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FROM THE PRESIDENT:

Dear PASFAA Members:

As the traditional school year draws to a close, many financial aid administrators begin to anticipate a change in the daily pattern of their work. For many of us, there may be fewer people to see in the office but much more paper to shuffle and GSLs to process. Many will be able to schedule a few well-deserved vacation days, and some will look forward to unusual professional activities such as training opportunities and the annual NASFAA Conference.

The Pennsylvania Aid Administrators' Training Program (PAATP) is offering the annual GSL/PLUS/HELP sessions this month. This training offering is extremely important because the PHEAA loan processing system has changed for 1986-87. We all need to learn the new system.

New financial aid administrators have an excellent extended training opportunity available through PAATP beginning, Sunday, June 8, and continuing through Friday, June 13. For the fifth consecutive year, the PAATP Summer Institute will be held at Dickinson College and, again this year, I will have the opportunity to serve the Institute as its site coordinator. The Summer Institute has been a special delight for me. To witness the dedicated and selfless service of very talented veterans who lead eager and committed neophytes through a week of hard work appropriately laced with fun times is an uncommon pleasure.

For the first time this year, the PAATP Summer Institute offering has been expanded to include two sessions for student loan officers. I hope that the opportunity or the development of friendships and cross-pollination of ideas among student loan officers and financial aid administrators will not be missed while both institute groups are working and living together here at Dickinson in June.

The NASFAA '86 conference theme is "Exploring New Horizons." The Registry Hotel in Dallas will be full of financial aid administrators from July 20 to 23. I hope to see a strong Pennsylvania delegation in attendance.

PASFAA has two entries in the 1986 NASFAA State Awards Competition. One entry outlines the PAATP Summer Institute for student loan officers, a first for the nation as far as any PASFAA council member knows. The other entry brings special attention to the Financial Aid Awareness Month and Financial Aid Hotline project which was the very successful product of the cooperative efforts of PASFAA, PHEAA, and the Pennsylvania Association of Colleges and Universities (PACU). Indeed, we have strong contest entries again this year, and we hope to be among the prize winners announced at the NASFAA Conference in Dallas. I will provide copies of our entries to any member who requests them.

Sincerely,



Donald V. Raley
President

PA Pell Pilot Cancelled

See Page 3

EXECUTIVE COUNCIL NOTES

PASFAA Council last met on April 7, 1986 at the PHEAA Board Room, Harrisburg. Several matters of interest which were discussed at this meeting are reported here and elsewhere in this newsletter. Council will next meet in Harrisburg on Monday, June 2. Members should bring items of concern or interest to their sector representatives or PASFAA officers for that meeting.

Absentee Ballot Considered. The Membership and Election Committee, chaired by Barry McCarty, brought to council's attention the suggestion from several PASFAA members for an absentee ballot. Such an opportunity is being considered for active members who are unable to attend the annual conference but who are interested in participating in the election process. Currently, the PASFAA Constitution and By-laws call for voting only at the annual conference. Council will further discuss this matter at its next meeting in an attempt to make a decision for the upcoming election. Members who wish to comment on this matter should contact Barry McCarty prior to the next council meeting.

Conference Dates Clarified. It was brought to the attention of council and the conference committee that the first day of the 1986 conference falls on the second day of the Jewish holy day of Rosh Hashanah. The conference committee has made arrangements to repeat some Sunday sessions (see Conference Corner). Council has instructed all future conference committees to carefully select dates to avoid any holiday conflicts.

CEUs Considered. At the suggestion of an association member, Council reviewed the possibility of offering Continuing Education Credits (CEUs) for conference attendance. Bill Irwin, Chairman of the Professional Standards and Training Committee, with the help of Rosemary Sweeny investigated the requirements of PASFAA offering CEUs to members who require them for licensure renewal and extension. The review found that only a few PASFAA members are interested in CEUs, that being eligible to award CEUs is a complicated procedure and that this concept better fit with PAATP training efforts. The matter was referred to PAATP.

Lender Status Considered. President Raley's newsletter message in January asked for membership input regarding a changed status for lender associate members to full active membership status. The Membership and Elections Committee reviewed the matter, and President Raley reported that only one comment from a PASFAA member had been received. With apparent little interest from the membership or from lenders, Council tabled this suggestion.

