of the University" from the committee's membership.
>
> 2. The establishment of a Central Loan Office within the Office of the Dean of Men shall be accomplished for the purpose of interviewing applicants, assigning and issuing loans, and the record-keeping of all matters relating to the issuance of University student loans, both men and women students.
>
> 3. Loans shall be made to students from the various loan funds in accordance with the conditions established by the donors and in accordance with the rules and regulations adopted by the Board of Regents.
>
> 4. No student may borrow from the University loan funds unless he is currently registered at the University.
>
> 5. Applications for loans shall be filed upon forms provided for and available at the Central Loan Office. A recommendation may be a required part of the loan application. In the instance of a minor, parental permission shall be necessary for all loans in excess of $50. In certain instances as deemed necessary a co-signature may be required.

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[1]Minutes of the May 27, 1960, Meeting, University Committee on Student Loans, University of Michigan, Ann Arbor (in the files of the Office of Financial Aids).

6. In the instance of a medical, nursing, dental and music student, intermediate approval is required by the school or college in which the student is enrolled.

7. Before a loan shall be approved, the applicant's real need for financial assistance shall be established. In addition, his sense of financial responsibility, his ability to repay the amount borrowed, and his pattern of conduct shall be taken into account.

8. Generally, loans to undergraduate students are made in modest amounts ($200-300), payable within one year. Generally, long term loans are not available to undergraduates. Students in medicine and dentistry may borrow larger amounts with due dates extendable to five years after issuance. For other graduate students, such factors as degree program and professional objectives shall be taken into account.

9. Normally, loans to foreign students shall be due within the current academic year of enrollment. Other special provisions may be deemed necessary with respect to foreign students.

10. In case, the borrower is unable to meet his payments when they come due, he may apply for renewal of the note at the rate of interest charged on the original loan. Except as provided for to the contrary, student loans generally shall draw interest at 3% per annum from the date the loan is made. Overdue notes shall bear interest at the rate of 6%, generally. Any request for renewal of a note from a former student shall be administered by the Office of the Assistant Controller. Recommendations for renewal of such notes shall be forwarded by that office to the Central Loan Office for approval. Any request for renewal from a student enrolled on campus shall be administered by the Central Loan Office. A representative from the Office of the Assistant Controller working with the Central Loan Office shall review all requests for renewal and sign same.

11. In delegating responsibility, the Committee on Student Loans shall authorize one representative of the Central Loan Office to approve and sign all notes as a primary signer. Substitute signatures as necessary may be authorized by the Committee.

12. The Central Loan Office shall submit monthly reports to the Committee on Student Loans. These reports shall indicate

details of all loans granted as well as the action taken on requests for renewal of notes.[1]

Fourth, the resignation of the Dean of Women on December 1, 1961, precipitated a review of the Office of Student Affairs at the University of Michigan.[2]

Fifth, the Reed report,[3] which was the written review and evaluation of the Office of Student Affairs, recommended a restructuring along "functional divisions," one of which was designated as student financial aid. At the May, 1962, regents' meeting, the board adopted the general philosophy of the Reed report but took no official action on the new structure.[4]

The fact remains that four years later the situation remains the same; no action has been taken although it was acknowledged that "committee membership as practiced now is not in accordance with official University records and by-laws."[5]

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[1]Minutes of the July 29, 1960, Meeting, University Committee on Student Loans, University of Michigan, Ann Arbor (in the files of the Office of Financial Aids).

[2]University of Michigan, Proceedings of the Board of Regents, July 1960-June 1963 (Ann Arbor: The University), p. 479.

[3]Ibid., pp. 719-21.

[4]Ibid., p. 724.

[5]Minutes of the October 9, 1963, Meeting, University Committee on Student Loans, University of Michigan, Ann Arbor (in the files of the Office of Financial Aids).

Since 1957 the minutes of the meetings of the University Committee on Students Loans reveal the increasing involvement with loan programs other than those of the university. Discussion concerning the administration of loans from university funds have dealt with interpretations of "justifiable educational expenses"[1] and the liberalization of policies as regards the amount and repayment terms of university loans to undergraduates[2] and graduates.[3] Adjusted terms are possible, according to the minutes, but are not made public as evidenced in the current written policy available to students in the Office of Financial Aids which states:

> University loan funds are available to undergraduate students in modest amounts ($50-$500) payable within the academic year or before the beginning of the next school year. Graduate and professional students may borrow for longer periods of time and in larger amounts depending on the duration and cost of their particular academic program.[4]

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[1]Minutes of the March 31, 1961, Meeting, University Committee on Student Loans, University of Michigan, Ann Arbor (in the files of the Office of Financial Aids), p. 3.

[2]Minutes of the February 22, 1962, Meeting, University Committee on Student Loans, University of Michigan, Ann Arbor (in the files of the Office of Financial Aids), p. 2.

[3]Minutes of the August 24, 1964, Meeting, University Committee on Student Loans, University of Michigan, Ann Arbor (in the files of the Office of Financial Aids), p. 2.

[4]Information Sheet, Office of Financial Aids, University of Michigan, Ann Arbor, February 1, 1966.

The complexity of the situation is punctuated even more by the information in Table 1 on university loan activity presented by ten-year intervals starting with the first complete year of administration by the University Committee on Student Loans and excluding any loans that were granted from federal funds which were available during the year 1963-1964.

The record numbers of students who are interested and willing to borrow for their education, the rising costs which increase this necessity, plus the availability of money, emphasize the urgent need for an appraisal of contemporary administration and policies and for the development of future operating procedures of the university's student loan program.

TABLE 1

UNIVERSITY LOAN ACTIVITY IN TEN-YEAR INTERVALS, 1923-1964

Fiscal Year	No. of University Loans Granted	Total Amount Granted (dollars)
1923-1924	195	16,800[a]
1933-1934	1,791	99,969[b]
1943-1944	269	31,320[c]
1953-1954	2,832	295,017[d]
1963-1964	3,358	1,057,248[e]

[a]J. A. Bursley, Dean of Students Report to the President, The University of Michigan, The President's Report for the Year 1923-1924 (Ann Arbor: The University, 1925), p. 247.

[b]J. A. Bursley, Dean of Students Report to the President, The University of Michigan, The President's Report for the Year 1933-1934 (Ann Arbor: The University), p. 51.

[c]Shirley W. Smith, vice-president and secretary, University of Michigan, The President's Report for the Year 1943-1944 (Ann Arbor: The University), p. 28.

[d]W. K. Pierpont, vice-president in charge of business and finance, University of Michigan, The President's Report for the Year 1953-1954 (Ann Arbor: The University), p. 10.

[e]Report of the Office of Financial Aids for the Year 1963-1964, University of Michigan, Ann Arbor (in the files of the Office of Financial Aids).

CHAPTER III

ANALYSIS OF THE UNIVERSITY OF MICHIGAN STUDENT LOAN ACTIVITY FOR THE FISCAL YEAR JULY 1, 1964, THROUGH JUNE 30, 1965

Collection of the Data

The initial step in the collection of data contained in student loan applications was accomplished as a matter of course in the employment of the author as assistant to the director of financial aids at the university. A copy of the application form is presented on the following page. The official loan application was obtained from the Office of Financial Aids, in the Office of Student Affairs, where the student remained to fill out the form and then discussed his request with one of four interviewers.

During the interview the application was reviewed for completeness, need factors, and budget entries, while any pertinent information was noted in the allotted space. No budget was required for a loan of $50 or less, and each request was reviewed on the merits of the individual case. Under the terms of the policies

(PLEASE TYPE OR USE INK. ANSWER QUESTIONS FULLY.)

THE UNIVERSITY OF MICHIGAN

Application for Student Loan

DO NOT WRITE IN THIS SECTION

ACTION

APPROVED ☐ DENIED ☐

FALL

Due _____

$_____ per mo. beginning

$_____

Fund _____ Int. _____

SPRING

Due _____

$_____ per mo. beginning

$_____

Fund _____ Int. _____

NAME _____
(PRINT) LAST FIRST MIDDLE

Currently enrolled? _____ College _____
(IF GRADUATE, INDICATE SPECIALIZATION)

Expected date of graduation and degree _____

Date of birth _____ First attended U. of M. _____

Local address _____ Phone _____

Permanent address _____
STREET

_____
CITY STATE

Name & address of parent or guardian _____

Total amount requested $_____ When needed _____ Student I D number _____
(DATE)

Why are funds exhausted at this time? _____

_____

_____

Full repayment will be made by _____ from the following resources: _____
(DATE)

_____

Have you previously borrowed from the U. of M. Student Loan Fund? _____ from NDEA? _____

Total loan funds outstanding: University Loan Fund $_____ NDEA $_____

I hereby make this loan application for the above requested amount. I affirm the correctness of the foregoing answers and information as provided on this entire application and promise if the loan is granted (1) to pay this obligation according to the terms indicated, and (2) to answer promptly all communications regarding this loan directed to me by the proper University authorities.

Signed _____
(APPLICANT)

Date _____ Parent _____
SIGNATURE (IF YOU ARE UNDER 21)

INTERVIEW COMMENT: _____

_____

_____

_____

_____

INTERMEDIATE APPROVAL*

_____
SIGNATURE

*REQUIRED FOR MEDICINE, DENTISTRY, NURSING, MUSIC STUDENTS

_____

Form [illegible]

In order to carefully review your present financial program, the Committee on Student Loans requests the completion of the budget estimates indicated below. This financial statement should present a detailed explanation of your complete year's income and expense—from September to June.

Income		Expense	
Personal funds cash on hand from savings, etc.)	$	Tuition	$
Parental support (or spouse)		Books, materials, etc.	
University scholarships, awards, grants		Fees	
University loan		Food	
Earnings during school year Board		Rent	
Room		Clothing, laundry, etc.	
Assistantships		Transportation	
Cash jobs*		Recreation	
Other		Dues, student organizations	
Veteran benefits		Insurance payments	
ROTC		Automobile	
Other income		Medical or dental	
		Other expenses	
Total income	$	Total expense	$

Do you own an automobile? ..... Year ..... Make ..... Value ..... Purchase date .....

Future vocational plans .....

*Are you employed? ..... Where? .....Earnings or stipend .....

Are you married? ..... If so, is your wife or husband employed? ..... Where? .....

Have you dependents? ..... How many? ..... Please state relationship .....

Present indebtedness other than U. of M. Student Loan program and NDEA:

Creditor	Address	Date Due	Amount

established by the University Committee on Student Loans, if the case warranted loan assistance the interviewer, together with the student, decided on the needed amount and the terms of repayment and then recorded the action in the top right-hand corner of the front page of the application. In the majority of cases the student was informed at the time of the interview that he had been granted the loan and that it would be available the following day at the Cashier's Office; in a minority of cases action was delayed until after a review of the case with other staff members in the Office of Financial Aids and then the student was informed of final action by letter. No account was made of the very small percent of applications which were rejected, and only those approved for university loans were used in this study.

The third procedure in data collection involved the development of a code suitable for the transfer of data from the student loan applications to punch cards for subsequent computer processing and analysis. The following code indicates the items on which data were incorporated into the study. Suitable explanation is included for clarity.

IBM Column Nos.	Item
2-8	Student Identification Number

The student identification number was for alphabetizing. It was not necessary to this study but was included for office use since the utilization of data processing in the Office of Financial Aids was initiated with this study.

11-13 Month the Loan Was Issued

Three spaces were used on the IBM card to record the date of issue--two spaces for the month and one space for the year; i.e., a January loan would be punched 015, an October loan would apear 104.

14-15 School or College

1. Architecture and Design
2. Business Administration
3. Dentistry
4. Education
5. Natural Resources
6. Medicine
7. Social Work
8. Dental Hygiene
9. Literature, Science and the Arts
10. Music
11. Nursing
12. Law
13. Pharmacy
14. Engineering
15. Rackham
16. Public Health

The study involved fifteen of the seventeen schools and colleges which comprise the University of Michigan. Sixteen groups appear in Table 10, since Dental Hygiene was a separate breakdown

from the School of Dentistry. Flint College and Dearborn Campus were not included in this study.

16 Degree

1. Bachelors
2. Masters
3. Doctorate
4. Specialist Degree
5. Certificate
6. Doctor of Dental Surgery
7. Doctor of Medicine
8. Bachelor of Law
9. Not a Candidate for a Degree

Architecture and Design, Business Administration, Education, Natural Resources, Literature, Science and the Arts, Music, Nursing, Pharmacy, Engineering, and Public Health offer the Bachelor's degree.

Business Administration, Natural Resources, Social Work, Music, Law, Rackham, and Public Health offer the Master's degree.

Law, Rackham, and Public Health offer a Doctor's degree.

The Specialist degree is offered in Education through the Horace H. Rackham School of Graduate Studies.

The certificate programs include Dental Hygiene in the School of Dentistry and the Teacher's Certificate in the School of Education.

The Doctor of Dental Surgery, Doctor of Medicine, and the Bachelor of Laws degrees are offered by the Dental, Medical, and Law Schools, respectively.

The special student would fall in the category of the student who was not a candidate for a degree,

one enrolled in a departmental institute, or making up a course sequence or honor point deficiencies in order to gain regular admission to a school or college in the university.

17-18 Expected Year of Graduation

64
65
66
67
et cetera

If 64 was punched it indicated a December, 1964, graduation. A 65 punch could mean either a May or a December graduation. There was no graduation at the termination of the summer session.

19 Marital Status

1. Single
2. Married
3. Divorced
4. Separated
5. Widowed

20 Citizenship

1. United States Citizen
2. Immigrant Status
3. Alien

21 Residence

1. Michigan Resident
2. Not a Michigan Resident

22 Sex

1. Male
2. Female

23 Received Previous Aid

1. Yes
2. No

Previous aid referred to any previous loan assistance from the University of Michigan funds since the date of first registration as a student. It also included any previous aid through National Defense Loan funds from the university or from any other institution which could be the case of a transfer student.

