

Students at Clark see loans drying up

Murray, Baird work to make banks help all students

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As a work-study student in the financial aid office at Clark College, Diane Haraldson hears the mounting anxiety. Students come in wondering why they have to apply for new loans, and why their bank called them to say they would no longer be supported.

Last spring, four lenders stopped offering guaranteed student loans to Clark College, saying that students weren't in school long enough to make it worth their while. Clark College wasn't alone:

Across the country, banks started to deny loans to students at community colleges and some four-year schools.

The more Haraldson heard, the more she became determined not to tangle with student loans. This year, by earning about \$15,000 in grants and work-study income, she just might be able to eke out a living.

The confusion that she sees at work has gotten the attention of Sen. Patty Murray and Rep. Brian Baird, both of whom are sponsoring legislation that would demand that banks offer government-guaranteed loans to all students.

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Sen. Patty Murray, D-Wash.

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banks," Murray, D-Wash., said Tuesday at Clark College.

Baird, D-Vancouver, noted that the loans are government-backed with taxpayer monies. Government-backed loans protect banks against defaults on payments, allowing them to of-

fer lower interest rates.

Murray introduced the Preventing Student Loan Discrimination Act in June and so far has six co-sponsors in the U.S. Senate. Even if it doesn't pass, she said, it sends a message to lenders that the government is watching.

Baird, D-Vancouver, has yet to introduce his version of the bill.

The banks that stopped providing assistance are Citibank, Chase and Student Assistance. Wells Fargo continues to provide loans to current students but not new ones.

Clark's financial aid office estimates that nine months at the college costs about \$15,000, which includes tuition, books and a student's rent. That's cheap relative to a four-year institution, but a tough amount to come up with as a full-time student.

Karen Driscoll, head of financial aid at Clark, said that adding to the confusion, students have been inundated with e-mails from companies offering private loans.

Such loans may be tempting but have higher and variable interest rates, Driscoll said; one slip in payments could result in an increased rate.

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