REPORT OF MEMBERSHIP AND ELECTIONS COMMITTEE

submitted by Chairman Barry McCarty

As of May 20, 453 individuals have joined PASFAA for the 1985-86 year including 339 active members, 109 associate members, 2 student members and 3 life members. We thank all the members of PASFAA who have brought our Association to the attention of aid professionals.

In the near future all active members of PASFAA will receive informational materials regarding the solicitation of nominations for the offices which are up for election for the 1986-87 year: President Elect, Vice President, Treasurer and Secretary.

Please give consideration now to possible nominees for these offices. The Nomination Forms must be received by the Membership and Elections Committee no later than August 1, 1986.

The slate of nominees to be considered for election at the 1986 conference will be presented in a Newsletter at least 30 days prior to the Annual Conference.

Stein



submitted by Vali G. Heist, Alvernia College

PELL PILOT PROJECT CANCELLED

The Department of Education had been considering using Pennsylvania in a pilot project for Pell delivery in 1986-87. According to PHEAA executive director, Kenneth Reeher, "there will not be a pilot program in Pennsylvania or any place else in connection with the 1986-87 Pell Grant program processing disbursement activities."

Dr. Dewey Newman, ED's recently appointed assistant deputy secretary for post-secondary education, had met with Mr. Reeher and Pennsylvanians attending the EASFAA conference to discuss the possibilities of such a pilot project. Dr. Newman explained that the Pell central processor's contract would expire at the end of 1986-87, and ED was considering a nationwide change for Pell delivery and disbursement as early as 1987-88. Piggybacking on the well-established programs of states such as PA, Dr. Newman envisioned a decentralized Pell delivery system with a pilot program using PHEAA's expertise. Pennsylvania aid administrators attending that meeting were receptive to improved Pell delivery, which a decentralized system could offer, while suggesting caution with the implementation and evaluation of a pilot before going nationwide.

Dr. Newman indicated at EASFAA that he would check back with PHEAA and the Department on the pilot possibilities. Mr. Reeher reports further on the announced cancellation of the proposed pilot project: "It is our understanding that the 1987-88 multiple data entry processor's proposals have been opened and are under current review. These are the proposals of ACT, CSS, PHEAA and a new entry in the form of Illinois. This means that the central processor will stay in place in 1987-88 and an RFP requesting bids on the contract is expected to be released by the U.S.D.E. momentarily."

Mr. Reeher continued, "It is our current understanding that it will be a one-year contract 1987-88 with two one-year renewal options on the part of the Department of Education. Therefore, it seems very clear that the central processor will be in place through 1987-88."

POSITION OPENINGS

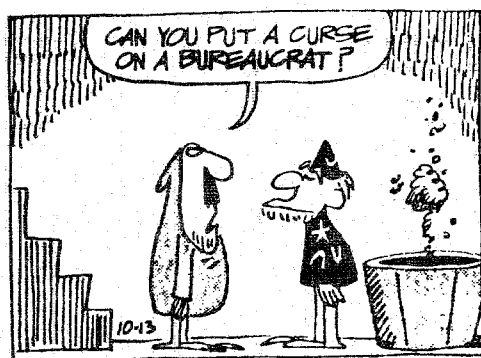
Moravian College is seeking a Director of Financial Aid. Candidates should have knowledge of state and federal aid programs, good communication and counseling skills, fiscal and managerial abilities, user acquaintance with computer system, a bachelor's degree (master's preferred), and 3-5 years admission/financial aid experience. Salary: to mid-twenties. Starting date is September 1. Send letter and resume to Dr. James J. Heller, VP Academic Affairs, Moravian College, Bethlehem, PA 18018.



Chesapeake College is seeking an Administrator of Financial Aid. The position, a professional staff member of the Student and Community Services Division, will be available July 1, 1986. Duties will include the complete supervision and implementation of the College Financial Aid program. Applicants should possess a minimum of a Master's degree in Student Personnel, Higher Education or Business, with 1 to 3 years of college or related experience in financial aid work and be equipped to take charge of an on-going financial aid operation that includes Pell, SEOG, CWSP, Guaranteed Student Loan, Maryland State Scholarships and private scholarships and loans.

Starting salary will not exceed \$26,749, dependent upon qualifications and experience. Liberal fringe benefits amounting to over \$8,800 are offered with the position. In addition, the college operates on a Monday through Thursday four-day work week. All resumes and supporting data must be on file by May 29, 1986. Questions on the above position can be addressed to William A. Seth, Vice President for Student and Community Services at (301) 822-5400, ext. 540. Apply to Personnel Office, Chesapeake College, P.O. Box 8, Wye Mills, Maryland 21679. Chesapeake College is an Equal Opportunity Affirmative Action Employer.

