New rules for Federal student aid programs delay funds

(Continued from page 1)

Pell Grant funds at MIT will decrease between 15 and 25 percent, Gallagher said. Students from middle-income families will be the hardest hit by this reduction, he predicted.

The Department of Education has asked financial aid officials to check Pell Grant applications against students’ income tax returns. “We have to do this to validate what we know before we do the funding,” commented Gallagher. Until all Pell Grants are confirmed, MIT will provide the money for the students, Gallagher said.

The GSL program subsidizes low-interest bank loans to students. Legislators proposed a barrier of changes, including reducing the size of the loans, setting new criteria for eligibility, and eliminating graduate student programs from the program. As a result, explained Gallagher, banks were extremely reluctant to process loans until they knew the final set of requirements.

A drop in the number of MIT students applying for guaranteed student loans (GSLs) this year is due to a lack of information, according to Gallagher. “People incorrectly thought they were ineligible,” he said. Gallagher expects a surge of loan applications in late September as more students become aware of their eligibility.

Since October, Gallagher explained, the Federal Government has required a “needs test” for students with annual family incomes greater than $30,000 before they can obtain GSLs.

The MIT Bursar’s Office will compensate for delayed GSLs and make adjustments in collecting payments, according to Assistant Bursar Richard Davidson. “Our position is not to penalize the students for these delays,” Davidson said.

But he introduced new legislation this summer to eliminate delays in Pell Grants. If passed, the legislation would automatically set eligibility standards for potential recipients of the grants if the Department of Education is late in issuing regulations for the program, according to Gallagher.

“The new legislation would be good insurance,” Gallagher noted.

While all three classes of Federal student aid programs—the college-administered programs, Guaranteed Student Loans, and the Pell Grants—face delays, “it’s an annoyance, not a problem at MIT,” Gallagher said.

Over half the undergraduate students at MIT receive financial aid.

Feast your eyes on Boston.

From one of our contemporary and friendly-looking guest rooms, you enjoy a perfect panoramic view of the Boston skyline. From your room you can call down to the Lobby via the intercom system of our Room Service, or request a friendly and convenient solicitation by a member of our Housekeeping staff. Combined with the hotel’s reputation for high standards, the Hotel Sonesta, on the banks of the Charles River, is only a short distance from nearby MIT. A variety of bus services provide rapid transportation to major educational and financial centers in Boston.

YOUR BSN IS WORTH AN OFFICER’S COMMISSION IN THE ARMY.

Your BSN means you’re a professional. In the Army, it also means you’re an officer. You start as a full-fledged member of our medical team. Write: Army Nurse Opportunities, P.O. Box 7713, Burbank, CA 91510.

ARMY NURSE CORPS. BE ALL YOU CAN BE.