24 Employer

1. University Instructor--academic appointment
2. University Teaching Fellow--academic appointment; also included internships, residencies, and traineeships
3. University Assistantship--not an academic appointee, but salaried
4. University Hourly
5. Non-university--self-employed, room-and-board jobs, employees of local business, etc.
6. Not employed

25-28 University Grant Aid Received (Exact Amount)

The type of grant aid to which this question referred is a gift of money which does not carry the legal obligation to repay.

29-32 Income (Exact Amount)

33-36 Expense (Exact Amount)

In reviewing the statistical charts which follow, the reader should keep in mind that:

a. No budget estimates were required for loan requests for $50 or less; nevertheless, the loan was added to the total of loans granted which

would affect the averages of the incomes and expenses.

b. The outstater's budget and the graduate student's budget would be higher than the instater and the undergraduate due to differences in tuition charges.

c. Budget estimates for two semesters had been averaged in with those for a single semester or summer session.

d. Where the total number of applications in these two variables (income and expense) did not coincide, the explanation is simply that the information was lacking.

37-38 Hours of Employment (Exact Number)

40-43 Total Outstanding University Loans (Exact Amount)

44-47 Total Outstanding National Defense Loans (Exact Amount)

48-51 Total Outstanding State Loans (Exact Amount)

52-55 Total Outstanding Private Loans (Exact Amount)

This type of loan excluded loans from family and friends.

58-61 Amount of applicant's first student loan for the fiscal year

62-65 Amount of applicant's subsequent student loans for the fiscal year

In most cases one loan was sufficient; however, there were students who, faced with emergencies and changes in plans, were granted more than one loan during the year. The total number of loans indicated the number of loans granted; the actual number of borrowers would be less.

71-72 Number of Months between the Month the Loan was Issued and the Month the Loan is Due for the first loan granted

The information on the due date was applicable only to the university loan punched in columns 58-61.

Processing the Data

Data were analyzed using programs available for the IBM G090 data-processing system, University of Michigan Computer Center. For comparison purposes the total sample of loans was subdivided on the basis of a number of qualitative categories. Five series of analyses were conducted this way. Series I consisted of Run A (date of application, columns 11-13), Run B (degree, column 16), and Run C (marital status, column 19); Series II consisted of Run A (residence, column 21), Run B (sex, column 22), and Run C (received previous aid, column 23); Series III consisted of Run A (school or college, columns 14-15), Run B (citizenship, column 20), and Run C (employer, column 24); Series IV had one run (expected year of graduation, column 18); and Series V was an intercorrelation of the eleven variables in the study.[1]

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[1]Henry E. Garrett, Statistics in Psychology and Education (New York, London, and Toronto: Longmans, Green and Co., 1958), pp. 122-24.

As a measure of central tendency for each series the mean was computed to determine the average of each variable,[1] and as a measure of variability the standard deviation was computed to determine the extent of dispersion of each variable.[2] The variables were as follows: university grant aid received, income, expense, hours of employment, total outstanding university loans, total outstanding national defense loans, total outstanding state loans, total outstanding private loans, amount of first university loan granted, amount of subsequent university loan granted, and the number of months between issue and due dates of the first university loan.

For Series II, in addition to the mean and standard deviation, the t-ratio was obtained for the same variables in order to determine the significance of the difference between their obtained means.[3] The results of the statistical analysis appear in Tables 6, 7, and 8. In accordance with accepted practice and for clarity the following symbols are utilized throughout the tabular material: "N" indicates the number of cases, "$\bar{X}$" the mean, "SD" the standard deviation, and "t" the t-ratio of the variables.

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[1] Ibid., p. 27.

[2] Ibid., pp. 42-43.

[3] Ibid., pp. 184-85.

Analysis of the Data

Enrollment statistics for the Ann Arbor campus revealed that there were 26,050 students enrolled during the fall term of the 1964-65 academic year at the University of Michigan.[1] Of these students, 2,044 or 7 percent of this enrollment received at least one university loan sometime during the year. Table 2 gives the monthly distribution of these loans, and a discussion of each variable follows in succession.

The first variable listed in Table 2 shows that seven students who had been issued university loans in January had, sometime during the fiscal year, received assistance through university grants. A grant is a gift of money which carries only the moral obligation to repay. During the entire year there was a total of ninety-eight such cases, with a greater number of grants in the largest amounts being made to these students during the first quarter of the fiscal year. The average grant awarded in February ($638) and July ($836) was higher than the overall mean ($428), indicating the involvement of several typical cases. It is reasonable in the way of

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[1] Table 145.1, Housing Information, Distribution by Campus and Type of Housing, Men and Women, Fall Semester, 1964-1965, The University of Michigan Statistical Reference Book (3d ed.; Ann Arbor: The University of Michigan Office of Institutional Research).

TABLE 2

MONTHLY ANALYSIS OF STUDENT LOANS ISSUED FROM UNIVERSITY FUNDS[a]

Mo.	N	$\bar{X}$	SD	Mo.	N	$\bar{X}$	SD
	University Grant				Income		
Jan.	7	$ 209	$ 123	Jan.	262	$1,916	$1,369
Feb.	4	638	618	Feb.	132	1,908	1,320
Mar.	3	223	93	Mar.	130	1,957	1,375
Apr.	2	350	212	Apr.	139	1,952	1,350
May	1	400	0	May	64	925	1,017
June	3	467	289	June	74	1,045	1,163
July	7	836	1,084	July	84	1,329	1,266
Aug.	19	281	127	Aug.	163	1,780	1,550
Sep.	35	453	395	Sep.	328	1,943	1,595
Oct.	9	486	556	Oct.	220	1,923	1,319
Nov.	4	405	207	Nov.	116	2,399	1,685
Dec.	4	320	301	Dec.	105	2,174	1,537
Total	98	428		Total	1,817	1,863	
	Expense				Hours of Employment		
Jan.	264	$2,261	$1,295	Jan.	66	15.5	6.9
Feb.	133	2,260	1,339	Feb.	30	11.7	4.6
Mar.	133	2,336	1,318	Mar.	22	17.4	17.7
Apr.	146	2,217	1,357	Apr.	19	14.5	4.9
May	69	1,310	925	May	6	19.5	13.6
June	78	1,488	1,444	June	7	15.1	5.2
July	85	2,002	1,565	July	12	15.5	4.8
Aug.	168	2,272	1,432	Aug.	26	15.3	7.4
Sep.	327	2,349	1,326	Sep.	53	16.3	8.6
Oct.	221	2,512	1,366	Oct.	42	15.7	6.4
Nov.	120	2,696	1,549	Nov.	16	14.4	8.9
Dec.	110	2,384	1,501	Dec.	11	16.6	10.2
Total	1,854	2,265		Total	310	15.4	

[a]Series I, Run A.

TABLE 2 (Continued)

Mo.	N	$\bar{X}$	SD	Mo.	N	$\bar{X}$	SD
	Total Outstanding University Loans				Total Outstanding NDEA Loans		
Jan.	39	$ 625	$ 550	Jan.	39	$ 802	$ 467
Feb.	17	781	865	Feb.	29	822	755
Mar.	15	835	1,066	Mar.	26	645	415
Apr.	9	594	634	Apr.	27	961	582
May	1	100	0	May	15	727	482
June	6	264	150	June	15	832	651
July	26	1,115	1,004	July	18	833	477
Aug.	36	938	1,050	Aug.	34	999	980
Sep.	71	692	616	Sep.	58	928	729
Oct.	46	1,353	913	Oct.	42	1,042	799
Nov.	25	876	747	Nov.	21	781	588
Dec.	15	1,105	1,149	Dec.	21	933	751
Total	306	882		Total	345	880	
	Total Outstanding State Loans				Total Outstanding Private Loans		
Jan.	8	$1,472	$ 796	Jan.	19	$1,293	$1,503
Feb.	3	467	252	Feb.	4	1,951	2,511
Mar.	6	1,171	698	Mar.	9	968	854
Apr.	3	1,167	503	Apr.	5	783	703
May	0	0	0	May	3	1,682	2,268
June	2	1,450	71	June	7	1,810	1,594
July	0	0	0	July	12	1,172	988
Aug.	5	861	306	Aug.	26	969	914
Sep.	9	1,411	849	Sep.	33	1,155	1,079
Oct.	6	1,000	374	Oct.	26	1,386	1,288
Nov.	3	979	590	Nov.	16	1,019	681
Dec.	0	0	0	Dec.	12	2,703	2,009
Total	45	1,234		Total	172	1,307	

TABLE 2 (Continued)

Mo.	N	$\bar{X}$	SD	Mo.	N	$\bar{X}$	SD
	First University Loan, 1964-65				Subsequent University Loans		
Jan.	285	$ 390	$ 443	Jan.	37	$ 304	$ 241
Feb.	149	283	216	Feb.	20	212	153
Mar.	156	250	204	Mar.	15	176	226
Apr.	184	229	203	Apr.	7	207	157
May	71	376	240	May	2	325	247
June	82	318	215	June	2	425	530
July	97	371	360	July	16	446	490
Aug.	176	431	345	Aug.	40	352	200
Sep.	341	403	280	Sep.	105	360	255
Oct.	236	414	319	Oct.	61	344	235
Nov.	134	345	304	Nov.	37	431	226
Dec.	133	275	256	Dec.	40	334	251
Total	2,044	351		Total	382	331	
	Months for Repayment						
Jan.	285	13.8	16.9				
Feb.	149	10.0	14.6				
Mar.	156	8.7	12.7				
Apr.	184	7.5	10.3				
May	71	9.7	8.8				
June	82	10.4	10.4				
July	97	16.2	21.2				
Aug.	176	18.7	19.5				
Sep.	341	17.3	18.5				
Oct.	236	22.1	22.8				
Nov.	134	19.1	20.5				
Dec.	133	16.2	20.6				
Total	2,044	14.9					

an explanation to state that if a frequency distribution were done involving grants the results would probably show that the greatest number of grants average between $280 and $310. It happens that $280 was the tuition charge for freshmen and sophomores, and $310 for juniors and seniors; however, this average would be obscured by the grant assistance to out-of-state undergraduates who needed tuition assistance which, during 1965, was $900 for freshmen and sophomores and $960 for juniors and seniors.

An estimate for income (Variable 2) for the academic year was entered on the loan applications of 1,817 students and averaged $1,863, with the monthly breakdown showing that the greatest number of university loans (Variable 9) were issued in September, followed by January. The means do not vary to any great extent except for the summer months when budget estimates for the spring-summer term were evaluated for the single term and were subsequently lower whereas loan applications submitted during the fall and winter terms required the two-term budget. Again the standard deviation was large, which was to be expected when the range of budgets included that of the most frugal single in-state undergraduate to the married out-of-state graduate.

An expense estimate (Variable 3) averaging $2,265 was entered on the loan application of 1,854 students. A comparison

between income and expanse clearly showed the need for financial assistance. The greatest deficit appeared in the loan applications submitted from May through October--May, June, and July when income had been drawn upon during the previous terms and the opportunity for part-time work was restricted by the concentration of course work during the summer session; August, September, and October when resources were limited because of summer session attendance, or summer session earnings fell below expectations, family assistance was reduced, and similar reasons which require the necessity of a loan from the university.

Employment hours (Variable 4), which averaged 15.4 hours per week, were entered on the loan applications of 310 university loan recipients. One-fourth of the total number of students receiving university loans in January indicated they worked to supplement their income. This was the largest percentage as compared to any other month and could indicate that after a term of academic experimentation students felt more confident about taking on the added responsibility of a job, or summer earnings having been depleted during the fall term the necessity for aid did not become acute until the second term.

The next four variables (5, 6, 7, and 8) were concerned with the outstanding educational debts of students who applied for university

loans. At the time of application 306 students indicated an average outstanding debt to the university of $882, 345 a debt averaging $880 to the national defense loan plan, 45 had a debt of $1,234 to a state plan, and 172 a $1,307 loan debt to a private source. Among the University of Michigan students who required university loans, their debts to state and private sources were less frequent but when incurred were greater in amount.

During the fiscal year, 2,044 loans (Variable 9) which averaged $351 were granted to university students to meet the deficit indicated in their income and educational expenses for the academic year 1964-1965. Additional loans (Variable 10) averaging $331 were issued to 382 students who returned for assistance to meet expenses which arose unexpectedly or were unaccounted for in the original application. The greatest number of these subsequent loans occurred in September and could be accounted for by the fact that the original loan for the year was obtained during the summer session. In a number of fall interviews an arrangement was made whereby part of the loan was issued for the fall term and the remainder pledged for the winter term. The latter type of loan was included with subsequent loans, Variable 10.

The final variable (Number 11) was concerned with the repayment period arranged for the original or first university loan

and covered the period from the date the loan was issued until the final due date of the note. The average number of months for the repayment of the 2,044 university loans was 14.9 months.

Table 3 is an analysis of University of Michigan student loan recipients according to the degrees toward which they were working at the time application was made for a loan. The first variable showed that a greater number of undergraduate students received grant assistance, although the mean amount was less than the average indicated in Table 2. This is in accord with the unwritten policy that grant assistance for undergraduates is limited to an average which approximates in-state tuition charges.

The average income and expense estimates of the undergraduate was understandably lower than the graduate and professional student who was faced with higher tuition charges and was, in a number of cases, married. The necessity of a loan by the student pursuing the doctorate appeared to be contradictory since the budget did not show a deficit. Based on the amount of the loan received, $310, and the terms of repayment, 9.1 months, a possible explanation could be that a number of these borrowers were also teaching fellows who requested short-term loans amounting to a month's salary to tide them over until their pay checks began for the fall term.