WIZARD OF ID



PASFAA '86 CONFERENCE



Americana Host Farm, Lancaster, PA, October 5-8, 1986

The 1986 PASFAA Conference Committee is in the process of developing an exciting and informative conference for PASFAA members. Many of the ideas suggested by members have been incorporated into the program. Here are some of the highlights with more information to follow in the next issue of the PASFAA newsletter:

- *We will be participating in the Full American plan, with the exception of Tuesday evening when members will have dinner on their own. This will give an opportunity to take advantage of the many restaurants that Lancaster has to offer.
- *The concurrent sessions are geared to address the varied interests of PASFAA members. There are sessions for the new aid officer, the "seasoned" aid officer and lenders. Topics will cover basic items as well as complex issues.
- *The room rate for the Host during the conference will be: Single, \$95; double, \$70 and triple, \$55. A sales tax of 6% will be added and an additional service charge of 17% will be added for services of bellmen, chambermaids, waiters and waitresses.
- *For those members observing Rosh Hashanah on Sunday, we will be repeating two of the four sessions that are scheduled that day.
- *Since we are having the conference at a resort, the atmosphere is casual. The Conference Committee is planning social activities to take advantage of this fact. On Sunday evening, a Hawaiian luau buffet will be served. In addition the Host offers excellent athletic facilities including an indoor pool, health clubs, indoor and outdoor tennis, PGA Championship caliber golf and much more!
- *We are fortunate to have obtained Dr. Harold Hodgkinson, senior fellow at the American Council on Education, as our keynote speaker. An article about Dr. Hodgkinson was recently featured on the front page of the *Chronicle of Higher Education*. His demographic data presented in an entertaining style is sure to generate many interesting discussions.
- *Lancaster has much to offer for PASFAA members. Lancaster Outlet City is within walking distance of the Host. There are museums, historical attractions, galleries, amusement places and theatres. Exploring the town of Lancaster with its varied architecture is a must!

EASFAA CONFERENCE '86

More than 450 EASFAA members attended the annual Conference in Baltimore May 4-7. Sixty-five PA members were among the attendees who heard political satirist Mark Russell Sunday night, and concurrent and general sessions on topics of the day with PA Congressman Gooding, NASFAA's Dallas Martin, ED's Bill Moran and Dr. Dewey Newman.

Many PA aid administrators conducted or moderated sessions during the busy four days. Conference Chair Art James of Harrisburg Area Community College and his committee which included Pennsylvanian M. Clarke Paine of Pennsylvania School of the Arts are to be congratulated for an excellent effort.

Congratulations are extended to Clarke Paine who has been elected EASFAA Treasurer for the coming year.

Congratulations also go to the PA team in the first Financial Aid Bowl. Teams from PA, NY, DC, NH, CT and NJ competed in a tough first round of questions. The PA team of captain Sheila Angst of Albright College, Darwin Peiffer of Yorktowne Business Institute and Rachael Lohman of Wilkes College defeated DC and NH to move into the final round against NY.



"WE CAN DO IT WITH ONE EYE CLOSED!" The PA team's motto and pirate costumes bolstered their spirit and performance during the EASFAA financial aid bowl finals. Left to right are Rachael Lohman, Sheila Angst, Darwin Peiffer and Ken Howard, the bowl's master of ceremonies.

Armed with costumes, enthusiasm and lots of financial aid trivia, the team bolstered by many cheering PA supporters, reached the final questions in the lead. The NY team proved victorious on the last question and point bet. NASFAA has extended invitations to all regional and state organizations to aim for the 1987 NASFAA conference in Washington for a Financial Aid Bowl with state and regional competitions during the next year sending winning teams. PASFAA's conference committee is working on plans for an event at the 1986 Lancaster conference.

PAATP NEWS

submitted by Debbie Guild

PAATP Prepares for Summer Institutes. Final preparations are being made for the PAATP Summer Institutes which will be held on the campus of Dickinson College, Carlisle, Pennsylvania during the week of June 8-13, 1986.

