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ABSTRACT

Several problems have been identified in the administration of student financial aid programs in California, including high default rates in the Guaranteed Student Loan (GSL) Program, a significant decrease in the number of eligible students receiving financial aid, workload increases in program administration, and unmet needs for financial aid for community college students. After studying financial aid problems, processes, and trends, the Chancellor's Task Force on Student Financial Assistance developed a series of recommendations for enhancing the Board of Governors of the California Community Colleges' role in policy development at the federal and state levels. The task force recommended that the Board of Governors: (1) support federal initiatives to increase the availability and accessibility of federal grants to community college students; (2) support legislation to establish a new state grant program for community college students to reduce their dependence on loans; (3) adopt financial aid packaging policies that encourage colleges to restrict as much as possible federal loans as a source of financial aid for first-time students; (4) support federal initiatives that would help institutions reduce GSL default rates, while reaffirming the colleges' open door philosophy; and (5) focus new or redirected federal and state funds on first-time students and investigate work-study programs as an alternative to loans. A loan profile of the California community colleges is appended. (AJL)

# REPORT AND RECOMMENDATIONS OF THE TASK FORCE ON STUDENT FINANCIAL ASSISTANCE

6

For Action, First Reading

*Staff Presentation:* *Ron Dyste, Vice Chancellor*
*Student Services and Special Programs*

*Al Wilson, Coordinator for Student Financial Assistance*





Board of Governors
California Community Colleges
September 15-16, 1988

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# REPORT AND RECOMMENDATIONS OF THE TASK FORCE ON STUDENT FINANCIAL ASSISTANCE 6

For Action, First Reading

## Background

*Financial Aid in California Community Colleges*, a report presented to the Board of Governors in December 1987, identified problems in the administration of financial aid programs (see Attachment). Among them were: (1) high default rates in the Guaranteed Student Loan (GSL) Program, (2) a significant decrease in the number of eligible community colleges students receiving financial aid, (3) workload increases in the administration of federal aid programs, and (4) the need to provide additional financial aid to community college students.

In March 1988, the Chancellor appointed a Task Force on Student Financial Assistance, which was charged with developing short-range policy recommendations that the Chancellor would present to the Board of Governors in the fall of 1988. Long-range policy recommendations are being developed by the task force for the Board's consideration in the spring of 1989.

The task force, whose nine members represent faculty, chief executive officers, student services officers, instructional officers, financial aid officers, business officers, EOPS directors, and students, held its first meeting on April 6. The task force received comprehensive information on the administration of federal and state financial aid programs. During the meeting, the members:

- Reviewed the process for determining student eligibility and need, the application and delivery process for federal and state financial aid, and institutional policies determining student budgets and the type of financial aid package a student receives;

- Discussed trends affecting community college financial aid; and

- Discussed the concern and debate surrounding student indebtedness, unmet financial need, the underdelivery of financial aid, and financial aid staffing.

The task force met again on May 5-6 to specifically address the policy issues related to the high student-default rates in the GSL program and to financial aid staffing.

Those meetings and discussions form the basis for the report and recommendations to the Chancellor and the Board that follow.

## Analysis

On the basis of its study and discussion, the Task Force on Student Financial Assistance has concluded that the Board of Governors should take a strong leadership role in developing federal and state financial aid policies that will reduce the dependence of community college students on loans. The task force findings and recommendations to the Board include:

1. The high default rates in the Guaranteed Student Loan Program can be attributed to a significant reduction in the availability and accessibility of federal grants. In 1975, federal grants comprised 40 percent of all financial aid to California students, while loans represented 24 precent of the total. By 1985, loans comprised almost 50 percent of all student financial aid. This shift from grants to loans has affected community college students most adversely.

   *The task force recommends that the Board of Governors seek out and support federal initiatives that would increase the availability and accessibility of federal grants to community college students.*

2. A disproportionately small amount of state grant aid is currently being provided to community college students. The California Student Aid Commission (SAC) awarded $125 million in Cal Grants A, B, and C to California students in 1987-88. Of that amount, $12.7 million, or just over 10 percent, was awarded to 10,538 community college students. As currently administered, the Cal Grant program provides the least aid to low-income students with the greatest financial need.

   *The task force recommends that the Board of Governors seek out and support legislation that would establish a new state grant program for community college students, particularly those attending for the first time, that would reduce dependence on loans.*

3. The GSL default rate among community college students is exacerbated because loans represent a disproportionate share of financial aid for low-income students attending college for the first time. The Student Aid Commission's recent report, *Student Borrowing in California*, found that 59.9 percent of all first-time community college students who had GSLs defaulted.