TABLE 3

ANALYSIS OF STUDENT BORROWERS
BY DEGREE CANDIDACY[a]

Degree	N	$\bar{X}$	SD	Degree	N	$\bar{X}$	SD
	University Grant				Income		
Bach.	63	$ 393	$ 374	Bach.	896	$1,327	$1,046
Mast.	13	408	361	Mast.	371	1,921	1,456
Doct.	10	717	936	Doct.	221	2,746	1,801
Spec.	0	0	0	Spec.	1	810	0
Certif.	0	0	0	Certif.	10	1,431	998
DDS	5	410	143	DDS	104	2,571	1,323
MD	6	392	54	MD	197	2,323	1,536
LLB	0	0	0	LLB	2	1,350	212
NCFD	2	70	42	NCFD	44	3,022	1,860
	Expense				Hours of Employment		
Bach.	916	$1,656	$ 897	Bach.	215	14.3	8.1
Mast.	380	2,244	1,343	Mast.	66	17.9	8.6
Doct.	223	2,660	1,451	Doct.	14	20.4	8.9
Spec.	1	1,845	0	Spec.	0	0.0	0.0
Certif.	9	1,812	937	Certif.	2	20.0	0.0
DDS	106	3,446	1,481	DDS	9	11.7	6.2
MD	204	3,487	1,437	MD	1	25.0	0.0
LLB	2	1,950	778	LLB	0	0.0	0.0
NCFD	44	3,415	2,141	NCFD	7	18.9	10.0
	Total Outstanding Univ. Loans				Total Outstanding NDEA Loans		
Bach.	90	$ 287	$ 184	Bach.	172	$ 797	$ 598
Mast.	28	328	234	Mast.	58	671	549
Doct.	20	286	327	Doct.	36	795	506
Spec.	0	0	0	Spec.	0	0	0
Certif.	0	0	0	Certif.	0	0	0
DDS	42	1,085	657	DDS	36	961	478
MD	118	1,489	927	MD	39	1,464	1,004
LLB	1	2,300	0	LLB	0	0	0
NCFD	8	1,005	994	NCFD	8	1,121	1,214

[a]Series I, Run B.

TABLE 3 (Continued)

Degree	N	$\bar{X}$	SD	Degree	N	$\bar{X}$	SD
	Total Outstanding State Loans				Total Outstanding Private Loans		
Bach.	30	$1,229	$ 654	Bach.	52	$ 781	$ 731
Mast.	11	1,374	1,260	Mast.	39	1,141	1,259
Doct.	4	1,013	517	Doct.	19	1,097	990
Spec.	0	0	0	Spec.	0	0	0
Certif.	0	0	0	Certif.	0	0	0
DDS	1	100	0	DDS	18	1,327	1,354
MD	0	0	0	MD	40	1,862	1,411
LLB	0	0	0	LLB	0	0	0
NCFD	0	0	0	NCFD	11	2,561	1,908
	First University Loan, 1964-65				Subsequent University Loans		
Bach.	1,060	$ 235	$ 166	Bach.	171	$ 236	$ 175
Mast.	402	379	387	Mast.	91	347	221
Doct.	243	310	225	Doct.	39	361	221
Spec.	1	100	0	Spec.	0	0	0
Certif.	10	245	117	Certif.	2	213	53
DDS	108	569	293	DDS	35	487	207
MD	206	822	307	MD	36	624	393
LLB	2	600	566	LLB	0	0	0
NCFD	46	375	268	NCFD	8	501	305
	Months for Repayment						
Bach.	1,060	6.8	5.7				
Mast.	402	12.3	10.9				
Doct.	243	9.1	8.6				
Spec.	1	23.0	0.0				
Certif.	10	8.7	3.3				
DDS	108	34.6	22.0				
MD	206	54.3	14.9				
LLB	2	33.5	37.5				
NCFD	46	25.8	24.3				

Out of the 1,060 bachelor's candidates, 215 or approximately 20 percent who had student loans were also employed. This was twice the percentage of graduate and professional students in the sample who worked and had university loans; however, the average number of work hours per week for the undergraduate was approximately four hours less per week.

The next four variables were concerned with the existing debts of students who borrowed from the university. At the date of application students indicated current outstanding loans as shown in the percentages contained in Table 4.

The greatest percentage of undergraduate and graduate students had current debts to the federal government (NDEA) and then to the university, whereas the greatest percentage of professional students showed a current debt to the university and then to the NDEA. The small sampling for the law students could be explained by the fact that in the majority of cases these students were assisted through funds from their own school. The information on outstanding debts obtained from the applications did not specify if the aid was negotiated to assist with current or past educational expenses. At any rate, careful budgets and the approval of loans in realistic amounts would relieve duplication and lessen the necessity

TABLE 4

PERCENT ANALYSIS OF OUTSTANDING LOANS AT TIME OF APPLICATION

Level	Loan Sources by Percents			
	University	NDEA	State	Private
Bachelor's	8	16	2	4
Master's	6	14	2	9
Doctorate	8	14	1	7
Specialist	0	0	0	0
Certificate	0	0	0	0
DDS	38	33	0	16
MD	57	19	0	19
LLB[a]	-	-	-	-
NCFD	17	17	0	23

[a]Sampling too small to be reliable.

of the student having to shop for adequate funds to meet the cost of an education.

The largest university loans with the longest repayment period were granted to the medical and dental students, who showed the biggest deficits in their budgets. They did not appear to negotiate for the amount that they needed when the difference between their income and expenses was observed in Table 3. Perhaps their outstanding debts served as a deterrent. The fact that a number of students returned for additional loans during the year could mean an emergency situation; it could also be the result of unrealistic budget estimates which could have been resolved in the initial interview.

The smallest university loans with the shortest repayment period were granted to the undergraduates. This supports prevalent policy that university loans were a short-term supplementary type of assistance.

The 1964-65 University of Michigan enrollment figures issued by the university's Office of Institutional Research gave a total of 17,814 undergraduate students, 5,108 master's candidates, 2,750 Ph.D. candidates, and 3,431 graduate-professional students, the latter including dentistry, law, medicine, public health, and social work.[1]

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[1]Table 112.11, Enrollment in Michigan State-Supported Institutions by Class Level, Fall Semester, 1964-1965, The University

Figured in relation to the number of first university loans for that year, the results showed that 5 percent of the undergraduates, 7 percent of the master's candidates, 8 percent of the Ph.D. candidates, and 9 percent of the graduate-professional students took advantage of the university loan funds to assist in meeting their educational costs.

In considering the findings in Table 5, the data showed that a student's marital status had no relationship to the possibility of obtaining grant assistance or the amount that was received. The sampling for the divorced, separated, and widowed groups was too small to make a comparison.

The budgets of the single and married students demonstrated an approximate need for a $400 loan, which might appear incongruous. Even though the income and expenses of the married student were greater than those of the single student, the deficit was probably narrowed through the wife's employment and the availability of fellowship opportunities on the graduate level. With the first loan application the single student borrowed less than his need demonstrated with a shorter repayment plan, while the married student

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of Michigan Statistical Reference Book (3d ed.; Ann Arbor: The University of Michigan Office of Institutional Research).

TABLE 5

MARITAL STATUS OF STUDENTS ISSUED UNIVERSITY LOANS[a]

Marital Status	N	$\bar{X}$	SD	Marital Status	N	$\bar{X}$	SD
	University Grant				Income		
Single	72	$ 415	$ 495	Single	1,308	$1,376	$ 977
Marr.	26	445	275	Marr.	522	3,010	1,777
Div.	1	475	0	Div.	12	2,600	1,196
Sep.	0	0	0	Sep.	5	1,599	1,290
Wid.	0	0	0	Wid.	1	1,265	0
	Expense				Hours of Employment		
Single	1,341	$1,783	$ 904	Single	251	14.3	6.0
Marr.	528	3,412	1,718	Marr.	53	19.0	10.6
Div.	12	2,850	1,076	Div.	3	23.3	15.3
Sep.	5	1,695	1,211	Sep.	3	13.3	2.9
Wid.	1	1,280	0	Wid.	0	0	0
	Total Outstanding University Loans				Total Outstanding NDEA Loans		
Single	184	$ 738	$ 822	Single	243	$ 852	$ 678
Marr.	118	1,133	871	Marr.	101	937	697
Div.	3	812	1,032	Div.	2	725	318
Sep.	0	0	0	Sep.	2	650	212
Wid.	0	0	0	Wid.	0	0	0

[a]Series I, Run C.

TABLE 5 (Continued)

Marital Status	N	$\bar{X}$	SD	Marital Status	N	$\bar{X}$	SD
Total Outstanding State Loans				**Total Outstanding Private Loans**			
Single	34	$1,242	$ 894	Single	106	$1,077	$1,111
Marr.	12	1,234	538	Marr.	73	1,634	1,454
Div.	0	0	0	Div.	1	350	0
Sep.	0	0	0	Sep.	0	0	0
Wid.	0	0	0	Wid.	0	0	0
First University Loan, 1964-65				**Subsequent University Loans**			
Single	1,509	$ 318	$ 306	Single	272	$ 293	$ 228
Marr.	551	446	303	Marr.	107	465	276
Div.	12	416	324	Div.	2	475	389
Sep.	6	229	138	Sep.	2	163	18
Wid.	1	80	0	Wid.	0	0	0
Months for Repayment							
Single	1,509	12.4	16.1				
Marr.	551	21.6	21.3				
Div.	12	16.2	17.3				
Sep.	6	11.8	7.1				
Wid.	1	5.0	0.0				

borrowed an average of $446 and had an additional 9.2 months to repay the amount. With either group the necessity for additional aid through the year was experienced by both single and married students at very closely the same proportion. The divorced, separated, and widowed students borrowed more than their need indicated; however, the sampling was too small to be reliable.

From the 1964-65 statistics on student enrollment a total number of 5,921 married students and a total of 21,429 single students were accounted.[1] On the basis of the number of married and single students who received university loans during the year, it could be determined that 8 percent of the married students and 7 percent of the single students received assistance through university funds.

Out of the 1,509 single students with university loans, 251 or 16 percent worked an average of 14.3 hours per week; and out of the 551 married students with university loans, 53 or 9 percent worked 18.9 hours per week; one-fourth of the sampling of divorced

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[1] Table 145.211, The University of Michigan, Information, Distribution by Type of Housing and Marital Status, Men, Fall Semester, 1964-1965; Table 145.212, The University of Michigan, Information, Distribution by Type of Housing and Marital Status, Women, Fall Semester, 1964-65, The University of Michigan Statistical Reference Book (3d ed.; Ann Arbor: The University of Michigan Office of Institutional Research).

were employed; and one-half of the married students who were separated.

By adding the total number of single students who noted outstanding educational debts on their loan applications and dividing the total by the number who received the first university loan, it was determined that 37 percent of the single students were already in debt for their education as compared to 54 percent of the total of the remaining three marital groups which included the largest number of graduate students who assumed the greater debts to continue with advanced degrees.

Tables 6, 7, and 8 include the t-ratio computed in relation to each variable, in addition to the number of cases, the mean, and the standard deviation. Since the three runs of this second series consisted of only two groups each, the t test was employed to determine the significance of their computed means.

University students regardless of their residence status took advantage of the student loan funds, for 7 percent of the Michigan students and an equal percentage of non-Michigan students were issued loans. The estimate was derived by the number in both groups who received loans as shown in Table 6 in relation to the 21,205 in-staters and the 7,898 out-of-staters admitted for the fall term of

TABLE 6

RESIDENCY STATUS OF STUDENTS ISSUED UNIVERSITY LOANS[a]

Residency Status	N	$\bar{X}$	SD	t
University Grant				
Michigan resident	71	$ 381	$ 412	
Michigan nonresident	29	514	508	-1.37
Income				
Michigan resident	1,336	$1,687	$1,411	
Michigan nonresident	516	2,231	1,491	-7.32*
Expense				
Michigan resident	1,366	$2,142	$1,427	
Michigan nonresident	525	2,483	1,251	-4.81*
Hours of Employment				
Michigan resident	249	15.3	8.5	
Michigan nonresident	64	15.9	7.8	-0.47
Total Outstanding University Loans				
Michigan resident	258	$ 904	$ 868	
Michigan nonresident	49	800	825	0.77

[a]Series II, Run A.

*Significant at the 5 percent level.

TABLE 6 (Continued)

Residency Status	N	$\bar{X}$	SD	t
Total Outstanding NDEA Loans				
Michigan resident	283	$ 887	$ 709	
Michigan nonresident	68	821	549	0.71
Total Outstanding State Loans				
Michigan resident	24	$ 957	$ 464	
Michigan nonresident	22	1,549	990	-2.63*
Total Outstanding Private Loans				
Michigan resident	134	$1,265	$1,327	
Michigan nonresident	44	1,427	1,182	-0.72
First University Loan, 1964-65				
Michigan resident	1,496	$ 357	$ 290	
Michigan nonresident	588	335	355	1.43
Subsequent University Loans				
Michigan resident	265	$ 336	$ 239	
Michigan nonresident	117	353	287	-0.60
Months for Repayment				
Michigan resident	1,496	16.5	19.3	
Michigan nonresident	588	10.5	13.3	6.88*

*Significant at the 5 percent level.

1964.[1] The reader should keep in mind that these figures include the Flint and Dearborn campuses which, if excluded, would weight the percentage in favor of the out-of-state group.

In the residency breakdown presented in Table 6, 3 percent of the 2,084 students with university loans for 1964-65 received grants, 3 percent of the Michigan borrowers received grants averaging $381, and 4 percent of the Michigan nonresidents had grants which averaged $514; the difference, as explained previously, was accounted for by the tuition increase for the out-of-state students as compared to the in-state students. Based on the number of cases, for the difference between the means to be significant at the 5 percent level of confidence the t must be 1.98 or greater. Table 6 shows that the obtained t was -1.37, hence attributing the difference in the means between the two groups to chance, indicating that residency status had little bearing on the amount of a grant received.