The Fourth Annual Summer Institute for New Financial Aid Administrators

Designed specifically for Financial Aid Administrators with two years or less experience, this institute will begin on Sunday, June 8 and conclude on Friday, June 13, 1986. Participants in prior years have come from 12 states, the District of Columbia and Puerto Rico for professional training. Observations made by past Institute participants include:

"Invaluable! I learned a great deal...even more than I expected. Thanks!"(1985)

"The faculty were truly outstanding: well-prepared, knowledgeable and enthusiastic..."(1984)

"It was one of the most pleasant experiences I have had, and it was rewarding to feel such a sense of accomplishment as a result of working so hard, learning so many important facts and especially meeting and getting to know so many pleasant and interesting people."(1982)

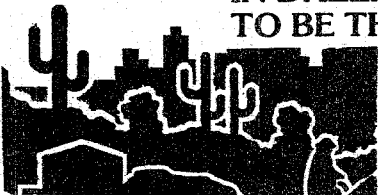
DON'T MISS OUT! Take advantage of these educational opportunities! Register immediately; no enrollment will be accepted after **Friday, May 30, 1986**. If you have not received a brochure on either of these programs and are interested in attending one, contact PAATP staff at PHEAA: (717) 257-2550 for more information and registration instructions.

The First Annual Summer Institute for Student Loan Administrators

This institute will be offered twice in 2 1/2 day sessions (Session A: will be Sunday, June 8 and conclude Tuesday, June 10, 1986 and Session B: will begin Wednesday, June 11 and conclude Friday, June 13, 1986).

The Institute, a first of its kind, offers training for both new and experienced lending institution staff who require a detailed analysis of GSL and PLUS Student Loan Programs policies and procedures. An extended training program such as this, geared solely to lending institution personnel, has been requested for years and is now finally available. Response to this program has been considerable; more than 80 persons are pre-registered and space is limited.

NASFAA CONFERENCE IN DALLAS, TEXAS, JULY 20-23 TO BE THE BEST EVER!!



The twelfth annual NASFAA Conference is fast approaching. Each member of the Conference Committee has been hard at work putting together some of the final plans for the Conference. Currently 74 interest sessions have been planned and all moderators and presentors have been confirmed. Vendors and sponsors have committed a great deal of support to the Conference. The Forms Fair will have a good variety of samples of forms and other materials.

The Registry Hotel is now sold out. However, there are three other hotels nearby with space available. The Marriott room

rate is \$78, single or double, phone number is 800-228-9290. The Lincoln Hotel room rate is \$70, single or double, phone number is 204-934-8400. The Harvey House room rate is \$69, single or double, phone number is 800-922-9222.

The pre-conference material will be mailed out by May 1 with all the registration and conference information and materials. Remember the pre-registration fee is \$175 and the on site registration fee is \$200. The pre-registration deadline is July 3, 1986.

The pre-conference activities are coordinated and ready and the Monday night big event is just waiting for us to appear.

There is still time to take advantage of the air fare wars and get a good price on an airline ticket.

So folks, it looks like Dallas is ready for NASFAA and NASFAA is ready for Dallas!!

ENOUGH IS ENOUGH! "NICE GUYS WILL LOSE"

submitted by Gordon Bateman
Elizabethtown College

(The following letter was recently sent from the coordinator of the PASFAA Legislative Network to the network members. Some of the issues raised have been clarified since the letter was sent, but the substance of the comments remains important.)

Dear PASFAA Legislative Network Members:

The time has come for Financial Aid Officers to fight back! We can no longer afford to sit idly by while the Department of Education violates long established procedures of trust and mutual cooperation.

Examples:

1. Recent tentative awards made regarding NDSL Federal Capital allocations before **Proposed Rules** were even published. Here, clearly, institutions are being denied public comment, opportunity to assign loans, loss of funds, and due process of appeal.

2. Recent Verification Final Regulations which were arrived at and mandated in mid-stream with a basic attitude of ignoring the many, many excellent comments sent in by the financial aid community.

3. Recent unreasonable Pell liabilities thrust upon many of our institutions due to an error made at the Pell Processor for which now many unsuspecting institutions are being held liable for Pell Grants coded 'W' (without documentation) when originally they were coded a different validation status by the institution. This unreasonable solution to the problem comes in April of 1986 for the 1984-85 award year.

4. Recent confusing and double-talk messages being sent out to Pell applicants resulting in mass confusion and unnecessary telephone calls lighting up the campus switchboards.

