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ChiroLoan -- A Boon to Students and Colleges

By Editorial Staff

The most successful student financial aid program in the chiropractic profession's history will enter its fourth year^{1,2} of service to chiropractic students and the nation's chiropractic colleges. ChiroLoan, brainchild of Mr. Steve Galvin, president of Educational Funding Services (EFS), has brought the most comprehensive and cost effective loan program available in higher education into the hands of chiropractic students. People in the chiropractic profession are only now just beginning to fully appreciate the benefits of this program.

Reed Phillips, DC, PhD, president of the Association of Chiropractic Colleges (ACC), and the Los Angeles College of Chiropractic, has offered nothing but praise for EFS: "The support that EFS has provided the Association of Chiropractic Colleges has allowed us to continue our annual educational conference. The Association greatly appreciates their continual support in working with us on the chiropractic student loan program."

"I couldn't begin to list the advantages this program has created for our colleges and our students," added Gerard Clum, DC, president of Life Chiropractic College West, who helped develop the innovative program during his tenure as president of the Association of Chiropractic Colleges. "The ChiroLoan program has brought the least expensive, most appropriately designed, and most responsive student loan packages ever known to our students," said Dr. Clum.

ChiroLoan was born out of necessity. In 1993, the continued funding of the HEAL (Health Education Assistance Loans) program was in jeopardy. Chiropractic graduates were being identified as major borrowers under the program, and more significantly, as major defaulters in loan repayment. Many people did not fix the blame on recent chiropractic graduates, but rather on a program designed mainly to serve the needs and structure of medical education. Chiropractic students were allowed to participate, but there was no recognition of how chiropractic education and licensure differed from those of the medical profession.

Further, the program was poorly conceived in its early form and did not even include a credit check to be eligible to receive funding under the plan. A student could file bankruptcy on Monday and be granted a HEAL loan on Tuesday.

The program was flawed but it was a major source of student financial aid funding for chiropractic education. The chiropractic profession was forced to take the bitter with the sweet and the graduates of the last 10-13 years are suffering the consequences of those inequities.

Enter Mr. Galvin, Education Funding Services, and the ChiroLoan program in 1992. Now, four years later, instead of thousands of HEAL loans being processed by chiropractic colleges, there are only a handful per year. ChiroLoan has replaced the need for the HEAL loans through a more competitively priced, appropriately designed and administered program.

ChiroLoan has a two-pronged approach, offering both traditional Title IV and private sector loans, providing better loans and servicing to chiropractic students than the HEAL funding. Five years ago, chiropractic students were borrowing tens of millions of dollars annually under HEAL, and were doing so at the highest rates the system would allow the banks to charge.

The best feature of ChiroLoan is that its products are custom tailored for the chiropractic graduate, taking into account the realities of the graduate, licensure, and practice establishment cycle in chiropractic. From the outset, longer periods of loan deferral are available, and some of the best interest rates in existence for students in the health professions are now commonplace for chiropractic students.

The second step in the ChiroLoan concept was to appropriately manage and service the Title IV or Department of Education loan programs open to chiropractic students. One of the secrets in this area is a bundling or aggregating of the loan power that exists in chiropractic education. Chiropractic students borrow tens of millions of dollars annually from the Title IV program through hundreds of individual banks. Under ChiroLoan, EFS bundles those loans and takes them to lenders, servicers, guarantee agencies, and loan processors -- virtually every level of the system -- and negotiates cooperation, terms, and rates that the volume of loans allow. The result is a student financial aid option that is widely available in chiropractic education and offers the least expensive, most flexible loan instruments ever enjoyed in our profession.

Through their relationship with EFS, the chiropractic colleges have been able to take many cost savings and operating efficiency steps in the last four years. Single-source processing of student loans, computer

processing of loan applications and materials, and electronic transfer of loan funds have all combined to better provide for the needs of chiropractic students and the colleges they attend.

The process of electronic transfer of funds can save weeks in processing and transmittal time. Transactions that at one time required three to four weeks now can be completed in 24-48 hours, with a higher level of accuracy and a higher standard of documentation associated with the procedure. Greater control and coordination of all aspects of student financial aid have allowed the colleges and EFS to focus on students and graduates who have had student loan problems. The result has been a greater ability to manage loans before they go into default and prevent "administrative" defaults, those due to paperwork management rather than due to lack of payment of proper processing.

For chiropractic graduates who have loans that predate ChiroLoan, there is an extensive array of products and services available that may assist them as well. The most important among these is an intimate knowledge of the loan systems and the administrative know-how necessary for cutting the red-tape and getting some assistance with a loan problem.

In 1993, the first and only client of Education Funding Services was the Association of Chiropractic Colleges. Since those early days, the osteopathic, nursing, podiatric, physical therapy, and legal professions have created similar alliances with EFS to aid students in their degree programs.

As the relationship between chiropractic education and EFS has grown, so has the spirit of corporate cooperation and responsibility exhibited by Steve Galvin and EFS. Four years ago EFS was unknown in chiropractic circles. Today they are known as major contributors to the Chiropractic Centennial Foundation, funders of scholarship, research and other grants associated with chiropractic awareness, and supporters of chiropractic educational conferences and the Association of Chiropractic Colleges.

Chiropractic education is about to enter its second century. The dawning of that era may see the Association of Chiropractic Colleges moving to an executive office in the Washington, D.C. area, advocating chiropractic inclusion in federal programs: ranging from the military to the National Institutes of Health, and serving the needs of the educational community beyond chiropractic to offer extensive information about our profession. Many of these accomplishments will have been made possible through the ChiroLoan program and the vision, intelligence, and generosity of Steve Galvin and Education Funding Services.

References

1. ChiroLoan aids chiropractic students: eliminates HEAL dependency. May 22, 1992, "DC" (10)11, p 1, 23.
2. ChiroLoan program begins disbursement of funds: \$6,000,000 in 45 days. Sept. 11, 1992, "DC" (10)19, p 1, 37.



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