*To reduce the high default rate, the task force recommends that the Board of Governors adopt financial aid packaging policies that encourage the colleges to restrict to the extent possible federal loans as a source of financial aid for first-time students.*

4. *After reviewing what could be done administratively to address this problem, the task force recommends that the Board of Governors support federal initiatives that would help institutions reduce GSL default rates. The task force further recommends that the Board adopt the following positions with regard to actions being considered by the federal government to reduce GSL default rates:*

   a. *Support the proposal that the base year for calculating the Guaranteed Student Loan default rate for postsecondary institutions be established as of January 1, 1987.*

   b. *Support changes in regulations that would require the U.S. Department of Education, in adopting Title IV regulations regarding GSLs, not to base its decision to begin limitation, suspension, and termination (LS&T) procedures against a postsecondary institution solely on that institution's default rate. In addition, the task force supports utilization of a default rate of 25 percent or higher in establishing a "trigger" for Department of Education program reviews.*

   c. *Oppose federal proposals requiring each postsecondary institution to establish a refund policy for tuition and student fees - i.e., oppose proration of student fees at community colleges.*

   d. *Reaffirm the community colleges "open door" admissions policy for all California residents who wish to attend and who demonstrate the "ability to benefit" from instruction.*

   e. *Support proposals that Title IV programs provide institutions with the funds necessary to effectively administer programs as prescribed.*

5. *To effectively reduce the high GSL default rate among community college students, the task force recommends that new or redirected federal and state funds be focused on first-time students. The task force further recommends that the state expand its work-study pilot program to provide community college students with an alternative to loans.*

The Chancellor will recommend action at a subsequent meeting of the Board.

*Staff Presentation:* *Ron Dyste, Vice Chancellor*
*Student Services and Special Programs*

*Al Wilson, Coordinator for Student Financial Assistance*

# ATTACHMENT

# Report and Recommendations of the Task Force on Student Financial Assistance

## Background

While California students benefit greatly from the state's commitment to low tuition and fees, the cost of a student's subsistence during his or her college years is a determining factor in the decision to attend college. Student financial aid provides community college students who are least able to afford an education with the opportunity to attend.

In 1985-86, over 400,000 community colleges students had incomes, or were dependents of families who had incomes, that made them potentially eligible for financial assistance. However, only 115,000 of those students applied for and received some form of federal and/or state financial aid.

Since 1975, the number of community college students applying for and receiving financial aid has declined. Data show that total federal grant aid to community college students has dropped significantly, while funding for federal grant aid has remained constant and the average value of the Pell Grant has increased. This trend is particularly disturbing when applicant data shows a dramatic increase in the demand for financial aid among all college students. A study by the California Student Aid Commission, *Student Borrowing in California,* found that overall demand for financial aid and the cost of financing a student's education in California have increased steadily, over the last ten years. In addition, the study reported that federal and state grant programs have not kept pace with the increased need or the number of college students seeking financial assistance.

## The Guaranteed Student Loan Program

Since 1979, when the Guaranteed Student Loan (GSL) Program began, more and more students - unable to finance their education in whole or in part through work and grants - have turned to student loans. The rising cost of attending college, irregular increases in state grant aid, and reduced eligibility of middle-income students for federal grants have resulted in more students borrowing money to attend college. The source most often turned to is the GSL, and now the demand for the Supplemental Loan for Students (SLS) is beginning to grow as well.

The Guaranteed Student Loan Program was established under provisions of the Middle-Income Student Assistance Act of 1978. The program initially was developed in response to the tremendous demand for additional federal assistance by middle-income students and their families. Under the program, a student could qualify for a GSL regardless of income. The program, in effect, was designed to be a convenient source of low-interest loans for students from predominantly middle-income families.

## Changes in the GSL Program

In October 1986, federal law was changed to require a needs analysis to determine whether an applicant was financially needy and therefore eligible for a GSL. Students from families with gross adjusted incomes of $30,000 or more were virtually eliminated from participation in the program. In addition, the law was changed to require that all students receiving a GSL loan must state their specific educational objectives.

Legislation also changed the way in which of student loans were disbursed. Until 1985, GSLs were disbursed in a single lump-sum payment at the beginning of the school year. Concerned about the ability of students to prudently budget such large sums of money over the entire school year, financial aid administrators and others were successful in amending the law to require that loans be disbursed in multiple amounts (at least twice per year). Even with these changes to the administration of federal loans, colleges and universities that enroll significant numbers of high-risk, low-income students will continue to see high GSL default rates. The loans are made directly to students by banks, savings and loan associations, and credit unions. Students are eligible to receive federally subsidized loans of up to $2,625 each year (at 8% interest) for the first two years of undergraduate study, and $4,000 each year thereafter for a maximum total of $17,250. According to the Student Aid Commission's study, community college student borrowing increased steadily until 1982-83, when the volume of loans reached almost $70,000,000.

## The Cost of Student Borrowing

During the fiscal year ending on June 30, 1986, community college students borrowed $58,395,897 to finance their education. The following year (1987), the total dollar volume for community college student loans declined to $42,344,142. Initial reports from the Commission for 1988 indicate that loan volume will register another significant decrease in the amount of dollars borrowed.

As compared to 1982-83, when community college students borrowed $69,889,888, there has been a significant reduction in the dollar amount of GSL loans. The decrease can be attributed mainly to assertive loan counseling by financial aid officers and to the needs-analysis requirement implemented in 1986. However, the number of student loans entering default still remains a significant problem for the system. The Appendix lists the community colleges and their respective default rates. In 1986, community college students had a gross default rate of 31.2 percent systemwide. The SAC study also showed that the cumulative dollar *amount* of defaults since the inception of the GSL program accounted for 11.6 percent of all matured loans, but 21.6 percent of the total *number* of defaulted loans.