As expected, the nonresidents averaged higher incomes and expenses than the Michigan students, and the indication from their deficit is that they came better prepared to finance the academic

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[1] Table 144, The University of Michigan, Distribution of Students by Home States and Countries, Fall Semester, 1964-65, The University of Michigan Statistical Reference Book (3d ed.; Ann Arbor: The University of Michigan Office of Institutional Research).

year although the additional income could have been made up from scholarships or loans. The marital status of students would be an important factor in these totals. Since there was only a difference of $341 between the expenses of the two groups and the average budget of the single student given in Table 3 was somewhat lower, one would assume that the majority of the married students held residency status. Since the t-test must be 1.98 or greater at the 5 percent level of confidence, the obtained t of -7.32 with the second variable (income) and -4.81 with the third variable (expense) indicated that the difference between the means was significant since it is assumed that students who are seeking loans to assist with their education would have expense estimates within a range of reasonableness and an income estimate to help meet those expenses.

It would seem reasonable to suppose that because of the additional costs a larger number of out-of-state students would work at part-time jobs; however, 15 percent of the 2,084 students indicated on their 1964-65 university loan applications that they were employed. Of this number, 16 percent of the Michigan students held jobs, as did 10 percent of the nonresident students. Both groups worked comparable numbers of hours. A number of explanations can be offered: the out-of-stater was academically highly qualified and, no doubt, had continuously been the type of student who envisioned

a college education and started financial preparations early, assisted by parents who shared these educational aspirations for their child; some students earned distinguished academic records which precluded part-time jobs in order to maintain scholarship assistance that they had received; in some areas of the country and in certain types of work summer jobs could be more lucrative for some students than for others, eliminating the need to work during the regular sessions; and, lastly, the existence of loan programs which come closer to making up the deficit in a student's budget than others.

The obtained t was not large enough to indicate a significance between the means of Variable 4 (hours of employment).

Additional assistance followed the pattern of the national defense loan, university, private, and state assistance, in that order. The total number of students borrowing from a state plan was nearly equal in the two categories; yet it is interesting to note the higher average loan of the non-Michigan student as compared to the Michigan student, a fact which emphasized the more generous arrangements of some state plans as compared to others.

The obtained t of -2.63 with the variable concerning outstanding state debts indicated that the difference between the means was significant since, from the size of the numbers involved, the t must be 2.02 or greater at the 5 percent level of confidence. The

indication is that it can be expected that a number of students, though minimal, will assume state loans to assist in financing their Michigan education. None of the other t's involving outstanding university, federal, or private debts were large enough, and the difference must be attributed to chance.

On the first university loan the Michigan student negotiated for less than his need indicated, and the non-Michigan student for more; the former enjoyed nearly six months more to repay the loan than the latter. An explanation is that the out-of-staters would also include foreign students, whose terms of repayment are restricted as compared to those of the citizen student. The only obtained t that was significant at the 5 percent level of confidence for the last three variables was a score of 6.88 for the repayment period variable, inferring a degree of consistency in the university policy concerning repayment within one year

Although the ratio of men to women at the University of Michigan was less than two to one,[1] between four and five times as many men received university loans as did women students (see Table 7).

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[1]Table 141, The University of Michigan Residence Credit Enrollment, Ratio of Men to Women, Selected Fall Semesters, 1930-1931 to 1964-1965, The University of Michigan Statistical Reference Book (3d ed.; Ann Arbor: The University of Michigan Office of Institutional Research).

TABLE 7

ANALYSIS OF STUDENT BORROWERS BY SEX[a]

Sex	N	$\bar{X}$	SD	t
University Grant				
Male	78	$ 417	$ 366	
Female	21	431	677	-0.13
Income				
Male	1,522	$1,933	$1,465	
Female	327	1,391	1,268	6.20*
Expense				
Male	1,553	$2,347	$1,426	
Female	334	1,728	1,046	7.51*
Hours of Employment				
Male	234	15.6	8.8	
Female	76	14.7	7.3	0.74
Total Outstanding University Loans				
Male	275	$ 912	$ 860	
Female	31	633	829	1.72

[a]Series II, Run B.

*Significant at the 5 percent level.

TABLE 7 (Continued)

Sex	N	$\overline{X}$	SD	t
Total Outstanding NDEA Loans				
Male	275	$ 888	$ 676	
Female	76	823	701	0.74
Total Outstanding State Loans				
Male	36	$1,266	$ 831	
Female	10	1,146	766	0.41
Total Outstanding Private Loans				
Male	157	$1,351	$1,342	
Female	21	983	762	1.23
First University Loan, 1964-65				
Male	1,707	$ 367	$ 324	
Female	374	280	229	4.91*
Subsequent University Loans				
Male	325	$ 348	$ 263	
Female	58	304	200	1.20
Months for Repayment				
Male	1,707	15.5	18.9	
Female	374	11.6	13.0	3.85*

*Significant at the 5 percent level.

The fact was evident not only from current loan statistics but held true with the outstanding debts, for twice as many men already had loans from the university.

The men had larger incomes and expenses, but did not take out noticeably larger loans to meet the difference, considering the fact that they made up the majority of the married and/or graduate student group. The larger incomes were, no doubt, provided by the employment of wives, the better-paying summer positions, and the more generous fellowships and grants at the graduate level.

Of the women in the sample, 5 percent received grants and 20 percent stated they were employed; 4 percent of the men received grants and 13 percent were employed.

More women carried outstanding debts to the government; the men had proportionate debts to the government and to the university.

The t test scores of 6.20 for Variable 2 (income), 7.51 for Variable 3 (expense), 4.91 for Variable 9 (first university loan), and 3.85 for Variable 11 (months of repayment) were significant at the 5 percent level of confidence. With the remaining variables the difference between the means would have to be attributed to chance. The significant t test scores attest to the design of the university loan program--monetary assistance with subsequent repayment based on an estimated deficit between expenses and income.

In Table 8, if a student answered "yes" to having received aid, it meant that financial aid had been received from the university loan funds and/or a national defense loan at some date prior to the current application.

The indication from the number of first university loan recipients was that the activity in university loans was quite evenly distributed between former borrowers and new.

Larger incomes and expenses plus the need for larger loans characterized the budgets of a student who had received previous aid compared to the student who had not been helped through university or federal loans. Of the former group, more received grants, held jobs, and took slightly larger university loans with longer repayment periods. They followed the pattern of resorting largely to federal aid, while the latter group took private loans.

The t-ratio scores of 2.11 for Variable 2 (income), 3.99 for Variable 3 (expense), -2.10 for Variable 7 (outstanding state loan), 2.40 for Variable 9 (first university loan), and 5.99 for Variable 11 (months for repayment) were significant at the 5 percent level of confidence. With the remaining variables the difference between the means would have to be attributed to chance. The significant scores involved the same variables as the significant t-ratio scores in Table 7 with the addition of Variable 7, which was a negative

TABLE 8

ANALYSIS OF STUDENT BORROWERS RELATIVE TO PREVIOUS AID FROM UNIVERSITY FUNDS AND/OR NATIONAL DEFENSE LOANS[a]

Previous Aid	N	$\bar{X}$	SD	t
University Grant				
Received	57	$ 455	$ 499	
Not received	31	373	395	0.79
Income				
Received	930	$1,920	$1,581	
Not received	892	1,776	1,322	2.11*
Expense				
Received	947	$2,372	$1,516	
Not received	912	2,114	1,249	3.99*
Hours of Employment				
Received	165	15.0	7.8	
Not received	139	16.0	9.2	-1.03
Total Outstanding University Loans				
Received	297	$ 898	$ 865	
Not received	5	220	192	1.75

[a]Series II, Run C.

*Significant at the 5 percent level.

TABLE 8 (Continued)

Previous Aid	N	$\bar{X}$	SD	t
Total Outstanding NDEA Loans				
Received	327	$ 881	$ 691	
Not received	16	896	577	-0.08
Total Outstanding State Loans				
Received	26	$1,057	$ 491	
Not received	18	1,565	1,089	-2.10*
Total Outstanding Private Loans				
Received	119	$1,367	$1,379	
Not received	57	1,220	1,098	0.70
First University Loan, 1964-65				
Received	1,022	$ 369	$ 291	
Not received	1,030	336	330	2.40*
Subsequent University Loans				
Received	209	$ 345	$ 276	
Not received	170	341	227	0.13
Months for Repayment				
Received	1,022	17.3	20.3	
Not received	1,030	12.5	15.4	5.99*

*Significant at the 5 percent level.

correlation and as explained formerly that students do assume aid from sources other than the university and the federal government.

Presented in Table 9 are the statistics on enrollment for each school and college in the university for the fall term of 1964, the total number of first university loans as indicated in Table 10, and the resulting percentage of students with loans in relation to the total enrollment of each unit.

Although the data of Table 10 do not discriminate between the marital status, residency status, or degree level of students within units that offer undergraduate and graduate degrees, the information appeared perhaps more pertinent than the other tables. It pointed out that students had the benefit of grant assistance as indicated in Table 11.

In relation to the percentage of students who received grant assistance in addition to student loans, the students from the School of Education not only received the most grants but also the largest.

The information in Table 12 gives the gradation of two-term expenses by school or college, the estimated deficit as demonstrated between the predicted income and expense, and the amount of the loan granted with the first application for a university loan. The small sampling of nursing students could be accounted for by the advent of the 1964 federal loan bill for nursing students. As was stated

TABLE 9

PERCENT OF STUDENT BORROWERS BY SCHOOL OR COLLEGE ENROLLMENT

School or College	Enrollment[a]	No. of First University Loans	Pct. of Total Enrollment with University Loans
Literature, Science and the Arts	9,536	468	4
Graduate (includes Rackham and School of Social Work)	6,920	515	7
Engineering	3,079	254	8
Medicine	1,358	217	15
Education	1,181	104	8
Law	1,075	1	-
Business Administration (includes Master's degree candidates)	1,023	112	10
Architecture and Design	762	77	10
Nursing	734	17	2
Music (includes Master's degree candidates)	677	52	7
Dentistry	450	104	23
Public Health (includes Bachelor's, Master's, and Doctoral candidates)	244	9	3
Natural Resources (includes Master's candidates)	277	20	8
Pharmacy	143	8	5

[a]Table 121.41, The University of Michigan, Residence Credit Enrollment by School and College, Fall Semesters and Summer Sessions, 1939-1940 to 1964-1965, The University of Michigan Statistical Reference Book (3d ed.; Ann Arbor: The University of Michigan Office of Institutional Research).

TABLE 10

ANALYSIS OF STUDENT BORROWERS
BY SCHOOL OR COLLEGE[a]

School or College	N	$\bar{X}$	SD
University Grant			
Architecture and Design	5	$ 265	$ 108
Business Administration	6	842	749
Dentistry	4	413	165
Education	9	855	547
Natural Resources	1	300	0
Medicine	7	359	100
Social Work	2	438	53
Dental Hygiene	0	0	0
Literature, Science and the Arts	32	262	139
Music	1	200	0
Nursing	4	224	179
Law	0	0	0
Pharmacy	0	0	0
Engineering	11	322	127
Rackham	16	567	762
Public Health	0	0	0

[a]Series III, Run A.

TABLE 10 (Continued)

School or College	N	$\bar{X}$	SD
	Income		
Architecture and Design	66	$1,324	$ 804
Business Administration	106	1,634	1,161
Dentistry	100	2,601	1,257
Education	72	1,071	877
Natural Resources	18	2,090	2,075
Medicine	208	2,453	1,593
Social Work	44	2,130	1,373
Dental Hygiene	4	1,362	261
Literature, Science and the Arts	389	1,230	930
Music	43	1,161	773
Nursing	15	1,083	661
Law	1	1,200	0
Pharmacy	6	1,266	915
Engineering	232	1,543	1,206
Rackham	425	2,302	1,652
Public Health	8	2,590	1,421
	Expense		
Architecture and Design	67	$1,701	$ 775
Business Administration	109	2,068	1,164
Dentistry	102	3,491	1,360
Education	76	1,617	830
Natural Resources	18	2,478	2,187
Medicine	215	3,573	1,448
Social Work	44	2,450	1,330
Dental Hygiene	4	1,572	305
Literature, Science and the Arts	397	1,578	774
Music	43	1,569	690
Nursing	15	1,485	671
Law	1	1,400	0
Pharmacy	6	1,581	813
Engineering	231	1,820	971
Rackham	435	2,368	1,372
Public Health	9	2,805	1,270

TABLE 10 (Continued)

School or College	N	$\bar{X}$	SD
Hours of Employment			
Architecture and Design	20	13.6	5.5
Business Administration	23	14.5	6.8
Dentistry	7	9.1	3.3
Education	19	14.3	7.0
Natural Resources	5	16.2	2.3
Medicine	0	0.0	0.0
Social Work	5	14.4	9.1
Dental Hygiene	0	0.0	0.0
Literature, Science and the Arts	103	14.9	10.2
Music	8	15.9	5.6
Nursing	5	12.2	5.8
Law	0	0.0	0.0
Pharmacy	0	0.0	0.0
Engineering	60	14.4	5.7
Rackham	54	19.1	8.4
Public Health	0	0.0	0.0
Total Outstanding University Loans			
Architecture and Design	5	$ 345	$ 120
Business Administration	11	255	156
Dentistry	41	1,038	631
Education	7	318	218
Natural Resources	1	200	0
Medicine	122	1,483	933
Social Work	1	700	0
Dental Hygiene	0	0	0
Literature, Science and the Arts	42	241	151
Music	5	295	142
Nursing	1	50	0
Law	0	0	0
Pharmacy	0	0	0
Engineering	24	369	221
Rackham	36	290	267
Public Health	0	0	0

TABLE 10 (Continued)

