Cabrillo pulls out of loan programs: Too many defaults

Pressured by the mounting number of student loan defaults, the Cabrillo College governing board voted last night to halt the school's participation in two federal loan programs to help ease the problem.

The board voted unanimously to cancel the availability of Supplemental Loans for Students and Parental Loans for Students at the request of the school's financial-aid office. The cancellation is effective immediately.

Norma Ambriz, head of the school's financial-aid office, had presented the idea last month for the board to study. Ambriz said Cabrillo's default rate for the two loan programs has reached 18.3 percent. When any school's loan default rate reaches 20 percent, the U.S. Department of Education, which guarantees payment of the loans, can suspend that school from receiving additional federal student loan and grant money.

Ambriz said there are other sources of state and federal financial aid for students and the cancellation of the SLS and PLUS loan programs should not adversely affect students. Board member Bridie Franich agreed.

"It's not a case of pulling out and leaving a vacuum," Franich said.

Ambriz said is not uncommon for students to leave Cabrillo owing between $8,000 and $10,000. She said many students take out the loans without fully realizing they have to pay them back.

In other action yesterday, the board received a draft of the college's matriculation plan, a sort of self-evaluation process. The study was initiated by a four-year-old state mandate in response to public criticism that state community colleges are "a revolving door" for students who seemed to go in and out of college, in many cases not graduating and not being tracked by the schools.

Among the matriculation plan recommendations were:

- Increasing academic counseling services for students;
- Improving the registration process by using mail-in and telecommunications sources; and
- Devising a better method of tracking students who don't return the following semester.

—Emilio Alvarado