

United States Senate

WASHINGTON, D.C. 20510

February 8, 1982

Dear Colleague:

I would like to invite you to join me in cosponsoring a Sense of the Senate Resolution opposing any changes in the Guaranteed Student Loan Program that would prohibit graduate and professional students from borrowing through the program to finance their education.

There are over 1.5 million graduate and professional students in the United States. Approximately one half of them depend on the Guaranteed Student Loan Program to assist them in paying for their education. These students are ineligible for Pell Grants and Supplemental Educational Opportunity Grants. To close the door on the GSL program will virtually eliminate any possibility of graduate education for thousands of students throughout the nation.

The Administration is proposing to eliminate graduate and professional students from the Guaranteed Student Loan Program. They are suggesting the Auxiliary Loans to Assist Student Programs (ALAS) as an alternative.

The ALAS program was developed during the reconciliation process last summer to expand the Parents Loan for Undergraduate Students (PLUS) program to include independent undergraduate and graduate students and parents of graduate students. The program, which is new and not yet available in most states, offers a very limited alternative to independent graduate and professional students who lack the resources available to PLUS participants. ALAS requires that the loan recipient begin to repay the interest on the loan--14% currently, 60 days after the loan disbursement. In states where ALAS is available, many banks have refused to participate in the program because it requires immediate repayment of interest from individuals who are full time students and who usually have no financial resources. Last year in Massachusetts, we had the highest number of PLUS loans but no lenders were willing to make loans under the ALAS program.

If we restrict participation in the GSL Program to undergraduate students, a large number of low and middle income students will be denied the opportunity to further their educations. Older individuals who have other family financial obligations will lose all hope of improving their skills and acquiring the academic credentials necessary to obtain positions in higher paying fields. The prospect of restriction deeply concerns me because I am one of many Americans who might not have been able to attend a professional school without the GSL Program.

We risk having doctors, lawyers, college professors and a host of other professionals from only the highest family income levels. Progress in opening professional careers to minorities will be seriously hampered. Overall, we risk diluting the quality and quantity of students graduating with the expertise to improve our excellence in technology, medicine, education and other expertise areas.