School or College	N	$\bar{X}$	SD
Total Outstanding NDEA Loans			
Architecture and Design	10	$ 627	$ 488
Business Administration	10	570	472
Dentistry	36	959	480
Education	19	866	641
Natural Resources	5	806	636
Medicine	39	1,479	993
Social Work	10	708	426
Dental Hygiene	0	0	0
Literature, Science and the Arts	74	796	639
Music	11	811	487
Nursing	7	900	678
Law	0	0	0
Pharmacy	0	0	0
Engineering	41	761	648
Rackham	67	744	559
Public Health	0	0	0
Total Outstanding State Loans			
Architecture and Design	2	$ 500	$ 0
Business Administration	4	1,981	1,835
Dentistry	1	1,000	0
Education	0	0	0
Natural Resources	1	2,000	0
Medicine	0	0	0
Social Work	1	2,550	0
Dental Hygiene	2	1,300	990
Literature, Science and the Arts	12	1,271	590
Music	1	500	0
Nursing	0	0	0
Law	0	0	0
Pharmacy	0	0	0
Engineering	9	1,137	636
Rackham	12	976	539
Public Health	0	0	0

TABLE 10 (Continued)

School or College	N	$\bar{X}$	SD
Total Outstanding Private Loans			
Architecture and Design	3	$ 682	$ 286
Business Administration	11	1,336	1,568
Dentistry	15	1,495	1,427
Education	5	1,079	204
Natural Resources	1	1,360	0
Medicine	45	1,875	1,382
Social Work	6	266	235
Dental Hygiene	1	480	0
Literature, Science and the Arts	25	566	607
Music	6	655	630
Nursing	0	0	0
Law	0	0	0
Pharmacy	0	0	0
Engineering	20	1,154	984
Rackham	31	1,099	962
Public Health	0	0	0
First University Loan, 1964-65			
Architecture and Design	77	$ 237	$ 150
Business Administration	112	338	223
Dentistry	104	593	286
Education	104	237	168
Natural Resources	20	388	263
Medicine	217	812	309
Social Work	44	400	262
Dental Hygiene	5	205	162
Literature, Science and the Arts	468	219	169
Music	52	228	158
Nursing	17	229	142
Law	1	200	0
Pharmacy	8	317	244
Engineering	254	262	165
Rackham	471	333	364
Public Health	9	394	262

TABLE 10 (Continued)

School or College	N	$\bar{X}$	SD
Subsequent University Loans			
Architecture and Design	13	$ 190	$ 139
Business Administration	28	396	248
Dentistry	35	489	205
Education	15	212	108
Natural Resources	2	275	106
Medicine	38	636	385
Social Work	11	309	204
Dental Hygiene	0	0	0
Literature, Science and the Arts	75	219	173
Music	7	371	263
Nursing	3	250	180
Law	0	0	0
Pharmacy	3	143	137
Engineering	39	223	151
Rackham	89	332	208
Public Health	4	431	212
Months for Repayment			
Architecture and Design	77	7.1	5.1
Business Administration	112	11.4	8.6
Dentistry	104	37.1	21.6
Education	104	8.1	5.5
Natural Resources	20	10.3	7.2
Medicine	217	54.1	14.8
Social Work	44	13.6	9.1
Dental Hygiene	5	5.6	1.9
Literature, Science and the Arts	468	6.4	5.5
Music	52	7.9	7.9
Nursing	17	14.4	13.7
Law	1	7.0	0.0
Pharmacy	8	9.9	10.6
Engineering	254	7.0	5.5
Rackham	471	9.8	9.1
Public Health	9	14.7	6.5

TABLE 11

PERCENT OF GRANT RECIPIENTS BY SCHOOL OR COLLEGE AT TIME OF LOAN APPLICATION

School or College	Pct. of Grant Recipients
Education	8
Architecture and Design and Literature, Science, and the Arts	6
Business Administration and Natural Resources	5
Social Work and Engineering	4
Dentistry, Medicine, Nursing, and Rackham	3
Music	1
Dental Hygiene, Law, Pharmacy, and Public Health	0

TABLE 12

TWO-TERM EXPENSES AND PREDICTED DEFICIT BY SCHOOL OR COLLEGE AND UNIVERSITY LOAN GRANTED

School or College	Mean Two-Term Expenses	Mean Predicted Deficit	Mean Loan Granted
Medicine	$3,573	$1,120	$812
Dentistry	3,491	890	593
Public Health	2,805	215	394
Natural Resources	2,478	388	388
Social Work	2,450	320	400
Rackham	2,368	66	333
Business Administration	2,068	434	338
Engineering	1,820	277	262
Architecture and Design	1,701	477	237
Education	1,617	546	237
Pharmacy	1,581	315	317
Literature, Science and the Arts	1,578	348	219
Dental Hygiene	1,572	210	205
Music	1,569	408	228
Nursing	1,485	402	229
Law	1,400	200	200

previously, law students were helped primarily with funds from their own school, and the data were not statistically significance because of the small sample.

The longest terms for repayment of loans were arranged for the medical and dental students, which were also determined through the breakdown by degree, presented in Table 3. Social Work, Nursing, and Public Health borrowers averaged over a year, with the remaining groups having less than twelve calendar months between the date the loan was issued and the final due date for full repayment.

When the total of first university loans was compared to the total number of students who indicated on their applications that they worked, the findings were that 15 percent of these students with university loans were employed. It was interesting to see the breakdown by the individual schools and colleges, of students who worked, although the samplings with some were too small to be reliable (Table 13).

More students borrowed from the federal government than from any other source. Findings showed that 16 percent of the students who had been granted university loans for 1964-65 were in debt to the government, 15 percent to the university, 8 percent to private funds, and 2 percent to state plans. Table 14 presents a

TABLE 13

PERCENT OF EMPLOYED STUDENTS WITH LOANS
BY SCHOOL OR COLLEGE

School or College	Pct. of Employed Students
Nursing	29
Architecture and Design	25
Engineering	23
Literature, Science and the Arts	22
Business Administration	20
Education	18
Music	15
Social Work and Rackham	11
Dentistry	6
Medicine, Dental Hygiene, Law, Pharmacy, and Public Health	Not significant

TABLE 14

ENROLLMENT PERCENT BY SCHOOL OR COLLEGE OF STUDENTS WITH OUTSTANDING FEDERAL AND UNIVERSITY LOANS

Outstanding Federal Loans		Outstanding University Loans	
School or College	Pct. of Students	School or College	Pct. of Students
Literature, Science and the Arts . . .	22	Medical	41
Rackham	20	Literature, Science and the Arts . . .	14
Engineering	12	Dentistry	13
Medicine	11	Rackham	12
Dentistry	10	Engineering	8
Education	5	Business Administration	3
Music, Social Work, Architecture and Design, and Business Administration . .	3	Architecture and Design, Education, and Music	2
Nursing	2	Natural Resources, Social Work, Dental Hygiene, Nursing, Law, Pharmacy, and Public Health . .	0
Natural Resources .	1		
Dental Hygiene, Law, Pharmacy, and Public Health	0		

breakdown of the federal and university outstanding debts of students enrolled by school and college.

Table 15 shows that 1947 students at the University of Michigan who were citizens of the United States with loans borrowed an average amount of $350 to cover a need of $503, and 18 percent of the original number of applicants received additional loans averaging $337. To supplement their budget 4 percent of the borrowers received grant assistance, and 15 percent worked. In addition to the loans granted with the applications, 15 percent already owed an average loan of $902 to the university, 17 percent averaged a debt of $873 to the government, 2 percent owed an average of $1,240 on a state loan, and 8 percent were indebted $1,277 to private funds.

The sampling in Table 15 is logically askew. The information on the very small sampling of students with immigrant status who held university loans was not dissimilar to the student who was a citizen, although their loans were slightly higher to compensate for a higher budget since most were out-of-staters, with 14 percent returning for additional aid during the year. The same percentage worked part-time jobs, had outstanding loans to the university, and owed loans to private sources. Since they were eligible for NDEA loans, 21 percent took advantage of this available means.

TABLE 15

CITIZENSHIP STATUS OF STUDENTS ISSUED UNIVERSITY LOANS[a]

Citizenship Status	N	$\bar{X}$	SD
University Grant			
United States citizen	86	$ 389	$ 407
Immigrant	0	0	0
Alien	14	608	610
Income			
United States citizen	1,728	$1,797	$1,459
Immigrant	14	1,767	1,473
Alien	115	2,501	1,247
Expense			
United States citizen	1,762	$2,220	$1,414
Immigrant	14	2,301	1,607
Alien	120	2,519	1,049
Hours of Employment			
United States citizen	298	15.5	8.6
Immigrant	2	13.0	9.9
Alien	13	15.0	3.6
Total Outstanding University Loans			
United States citizen	295	$ 902	$ 864
Immigrant	2	1,125	1,237
Alien	10	404	601

[a]Series III, Run B.

TABLE 15 (Continued)

Citizenship Status	N	$\bar{X}$	SD
Total Outstanding NDEA Loans			
United States citizen	348	$ 873	$ 683
Immigrant	3	1,000	400
Alien	0	0	0
Total Outstanding State Loans			
United States citizen	46	$1,240	$ 811
Immigrant	0	0	0
Alien	0	0	0
Total Outstanding Private Loans			
United States citizen	168	$1,277	$1,304
Immigrant	2	1,200	283
Alien	10	1,680	1,077
First University Loan, 1964-65			
United States citizen	1,947	$ 350	$ 282
Immigrant	14	380	192
Alien	129	358	595
Subsequent University Loans			
United States citizen	356	$ 337	$ 244
Immigrant	2	410	127
Alien	26	388	377
Months for Repayment			
United States citizen	1,947	15.5	18.4
Immigrant	14	9.9	6.1
Alien	129	4.7	5.2

The alien student's budget suggested a lack of need for a loan. The fact remained that 129 alien students received university loans with repayment arrangements that suggested these were short-term convenience-type loans to cover the delay of a government scholarship or stipend. Ten percent of the foreign students received substantial grants to supplement their incomes, and 10 percent worked at part-time jobs. Since federal and state loans were not available to the noncitizens, 7 percent of this group borrowed from the university, and 7 percent borrowed an average of four times as much from private funds as the university average.

For the fall semester of 1964, information from the university's Office of Institutional Research gave 875 students from foreign countries enrolled at the university, and 28,228 from Michigan and other states and United States territories; figured in relation to the number of first university loans, 14 percent of the former group borrowed as compared to 6 percent of the latter.

Table 16 shows that the nonworking student with the university loan took out a larger loan to assist with the largest deficit of any of the working groups, subsequently owed a larger loan than any of the working students, was second only to the university fellow for debts to state and private programs, and was third to nonuniversity employees and university instructors in outstanding university

TABLE 16

EMPLOYMENT ANALYSIS OF STUDENTS ISSUED UNIVERSITY LOANS[a]

Employment Status	N	$\bar{X}$	SD
University Grant			
University instructor	1	$ 40	$ 0
University teaching fellow	3	178	89
University assistantship	6	232	109
University hourly	17	306	135
Nonuniversity	21	473	657
Not employed	33	505	484
Income			
University instructor	12	$2,631	$2,512
University teaching fellow	106	3,131	1,677
University assistantship	110	2,367	1,469
University hourly	347	1,600	1,261
Nonuniversity	355	1,769	1,447
Not employed	863	1,768	1,417
Expense			
University instructor	12	$2,981	$2,193
University teaching fellow	105	3,263	1,762
University assistantship	111	2,381	1,164
University hourly	348	1,972	1,209
Nonuniversity	355	2,183	1,401
Not employed	899	2,245	1,388

[a]Series III, Run C.

TABLE 16 (Continued)

Employment Status	N	$\bar{X}$	SD
Hours of Employment			
University instructor	1	10.0	0.0
University teaching fellow	2	20.0	0.0
University assistantship	15	20.3	9.0
University hourly	188	14.2	6.1
Nonuniversity	96	16.8	11.6
Not employed	0	0.0	0.0
Total Outstanding University Loans			
University instructor	1	$1,425	$ 0
University teaching fellow	16	642	869
University assistantship	13	717	1,056
University hourly	59	717	830
Nonuniversity	61	1,033	915
Not employed	149	936	837
Total Outstanding NDEA Loans			
University instructor	4	$ 594	$ 401
University teaching fellow	17	707	418
University assistantship	19	881	541
University hourly	70	842	642
Nonuniversity	65	849	703
Not employed	155	942	757
Total Outstanding State Loans			
University instructor	1	$ 700	$ 0
University teaching fellow	1	1,500	0
University assistantship	2	369	44
University hourly	13	1,144	644
Nonuniversity	8	1,094	765
Not employed	18	1,449	959

TABLE 16 (Continued)

Employment Status	N	$\bar{X}$	SD
Total Outstanding Private Loans			
University instructor	1	$ 126	$ 0
University teaching fellow	20	1,746	1,648
University assistantship	14	860	543
University hourly	30	1,074	1,097
Nonuniversity	23	1,185	1,283
Not employed	83	1,463	1,362
First University Loan, 1964-65			
University instructor	13	$ 269	$ 197
University teaching fellow	114	334	237
University assistantship	114	311	228
University hourly	371	304	228
Nonuniversity	382	331	259
Not employed	993	394	366
Subsequent University Loans			
University instructor	3	$ 483	$ 29
University teaching fellow	26	314	239
University assistantship	22	290	200
University hourly	74	341	287
Nonuniversity	84	339	216
Not employed	163	359	272
Months for Repayment			
University instructor	13	13.7	18.0
University teaching fellow	114	16.5	18.7
University assistantship	114	10.2	12.9
University hourly	371	12.1	14.9
Nonuniversity	382	15.0	18.5
Not employed	993	16.8	19.5

loans. Approximately 3 percent of the unemployed sample received grants larger than any other group in the breakdown. Based on the analysis by school or college, the nonworking student group would be largely made up of the graduate-professional students.

To reclarify the significance of the graduation date presented in Table 17, the reader should be reminded that this study was concerned only with university student loans for the fiscal year from July 1, 1964, through June 30, 1965. Since there was no graduation at the termination of the summer term during the period which this study covered, the December graduation would be the only one for the year 1964. This date was recorded as the graduation date of all classifications of students: undergraduate, graduate, professional, and certificate candidates.