5. Recent decision to require that no GSL may be certified until Pell Grant eligibility is determined effective **July 1, 1986** will completely cause havoc on our campuses regarding Fall Registration and availability of GSL funds.

The time has come for Financial Aid Officers to fight back! We can no longer sit idly by while the Federal Government continues plans to drastically cut student financial aid. We've already suffered our fair share of cuts in recent years while other sectors have undergone few or no cuts.

Examples:

1. For every \$100 of Federal expenditures:

	Defense	Education
1980 Outlays	\$23	\$2.50
1986 Outlays (Est.)	\$27	\$1.76
1987 Outlays (Est.)	\$28	\$1.55

The example above vividly demonstrates in simplified terms how federal education dollars have declined compared to outlays in Defense.

2. The Federal Debt has doubled in the past six years. As a result of this, the interest on the Federal Debt will be nearly three times greater in FY87 than it was in FY86 (147.9B compared to 52.5B). The cost of these interest payments alone now comprise the third largest item in the Federal Budget. As a result, the Federal Government must spend \$16.9 million every hour or \$405 million per day to cover their debt service costs to keep the nation from going into default.

As a matter of fact, if all the student aid funding that has been appropriated for FY86 was applied to these costs, they would cover only interest payments for 20 days. Elimination of all federal expenditures for Education would only cover the debt services costs for 45 days. Faced with such realities, it is clear that something needs to be done to reduce the federal debt, but reducing expenditures for postsecondary education by nearly \$3 billion in one fiscal year is a very dangerous and short-sighted solution which, if followed, would have major consequences upon the Nation.

3. Financial aid cuts for 1987-88 could range from as low as 8.4% to as high as 35% if Gramm/Rudman runs its course.

Therefore, as a result of all of the above facts and events, we need to become much more **assertive** in the weeks and months ahead. We need to mobilize all avenues available to us to combat the Department of Education and the Administration. If we continue to be "nice guys," we will lose! As a result, our offices will be an administrative nightmare, and our students and parents will be frustrated, lost and denied access and choice to a college education.

The choice is clearly ours. Failure to launch an offensive to these unwarranted attacks on our students, our programs and our profession will surely result in a disastrous situation for our students, our institutions and our nation.



From the Editor's Desk

CLEAR AS MUD--VOLUME II IN DIRE STRAITS

As the old adage goes: If it's not broken, don't fix it.

It is understood then: If it's broken, fix it.

There seems to be a new corollary from the Department of Education: If it's not broken, keep asking "Is it broken YET?"

That's the conclusion of many aid officers after reading the three-volume verification guide and attending the ED workshops, and truly trying to understand the concept of "updating."

In the spirit of **verification** most aid officers believe in the principles behind this initiative--get correct and accurate information from students and families so that aid goes to students who are eligible and not to those who are ineligible. Verification makes sense; constant "updating" does not.

Many aid officers have for years routinely collected tax returns, corrected discrepant information and increased their efficiency in monitoring data for more and more students. Schools with their own institutional money to carefully award have become more careful stewards of federal funds as well.

The new regulations and verification guide are probably not a bad starting point for a school which has never collected tax returns and has little idea how to establish institutional policies and procedures to monitor data and check discrepant information. For those who have been doing it for years, the guide is "theater of the absurd."

It is obvious that the verification guide with its redundant and contradictory procedures was written by people who don't work in aid offices every day. Conscientious aid officers are busily creating a myriad of new forms in an effort to jump through the prescribed verification hoops. The result in these shops will be increased clerical efforts, increased postage costs, delays in aid delivery and alienation of honest families.

Those aid administrators who have not been as conscientious in the past are likely to not take the time, not have the inclination to do a thorough job of verification or find it impossible to understand the verification guide.

Verification actually begins the moment the family files the application form. After all, they certify accuracy under dire penalty of fine, imprisonment--death or surrendering of first born male children!

Schools using the FAF, for example, already get lists of family members, their ages, enrollment--more information than on other MDE forms or the federal application. Where the data doesn't agree with other data in the file, rectifying the discrepancy with the family, of course, makes sense. Where there is no discrepancy, instruct the family that it is their responsibility to notify the aid office--to "update"--WHEN AND IF the number in household and number enrolled changes.

