and recency of program reviews and audits, and the weaknesses identified by such examinations. The preliminary roster thus formulated contained 210 institutions. Subsequent improvements at various institutions have resulted in effecting a reduction of the original 210 schools to the present roster of 198 for Fiscal 1968.

PROJECT OUTLINE

At the time of its implementation the project outlined certain basic actions to be taken:

A. Each OE regional office, in cooperation with Office of Education headquarters, was to schedule and conduct, promptly, at each institution selected within its region, an intensive program review covering all administrative aspects of the program. The review, designed to provide substantive evidence of existing weaknesses and the current status of the institution's program, included:

(1) the identification of the number and amount of delinquent accounts, as defined;

(2) the extent to which procedures were established for billing on a regular basis;

(3) the reasons for the weaknesses identified;

(4) the extent to which procedures were established to insure that borrowers were fully informed of their loan repayments' obligations, at the time the borrower left eligible student status; and

(5) whether the institution took serious and positive steps to implement previous recommendations made as a result of earlier audits or program reviews.

B. The chief administrative officer of each institution in the project, (and such other official(s) as he wished to accompany him) was invited to a post-review conference during which the results of the intensive review were frankly discussed with him. During the conference he was to be informed that:

(1) the records indicated the need for immediate, strenuous, and continuing action in improving the administration of the National Defense Student Loan Program;

(2) the failure to institute recommended actions would result in the discontinuance of allocating additional Federal funds to the institution; and

(3) a specific period of time would be allowed, depending upon the circumstances, for the institution to establish satisfactory compliance.

C. All institutions in the project were to be notified that future allocations would be approved only after taking into consideration their record of administration and collections; that future allocations might be denied on the basis of their records of administration and collections.

D. Institutions were to be encouraged to use College-Work-Study students to supplement or augment inadequate personnel in the billing and follow-up procedures. This would not create too great a problem or raise too serious objections since student borrowers in collection status would not be presently enrolled students.

E. Assistance was to be offered and encouragement given to institutions in establising cooperative collection efforts. This would be primarily for institutions that experienced difficulty in obtaining adequate and competent staff to administer the program.

RESULTS

The Regions exerted a tremendous effort to remedy the problems of repayment at their "100" schools. In Region IV, for example, *56* program reviews and *20* audits were conducted during the past year at the *48* institutions currently in the "Project 100" category; in Regions VI and VII, all "Project 100" schools (53) had program reviews. Region I had meetings with 27 different schools which had evidenced difficulty in maintaining a good collections' program.

Such efforts as briefly described above, were not without results. Between Fiscal Year 1966 and Fiscal Year 1967, 101, or 51 percent of these 198 schools showed an improvement in repayment. This is most significant because of a four-month change in reporting periods betwen the two fiscal years.