Because of decreasing funds, or more realistic estimates of costs, or both, the need for financial assistance appeared to increase with each year that approached the graduation date, for more loans and more grants were issued with each successive year. Total budget estimates showed a deficit which ranged from $243 as a minimum to $386 as a maximum. The estimate for the 1964 graduation applicant would involve only a one-term budget. In all groups except 1969, where the sampling was very small, the amount the students borrowed averaged approximately $50 less than their need

TABLE 17

ANALYSIS OF STUDENT BORROWERS BY EXPECTED YEAR OF GRADUATION[a]

Year	N	$\bar{X}$	SD	Year	N	$\bar{X}$	SD
	University Grant				Income		
1964	9	$ 462	$ 295	1964	132	$1,007	$1,130
1965	38	497	615	1965	803	1,900	1,405
1966	29	403	355	1966	497	1,900	1,513
1967	11	327	193	1967	268	1,864	1,504
1968	10	298	149	1968	97	1,768	1,106
1969	0	0	0	1969	4	527	546
1970	3	212	164	1970	57	2,493	1,888
	Expense				Hours of Employment		
1964	132	$1,261	$ 801	1964	24	18.0	17.1
1965	820	2,295	1,384	1965	134	15.3	7.2
1966	510	2,348	1,437	1966	99	14.6	6.9
1967	272	2,291	1,299	1967	39	15.6	7.9
1968	102	2,095	1,054	1968	10	14.4	6.4
1969	4	728	638	1969	0	0.0	0.0
1970	57	2,834	2,137	1970	8	21.4	8.2
	Total Outstanding University Loans				Total Outstanding NDEA Loans		
1964	28	$ 361	$ 313	1964	34	$ 612	$ 492
1965	117	1,109	1,074	1965	131	894	713
1966	113	872	727	1966	110	972	669
1967	35	680	425	1967	49	762	610
1968	4	188	138	1968	17	880	639
1969	0	0	0	1969	1	600	0
1970	10	938	929	1970	9	1,006	1,163

[a]Series IV.

TABLE 17 (Continued)

Year	N	$\bar{X}$	SD	Year	N	$\bar{X}$	SD
	Total Outstanding State Loans				Total Outstanding Private Loans		
1964	8	$1,229	$ 684	1964	9	$ 717	$ 788
1965	22	1,462	945	1965	76	1,378	1,376
1966	9	922	656	1966	55	1,258	1,260
1967	6	1,008	544	1967	27	1,291	1,043
1968	1	700	0	1968	4	1,121	1,153
1969	0	0	0	1969	0	0	0
1970	0	0	0	1970	9	1,561	1,833
	First University Loan, 1964-65				Subsequent University Loans		
1964	141	$ 311	$ 184	1964	16	$ 262	$ 159
1965	880	352	327	1965	177	331	207
1966	561	371	322	1966	110	407	340
1967	297	386	323	1967	58	300	207
1968	141	261	238	1968	15	214	223
1969	6	243	197	1969	0	0	0
1970	65	304	212	1970	8	351	141
	Months for Repayment						
1964	141	8.5	5.9				
1965	880	13.7	15.7				
1966	561	17.3	20.4				
1967	297	19.0	22.5				
1968	141	7.8	12.7				
1969	6	4.0	3.9				
1970	65	18.1	21.6				

indicated, with the longest-term loans going to the 1970 group, which would be comprised solely of graduate students.

The necessity for additional assistance was experienced by 11 percent of the 1964's, 20 percent of the 1965's, 19 percent of the 1966's, 19 percent of the 1967's, 10 percent of the 1968's, and 12 percent of the 1970's; the sampling for the 1969's was too small to be reliable.

The largest number of university loans went to the students who stated a 1965 graduation date, with the total decreasing with the succeeding years. The percentage of employed students declined also except for a slight rise between the 1965 and 1966 groups, 15 percent to 17 percent.

An examination of the outstanding loan debts of students corroborates previous findings that the greatest number of students regardless of their graduation date had federal, university, private, and state loans, in that order.

The correlations which appear in Table 18 show that all the variables in this study are associated, to a degree. The greatest degree of positive relationship (.851) exists between Variable 2 (income) and Variable 3 (expense). An explanation of why the correlation was not higher may be due to the fact that not all requests for university loans demonstrated gaps between expense and income

TABLE 18

INTERCORRELATIONS OF THE ELEVEN VARIABLES WITH MEANS AND STANDARD DEVIATIONS[a]

Variable[b]	Variable[b]										
	1	2	3	4	5	6	7	8	9	10	11
1											
2	.196										
3	.098	.851									
4	.237	.307	.178								
5	-.096	.256	.384	-.286							
6	-.133	.027	.104	-.089	.174						
7	-.318	.237	.019	.116	.023	-.096					
8	-.228	.322	.358	.057	.310	.330	-.495				
9	.036	.101	.299	-.103	.427	.213	.368	.266			
10	.020	.248	.417	-.119	.508	.306	.143	.182	.442		
11	.065	.187	.455	-.103	.635	.242	.009	.376	.627	.507	
$\bar{X}$	$420	$1840	$2239	15.4	$887	$874	$1240	$1299	$351	$341	14.8
SD	444	1460	1397	8.4	861	681	811	1287	310	254	18.0

[a]Series V.

[b]List of variables: (1) University grant; (2) Income; (3) Expense; (4) Hours of employment; (5) Total outstanding university loans; (6) Total outstanding NDEA loans; (7) Total outstanding state loans; (8) Total outstanding private loans; (9) First university loan, 1964-65; (10) Subsequent university loans; (11) Months for repayment.

but were merely convenience loans to fill a temporary lag in funds which were altogether adequate. The greatest degree of negative relationship (-.495) appeared between Variable 7 (outstanding state loans) and Variable 8 (outstanding private loans). This can be explained by the fact that if a student already held a loan obtainable through a state program it was unlikely that this same student would also hold one from a private loan fund.

A substantial relationship existed between Variable 11 (months for repayment) and Variable 5 (outstanding university loan) and Variable 9 (first university loan), .635 and .627, respectively, demonstrating a consistency in the number of months a student has to repay a university loan and the amount already held in outstanding university loans. The medical and dental students are an example, for they received the largest loans, with the longest repayment period, and were the students who carried a large share of the outstanding loans from university funds.

Variable 9 (first university loan) bore a relationship to Variable 5 (outstanding university loan) of .427, for the factors which necessitate a university loan appear to be repetitive or constant.

Variable 10 (subsequent university loan), showed a correlation of .417 with Variable 3 (expense), of .508 with Variable 5

(outstanding university loans), and of .442 with Variable 9 (first university loan), for the need for an additional loan would certainly be dependent upon the first university loan negotiated on the original estimate for expenses. Again the professional student falls into this category with the largest loans, greatest debt, and the highest expenses. In a number of instances, as was stated earlier in the study, the subsequent loan category included students whose loans were divided between the two terms. The fall loan was counted as the original loan, the winter portion as the subsequent loan.

Variable 11 (months for repayment) showed a correlation of .455 with Variable 3 (expense), and of .507 with Variable 10 (subsequent university loan). Again, the student with the longest repayment had the greatest expense and the need for additional loans. Coefficients that lie between 400 and 599 could be expressed as demonstrating a moderate relationship between variables; those between 200 and 399, only slight.

In summary, on the basis of the statistical analysis of the 1964-65 activity in student loans, it can be stated that students, regardless of citizenship, residency, sex, marital status, school or college, year of graduation, previous aid, or employment borrowed from the university's funds.

The profile of an average student who borrowed can be described as an undergraduate single male citizen with an even chance of being a resident of the state and a previous borrower with no outstanding debts. His income, which was not supplemented by a grant or a part-time job, averaged $1,840, and expenses were $2,239. The loan for which he negotiated amounted to $351, with 14.8 months to repay.

Of interest is the delineation indicated by the data of the limits of differentiation between loan applicants about whom this study has particular concern.

CHAPTER IV

CONCLUSIONS AND RECOMMENDATIONS FOR THE FUTURE ADMINISTRATION OF THE STUDENT LOAN PROGRAM AT THE UNIVERSITY OF MICHIGAN

Conclusions

Hypothesis 1. A definitive statement of philosophy relative to the operations of the financial aid program does not exist.

A review of the three major administrative actions pertaining to the student loan program revealed that the organization plans proposed in 1923 were concerned with the administration of the funds. In 1933, the majority of the proposals were still structural and procedural although one statement introduced an element of student eligibility with the "no distinctions" clause of "sex, race, religion, or course of study" and another stated the committee's concern about the applicant's "habits" and "industry." Of the ten policies approved by the Board of Regents in 1957, three pertain again to student eligibility--"currently enrolled," "need," and a "faculty recommendation"--and the primary objective of the 1960

proposals, which have not been acted upon by the regents, was the organization of a central loan office.

The historical search of student loan policies revealed a greater concern for the administration of funds and the collection of loans, and no statement of philosophy relative to the granting of financial assistance to students was identified. Therefore, the initial hypothesis is supported.

Hypothesis 2. Existing policies are not consistent with present practices.

The last action of the Board of Regents concerning student loans occurred in 1957 and is presented in Exhibit 4, pages 37, 38, and 39 of Chapter II. Only the first four of the ten policies which were adopted dealt with the authorization of loans; the remaining six described collection terms. Three of the four policies involved the positions of the dean of men and the dean of women, neither of which has been appointed since July 1, 1962. The situation has affected half of the membership of the University Committee on Student Loans which is charged with the administration of all loan funds, application procedures, and approval of loans.

Policy two is consistent with present practice since the loan applicant is required to present the official identification card, obtainable only upon enrollment, in order to obtain loan money.

Exceptions are made if the student has established an academic record. Since this study was not designed to explore this policy, the statement is substantiated only through observation.

Policy three reveals other discrepancies, for parental approval is no longer required for loans of $50 or less and faculty recommendations no longer accompany loan requests, which interestingly dissolves the last vestiges of faculty involvement in the granting of university loans.

In summary, it is reasonable to state that policies one, three, and four are not consistent with present practices since student loan funds continue to be administered despite the voids in the membership of the committee; application procedures have become centralized and approval delegated to financial aid personnel.

In 1960 the University Committee on Student Loans approved policies for the student loan program which have never been officially authorized by the regents, but which generally have regulated the administration of the student loan funds since that date. There were twelve of these policies.

The first policy further diminished the membership of the University Committee on Student Loans by removing the secretary of the university from the committee; furthermore, the authority for the approval of loans was transferred to a central loan office with

approval determined by the policies adopted by the committee which retained this function.

The second policy established the central loan office within the Office of the Dean of Men, an office which has had no appointed head in the past four years.

This study was not designed to investigate the assigning of funds; however, the latter part of the third policy which dealt with the issuance of loans "in accordance with the rules and regulations adopted by the Board of Regents" has, in large part, been neglected.

The fourth policy is more consistently practiced under the 1957 policy than as presented in 1960 since exceptions have been made and loans granted to students who were not enrolled at the time but who had established an academic record.

The fifth and sixth policies are practiced with the exceptions of some schools in the university which have acquired the interviewing and approval of loans for their respective students; however, the issuance of these loans still remains in the central loan office.

The seventh policy presents the greatest range for individual interpretation relative to the concept of what constitutes "real need," "sense of financial responsibility," "ability to repay," and "pattern of conduct."

The statistics in Table 3, page 66 in Chapter III, demonstrate the consistency of the eighth policy, for the 1,060 bachelor's degree candidates received university loans which averaged $235, with an average of 6.8 months to repay. The same statistics show from the standard deviation that loans which amount to quite a bit more than $235 were granted and with more liberal terms for repayment. The same practice holds true for the professional students; however, the factors of "degree program" and "professional objectives" might well be challenged in defense of "other graduate students."

The remaining four policies about the terms and collection of loans were not of concern to this study.

In summary, it seems reasonable to state that the policies drawn up by the last regentally approved University Committee on Student Loans have, by the turn of events, been rendered quite unrelated to present practices. On this basis, the second hypothesis is substantiated.

Hypothesis 3. A pattern of student borrowers can be defined.

From the statistical data, the profile of an average student who borrowed can be described as a bachelor's degree candidate (Table 3) with a 1965 anticipated graduation date (Table 17), male

(Table 7), single (Table 5), citizen (Table 15), with an even chance of being a resident (Table 6) of the state and a previous borrower (Table 8) with no outstanding debts (Table 4). His income, which was not supplemented by a grant (Table 11) or a part-time job (Table 13), averaged $1,840, and expenses were $2,239; the loan for which he negotiated amounted to $351, with 14.8 months to repay (Table 18). Additional patterns relating to the particular categories can be drawn from a perusal of the data analysis. The third hypothesis is accepted.

Hypothesis 4. The limits of differentiation between loan applicants can be outlined.

The statistics in Chapter III also define the range of differentiation between loan applicants and show that a student can borrow from university funds regardless of sex (Table 7), marital status (Table 5), citizenship (Table 15), residency (Table 6), anticipated degree (Table 3), or graduation date (Table 17). The loan funds are utilized by new applicants as well as by reapplicants (Table 8). In the case of the latter borrower, 57 percent (Table 4) of the medical students have already assumed an outstanding university debt averaging $1,489 (Table 3), 19 percent (Table 4) owe an average of $1,464 (Table 3) to the federal government, and 19 percent (Table 4) owe an average debt of $1,862 (Table 3) to private loan

funds. Table 18 shows in the case of the variables involving income, expense, hours of employment, the amount of university loans and grants, and months for repayment that the standard deviation tended to be large relative to the mean, indicating that there were atypical cases which varied from the profile described in Hypothesis 3. This study has particular concern for these extremes. Hypothesis 4 is accepted.

Hypothesis 5. Directions for future policies can be identified and more closely defined to assist students in financing an education.

The review of the history of university student loans has revealed the periods of administrative action, none of which appears to have been more evidently necessary than the present. In addition to a statement of institutional philosophy relative to the granting of loans, the necessity for regental action authorizing a new administrative structure is evident. Furthermore, the statistical data present supporting evidence of the urgency to adopt definitive objectives and eligibility requirements which are necessary for uniform, equitable operations. Three years of experience and observations in the Office of Financial Aids, together with the historical and statistical data, support the recommendations that follow.