As one aid officer put it, the "updating" regulation technique is not unlike the early selective service registration compliance regulations. Are you still a woman? Have you UNregistered for selective service? Did your birthdate change? Asking those questions of the same student year after year really frazzled already harried aid officers. It took the Department three years to realize that those things rarely, IF EVER, change or "break" and so rarely need to be "fixed." (Only in cases of sex-change or re-birth, I suppose!)

Well, when there is no discrepancy in household size and it is correct to begin with, what could possibly cause it to change? Let's examine. Death, divorce, separation: in those dire circumstances, families usually get in touch for special consideration of additional aid. No change in base year information is required. Such change would only cause aid to increase!

Birth or adoption of a child (unexpected at the time of filing and so not included in family size): in that happy circumstance, no change to base year information is required either and would again only increase need and/or aid.

Number enrolled in post-secondary: If that second sibling listed on the application NEVER enrolls between July 1, 1986 and June 30, 1987 then corrections are necessary--up to the time of verification, according to the guide. But if that sibling is enrolled half-time--at any point during the year--no change is necessary.

The concept presented by the Department of updating such items just three weeks after the application is filed by requiring the student to say on the Pell SAR, for example, "Yup, still the same..." is a waste of precious time and resource which are better spent investigating those where data is truly discrepant.

There are some ironies in all this and perhaps a solution to the verification nightmare:

Does it make sense that we must hound honest families over and over for the same unchanged data, when left off the verification hook are the incarcerated--convicted felons--and mentally incapacitated?

If we do this thing right, we'll only have to verify for one year. Everyone will be exempt. We will drive so many families crazy that every student will be able to certify that their parents are mentally incapacitated or we will drive so many students to murderous rage that they will be incarcerated next year.

That way we'll never have to verify again...

Yeah, that sounds good. As others in Dire Straits put it, "Them guys ain't dumb. That's the way you do it. Money for nothing..."

Ththththat's all folks!

From the Lender's Perspective

MYTHS REGARDING LENDER PARTICIPATION IN THE GUARANTEED STUDENT LOAN PROGRAM

submitted by Sharon Shurow
Student Loan Officer, Lehigh Valley Bank

(Reprinted courtesy of Craig Ulrich, Counsel, Consumer Bankers Association)

The Consumer Bankers Association (CBA) recently identified some basic myths regarding lender participation in the GSLP that underlie various Capitol Hill and Administration proposals to reduce the yield to lenders on GSLs. In many instances, CBA has found that the allegations of excessive profit making leveled at lenders are founded on a profound misunderstanding of the lender's role in, and the financial structure of the GSLP. CBA has issued the following which dispels such misunderstandings:

MYTH 1: *GSL Profitability exceeds the return on other forms of consumer lending.*

Lender yield on GSLs is typically less, not more, than other forms of consumer lending. In most financial institutions, the minimum acceptable return on assets is normally 1% (100 basis points) for consumer lending. The typical net return for GSLP is .75% (75 basis points). This results from a spread between the gross return (T-bill plus 3.5% now 10.5%) minus the cost of funds (currently approximately 8%) and the operational expenses in administering the program and servicing the portfolio over the life of the loans (approximately 1.75%).

MYTH 2: *Lenders make a large amount of money from the programs.*

This is not the case. In fact, some small GSL lenders actually lose money through their participation in the program. In fiscal year 1982, according to Department of Education statistics, more than 50 percent of the GSL lenders in the program (approximately 5500) lent less than \$100,000 each. At a net yield of 75 basis points, that annual loan volume results in a total return of \$750.

MYTH 3: *GSLs are so profitable that lenders provide all types of incentives in order to attract borrowers.*

The facts do not support this. As noted above, GSLs are not disproportionately profitable. In addition, the payment of incentives is relatively rare. Critics seem to consider the advertising of GSLs as unethical or an undesirable practice. In fact, it is precisely because GSLs are not excessively profitable that many lenders advertise their GSL programs. GSLs constitute an alternative "product" line that helps tightly regulated banks to diversify their risks. Saddled with limitations not applicable to their aggressive brokerage, insurance and retailing competitors, banks must be expected to market their loan capabilities.

Ironically, GSL lenders are being heavily criticized now because they are doing the very thing that Congress asked them to do five to ten years ago--make loans to any eligible student in any geographic area of the country attending all types of eligible postsecondary institutions.

