

ness loaning have been remarkably successful in administering student loans. There is no more risk involved in student loans than there is in commercial loans, where as great care is taken in the selection of the risks and the funds are administered in a firm business-like manner.

### 13. Past Experience of Institutions with Loan Funds

The experience of institutions in general has not been encouraging. However, many institutions *have* been successful in the administration of their loan funds.

Taking the entire group, the proportion of overdue loans is far from alarming if some allowance is made for the inadequate method of administration in many institutions.

### 14. Selecting the Risk

No set rules can be established to guide those who are to decide which students are to be granted loans. The student's present needs, future ability, and willingness to pay are the deciding factors. His present needs can be determined by the analysis of his statement as to his present financial circumstances. His future financial success is hard to estimate, but if a student has a reasonable amount of intelligence, initiative, good health, and possesses integrity and reliability, there is no reason why he should not get a loan if he needs the money. By not loaning more than the student will be able to repay, by charging a fair rate of interest, and by adopting some form of group guarantee, student loan funds should not only be kept intact, but should increase as any productive investment.

### 15. Size of Loan

There is at present a wide variation between the amounts of money that the different institutions will loan to one student. In spite of the fact that only two institutions (out of 153 reporting) extend loans to the amount of \$1,000 to one student, this would seem the soundest practice. A student who is worth helping at all should be "seen through" and it is not likely that less than \$1,000 will be sufficient to see him through four years of college life unless it be for emergency purposes. The amount of the loan should also be adjusted to the cost of living and the cost of education in the community.

Also, if a student is loaned money at all, the amount should be sufficient to relieve him of his financial burdens to such an extent that he may do justice to his academic work without impairing his health. Two thousand dollars should not be too much of a loan to extend to a student who has good health, is reliable and ambitious, and shows signs of a promising future.