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New Report Shows How Community Colleges Support Responsible Student Borrowing

Highlights Creative Solutions Developed at California Schools

A new report takes a closer look at how some forward-thinking community colleges in California are promoting responsible use of federal student loans – ideas that can be adopted by colleges across the country.

California's 112 community colleges enrolled more than one in five community college students nationally in 2010-11, and about one out of every ten undergraduate students at all colleges combined. While the vast majority of community college students do not borrow, federal student loans are an essential source of aid for those who do need to borrow to get through school.

[Making Loans Work](#) is a joint publication of the [Institute for College Access & Success](#) (TICAS) and the [California Community Colleges Student Financial Aid Administrators Association](#) (CCCSFAAA). It draws on interviews with financial aid administrators at a dozen community colleges with a variety of student populations and borrowing rates. They shared innovative approaches to educating students about federal loans and helping them make smart borrowing choices.

"The report identifies many simple, practical ways that colleges are connecting with students and supporting responsible borrowing," said Debbie Cochrane, research director at TICAS, home of the [Project on Student Debt](#). "Because the practices are so diverse, every college should be able to find a few that work for them."

Some of the solutions outlined in the report add steps to the loan process to ensure that students get guidance, have questions answered, and take part in educational seminars. Others use technology to strengthen communication and ensure students in need of help do not fall through the cracks.

"Colleges are right to be concerned about student borrowing and high default rates, but getting rid of federal loans isn't the answer," said Sherrie Padilla, financial aid director at Antelope Valley College and past-president of CCCSFAAA. "This report gives colleges across the country options to position their students for success."

Here are just some of the creative college practices outlined in *Making Loans Work*:

- Some colleges, including **Santa Rosa Junior College**, use worksheets to help students plan and budget for their education. This can substitute for in-person counseling at colleges with limited staff time, as well as help flag students who need additional guidance. Santa Rosa also holds regular "Workshops for Responsible Borrowing" throughout the semester.
- **Santa Barbara City College** offers in-person counseling to every borrower, every year the student borrows. The meetings cover budgets, borrowing history, and academic progress and plans.

- **Long Beach City College** and **City College of San Francisco** assign academic counselors to the financial aid office, to help make important connections between academic concerns and financial concerns.
- To make sure they have a clear education plan, student borrowers at **Antelope Valley College** who have taken 70 units must see a counselor and submit an explanation of their plan for finishing their degree or transferring. **Mendocino College** does the same at 60 units.

Several California community colleges have also improved their technology to develop early warning systems and better communicate with students. Automated systems help flag students who may be in danger of borrowing too much or defaulting on their loans and ensure that they get help to stay on track. In addition, the report includes recommendations for how federal and state governments can help community colleges succeed in their efforts to support responsible borrowing and ensure students have access to federal aid.

In a 2010 memo to California community college presidents, California Community Colleges Chancellor **Jack Scott** drove home the importance of providing access to federal loans. “A decision to not offer these loans to your students could adversely impact persistence and full-time attendance rates,” said Scott. “I strongly recommend that all colleges retain loan access for their students.”

About the report: [Making Loans Work](#) was commissioned by the [Institute for College Access & Success](#) (TICAS) and the [California Community Colleges Student Financial Aid Administrators Association](#) (CCCSFAAA), and was researched and written by Pamela Burdman, an independent consultant specializing in college readiness and success.

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An independent, nonprofit organization, The Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds. Our Project on Student Debt works to increase public understanding of rising student debt and the implications for our families, economy, and society. For more information see ticas.org or follow us on [Twitter](#).