The cost of the default problem is staggering. Total federal costs for defaults on GSL loans are expected to have increased from $531 million in 1983 to $1.6 billion in 1988, an increase of more than 200 percent in just five years. In 1988, the U.S. Department of Education estimates that 47 percent of its budget will be expended on the GSL program. The fiscal impact of these expenditures is felt by students seeking financial assistance under other Title IV programs. Existing statute requires the Department of Education to fully fund GSLs as an entitlement program. Therefore, the mandated increase in funds allocated to the program reduces the availability of funds for grant and college work-study programs.

### Processing Student Loans

In response to high GSL default rates, Congress and the Administration are now developing and reviewing proposals that would further restrict student eligibility. The role that the community college financial aid officer plays in determining a student's GSL eligibility is restricted by federal regulations governing the administration of loan programs. The financial aid officer certifies the amount of the loan for which the student is eligible by evaluating his or her financial needs analysis. Under existing law, an institution cannot refuse to certify the loan application of an "eligible" student even if the financial aid officer believes the student to be a high risk. Once the certification is made, the loan application/promissory note is sent to the guarantee agency - in most instances, the California Student Aid Commission - for approval. The lender then receives the application from the guarantee agency for processing. Loan funds are then distributed to the college for disbursement to student borrowers. Participating colleges and universities are also responsible for (a) verifying the student's enrollment, (b) monitoring satisfactory academic progress, and (c) providing loan counseling.

### Repayment of Student Loans

The repayment schedule for a federal student loan is established at the time of application. The GSL program requires that a student begin repayment six months after graduation (or withdrawal from regular attendance) or when the student's course load falls below six credit units. Federal law provides that a student can obtain a loan deferral during periods of enrollment and other special circumstances. Financial aid officers believe that a number of technical defaults occur because loan deferrals are not processed in a timely manner or because students are unaware that a deferral request must be processed if a student transfers to another institution. If a borrower defaults on a loan, the lender is reimbursed by the guarantee agency for the full principal and interest of the loan. Since the lender is protected against financial loss, there is little incentive for the lender to increase collection activities beyond those now required by law. Community college students who are most likely to default on their student loans are those who face the most adverse conditions in persisting in school. Findings from the SAC study indicate that first-time students from low income backgrounds are most likely to default. The student borrower who is in default is precluded from applying for any future federal Title IV aid. This, in effect, limits future access to postsecondary education.

## Task Force Recommendations

On the basis of thorough study and discussion, the Task Force on Student Financial Assistance has concluded that the Board of Governors should take a strong leaership role in developing federal and state financial aid policies that will reduce the dependence of community college students on loans.

In response to the high GSL default rates among community college students, the task force has developed a series of recommendations for consideration and action by the Board. The policy recommendations in this report seek to redress the current imbalance between grants and loans, particularly for low-income, high-risk students who attend community colleges and to provide guidance to local colleges seeking to implement default prevention and reduction strategies.

In its discussions of federal and state financial resources as a critical element in the delivery of student financial aid, the task force extensively reviewed information on federal and state financial aid programs in the community colleges. As a result, the members of the task force propose the following recommendations to insure that California's community colleges receive their appropriate share of federal and state financial aid funds:

> **Recommendation 1:** *The task force recommends that the Board of Governors seek and support federal initiatives that would increase the availability to and accessibility of federal grants and other non-loan aid for low-income community college students.*
>
> The initial increase in the number of GSLs borrowed by community college students can be tied directly to the significant decline in federal grants and the increased availability of and easy access to loans. In 1975, federal grants comprised 40 percent of all financial aid to community college students, while loans represented only 24 percent of the total. By 1985, loans comprised almost 50 percent of all student financial aid. This shift from grants to loans has most adversely affected community college students.

In its review and deliberations of the high GSL default rate, the task force concluded that without increased or new sources of grant aid, community college students will, of necessity, continue to rely on student loans to finance their college educations. The task force identified opportunities to decrease student reliance on loans by supporting federal initiatives that would establish the Pell grant as an entitlement program. The task force also endorses federal proposals to automate the Pell grant delivery system and encourages the Board to seek the fiscal resources to support full automation of community college financial aid offices. Additionally, the task force supports an increase in the Pell funding formula that would increase from 60 to 70 percent the cost of attendance covered by a Pell grant, which would reduce dependence on loans by community college students.

**Recommendation 2:** *The task force recommends that the Board of Governors seek and support legislation that would establish a new state grant program for community college students, particularly those attending for the first time, that would reduce dependence on loans. In addition, the task force also recommends support of legislative and budgetary initiatives that would increase the number of Cal Grant B awards and funding available to community college students.*

The State of California supports student financial aid through programs administered by the public segments of higher education and the California Student Aid Commission. The programs administered by the Student Aid Commission include Cal Grants A, B, and C; state work-study pilot program; and a loan-assumption program for teachers. The Commission is also the guarantee agency for the federal GSL program.

Students attending community colleges are not eligible to participate in the Cal Grant A program, which pays for tuition and student fees only. Community college students are eligible to participate in the Cal Grant B and C programs. The Cal Grant B program provides grants to low-income students attending postsecondary institutions. The Cal Grant C program provides funding for students preparing for occupational or vocational careers. Funds for these programs are distributed to institutions for disbursement to students.

