

7. Reasons for Losses in the Past

- A. Loan Funds have not been properly administered.
 - (1) Lack of definite agreements with borrowers.
 - (2) Student was not made to realize the obligation he was undertaking—the institution failed to develop a clear-cut sense of responsibility.
 - (3) The risk was not properly selected.
 - (4) There were no systematic collections.
 - (5) The charging of no interest or too low interest.
- B. The institution failed to “see the student through”. Loans were made in the early part of the college career and additional loans were refused, which kept the student from finishing his education.
- C. The institution failed to realize how a right kind of loan policy can be made a means of character building.

8. Expenses Listed in Announcements

There should be a more accurate estimate of what students need to spend so as to relieve the loan office of unexpected demands for loans.

9. Students Should be Helped to Budget More Accurately in Order that necessary provision may be made for loan demands.

10. Fellowships and Scholarships would be Administered

most advantageously if the following guiding principles were adhered to:

- A. A Fellowship should be an honor awarded for proved scholastic ability with a promise of greater development of that ability.
- B. A Scholarship should be an honor awarded to those who give promise of scholastic ability.
- C. The financial consideration should be of secondary importance. It should be given only to those fellows and scholars who need it in order to do their best work.
- D. If the training received and the work done has an economic value, the financial assistance should be in the form of a loan; if not, it should be in the form of a periodical allowance.
- E. The Fellowship and Scholarship should be held only as long as the holder produces something specific in the way of advancing or of organizing knowledge.

11. The Administration of Student Loans

The survey of student loans made by the Student Loan Information Bureau during the last year and by the Harmon Foundation during the