

There is a question, however, as to whether it would be wise for educational institutions to turn over loan funds to financial organizations for administration. Those who are in doubt as to the wisdom of such a step believe: first, that the educational institution can handle the matter as well as the financial institution; second, that if the students do not repay, it will reflect on the university and the university will have to make good the defaults; third, since the university would have to make good these defaults the bank or trust company might not use its utmost efforts to press collection; fourth, that it is questionable whether some financial institutions could administer such funds more efficiently than educational institutions; fifth, that some officials are reluctant to relinquish their power over the administration of student loans; sixth, that many of the funds are so tied up that provisions must be made to administer them at the institution and since this must be done machinery may as well be developed to administer all of the student loans.

We conclude that:

1. Institutions must make provisions to administer the funds intrusted to them for student loans.
2. Banks and Trust Companies are well adapted to lending money to students and due to the legal restrictions placed upon them, there is little danger that they will go to extremes in this matter. Their efforts should be a valuable supplement to those made by the educational institutions.
3. Universities and colleges must develop higher standards and more efficiency in the administration of student loans.

### **Philanthropic and Semi-Philanthropic Organizations**

The administration of student loans by those organizations which fall under this class is much to be desired. Organizations such as the Harmon Foundation, can well administer funds to students and in that way be of great service to higher education. The service is of two kinds: first, that actually rendered in the making of loans, which enable young people to finance themselves through college in an independent and business-like way; and second, that of raising the standards in loan administration since organizations of this type are not hampered by institutional views as are colleges and universities. The first is a direct benefit, the second is a benefit derived through wholesome influence. Such foundations are therefore of service in their influence and work and their loans form a valuable supplement to loans made by educational institutions and other organizations.