California's community colleges receive a disproportionately small amount of state funds in relation to the number of low-income students eligible for financial assistance. In 1987-88, 10,435 community college students received $12.7 million of the $125 million allocated for the Cal Grant A, B, and C programs. Although existing law provides that students from community colleges are to receive 51 percent of all Cal Grant B awards, the vast majority of these grants go to students attending four-year public and private institutions. As currently administered, the Cal Grant programs provide the least total resources to low-income community college students.

To meet educational costs, students have increasingly turned to loans to make up the difference between the cost of education and their own (or their family's) financial contribution and the amount of financial aid they will receive. Student loans have become a significant part of student financial aid "packages" because grants have not kept pace with the college costs and the increased need for financial assistance. This situation becomes a serious concern when students from low-income families incur significant loan indebtedness. In 1987-88, the average Pell grant received by a community college student was $885. The average campus-based award was $247. Grant aid from both federal and state sources, on average, had to be supplemented by a $2,625 GSL. A recent recommendation by the Joint Committee on the Master Plan for Higher Education calls for the Board of Governors to prepare a proposal for expanding its Board Financial Assistance Program (BFAP) to include selected costs beyond student fees (Recommendation #27). The task force recommends that the Board examine this and other proposals that would increase state aid and reduce loan dependence.

**Recommendation 3:** *The task force recommends that the Board of Governors adopt financial aid packaging policies that encourage the colleges to restrict to the extent possible federal loans as a source of financial aid for first-time students.*

Recognizing that the GSL program initially was designed to assist predominantly middle-income students attending high-cost four-year institutions and not to provide access to low-income students, the task force further recommends that the Board of Governors adopt financial aid policies that provide more grants to first-time, first-year students and limit to the extent possible the inclusion of loans in their financial aid packages.

The GSL default problem is exacerbated in the community colleges because a disproportionate share of financial aid in the form of loans to first-time, low-income students. The recent report of the Student Aid Commission, *Student Borrowing in California Community Colleges*, found that 59.9 percent of all community college students who borrowed in their first year defaulted on their GSL loans.

**Recommendation 4:** *Having reviewed what could be done administratively to reduce this problem, the task force recommends that the Board of Governors support federal initiatives that would assist institutions in reducing student default rates.*

*In addition, the task force recommends that the Board adopt the following positions with regard to proposals being considered by the federal government to reduce GSL default rates:*

**a:** *Support the proposal that the base year for calculating the GSL default rate for all postsecondary institutions be established as of January 1, 1987.*

This new base year would provide a more current measurement of loan-default prevention activities; specifically, for loans now made on the basis of "need." The task force felt that cumulative default data - which include all loans and defaults since 1979, when the program was open to all students, regardless of "need" - does not reflect recent and extensive community college efforts to reduce loan volume.

**b:** *Support changes in federal regulations that would require the U.S. Department of Education, in adopting Title IV regulations regarding GSLs, not to base its decision to begin limitation, suspension, and termination (LS&T) procedures against a postsecondary institutions solely on that institution's default rate.*

In addition, the task force supports utilization of a default rate of 25 percent or more in establishing a "trigger" for Department of Education program reviews, and the development by the Secretary of Education of standards for program reviews of institutions with high default rates. In determining whether an institution's GSL default rate is excessive, such standards should provide for consideration of the high-risk nature of the student body population and its historical propensity to default, the efforts of the institution to reduce defaults, and the economic and employment condition of the area(s) served by the institution .

In December 1987, William J. Bennett, then Secretary of the U.S. Department of Education, sent a letter to college and university presidents informing them that institutions with a GSL default rate of 20 percent or higher would be subject to limitation, suspension, and termination proceedings unless the rate were arrested before 1991. For California's 106 community colleges, Secretary Bennett's proposal would result in the termination of federal financial aid programs for an estimated 75,000 students, and a loss of $125 million dollars in student aid funds. The result of this action would be a significant and drastic reduction in the number of low-income students able to attend community colleges. The Department of Education has also proposed implementation of a default reduction plan in 1989. Under the plan, the department would conduct program reviews of all institutions among the top 5 percent with the highest GSL default rates. On the basis of these reviews, the department would recommend to the Secretary of Education actions that could be taken to resolve the institution's default rate.

c: *Reaffirm the community colleges "open door" admissions policy for all California residents who wish to attend and who demonstrate the "ability to benefit" from postsecondary instruction.*

In addition to being financially eligible to receive federal assistance under Title IV, an applicant must be a U.S. citizen or eligible resident and be enrolled or accepted for enrollment in a degree, transfer, or certificate program. Specifically, to qualify for Title IV assistance, a student must qualify as a "regular student" and be enrolled in an "eligible" program and maintain satisfactory academic progress.

A regular student has been defined by the U.S. Department of Education as one who enrolls in an institution for the purpose of obtaining a degree or certificate offered by the institution, or of pursuing a program leading to transfer to a four-year institution. An eligible program is defined as an educational program offered by an institution that admits as regular students only persons with a high school diploma or general education certificate.

