us year shows that there is no uniformity in the administration of t loans in the various colleges and universities.

ı working out a policy for the administration of student loans, it is ɔle to incorporate all that is best from the various methods in use.

ethods of Administration

oan funds are administered under two methods. The restricted d, which is loaning only the income from the fund, and the revolving d, which is loaning both income and principal. There are many more administered under the restricted method than there are under the ing method, notwithstanding the fact that of the 93 institutions answered an inquiry sent out by the Student Loan Information ı, 69 replied that they favored the revolving fund.

he actual conditions reported show:

ARACTER AND AMOUNT OF FUNDS AVAILABLE 1924-1925

Revolving	$187,253	10 funds
Restricted	704,000	12 "
Emergency	5,000	2 "
Not specified	3,205,786	288 "

a large part, the "not specified" funds ($3,205,786), is "restricted", s safe to suppose, the proportion of available funds actually to be ed as "restricted" is overwhelming. Much of this money was left restricted form and must continue to be thus administered. However t is safe to assume that there are many of these funds that could be on a revolving basis. The revolving fund has the more weighty ents in its favor besides having the favorable sentiment of a large ty of officials.

he greater efficiency of the revolving fund is indisputable. For le, a fund of $100,000 at 5% yields $5,000 annually and would be nt to make a loan of $250 to 20 students. Over a period of fifteen it would be able to make 300 such loans. On the other hand, 00 if turned into a revolving fund, allowing $20,000 of the principal oaned annually for the first five years, and revolved for an additional ars, would be sufficient to make 1,475 such loans which means that ld serve practically five times as many students.

ome officials and donors fear that if the principal as well as the is loaned, the fund will eventually disappear. This fear is well d only if it is admitted that funds cannot be efficiently administered. who administer student loans can well afford to borrow some of the oles from the business world that make loaning in small sums sucl. Colleges and universities that have tried these principles of busi-