School steers students to backbreaking loans

Some say they didn’t notice high interest rates until it was too late. College and lender say information was provided.

By Sam Kennedy
The Morning Call

Iesha Leon of Bethlehem never expected her one-and-a-half-year stint at Lehigh Valley College could cost her $92,910.47. That’s what she’s on track to pay — seven student loans totaling $37,514, plus $55,376.47 in interest. In its quest for tuition money, LVC is steering some students to backbreaking loans.

The Center Valley college, which changed its name from Allentown Business School last year, is setting the stage for students to take on debt. The school carries an interest rate of 15.375 percent. A typical private student loan in this area would take advantage of [her] student loans with rates so high. Three to 7 percent interest is common today, they said.

Leone’s mother, Jan Fisby, said she feels a combination of guilt and anger. ‘‘I never kept saying, ‘Education, education, education,’ she said. ‘‘I never dreamed an educational institution would take advantage of [her] natures.’’

The Morning Call reported last month that LVC engages in hard-sell sales tactics to boost enrollment. High tuition and fees — $39,400 to $87,570 for an associate degree, compared with $5,400 to $6,640 at the area’s public institutions — has prompted complaints from parents.

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Right to Know requests meet with many a ‘no’

Poll finds public information often kept private by police, municipalities despite law.

First of a two-day series
By Josh Drabik
The Morning Call

Staff at many public agencies are still unsure of how the state’s open records laws work and often wrongly deny access to public information, according to a survey by The Morning Call of 70 public offices in Northampton, Lehigh and Carbon counties.

The survey, coordinated by The Associated Press for a report on the state’s open records laws, was conducted in late February and revealed that staff at municipal offices, school districts, district attorneys and police stations often do not release information that they are required to by law.

The state’s Right to Know Law, enacted in 1987 and amended in 1997, requires that every public record of an agency shall, at reasonable time, cost, and manner, be available for inspection and copying by any citizen of the state.

Stuart S. Gitlin, executive director of the Pennsylvania Newspaper Association, said the survey demonstrates that the state’s open records laws are not widely understood.

‘‘The primary reason is lack of training,’’ Gitlin said. ‘‘A lot of it is just a lack of awareness on the part of the public because they don’t understand that they have a legal right to see public records.’’

The lack of information is often due to a failure to understand the law, Gitlin said. ‘‘Some people don’t understand the word ‘reasonable.’ They say, ‘I don’t have the time or money to pay for these records.’ But that’s not allowed under the law.”
"Oh my God, where am I going to get the money for my student loans?"

Nicolau Juranic

FROM PAGE A1

Some will pay four
four communities
counseling — that

High-interest student loans are another piece of the equa-
tion. The sales tactics extend to financial aid, according to
LVC's former dean of admissions. A former financial aid
worker for Sallie Mae, the student who has
disclosed the terms of a loan.

The former LVC student, who

She kept all paperwork, said she wasn't fully apprised of the total cost of the loan.

The expectation was that

students will be able to come

with a "disclosure statement" will come.

Higher education is a "investment" that promises a "return on value".

The former director, who

backed out of plans to attend

college if they put their

signatures on student loan
documents. By the same time,

the company gets the guarantee

students will be able to come

with tuition money.

The former director, who

said he quit the school be-

cause he came to believe Career

Education did not have
they took advantage of him because he is young.

JOSH KEMMERER
former Lehigh Valley student

Lehigh Valley College

Joanne Potts, 19, of Aston, shows her mother, Darlene Dobbie. For one of her loans, she is due to pay back 32 times the amount borrowed because it bore interest at a high rate.

STUDENT LOANS FROM PAGE A10

The students' interests at heart, four of the five advisers who worked under Adams witnessed what they considered to be quasi-quasi collusion among the students' financial aid officers. They claimed to have witnessed several situations where financial aid officers would do things that led them to believe that the students were not getting the best deals.

Lehigh Valley College

A for-profit college that uses high-risk borrowers at a variable rate ranging from 7 to 15.375 percent.

DARLENE DUNBAR
mother of former Lehigh Valley College student John Futchko

THE MORNING CALL

STUDENT LOANS

Eddie Alkhal, assistant director of tuition planning, was unable to pay interest and had to sell his house in order to pay his remaining student loans.

Stephanie Azar, LVC's designer, was unable to pay for school and sold her house.

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A Keck family spokesperson said they were aware of the situation and were working to resolve it.

At least one local financial aid representative has said that the students were not fully informed of the options available to them.

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