

# Student Loans: Back to School Blues

By Bruce Davison

For many UPEI students at Registration, concern about their student loans was a preoccupation. Despite a promise to the contrary in the last Federal Budget, students found that they were still being forced to pay 3% of their loans in an "administrative fee."

The Federal government's promise to eliminate the 3% tax on student loans came after widespread opposition to the tax from students, university and college faculty and administrators, and even banks. Many students felt that the 3% tax was even more unacceptable in light of the fact that the weekly loan limits for student loans have not been increased since 1984.

More disturbing to some students were reforms to the Canada Student Loans Program being proposed by the Secretary of State. Included in this package of reforms are proposals to finally increase weekly loan limits and eliminate the 3% tax. Other changes proposed, however, would cost students money or even make student loans harder to qualify for.

The most controversial reform would see the elimination of the six-month interest-free grace period that now follows graduation. According to this proposal, students would be required to begin paying interest immediately. Other changes to student loans would see academic standards become requirements for loan eligibility, government guarantees of student loans to banks lessen, and minimum course load for loan eligibility increase from three to four courses.

The UPEI Student Union, working in conjunction with a national campaign on student loans from the Canadian Federation of Students, provided students

at registration with means to let the Federal Government know how they felt about the 3% tax and the government's proposed reforms. About 250 students signed letters to the Federal Cabinet reminding the government of its promise to eliminate the 3% tax or criticizing the proposed reforms to the Canada Student Loans Program. Also, over 400 people received information about the proposed reforms.

For many students at UPEI, the Canada Student Loans Program makes a university education possible. It has been estimated that 40-50% of full-time UPEI students depend at least in part on the Canada Student Loans Program.



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