

Borrowed: An Education

EVERY day television, radio and newspaper ads alert their public to the fact that refrigerators, cars, air conditioners and hundreds of other items can be purchased for a small sum down and the rest in easy payments.

But if someone suggested that you borrow on the same easy terms to help finance an education for your son or daughter, would you do it? Or, for that matter, would your student kin think the obligation, since it is basically theirs, worth the ownership of a college degree?

An article in *Changing Times—The Kiplinger Magazine* suggests it would be a wise thing to do if, by borrowing, a student could complete a college education.

"Just playing the averages," the story said, "any able young man who gets a college education will do better financially than a young man whose schooling ends upon graduation from high school—enough better to make up for the money he spends to get that education, and then some. On the average, the college graduate earns more than twice as much as the person who has not graduated from college. What's more, college training usually adds assets and advantages that can't be measured in dollars, but which are important just the same."

Whether to borrow or not when necessity looms is a decision that must be based on faith in the benefits of a higher education balanced against unknown factors in the economic future. And if you decide to borrow, who would loan you or your children the money?

Obviously, good sources are friends and banks. Not so obvious to many parents of students in financial straits is the idea of borrowing from the university where the student is enrolled. Many universities have loan funds available and the University of Oklahoma is no exception.

To be exact, the University has several student loan funds. One, the Lew Wentz Foundation of the University of Oklahoma, is valued at slightly less than \$500,000 and another, the Oklahoma University Student Loan Aid Association, is valued at slightly more than \$100,000.

If your son or daughter needs a loan, one of these two loan funds would probably be the answer. However, the Sally B. Clark Loan Fund might be the right fund for your daughter. The purpose of that particular fund is to provide loans "to poor, worthy young women to assist them to complete their education." Or if your son is a geology student, the Edward B. Setliff Fund might be the right source. Only geology students are eligible for loans from this fund. And there are other funds of a specialized nature.

All of the loan funds were established to help deserving students meet financial difficulties and will be loaned to any student who brings necessity, intelligence and character for collateral. Although you may be asked to co-sign the loan, the actual loan will be made to your son or daughter, since all borrowing from University loan funds is done by the student.

A total valuation of loan funds now in operation at O.U. would push loan monies available to about \$750,000. And when the will of the late Murray Sells of Gladewater, Texas, has been settled, the total loan monies will be well over the \$1,000,000 mark.

As an example of the effectiveness of O.U.'s loan funds, last year \$78,471.61 was borrowed from the Student Loan fund and

\$43,812.67 was borrowed from the Lew Wentz fund. The total borrowed from the two funds, \$122,284.28, represents 982 student borrowers.

What circumstances prompt student borrowing? It might be a family crisis, hitting finances as well as emotions. GI's borrow to tide them over the interval it takes for the first government check to arrive. Tuition and fee paying time sometimes demands too much in too short a time when you're on a tight budget. All the borrowers have one thing in common: assistance is needed to get them over a temporary financial hump.

How does a student obtain a loan? Generally, in the following way. A student indicates the need of a loan to the Office of Student Affairs. He is asked to obtain four references, preferably from people in his home community. A screening that evaluates character, college aptitude and need is made by the Office of Student Affairs and a recommendation is made to the Secretary of the University concerning loan approval. The actual loan is made through the Secretary's office.

If the recommendation for a loan is favorable, the student may borrow up to \$300 for any school year but no more than \$500 for his college career. Preference on loans goes to juniors, seniors and graduate students.

Repayment of a loan is made on a rather flexible time table, but the student borrower is asked to make a detailed schedule of repayment. Interest rates are more specific. The Lew Wentz fund requires a 5% interest charge and the Student Loan fund currently charges 4%. Some of the more restricted loan funds require no interest.

Since speed is essential in many cases and borrowing procedures require several days, a new loan fund has come into existence. A Student Emergency Loan Fund is to be in operation for the 1954-55 school year, and will be administered by the Office of Student Affairs. Purpose: Quick, small loans (not to exceed \$25) on a short term repayment plan, no interest charge.

(Loan funds are not required to carry the full financial load for needy students. There is another body of funds at O.U., that falls under the heading of endowed funds, that can and does offer assistance. The biggest single repository of endowed monies is the University of Oklahoma Foundation that has over 90 special funds that total approximately \$500,000. Also, the Will Rogers Memorial Scholarship Fund, valued at approximately \$160,000, is available to make gifts or loans to aid the physically handicapped. And there are unendowed scholarships that also give much needed assistance.)

While O.U.'s loan funds have proved their value to hundreds of students in the past year alone, they are not the total answer to financing a college education. The cost of a college degree, even at an institution as relatively inexpensive as O.U., would impose such a financial burden on a new graduate that he would find repayment extremely difficult. They are effective, however, to overcome temporary handicaps.

The more than \$100,000 that was loaned last year to O.U. students indicates that many are using the loan funds to good advantage. If your son or daughter needs the kind of assistance a loan fund can best provide, have him check with the Office of Student Affairs.