Federal regulations require that for a student to be eligible for Title IV funds, he or she must be a high school graduate, have earned a general education (GED) certificate or the equivalent, or have been determined by the institution to have an "ability to benefit" from the educational program in which he or she is enrolled. According to federal regulations, a student who is admitted under the "ability to benefit" provision must (1) receive the GED prior to graduation or by the end of the first year of study, whichever comes first; or (2) be counseled before admission and must be enrolled in and have successfully completed a prescribed remedial program within the equivalent of an academic year (30 units); or (3) take and successfully pass a nationally recognized, standardized or industry-developed aptitude test or if having failed, complete an institutionally prescribed remedial program.

Federal regulations also require that an institution must review the academic progress of a student at least once before the end of each academic year. To remain eligible for participation in a Title IV program a student must maintain satisfactory academic progress, as defined by the institution. The regulations also require that in order to maintain eligibility, a student must have, at a minimum, a cumulative C average or its equivalent after completing the second academic year.

What do these requirements mean to the "open door" admissions process? California's community colleges presently admit anyone who possesses a high school diploma or its equivalent or anyone who is eighteen years of age or over and can benefit from instruction. Until recent legislation was passed to provide state funding for matriculation services, most community colleges did not have the resources to assess and monitor the academic progress of all of their students.

What the new federal regulations now require will take several years to fully implement at all of the state's 106 community colleges. In reviewing federal laws and regulations governing a student's academic progress and eligibility to receive federal student financial aid funds, the task force strongly believes that the U.S. Department of Education is inappropriately dictating admissions policies to institutions participating in Title IV student financial aid programs.

d: *Support proposals that Title IV programs provide institutions with the funds necessary to effectively administer programs as prescribed.*

The cost of administering federal and state student financial aid programs is borne primarily by the local community college. Federal regulations prohibit institutions from charging any student a fee for determining eligibility for financial aid or for processing the student's financial aid application. The federal government provides only a small allowance for the cost of administering the Pell grant and campus-based aid programs. The grant programs administered by the Student Aid Commission provide no administrative allocation to the colleges. The Board of Governors' grant program (BFAP) provides a small administrative allowance based on the number of awards processed each year. The small allowance provided under each of these programs does not cover the full cost of administering federal or state financial aid.

Administration of student financial aid at the University of California and the California State University differs greatly in terms of the number of staff and the financial resources available to advise and assist students. This disparity in administrative resources creates a situation in which low-income community college students who have the greatest financial need have the least access to financial aid dollars.

**Recommendation 5:** *The task force also recommends that the state expand its work-study pilot program to provide community college students with an alternative to loans.*

To effectively reduce the high GSL default rate among community college students, new or redirected federal and state funds must be focused on first-time, first-year students. The task force recommends that the Board of Governors seek or support legislation that would expand the state's work-study pilot program, which provides on- and off-campus work opportunities for community college students. The task force also recommends that the Board strongly encourage local community college districts to adopt a policy limiting to no more than 20 the number of hours a full-time student may work in a work-study position.

CALIFORNIA GUARANTEED STUDENT LOAN PROGRAM
LOAN PROFILE AS OF SEPTEMBER 30,1987
FOR IN-STATE SCHOOLS WITH AT LEAST $100,000 OF MATURED LOANS
BY SEGMENT, IN DESCENDING DEFAULT RATE ORDER

