

ness in its institutional relationships and services, provided that such decentralization is accompanied by adequate staffing.

This office now receives and reviews institutional applications for funding, examining such applications for correctness of computations, completeness, and the extent to which the funds requested are reasonable in view of the institutions' student enrollment and economic status of the area served. A regional panel of financial aid officers then reviews each application and recommends funding. Where such recommendations differ from the institutional request, the Regional Office staff then negotiates acceptance of the panel's recommendation with institutional officials. Final action on fiscal approval and funding is taken by the Washington office.

Programs Having Common Difficulties

To re-emphasize, the Region IV area of responsibility in student financial aid has increased from one program in 1959 to three major programs in 1966, excluding the guaranteed loan program, involving an expansion from some 2.5 million dollars to approximately 44 million dollars. Participation by institutions of higher education has increased by nearly 80 percent.

During this same period, the Regional Office professional staff directly involved with student financial aid has increased from one to four persons, only two of which are in position to spend the greater portion of their time on college visitations. Consequently, visitations must be scheduled to give priority to those institutions where problems are known to exist. This leaves too little time for visits of a preventive maintenance nature, or those that would serve, through proper counseling, to assist colleges in avoiding problem areas, including those listed below.

Experience has shown that administrative problems have generally developed where one or a combination of the following situations exist:

- (1) responsibility for award determination and fiscal management assigned to part-time and/or overburdened or undertrained personnel;
- (2) frequent turnover of personnel assigned responsibility for the above functions, thereby seriously hindering continuity in management of the program;
- (3) inattention on the part of college personnel as to the importance of directives, suggestions, and recommendations contained in program reviews and audit reports;
- (4) non-attendance of institutional personnel at regional or state informational meetings and workshops;
- (5) failure by responsible institutional personnel in familiarizing themselves with administrative memoranda and procedural manuals distributed by the Office of Education, and to recognize the importance of these issuances.

Perhaps the best example of what can occur when one or more of the above situations exists, is the problem of delinquencies in repayment of National Defense Student Loans. A detailed report on this problem, as well as the action which has and is being taken in the Regional Office, has previously been submitted to this committee. Through such efforts, the institutional reports submitted to this office indicate a marked improvement on collections over the past six months.

Guaranteed Loan Program

A non-federal guarantee agency, either state or private, now operates in all six Region IV States. The States of Alabama, Florida, and Mississippi have a designated state agency, which supervises a comprehensive program operated under contract by United Student Aid Funds, Inc. There is no state agency in South Carolina, the program being operated by United Student Aid Funds, Inc., under agreement with the Commissioner of Education. The State of Georgia operates its own comprehensive program, covering all eligible students attending both in and out-of-state colleges. In Tennessee, a state agency operates a limited program for eligible residents attending Tennessee colleges. United Student Aid Funds, Inc., under agreement and the direction of the state agency, guarantees loans for Tennessee residents attending out-of-state schools.

In Region IV, the difficulties encountered under the guaranteed loan program can be separated into two general areas:

- (1) Insufficient understanding of procedures on the part of college personnel;
- (2) Student difficulties in locating lenders willing to consider loan applications.