Recommendations

This study of the past and present programs concerning student loans at the University of Michigan directs attention to the need for administrative and procedural revisions, for the changes in the nature and activity of student loans has lessened the reliability of depending upon past practices as a guide to action. As the financial aids program has developed, the scope of responsibility has broadened, making demands beyond the capacities of the original administering group. Expansion becomes necessary; however, the primary purpose remains the realization of the goals that determined the existence of the program in the first place, and its primary function is service.

It is with these goals in mind that the recommendations in this study are presented. The move to expand and revise the administration of the financial aids program is to move closer to the university's realization of its obligation to its students.

One of the general policies on admission to the University of Michigan states:

> The admission of all students is on a selective basis. In University schools and colleges which do not have sufficient facilities to accept all qualified applicants admission becomes competitive and priority is given to the best qualified applicants.[1]

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[1]The University of Michigan Official Publication, General Information, 1964-65, 1965-66 (Ann Arbor: The University), pp. 41-42.

The words selective and qualified suggest that students are picked according to academic competency and have no financial implications; however, the notice of admission is soon followed by the list of housing rates, term fees, deposits, and other charges which in the final outcome will determine who will be attending college.

Not very long ago financing an education was the family's problem; today it has become the interest and concern of all progressive institutions. It has finally been recognized that a plan of financing is as necessary as a plan of study. Even more essential, with the increased availability of financial aid resulting from this recognition, is a clear statement of institutional purpose concerning the administration of student aid in order that objectives are not obscured, energies wasted, and problems left neglected or unsolved. This statement of purpose must be designed within the realm of practicability and will vary according to the peculiarities of each institution.

Change is a significant characteristic of the social organizations of the day, hopefully accompanied by an open-mindedness toward new ideas. In religion it is characterized by a steady growth toward the ecumenical, in politics by a trend toward nonpartisanship, in society toward a new liberalism. Changes have wrought opportunities for individual initiative and are making a deep impression on American education. The changes are extreme because extreme changes are the quickest way to effect any change at all and these are times

of action. These new ideas are radical, but do not antagonize as they might if they did not spring from the basic concept of free inquiry. The chief concern is with the functions of higher education and the work that has to be done. Success may be due to enthusiasm in the cause, to courage which makes for progress, to the capacity to trust and be trusted, and to the good fortune of living at a time when society recognizes the need for change. Success is also due to the powerful social force of higher education entrusted with the profound responsibility of educating the citizens of this country, for society needs thinking that can analyze, evaluate, correct, and improve. The individual should not be a stereotype of his culture, but experience, ideas, and ideals bear scrutiny which is constructive and not fault-finding, negative, or ulterior. This is freedom, a concept of individualism in American education which has been preached more than practiced.

In 1947 the Truman Commission on Higher Education stated:

> The American people should set as their ultimate goal an educational system, in which at no level--high school, college, graduate school or professional school--will a qualified individual in any part of the country encounter any insuperable economic barrier to the attainment of the kind of education suited to his aptitudes and interests.[1]

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[1]Commission on Higher Education, Higher Education for American Democracy, A Report of the President's Commission on Higher Education (Washington, 1947), I, 39.

But the dream did not have much of a chance in becoming a reality until the 1958 National Defense Education Act loan program and the more recent federal bills which have been an incentive for state programs, at last placing an educational goal within reach of many. The University of Michigan is also dedicated toward this goal.

Recommendation 1--statement of philosophy. Prideful of the role that its graduates have earned in the nation and in the world, mindful of its responsibility to the education of an "enlightened citizenry," the University of Michigan admits all academically qualified students to the limit of its facilities and through admission inherently assures each student with a financial need the assistance necessary for the completion of the degree.

Recommendation 2--administration. The seventeen schools and colleges in the University of Michigan are concerned and actively involved in aid to its students through its own student aid funds. In addition, there is the Committee on University Scholarships which awards the great majority of freshman, transfer, and general undergraduate scholarships which are then processed by the University Scholarship Office, a part of the Office of Financial Aids.

Several of the schools also issue loans. The Medical School is an example where a committee has been organized to establish principles and procedures concerned with the administration of these

funds. The Dental School authorizes loans to its students, and the Law School has the benefit of administering generous funds of its own. Furthermore, supplemented by millions of dollars in university and government loan funds, in which all the units have a vested interest, the University Committee on Student Loans, the history of which has been traced in this study, administers loan funds available to all students.

It seems reasonable to state that, in order for the schools, colleges, and the Office of Financial Aids to perform with consistency, an administrative committee should be organized to include in its membership a representative from each academic unit as well as the Office of Financial Aids and the Business and Finance Office. Its purview should be the total area of financial aids, for the situation has grown to the extent that what is needed most is a compilation of principles and a general statement of the philosophy of student aid for the University of Michigan within which the Office of Financial Aids and the schools and colleges can function. The committee could be called the University Committee on Student Aid.

Recommendation 3--objectives. The purpose of the University Committee on Student Aid would not be to dictate rules and regulations of administration, but to agree to a philosophy of student aid for the university and to harmonize procedures and policies

necessary for the implementation of this philosophy. A number of criteria on which the University Committee on Student Aid must be in agreement in order to make policies and design procedures necessary to implement the program follow:

1. A statement of philosophy and purpose governing the University of Michigan student aid program should be adopted.

2. Definitions for each type of financial aid available to students should be decided upon.

3. The types of assistance available to students should be ranked according to priority based on selected eligibility requirements.

4. Eligibility requirements of students to borrow from university funds should be described.

5. An all-university student aid form and procedure for applying for assistance should be adopted.

6. A standard procedure where proof of need is a prerequisite to aid should be decided upon.

7. Combinations of assistance based on a reasonable demonstration of need and the availability of funds should be designed.

8. A reasonable estimate of self-help based on the resources available to the student should be established.

9. The reasonableness of a part-time job in relation to the number of working hours, class hours, grade-point average, and personal and professional advancement should be made uniform.

10. Funds should be specifically allocated to assist in the limiting of the educational debt that a student should have to assume.

11. The desirability of the extension of long-term university loans to undergraduate students when federal funds are depleted should be considered.

12. The possibility of arranging long-term university loans by a plan similar to the national defense loans should be examined whereby loans would be consolidated, interest-free, and a final interview to arrange payment upon graduation or withdrawal.

Recommendation 4--procedures. The allocation of the resources of student aid at the University of Michigan is of serious concern. The dispersion of administration as it now exists creates a need for strong lines of communication between the schools and colleges and the university office. It is necessary for students as well as the academic units in order to assure equitable treatment to insure financial aid to students with demonstrated need, to avoid duplication of awards, and to establish an accounting system for the university and the agencies which contribute to the program.

The Office of Financial Aids was brought about through recommendation of the Reed report mentioned in the historical analysis in Chapter II, placing the functions of dispensing scholarships, grants, and loans--which were formerly in the jurisdiction of the offices of the dean of men and the dean of women, the University Committee on Student Loans, and the Committee on University Scholarships--in the Office of Financial Aids. The change is evident in present office procedures but has not been recognized by any formal action of the Board of Regents.

With the continuous increase in the area of financial aids at the local, state, and national levels the concern of the Office of Financial Aids should be more than the administration of certain funds and should be broadened to include the services necessary to coordinate an efficient program for the university under the jurisdiction of the University Committee on Student Aid.

A primary service and a major need in the area of financial aids at the University of Michigan is a study on the expenses involved in attending this institution and in living in Ann Arbor. Expenses should be broken down realistically by types of living arrangements and marital status for there is a wide difference between the budgets of a single in-state undergraduate who lives in a cooperative and an out-of-state graduate or professional student who

is married and has a family. The statistics in Chapter III corroborate this statement. The intention is not to discourage but to perform a service for students who are unaware of costs and who might have planned differently if they had known.

Table 2 in Chapter III shows that 2,044 students received university loans during the fiscal year 1964-65; 382 or 18 percent of this number returned for additional assistance. Admittedly, the greater number of subsequent loans in January can be accounted for by the loans which were divided between the fall and winter terms and were negotiated in the first interview; however, the subsequent loans for the remaining eleven months were prompted by either emergencies and a change in plans or from inadequate planning. To assist students and financial aid counselors in determining what income is required, a realistic budget would be of great help in reducing the time involved for additional interviews and the clerical costs associated with processing supplementary aid.

Paramount to an equitable processing of most aid applications is an accurate determination of need. The Office of Financial Aids utilizes the College Scholarship Service financial need analysis report in the processing of undergraduate university scholarships and national defense loans. This is a service begun for educational institutions by the College Entrance Examination Board to provide

a standard method of determining the amount a family should be able to pay toward an applicant's college expenses.[1] Whether this method is uniformly adopted or not, some means of financial analysis should be extended to include the processing of all requests for university grants and long-term university loans. For the sake of a uniform student aid program, the University Committee on Student Aid should decide what categories of students should be required to supply this information and which are not, and what alternatives to take if the student or the family refuses to offer it at all.

Due to the diversity of aid within the university, students apply in a variety of places for help, with a minimal amount of referral of cases between offices. An applicant usually inquires at the school or college and/or the Office of Financial Aids, where a separate application is required for each type of aid: a scholarship application which is reviewed by the University Committee on Scholarships, a loan application which is evaluated by staff members in the loan office of the Office of Financial Aids, and part-time-work applications from two different offices of the university. The one exception is the high-need freshman whose case is processed with

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[1]College Scholarship Service, Manual for Financial Aid Officers (New York: College Entrance Examination Board, 1965), p. 5-1.

one application for a combination of scholarship, grant, loan, and sometimes employment. But in the vast majority of cases the procedure entails separate applications, separate processing, and separate notification. Students are forced to shop around the university for assistance, with some students not faring as well as others, with the outcome having little or no bearing on the original indication of need and in some cases a duplication of awards.

To avoid this situation financial aid applications for all incoming and on-campus students should be obtained from the school or college in which the student is enrolled. Nearly half of the academic units in the university already function according to this procedure. Such contacts assist in the development of a closer relationship of the school with its students, an association which was formerly assumed by the offices of the dean of men and the dean of women. When the application is returned to the school or college it would be processed for financial aid available in that particular school. If the resources are not adequate or the student does not qualify for the specific type of assistance which the school is prepared to offer, the application would be referred to the Office of Financial Aids for consideration for any aid which this office is authorized to administer.

In an attempt to coordinate the Office of Financial Aids and offer new and improved services to the students and the university, several changes have been made. Prior to July 1, 1965, all students who applied for aid from this office were faced with a duplication of applications and subsequent interviews. There was a form for on-campus scholarships, one for a university loan, one for a grant-in-aid, and still another for a national defense loan. As a result of this study a new application was designed to incorporate into one the information from the previous four. In the event that additional aid was needed during the year a shortened supplementary form was also adopted. Copies of both forms can be found in the appendix of this study. Where formerly most cases were handled on a drop-in basis, interview by appointment was begun and financial aid counselors reviewed requests for the best solution to the student's problem, whether it be a loan, grant, or scholarship. The one application and interview saved the student from conceivably having to repeat the process several times before getting any help.

In order to determine how consistent present procedures were with stated policies regarding the granting of loans to students from university funds, computer processing of applications was begun with this study. Its use has become standard office practice extended to include all the student aid administered from this office

as well as scholarships, fellowships, grants-in-aid, awards, and prizes issued from the payroll office, but its use is limited to an end-of-the-year accounting of the dispensation of these funds or the completion of reports to agencies and offices interested in or contributing to the financial aid program at the university.

The data processing for this study pointed out the need to expedite a loan procedure for students whose shortage was moderate and of short duration. A convenience loan program was initiated on July 1, 1965. The application form, reproduced in the appendix of this study, was necessary to acquaint the students with the requisites of the loan and to furnish the data necessary for the typing of the note which is immediately negotiable and the data necessary for office records.

Table 3 shows that the Bachelor's candidate is the only category of student who by amount and repayment period comes closest to conforming to the type of loan described in Exhibit 4 where "the Committee on Student Loans has specifically delegated to the Dean of Men and the Dean of Women the granting of loans in an amount not to exceed $300 as a cumulative total for one student, payable before the beginning of the next University year." A primary factor in the granting of this type of loan has become the applicant's

ability to repay although budgets are scrutinized for evidence of self-help and justifiable expense.

Table 3 shows that more professional students take advantage of the university loan to which the 1957 regulations in Exhibit 4 presumably refer when it states that "the amount of money available to a student within a given year depends upon a number of factors which the Committee takes into account." This type of loan involves more aid than could be logically repaid with summer earnings or would impose a hardship if arranged in nominal payments over the academic year. Interestingly enough, as previously mentioned, the Schools of Medicine and Dentistry authorize the granting of loans to their students, and the procedure for application which formerly rested with the dean of men and the dean of women or the University Committee on Student Loans has transferred to the student's school. It should be emphasized here that long-term loans are not reserved for the exclusive use of professional students, for the benefit has been extended this year more than any other to all graduate students and to some seniors due to an increase in university loan funds.

Experience shows that the 1957 regulations, which have had office revisions in the interim, are subject to a variety of interpretations depending upon how the student views his need. Whether from habit, rumor, misinterpretation, or self-image, students

categorize themselves for aid with a preconceived idea which ranges from conservative to liberal in accordance with a policy that sets limits on the one hand and deals in broad generalities on the other. Statistics show that these regulations have a very broad application and for the sake of consistency and equity should be rewritten within the context of a student aid program.

The consolidation of applications has resulted in the merger of office records, at least for on-campus applicants. Where formerly university loans and grants and national defense loans forms were kept in separate files, now they are combined in one student folder along with scholarships which had been indicated on some applications. This is a move in the direction of a consolidation of all financial aid activity in the Office of Financial Aids, a merger of forms, procedure, records, and function.

