

## Adrian College to make student loan payments for low-earning grads

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Adrian College students soon won't need to worry about making student loan payments if they don't land a well-paying job right after graduation.

Starting with next year's freshman class — as well as first-year or second-year transfer students — the private Michigan college promises to make up to all of a student's loan payment if he or she earns less than \$20,000 and up to \$37,000 annually.

The innovative program is the latest in a string of efforts being launched by colleges across the state and nation to address rising levels of student debt, resulting from steady increases in tuition. Student loan debt is a major problem across all facets of higher education, topping \$1.1 trillion in the U.S. — more than is owed on credit cards.

In Michigan, the average student loan debt is about \$27,000 per student, and more than 60% of all Michigan graduates leave college with student loan debt.

The Adrian program works like this: Get a job after graduation that pays less than \$20,000 a year, and the college will make the complete monthly student loan payment until the individual makes more than \$37,000 a year. Get a job that pays between \$20,000 and \$37,000, and the college will make payments on a sliding scale. If students go directly on to graduate school, the program kicks in once they leave grad school.

There is no time limit for the payment plan to run out, but Adrian caps total loan payments at \$70,000 per student.

"It has become increasingly clear that money and student debt are major hurdles for parents and students to get over as they consider higher education," Adrian President Jeffrey Docking said. "Especially when it comes to a small, private college like Adrian. They are scared away by the sticker price."

It costs about \$39,500 a year to go to Adrian, located about 90 minutes southwest of Detroit. The average student pays around \$20,000 when financial aid is factored in, and 43% of Adrian students qualify for Pell Grants, which are given to lower-income students.

About 85% of Adrian students graduate with student loan debt, federal data shows, and the average debt is \$17,000.

To qualify for the program, students have to be enrolled full-time and make satisfactory academic progress toward a degree, said Frank Hribar, vice president for enrollment.

“We don’t expect a lot of Adrian students to (need) the program upon graduation,” he said.

Adrian has an average graduating class of around 350 students. About one-third of those go straight to graduate school after that. About 90% are hired in their field of study, Hribar said.

Adrian is the first college of its size in Michigan to offer the program, but other colleges across the country have similar programs. And other colleges in the state are trying different approaches to help students shoulder their debt.

Last year, Alma College announced it would pay the cost of completing a degree for any student who meets the school’s requirements but fails to graduate within four years, thus covering up to a full year of tuition.

And many colleges and universities are upping financial aid packages to counter rising tuition prices. Tuition has been climbing for both private and public colleges and universities for nearly a decade.

The average cost of tuition for 2013-14 at a Michigan public university is about \$10,764. That’s up 23% from the 2008-09 school year and 3.4% from last year.

At the same time that schools are trying to help students with their debt, the government has stepped up its collection of past debts by hiring private firms to go after scofflaws. That includes an increased effort by private attorneys working on contingency contracts from the federal government to haul people into federal court to get judgments against them, allowing wages to be garnished and assets to be seized.

And student loans aren’t dischargeable in bankruptcy. The government can set up liens against income tax refunds.

But by having Adrian make the loan payments if the graduates can’t, officials there say they’re hoping to relieve some people of that worry.

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