

Royal Bank pulls out of student loans

•Continued from page 3

complicated and hard to administer, which was one reason it was turned over to the banks in the first place.

"The banks know more about lending and managing accounts than any government employee," he added. But he was quick to point out that the government controls who receives student loans.

Some bankers are concerned about the high debt loads students face.

"We're a society that is consumer driven... [putting

students in debt] starts to slow the economy," commented one official.

John McRae, Metro Credit Union administrative assistant, suggested that financial institutions are involved in student loans to build a future customer base. Both the Credit Union and the CIBC renewed their contract with the PEI government.

The Royal Bank, which had profits of 1.82

billion dollars last year, did not see the double in premiums offered by the government as adequate. Some students have questioned the Royal's decision to stop providing student loans.

"It's like they're pulling away the investment from something that's so important... If they are making record profits every year, how much are they really losing?" asked Erin Fagan, a second year English student.

Kirby asserted that default rates were much higher than expected. But when asked for default figures, he indicated that he could not discuss these details.

"[It's] proprietary information," Kirby replied.

Kirby was also unable to provide specific information on how default rates are collected. Although a student loan is declared in default after two missed

payments, it is not known if the default figures include students who have begun repayment after defaulting, or if the figures are restricted to loans that are never repaid.

Several groups have estimated the national number of students who never repay their loans to be eight percent.

Considering Graduate Studies?

Queen's University invites you to consider the graduate programs available in the School of Graduate Studies and Research.

The School offers masters and doctoral programs in forty-two departments. Programs are offered in Humanities, Social Sciences, Life Sciences and the Applied and Physical Sciences. Graduate programs at Queen's offer students the opportunity to work under the close supervision of nationally renowned research scholars and to share in the research activities of sixteen specialized centres and institutes.

Visit our web site today – www.queensu.ca/sgr – for details on our programs, scholars and facilities and for direct contact with programs of interest.

Funding Queen's offers competitive funding packages to first class students. Over 200 major Queen's Fellowships are offered annually to first class students. Queen's Graduate Awards, departmental awards and teaching and research assistantships complete the package.

If you would like more information, please contact the School of Graduate Studies and Research at 613 533-6100 or e-mail us at gradoff@post.queensu.ca



GRADUATE STUDIES, QUEEN'S UNIVERSITY, KINGSTON, ONTARIO, CANADA K7L3N6
www.queensu.ca/sgr Tel 613 533-6100 Fax 613 533-6015