SEGMENT =CALIFORNIA COMMUNITY COLLEGES

| SCHOOL CODE | SCHOOL NAME | SCHOOL STATUS | DEFAULT RATE | DEFAULT AMOUNT | DEFAULT COUNT | MATURED AMOUNT | MATURED COUNT |
|---|---|---|---|---|---|---|---|
| 010340 | LOS MEDANOS COLLEGE | ACTIVE | 56.75 | 1,599,862 | 626 | 2,819,345 | 1,145 |
| 001214 | IMPERIAL VALLEY COLLEGE | ACTIVE | 54.37 | 196,833 | 86 | 362,034 | 162 |
| 007047 | LOS ANGELES SOUTHWEST COL | ACTIVE | 53.41 | 1,426,456 | 584 | 2,670,805 | 1,118 |
| 001273 | SAN DIEGO CITY COLLEGE | ACTIVE | 47.01 | 4,656,151 | 1,995 | 9,903,617 | 4,493 |
| 001237 | MERCED COLLEGE | ACTIVE | 45.90 | 1,768,968 | 859 | 3,853,792 | 1,972 |
| 006720 | COLLEGE OF ALAMEDA | ACTIVE | 45.89 | 1,616,665 | 672 | 3,522,874 | 1,511 |
| 001198 | COMPTON COMMUNITY COLLEGE | ACTIVE | 45.32 | 932,566 | 372 | 2,057,737 | 831 |
| 001227 | LOS ANGELES TRADE TECH COL | ACTIVE | 42.54 | 1,783,001 | 750 | 4,191,360 | 1,815 |
| 007536 | COSUMNES RIVER COLLEGE | ACTIVE | 41.63 | 959,245 | 407 | 2,304,136 | 1,050 |
| 008596 | WEST LOS ANGELES COLLEGE | ACTIVE | 40.78 | 919,720 | 405 | 2,255,169 | 1,009 |
| 001270 | RIVERSIDE CITY COLLEGE | ACTIVE | 40.26 | 2,291,394 | 979 | 5,690,797 | 2,525 |
| 012842 | OXNARD COMMUNITY COLLEGE | ACTIVE | 40.22 | 368,564 | 155 | 916,260 | 398 |
| 001119 | BARSTOW COLLEGE 2 | ACTIVE | 39.89 | 132,655 | 54 | 332,523 | 143 |
| 001272 | SAN BERNARDINO VALLEY COL | ACTIVE | 39.00 | 751,917 | 321 | 1,927,871 | 854 |
| 001233 | SACRAMENTO CITY COLLEGE | ACTIVE | 38.97 | 3,939,138 | 1,799 | 10,107,968 | 4,876 |
| 004502 | SAN FRANCISCO COMM COL CTRS | ACTIVE | 38.90 | 1,346,140 | 514 | 3,460,239 | 1,403 |
| 001294 | SOUTHWESTERN COLLEGE | ACTIVE | 38.88 | 3,919,699 | 1,560 | 10,081,323 | 4,217 |
| 001307 | FRESNO CITY COLLEGE | ACTIVE | 38.22 | 3,404,491 | 1,399 | 8,907,864 | 3,835 |
| 001190 | CONTRA COSTA COLLEGE | ACTIVE | 38.11 | 1,163,131 | 515 | 3,052,101 | 1,370 |
| 001176 | WEST HILLS COLLEGE | ACTIVE | 37.77 | 466,514 | 222 | 1,235,164 | 580 |
| 007707 | COLUMBIA COLLEGE | ACTIVE | 37.27 | 203,098 | 84 | 544,883 | 232 |
| 001267 | MERRITT COLLEGE | ACTIVE | 37.19 | 841,856 | 369 | 2,263,666 | 1,036 |
| 001223 | LOS ANGELES CITY COLLEGE | ACTIVE | 36.23 | 1,694,232 | 753 | 4,676,575 | 2,128 |
| 008597 | FEATHER RIVER COLLEGE | ACTIVE | 34.78 | 143,338 | 66 | 412,156 | 198 |
| 001245 | MOUNT SAN ANTONIO COLLEGE | ACTIVE | 34.43 | 955,914 | 476 | 2,776,526 | 1,406 |
| 001185 | COLLEGE OF THE REDWOODS | ACTIVE | 34.17 | 1,996,623 | 853 | 5,842,845 | 2,619 |
| 021113 | CUYAMACA COLLEGE | ACTIVE | 33.81 | 414,339 | 188 | 1,225,494 | 566 |
| 011672 | MENDOCINO COMMUNITY COLLEGE | ACTIVE | 33.08 | 108,630 | 52 | 328,405 | 151 |
| 001335 | VICTOR VALLEY COLLEGE | ACTIVE | 32.99 | 763,109 | 317 | 2,313,470 | 991 |
| 001167 | CITY COL OF SAN FRANCISCO | ACTIVE | 32.56 | 3,865,556 | 1,587 | 11,873,228 | 5,093 |
| 001266 | LANEY COLLEGE | ACTIVE | 32.40 | 691,966 | 332 | 2,135,776 | 1,060 |
| 001224 | LOS ANGELES HARBOR COLLEGE | ACTIVE | 32.32 | 819,893 | 370 | 2,537,176 | 1,147 |
| 008073 | BUTTE CMTY COLLEGE | ACTIVE | 31.94 | 2,243,692 | 906 | 7,025,609 | 3,000 |
| 001239 | MIRA COSTA COLLEGE | ACTIVE | 31.57 | 570,867 | 248 | 1,808,079 | 824 |
| 001308 | KINGS RIVER COMMUNITY COL | ACTIVE | 31.35 | 376,585 | 168 | 1,201,154 | 561 |
| 001286 | SANTA MONICA COMMUNITY COL | ACTIVE | 31.30 | 2,392,336 | 1,019 | 7,643,598 | 3,315 |
| | TOTAL FOR SEGMENT | | 31.30 | 108,183,709 | 46,422 | 345,666,264 | 154,445 |
| 001166 | CITRUS COLLEGE | ACTIVE | 31.22 | 311,089 | 160 | 996,541 | 516 |
| 001232 | AMERICAN RIVER COLLEGE | ACTIVE | 30.86 | 2,614,443 | 1,129 | 8,471,082 | 3,837 |
| 001163 | CHAFFEY COLLEGE | ACTIVE | 30.69 | 751,924 | 310 | 2,450,408 | 1,056 |
| 001285 | SANTA BARBARA CITY COLLEGE | ACTIVE | 30.44 | 1,733,232 | 807 | 5,693,416 | 2,676 |
| 001268 | PORTERVILLE COLLEGE | ACTIVE | 30.30 | 131,365 | 63 | 433,490 | 218 |
| 001107 | COLLEGE OF THE SISKIYOUS | ACTIVE | 30.19 | 454,044 | 220 | 1,504,105 | 759 |
| 001290 | SIERRA COLLEGE | ACTIVE | 30.13 | 908,816 | 399 | 3,016,246 | 1,386 |
| 001275 | SAN DIEGO MESA COLLEGE | ACTIVE | 29.78 | 2,811,523 | 1,156 | 9,439,424 | 4,061 |
| 001206 | GOLDEN WEST COLLEGE | ACTIVE | 29.74 | 2,612,174 | 1,058 | 8,784,407 | 3,734 |
| 001197 | EL CAMINO COMMUNITY COLLEGE | ACTIVE | 29.52 | 1,424,086 | 612 | 4,824,143 | 2,135 |
| 001240 | MODESTO JUNIOR COLLEGE | ACTIVE | 29.42 | 538,390 | 241 | 1,829,752 | 847 |
| 008918 | SADDLEBACK COLLEGE | ACTIVE | 29.30 | 1,754,975 | 690 | 5,989,268 | 2,509 |
| 001201 | FULLERTON JUNIOR COLLEGE | ACTIVE | 29.15 | 2,889,782 | 1,176 | 9,914,506 | 4,217 |

