

may come from a home where there can be but little financial aid given.

7. Should interest be charged? and, if so, what rate?

The experience of most clubs has been that it is well to charge a nominal interest rate from the time the loan is made, as this impresses the student with the business-like nature of the transaction and brings in sufficient returns to pay for the administration of the fund and to offset losses. Most successful funds charge 4%, 5% or 6% interest, with the latter rate the

most popular. Many clubs make such arrangements that the students' notes do not bear interest until after the date of their graduation from college.

8. What method of repayment should be employed?

Data received from clubs indicates that the monthly installment repayment method has succeeded best. It possesses the advantage of definiteness, parallels good business practice, and provides for a systematic retirement of the loan in amounts that are in proportion to the person's ability to pay.

STUDENT LOAN FUNDS AND THE WAR

Many schools are advancing their schedules, eliminating summer vacations, etc., to help students graduate before being called for military service. This will mean that some students, who have been more or less self-supporting will find that they do not have the opportunity for summer employment, and, therefore, may need outside assistance in order to meet the necessary expenses. Many of these students will be worthy of special consideration by the student loan fund committees of Rotary clubs. It should be recognized, of course, that arrangements for repayment of the loan may have to be more liberal than usual.

A similar problem will be presented to those Rotary clubs that have outstanding loans. In many instances the loan cannot be repaid until the recipient has completed his period of military service and has time to make the necessary adjustments upon return to civilian life. This fact should be taken into consideration in planning the loan budget for the year.

A new suggestion, born of wartime needs for skilled workers, has been made that Rotary clubs might use their student loan funds to assist men and women to prepare themselves as welders, machinists, air craft workers, ship builders, and other trades vital to the war effort.