

Loans Refused

OTTAWA (CUP)--As student aid offices across Canada are being swamped with record numbers of applications, some students are returning empty-handed after going to the bank to negotiate their loans.

None of Canada's five major banks is happy with their interest rate on student loans, and two have made major policy changes that are making student loans more difficult to obtain.

The Toronto Dominion has limited the amount of money it will allocate to student loans to a 10 per cent increase from last year.

A Queen's University student who was refused a loan at a TD branch in Kingston was told the bank had reached its limit and could issue no more loans.

The TD and the Bank of Montreal are limiting loans to students who have held an account with them for the past six months. This will particularly affect first year and out of town students.

The Bank of Montreal is also centralizing its loans to one branch in each city, often located miles from campus and student residences. Meanwhile, other banks are worried that students, unable to get loans at the TD or Bank of Montreal will turn to them.

The Royal Bank stated in a recent letter to the Canadian Federation of Students that "with restrictions recently announced by some leaders, we do not wish to be involuntarily placed in the position of being the one of a few national lending institutions granting these loans, thus bearing a greater proportion of the associated costs."

The Royal Bank does not currently restrict the number or amount of student loans.

The Canadian Imperial Bank of Commerce, which handles the largest number of loans, will no longer negotiate a student loan transferred from another bank.

Guy Wright, Canadian Federation of Students-Ontario (CFS-O) executive officer, said the banks are trying to force the federal government to increase the interest rates on student loans.

The move comes when students have applied for aid. Applications are up 20 per cent in Ontario, 24 per cent in Prince Edward Island, and

90 per cent in Alberta. In British Columbia, applications increased 45 per cent at Simon Fraser University and 200 per cent at Caribou College

More than 150,000 students received aid in 1980-81, about a third of Canada's full-time students.

And applicants are asking for much more this year, according to CFS researcher Bruce Tate. Not only did students have a difficult time earning money this summer, but many of their parents were also unemployed or had lower incomes, he said.

"The restrictions could not have come at a worse time," said Tate.

The banks' lobby group, the Canadian Bankers Association (CBA), has asked the federal government to allow them to charge either the prime interest rate or prime plus one. They currently receive the rate paid on Canada Savings Bonds, usually about three percentage points below prime.

Tate said the TD is usually the forerunner in student loan policy, though it is currently the only bank to impose a dollar ceiling on loans.

In 1980, the TD briefly refused student loans after the Bankers' Association asked the federal government to change their loans policy, but they eventually backed off. Secretary of State, Gerald Regan, promised CFS Aug. 11. that the federal government would guarantee that no student would be denied access to a post-secondary education this fall because of changes in the bank's

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PUB CRAWL, ORIENTATION WEEK 1982

Orientation week is now over and we would like to announce that it was the best ever held at U.P.E.I. The attendance at the events was record breaking and the enthusiasm was terrific.

We would like to take this opportunity to thank our committee for the incredible amount of effort and time that they gave to help us. We also want to thank the many individuals who helped us so much during the week.

We sincerely hope that the freshman class enjoyed the activities and we would like to thank everyone who participated.

Ronalda Murphy

Lori Lawless,

Co-Chairpersons,
Orientation Committee '82

welcome
back



welcome
aboard

THE MANAGEMENT AND STAFF OF SAGA CANADIAN MANAGEMENT SERVICES, YOUR FOOD SERVICE ON CAMPUS, EXTEND OUR BEST WISHES TO RETURNING STUDENTS AND THOSE THAT ARE WITH US FOR THE FIRST TIME,-- WE LOOK FORWARD TO SERVING YOU, AND ANOTHER YEAR OF CORDIAL RELATIONSHIPS.