Only part of what could be done has been done in the coordination of the Office of Financial Aids. Through the use of standard applications and procedures a great majority of requests for aid through this office could be processed by machine and the program integrated into the automatic systems presently being developed in the university. This method not only handles applications more quickly and more accurately, but it would provide information that is more than an analysis of the use of funds, which is the

extent to which it is being used now, and it would be an analysis of each applicant which is a most reliable method to test the validity of the student aid program.

The University Committee on Student Aid would have to establish criteria for each type of aid. Selected information relevant to the established criteria would be punched on a master card for each applicant. These data could be "manipulated" so that applicants could be ranked academically, classified as to need, and budget deficits determined in preparation for the assignment of aid. These "check points" are more accurately and consistently assessed by machine than by people, and certain tolerances for disparity between the criteria of the committee and the actual application could be programmed in so that if these tolerances were exceeded the application would be ejected and reviewed.

The system would offer a number of advantages: it would eliminate the existing division in office administration which still exists between scholarships and loans, with the subsequent duplication in effort and costs; it would be a service which could be extended to the schools and colleges in awarding their own funds; it would establish a channel of communication between the office and the academic units; it would provide a systematic accounting of student aid activity for the university; and it would assure the

prompt and accurate handling of a financial aid application for the student.

The proposal to process the selection of financial aid recipients by computer is in no way meant to impose the impersonal upon what was formerly the personal. Still, loans and grants, especially, are no longer a stopgap kind of help, of modest amount and short duration, but in many cases constitute the largest share of the known income for a student. They are no longer a temporary substitute for additional family support or a part-time job or summer employment but a means of financing the greater part of an education. With the increasing availability of funds and the accompanying demand on these funds, the move is to adopt a method which is more compatible with this changing concept of financial aid.

What is more the role of the financial aid counselor appears to be changing. A function which originated with the regents, passed to an administrative committee and the deans of men and women, has been assumed by financial aid personnel. In each instance, the transfer was prompted by the increasing demands in administering the program until today the only recourse lies in more efficient procedures which release staff to personalize other aspects of the program.

The more publicized the financial aids program can be, the better it can serve the purpose for which it is intended. In order to perform this service, financial aid personnel should be well informed not only about the university's resources but about state and national programs as well. There was a time when the mention of financing a student's education was considered to be embarrassing and disconcerting; however, in a society whose affluence is financed on the time-payment plan there is little or no reluctance on the part of students or parents to discuss financing. There is no one in a better position to assist interested students, their families, and their teachers than the financial aid counselor, who can be a very helpful source for information and planning. The desirability of talks with high school and junior college groups, alumni gatherings, and on-campus students, faculty, and staff cannot be overestimated in the advantages gained in not only publicizing the program, but in the higher rate of assured admissions and the retention of qualified applicants.

To supplement the role of the financial aid counselor, a regular news release to the campus newspaper would keep interested persons aware of financial aid news, and the circulation of a financial aids flier or notice would make available to prospective students the fact that they <u>can</u> afford the University of Michigan, that

the university is interested in them and has resources available to assist in financing their education here. This type of notification should be available to on-campus students, faculty, and staff in the residence halls, affiliated housing units, and the offices of the schools and colleges, and to alumni who upon occasion are more informed on individual cases than a high school or college counselor and who have for years contributed so generously to the very funds referred to in this flier. A very comprehensive mailing list for off-campus prospects could be sent from a computer list of high schools and junior colleges obtained from the Admissions Office soon after the deadline for the year. The notice would not be so inclusive as to be discouraging to the reader and should not describe the types of aid and the eligibility requirements so that the applicant attempts to analyze his case in terms of specific types of aid. This is a function of the Office of Financial Aids, and not of the student.

The greater majority of the applications of incoming students and yearly reapplicants can be considered much more efficiently through a businesslike operation. Rather than the time involved in personal or committee action on the hundreds of perennial requests for aid, staff time should be directed toward in-service training courses in the theory and mechanics of machine processing, toward

the development of research projects which are imperative to test the reasonableness of the program's policies and criteria, toward the assimilation of state and national programs from which University of Michigan students might benefit, toward the constant re-evaluation of the university's financial aid program, and toward the personal counseling for the very students for which the program was begun--the students with the atypical cases, the emergencies--the problems. Where even in these cases a systematic diagnosis of a student's case can disclose areas of concern before the student is acutely enough aware to act, counseling becomes more positive, preventive, and educational.

As the area of financial aids has developed, the scope of responsibility has broadened, demanding the time and energies beyond the capacities of the original controlling group. The threat of impersonality goes with any move that has the potential of obscuring the individual, but not if the obligation to the individual is neither forgotten nor neglected. Its danger lies not in its existence but in the way it functions, and its greatest weakness lies in the people who manage it. This study has been undertaken to persuade future planners that efficiency need not be at the expense of the program's ideals.

APPENDIX

THE UNIVERSITY OF MICHIGAN

ANN ARBOR

APPLICATION FOR STUDENT FINANCIAL AID

Social Security Number ..... (1–10)

Name ..... (Print) Last (11–29) First Middle ..... Date .....

Local address ..... Number & Street ..... Phone .....

Currently enrolled? ..... U. of M. School or college ..... U. of M. Major ..... Expected Degree .....

Expected date of graduation ..... **Current semester** credit hours .....

Will you receive a teaching certificate? ..... When? .....

Marital status: Single ..... Married ..... Widowed ..... Divorced ..... Separated .....

Name of parent or guardian .....

Address ..... Number & Street City State

Date of birth ..... Place of birth ..... Are you a citizen of the United States? .....

If not, are you a permanent resident? ..... Are you a resident of Michigan? ..... If so, for how long? .....

Sex: Male ..... Female .....

Date of first registration at University of Michigan ..... Cumulative UM grade pte. average? .....

If applicant is an undergraduate freshman please indicate:

..... Name of high school ..... Address of high school

Date of receipt of high school diploma ..... Approximate rank in class ..... Number in high school class .....

Give name, address, dates of attendance and degrees at other colleges prior to admission at University of Michigan.

.....

.....

Have you previously received financial aid of any kind from the University? If yes, give the date, type of aid and amount.

..... Type of aid ..... Date ..... Amount

..... Type of aid ..... Date ..... Amount

..... Type of aid ..... Date ..... Amount

Describe any pertinent information concerning earnings, assets or obligations which would be helpful in assessing your need for financial aid. .....

.....

.....

Are you physically handicapped in any way? .....

Form 9128

Applicant please print name in full: Last First Middle

Future vocational plans .....

.....

If you are not employed, give specific reasons why you are not working. .....

.....

If employed, where ..... How many hrs. per week? ..... Hourly rate or salary? .....

If married, is spouse employed? ..... Where? ..... Earnings ..... No. of dependents

and relationship. .....

List any scholastic honors received. .....

.....

.....

List any activities or membership in University organizations. .....

.....

.....

If you are applying for a specific scholarship, please identify by name. .....

.....

Are you applying for any financial aid from any other University or non-University agency? If so, please indicate type, source

and amount. .....

.....

.....

If you are awarded a loan, how, when and from what source do you plan to repay? .....

.....

.....

.....

If I am awarded a student loan, I hereby affirm the correctness of the information as provided herein and promise, (1) to pay this obligation according to the terms of the promissory note, (2) to answer promptly all communications regarding the loan directed to me by University authorities, and (3) to use the proceeds of the loan solely for the purpose of assisting me in meeting my educational expenses.

Signed .....
(Applicant)

Parent .....
(Signature is required if applicant is under 21)

This financial statement should represent your anticipated income and expenses for those terms you anticipate attendance during the current academic year and not just terms you anticipate aid. "A careless or incomplete budget is not a good recommendation for aid."

INCOME	FALL	WINTER	SPRING–SUMMER	EXPENSES	FALL	WINTER	SPRING–SUMMER
Personal assets (other than summer job savings)				Tuition			
Support from parents or spouse				Books & supplies			
Earnings—Board				Fees & deposits			
Room				Food			
Univ. assistantship				Rent			
Univ. fellowship				Clothing, laundry, etc.			
Summer job savings				Transportation			
Cash job				Recreation			
Veteran benefits				Dues, student organizations			
ROTC				Insurance			
University loan (omit present applic.)				Automobiles*			
University scholarships				Medical (uninsured)			
University grants				Dental (uninsured)			
Federal aid				Household utilities			
State aid (include scholarships)				Incidentals			
Other aid (private or civic)							
Other income				Other expenses			
Total per Term	$	$	$	Total per Term	$	$	$

Total income for terms indicated above _____ Total expenses for terms indicated above _____

*Year of car _____ Make of car _____ Purchase date of car _____ Purchase price $_____ Amount still owed on car $_____

Identify present indebtedness including all educational loans.

Creditor	Address	Date Incurred	Due Date	Amount

DO NOT WRITE IN THIS SECTION

Intermediate interview for loans:

Students enrolled in the Schools of Medicine, Dentistry, Nursing and Music must be interviewed by the respective schools. Foreign students must be interviewed by International Center counselors.

Intermediate interview comments and recommendations:

.....

.....

Date ..... Signed .....
(Interviewer)

* * * * *

Interview Comments:

Date .....

.....

.....

.....

.....

.....

.....

.....

Signed .....
(Interviewer)

ACTION TAKEN: ..... (date)

	FALL	*WINTER*	*SPRING–SUMMER*
Hold			
Loan	| Due _____	| Due _____	| Due _____
Scholarship	$_____ | $_____ per mo.	$_____ | $_____ per mo.	$_____ | $_____ per mo.
Denial	beginning _____	beginning _____	beginning _____
Other	Fund No._____ Int.____	Fund No._____ Int.____	Fund No._____ Int.____
Date of Issue	Fund Name _____	Fund Name _____	Fund Name _____
Loan	| Due _____	| Due _____	| Due _____
Scholarship	$_____ | $_____ per mo.	$_____ | $_____ per mo.	$_____ | $_____ per mo.
Denial	beginning _____	beginning _____	beginning _____
Other	Fund No._____ Int.____	Fund No._____ Int.____	Fund No._____ Int.____
Date of Issue	Fund Name _____	Fund Name _____	Fund Name _____

	Date Given	Date Received
Financial Statement	_____	_____
Oath	_____	_____
Transcript	_____	_____
Repayment Plan	_____	_____
Form E Written	_____	
Letter Sent	_____	

The University of Michigan
Office of Student Financial Aids
SUPPLEMENTARY BUDGET SHEET

Social Security Number _____ (1–10)

Date _____

Name _____ (Print) Last First (11–29) Middle

Local Address _____

This financial statement should represent your anticipated income and expenses for those terms you anticipate attendance during the current academic year and not just terms you anticipate aid. "A careless or incomplete budget is not a good recommendation for aid."

INCOME	FALL	WINTER	SPRING–SUMMER	EXPENSES	FALL	WINTER	SPRING–SUMMER
Personal assets (other than summer job savings)				Tuition			
Support from parents or spouse				Books & supplies			
Earnings—Board				Fees & deposits			
Room				Food			
Univ. assistantship				Rent			
Univ. fellowship				Clothing, laundry, etc.			
Summer job savings				Transportation			
Cash job				Recreation			
Veteran benefits				Dues, student organizations			
ROTC				Insurance			
University loan (omit present applic.)				Automobiles*			
University scholarships				Medical (uninsured)			
University grants				Dental (uninsured)			
Federal aid				Household utilities			
State aid (include scholarships)				Incidentals			
Other aid (private or civic)							
Other income				Other expenses			
Total per Term	$	$	$	Total per Term	$	$	$

Total income for terms indicated above _____

Total expenses for terms indicated above _____

Signed _____ (Applicant)

Parent _____ (Signature is required if applicant is under 21)

Form 9128a

DO NOT WRITE IN THIS SECTION

Intermediate interview for loans:

Students enrolled in the Schools of Medicine, Dentistry, Nursing and Music must be interviewed by the respective schools. Foreign students must be interviewed by International Center counselors.

Intermediate interview comments and recommendations:

.....

.....

Date ..... Signed ..... (Interviewer)

* * * * *

Interview Comments:

Date .....

.....

.....

.....

.....

.....

.....

.....

Signed ..... (Interviewer)

ACTION TAKEN: ..... (date)

	FALL	*WINTER*	*SPRING–SUMMER*
Hold			
Loan	| Due _____	| Due _____	| Due _____
Scholarship	$_____ | $_____ per mo.	$_____ | $_____ per mo.	$_____ | $_____ per mo.
Denial	beginning _____	beginning _____	beginning _____
Other	Fund No._____ Int.____	Fund No._____ Int.____	Fund No._____ Int.____
Date of Issue	Fund Name _____	Fund Name _____	Fund Name _____
Loan	| Due _____	| Due _____	| Due _____
Scholarship	$_____ | $_____ per mo.	$_____ | $_____ per mo.	$_____ | $_____ per mo.
Denial	beginning _____	beginning _____	beginning _____
Other	Fund No._____ Int.____	Fund No._____ Int.____	Fund No._____ Int.____
Date of Issue	Fund Name _____	Fund Name _____	Fund Name _____

	Date Given	Date Received
Financial Statement	_____	_____
Oath	_____	_____
Transcript	_____	_____
Repayment Plan	_____	_____
Form E Written	_____	
Letter Sent	_____	

THE UNIVERSITY OF MICHIGAN CONVENIENCE LOAN

REQUISITES:

1. Loans may not exceed $250.
2. Loans must be paid by November 25 in fall term, by March 25 in winter term and July 15 for full spring-summer term.
3. Students under 21 may not borrow over $50 without parental approval.
4. The privilege of a short-term convenience loan may be exercised once during a term.
5. All regulations concerning student loans apply to convenience loans (i.e., interest rate, etc.).

THE UNIVERSITY OF MICHIGAN CONVENIENCE LOAN

_____ _____

Social Security Number Date

_____

Last Name First Middle

_____

Local Address City State

_____

Home Address City State

College_____ Class_____ Age_____ Sex_____ Amount_____

Parental Approval_____

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