APPENDIX

CALIFORNIA GUARANTEED STUDENT LOAN PROGRAM
LOAN PROFILE AS OF SEPTEMBER 30, 1987
FOR IN-STATE SCHOOLS WITH AT LEAST $100,000 OF MATURED LOANS
BY SEGMENT, IN DESCENDING DEFAULT RATE ORDER

SEGMENT =CALIFORNIA COMMUNITY COLLEGES

| SCHOOL CODE | SCHOOL NAME | SCHOOL STATUS | DEFAULT RATE | DEFAULT AMOUNT | DEFAULT COUNT | MATURED AMOUNT | MATURED COUNT |
|---|---|---|---|---|---|---|---|
| 022427 | VISTA COLLEGE | ACTIVE | 28.67 | 58,703 | 23 | 204,788 | 87 |
| 001280 | SAN JOAQUIN DELTA COLLEGE | ACTIVE | 28.49 | 1,059,121 | 462 | 3,717,649 | 1,713 |
| 001289 | SHASTA COLLEGE | ACTIVE | 28.25 | 865,786 | 394 | 3,064,581 | 1,474 |
| 001113 | ANTELOPE VALLEY COLLEGE | ACTIVE | 28.17 | 301,970 | 125 | 1,071,857 | 455 |
| 008903 | COLLEGE OF THE CANYONS | ACTIVE | 28.00 | 151,552 | 60 | 541,296 | 242 |
| 001260 | PALOMAR COMMUNITY COLLEGE | ACTIVE | 27.98 | 1,293,574 | 571 | 4,623,621 | 2,110 |
| 001284 | SANTA ANA COLLEGE | ACTIVE | 27.95 | 2,040,886 | 824 | 7,300,783 | 3,053 |
| 001111 | ALLAN HANCOCK COLLEGE | ACTIVE | 27.91 | 350,783 | 177 | 1,256,786 | 647 |
| 001282 | SAN JOSE CITY COLLEGE | ACTIVE | 27.80 | 598,577 | 267 | 2,152,786 | 1,000 |
| 001292 | SOLANO COMMUNITY COLLEGE | ACTIVE | 27.70 | 561,254 | 257 | 2,026,397 | 922 |
| 009272 | CRAFTON HILLS COLLEGE | ACTIVE | 27.67 | 211,924 | 90 | 765,900 | 335 |
| 001242 | MONTEREY PENINSULA COLLEGE | ACTIVE | 27.46 | 205,972 | 97 | 750,165 | 356 |
| 001344 | YUBA COLLEGE | ACTIVE | 27.29 | 683,647 | 305 | 2,504,758 | 1,128 |
| 001161 | CERRITOS COLLEGE | ACTIVE | 27.19 | 664,424 | 289 | 2,443,934 | 1,088 |
| 001178 | COLLEGE OF MARIN | ACTIVE | 27.17 | 842,630 | 354 | 3,100,807 | 1,359 |
| 001246 | MT SAN JACINTO CO[illegible] COL | ACTIVE | 27.03 | 329,957 | 148 | 1,220,525 | 564 |
| 004481 | OHLONE COLLEGE | ACTIVE | 26.94 | 529,731 | 221 | 1,966,428 | 837 |
| 001192 | CUESTA COLLEGE | ACTIVE | 26.90 | 1,148,071 | 546 | 4,267,725 | 2,096 |
| 001219 | LONG BEACH CITY COLLEGE | ACTIVE | 26.82 | 4,334,667 | 1,824 | 16,162,808 | 7,145 |
| 001287 | SANTA ROSA JUNIOR COLLEGE | ACTIVE | 26.74 | 2,009,963 | 953 | 7,517,709 | 3,622 |
| 001208 | GROSSMONT COLLEGE | ACTIVE | 26.52 | 1,948,157 | 861 | 7,344,907 | 3,364 |
| 011820 | SAN DIEGO MIRAMAR COLLEGE | ACTIVE | 26.44 | 256,546 | 114 | 970,308 | 453 |
| 022260 | EAST LOS ANGELES COLLEGE | ACTIVE | 26.41 | 224,890 | 104 | 851,695 | 401 |
| 006973 | CANADA COLLEGE | ACTIVE | 26.37 | 327,141 | 129 | 1,240,489 | 512 |
| 001250 | ORANGE COAST COLLEGE | ACTIVE | 26.12 | 3,000,189 | 1,228 | 11,486,357 | 4,904 |
| 004480 | DE ANZA COLLEGE | ACTIVE | 25.72 | 2,005,507 | 795 | 7,798,062 | 3,247 |
| 020635 | COASTLINE COMMUNITY COLLEGE | ACTIVE | 25.48 | 151,540 | 62 | 594,684 | 251 |
| 010111 | CERRO COSO COMMUNITY COL | ACTIVE | 25.34 | 115,843 | 56 | 457,211 | 226 |
| 001228 | LOS ANGELES VALLEY COM COL | ACTIVE | 25.30 | 503,823 | 223 | 1,991,453 | 891 |
| 012550 | LOS ANGELES MISSION COLLEGE | ACTIVE | 24.71 | 38,628 | 18 | 156,333 | 71 |
| 001182 | COLLEGE OF THE DESERT | ACTIVE | 24.70 | 121,303 | 54 | 491,125 | 235 |
| 001309 | TAFT COLLEGE | ACTIVE | 24.49 | 53,126 | 37 | 216,910 | 158 |
| 001217 | LASSEN COLLEGE | ACTIVE | 24.30 | 440,401 | 202 | 1,812,224 | 859 |
| 001269 | RIO HONDO COLLEGE | ACTIVE | 23.83 | 319,484 | 218 | 1,340,821 | 833 |
| 001118 | BAKERSFIELD COLLEGE | ACTIVE | 23.79 | 253,852 | 127 | 1,066,856 | 595 |
| 001261 | PASADENA CITY COLLEGE | ACTIVE | 23.58 | 677,317 | 322 | 2,871,936 | 1,423 |
| 001191 | DIABLO VALLEY COLLEGE | ACTIVE | 23.43 | 723,295 | 309 | 3,087,138 | 1,355 |
| 001162 | CHABOT COL SOUTH COUNTY CC | ACTIVE | 23.39 | 1,245,013 | 486 | 5,323,151 | 2,175 |
| 007115 | MOORPARK COLLEGE | ACTIVE | 23.38 | 577,146 | 245 | 2,468,313 | 1,003 |
| 001124 | CABRILLO COLLEGE | ACTIVE | 23.10 | 682,480 | 312 | 2,953,959 | 1,381 |
| 007713 | SKYLINE COLLEGE | ACTIVE | 22.92 | 164,091 | 71 | 715,979 | 316 |
| 001203 | GLENDALE COMMUNITY COLLEGE | ACTIVE | 22.56 | 586,189 | 248 | 2,598,605 | 1,159 |
| 021191 | MISSION COLLEGE | ACTIVE | 22.41 | 316,085 | 131 | 1,410,758 | 620 |
| 001226 | LOS ANGELES PIERCE COLLEGE | ACTIVE | 22.23 | 1,061,467 | 458 | 4,774,531 | 2,146 |
| 001193 | CYPRESS COLLEGE | ACTIVE | 22.04 | 821,437 | 371 | 3,726,957 | 1,695 |
| 012452 | EVERGREEN VALLEY COLLEGE | ACTIVE | 21.82 | 292,417 | 118 | 1,340,415 | 581 |
| 001181 | COLLEGE OF SAN MATEO | ACTIVE | 21.74 | 519,852 | 223 | 2,390,877 | 1,068 |
| 011730 | INDIAN VALLEY COLLEGES | ACTIVE | 21.41 | 95,630 | 43 | 446,642 | 207 |
| 001247 | NAPA COLLEGE | ACTIVE | 19.70 | 162,993 | 70 | 827,201 | 368 |
| 001338 | WEST VALLEY COLLEGE | ACTIVE | 19.67 | 686,983 | 297 | 3,491,926 | 1,567 |

