

Student Loans--

To Be on Basis of Need

Colleges and universities may begin processing student loan applications on the basis of need instead of "adjusted family income," it was announced today by William E. McLaughlin, Regional Commissioner, U.S. Office of Education, Department of Health, Education, and Welfare,

Region X, Seattle.

New regulations regarding student eligibility for Federal interest benefits under the Guaranteed Student Loan Program, as required by the Education Amendments of 1972, have been approved and are effective immediately.

The law, signed by the President, requires a student's college or other post-secondary school to determine how large a loan he actually needs to cover educational expenses.

The determination of need is submitted to the lender as a recommendation for a loan. This is regarded as the most significant change in the Guaranteed Student Loan Program brought about by the 1972 amendments.

Prior to the new law, the Federal Government paid the interest for any student whose "adjusted family income" was less than \$15,000, until the loan was due for repayment.

(Generally speaking, a family with three dependent children and an income of \$20,000 probably would have an adjusted family income of less than \$15,000.)

Effective July 1, 1972, the Federal Government will pay interest on loans made to students whose educational institution so recommends on the basis of Office of Education guidelines.