MYTH 4: *A reduction in the special allowance of 25 basis points will have no effect on the number of GSL lenders or the availability of loans nationwide.*

Nothing could be further from the truth. A conservative estimate of lender response to a 25 basis point special allowance cut is that fully one quarter will drop out of the program resulting in a 10 percent reduction in GSL lending. What is difficult to determine is the extent to which the remaining lenders will have to reduce services in order to obtain an adequate yield on their investment.

A statutory cut in the special allowance, coupled with the 40 basis point Gramm-Rudman reduction, the Administration's budget proposals and other changes such as multiple disbursement, additional deferments, and increased due diligence, will make student lending much less attractive compared to other types of consumer loans.

MYTH 5: *Reducing the yield to lenders will not hurt students.*

This is a dangerous misconception. Students, not lenders, are the "captive" audience. The students may be forced to postpone or cancel their educational plans. The lender will simply have to seek alternative investments. Ultimately, the unintended effect of the reduction in the special allowance will reduce access to postsecondary education for many student borrowers as lenders withdraw from the program.

MYTH 6: *The GSLP is less administratively complex than other consumer loan programs.*

GSLs are far more complicated than other consumer loans. Five parties must participate in the loan origination process alone--the student-borrower, lender, guaranty agency, school and Federal government. GSL legal requirements are incredibly complex (the D.O.E. regulations exceed 70 pages) and are amended with a frequency unheard of in other areas of consumer lending law. Compared to auto loans, credit card transactions and other forms of consumer credit, GSLs are much more administratively complex and costly.

Additional myths and the conclusion of this article will appear in the next issue of the Newsletter.

Additions and Changes to the 1985-86 PASFAA Membership Directory

The newsletter will publish changes and additions as they become known. Each member is urged to review his or her directory entry. Changes and additions should be made to East Stroudsburg University where the membership directory is maintained.

NAME/TITLE	INSTITUTION/ADDRESS	CITY	STATE/ZIP	PHONE	TERM. #
<u>ADDITIONS</u>					
Barbour, Charles C. Admissions Director	Northeast Institute of Education 527 Linden Street	Scranton	PA 18503	(717) 346-6666	
Creighton, Judith E. Job Location Program Coordinator	Bucks County Community College Swamp Road	Newtown	PA 18940	(215) 968-8207	TM83
Eagen, Roberta A.	Northeast Institute of Education 527 Linden Street	Scranton	PA 18503	(717) 346-6666	
King, Richard N. Financial Aid Officer	Computer Learning Center, Inc. 3607 Rosemont Avenue	Camp Hill	PA 17011	(717) 761-1481	
Kline, William Student Employment Coordinator	Bucks County Community College Swamp Road	Newtown	PA 18940	(215) 968-8200	TM82
Mahon, Sally C. Director of Financial Aid	Bucks County Community College Swamp Road	Newtown	PA 18940	(215) 968-8200	TM82
Walker, Paul J. Director of Financial Aid	Northeast Institute of Education 527 Linden Street	Scranton	PA 18503	(717) 346-6666	

CHANGES

Hetherington, Kathleen
Shurrow, Sharon
Student Loan Officer

Lehigh Valley Bank

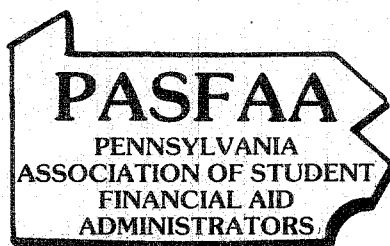
(215) 751-8274

NEWSLETTER PUBLICATION SCHEDULE

Editions of the PASFAA newsletter are scheduled every other month with the next one due in July. Articles, editorials, position openings (printed free-of-charge) and other contributions must be submitted by the first week of the month of publication. All materials and any questions about the newsletter should be sent to Sheila Angst, P.O. Box 516, Reading, PA 19603.

MOVING OR CHANGING POSITION?

PASFAA membership belongs to the individual and not your institution. Please be sure to provide PASFAA with changes of address or changes in title. Membership directories are printed for PASFAA by Bob Prince of Financial Collection Agencies. You should review your entry and submit any necessary changes to the Financial Aid Office, East Stroudsburg University, East Stroudsburg, PA 18301 where the membership list is maintained.



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CONFERENCE DATES TO REMEMBER

NASFAA	July 20-23, 1986 Registry Hotel, Dallas, Texas
PASFAA	October 5-8, 1986 Americana Host Farm, Lancaster, Pennsylvania
EASFAA	May 3-6, 1987 Hyatt Regency Hotel, Buffalo, New York