CALIFORNIA GUARANTEED STUDENT LOAN PROGRAM
LOAN PROFILE AS OF SEPTEMBER 30,1987
FOR IN-STATE SCHOOLS WITH AT LEAST $100,000 OF MATURED LOANS
BY SEGMENT, IN DESCENDING DEFAULT RATE ORDER

SEGMENT =CALIFORNIA COMMUNITY COLLEGES

| SCHOOL CODE | SCHOOL NAME | SCHOOL STATUS | DEFAULT RATE | DEFAULT AMOUNT | DEFAULT COUNT | MATURED AMOUNT | MATURED COUNT |
|---|---|---|---|---|---|---|---|
| 001199 | FOOTHILL COLLEGE | ACTIVE | 18.71 | 373,958 | 164 | 1,998,380 | 917 |
| 001334 | VENTURA COMMUNITY COLLEGE | ACTIVE | 17.95 | 219,827 | 103 | 1,224,472 | 597 |
| 001186 | COLLEGE OF THE SEQUOIAS | ACTIVE | 17.04 | 146,675 | 84 | 860,622 | 495 |
| 001202 | GAVILAN COLLEGE | ACTIVE | 16.84 | 77,974 | 30 | 463,100 | 204 |
| 001209 | HARTNELL COLLEGE | ACTIVE | 15.35 | 74,578 | 33 | 485,694 | 220 |

N= 105