

Prior to the FY 1967 Report of Repayments, institutions were permitted to reflect teacher cancellations received between the end of the fiscal year and October 31; as of the last report, no payments received subsequent to June 30 could be shown on the report. The point to be noted is that the most recent reporting period (Fiscal 1967) denied the institutions the four-month advantage of applying late teacher cancellations to those borrowers considered past due, as of June 30, the consequence of which was to increase the number and amount of delinquencies.

FOLLOW-UP

By the Fall of 1967, certain trends became apparent: (1) not all Regions had been able to approach this problem of delinquency with the same diligence; (2) staff limitations, and the implementation of the Federally Insured Loan Program, created severe problems in some of the Regions; (3) more support for some Regions from the Washington Office was needed in solving these national problems; and (4) we had no national data regarding the universe of "Project 100" schools.

Consequently, in December of 1967, the Washington Office notified each of the 198 institutions of the situation and requested a detailed analysis of those accounts the institution had reported past due on its FY 1967 NDSL Annual Report of Repayments.

ANALYSIS OF SPECIAL REPORTS

Although the Loans Branch currently is in the throes of analyzing these reports and of responding to the institutions, interesting results are becoming apparent:

A. One Regional Director states that he expects the most dramatic improvement to be shown by June 1968 as a result of more effective collection procedures and, perhaps even more significantly because of the concern evidenced by the Presidents of these institutions over the problem of loan repayment.

B. In Texas, an institution reduced its rate of delinquency from 64.6 percent in 1965 to 25.9 percent in 1967; currently, its delinquency stands at about 15 percent. The Regional Office states that this school now is assisting nine other institutions to rectify their problems.

C. Seven of ten institutions reporting from Massachusetts indicate there will be an increase in their financial aid staffs next year.

D. Approximately 50 percent of the "Project 100" institutions upon having to provide a detailed analyses of their delinquent accounts, found they had made errors on their Fiscal Year 1967 Reports of Repayments.

E. A sample of the reports which have been analyzed indicates that the percent of delinquent borrowers who are *one year or less* past due ranges from 4 to 92 percent, with a median of 50 percent.

F. Preliminary analysis of these same reports (item E) further indicates that the median percent of delinquent borrowers who terminated prior to graduation is 35.

G. At the present it is impossible to determine the exact number or distribution of Project 100 institutions using a billing service but the following, albeit incomplete, list indicates that the number is increasing substantially.*

1. California: of the eleven (11) institutional reports reviewed, three (3) of the schools either belong to, or are considering the use of, a billing service;

2. Louisiana: two (2) of the four (4) institutions listed are considering a billing service;

3. Massachusetts: of the twelve (12) institutions analyzed, none belongs to, or is considering the use of, a billing service;

4. Pennsylvania: of the twelve (12) institutions analyzed, *all* are considering the use of a billing service;

5. Tennessee: of the seven (7) institutions analyzed, *all* either belong to, or are considering the use of a billing service.

* Perhaps the best indication of the trend toward the use of a billing service can be found in Wachovia Services, Inc., North Carolina. A survey conducted in October 1967 indicated that Wachovia was handling NDSL billings for *twenty-three* (23) institutions. Currently, it has *sixty* schools under contract and is negotiating with several others.