Collaborative Innovation based Research of Campus Loans and Risk Preventions under Online Environment

Haixia Lv, Shaohua Huang and Xixi Guo

ABSTRACT

In this paper, 2735 college students in Shandong province are randomly selected to conduct a questionnaire survey on the phenomenon of campus loans. According to the investigation results, we analyze the existence and development of campus loans in some colleges and universities in Shandong province. Through the analysis of the results, measures to prevent the risk of campus loans are presented from synergistic effect of many subjects such as government, universities, enterprises and families.¹

KEYWORDS

Finance and economics colleges, campus loans, investigation and analysis, coping strategies

INTRODUCTION

As a new form of economic and social development, Internet Plus promotes the interconnected development of consumer operators. Among hot issues caused by this new format, the online loans for college students have quickly become the focus

¹Haixia Lv, College of Computer Science and Technology, Shandong University of Finance and Economics, Shandong, China.
Shaohua Huang, School of Continuing Education, Shandong University of Finance and Economics, Shandong, China.
Xixi Guo, School of Finance, Shandong University of Finance and Economics, Shandong, China.
of public concern. As early as April 2016, the Ministry of Education and the China Banking Regulatory Commission jointly issued a "Notice on Strengthening the Risk Prevention and Education Guidance of Delinquent Online Loans in the Campus" for a series of problems caused by campus loans, requiring any online lending institutions not to allow loans to college students. However, the campus online loan incidents have still not been effectively curbed, and a series of tragedies have been staged frequently in many provinces across our country, for example, being trapped into trick loans for buying mobile phones; being forced to return 120 thousand the next month after loaning 6 thousand; being cheated for 100 thousand to lend the new debt to the old one after being loaned 3 thousand to do a WeChat business. In order to further study the current situation of campus loans in financial and economic colleges, this paper randomly selected 2735 college students to conduct a questionnaire survey to analyze campus loans in colleges and universities, and to explore its essence and coping strategies.

CONSUMPTION VIEWS OF COLLEGE STUDENTS AND ANALYSIS OF CAMPUS LOAN’ CURRENT STATUS

Investigation Objects and Methods

In the form of questionnaire survey, 2735 students from grade 2014 to grade 2017 were randomly selected. The questionnaire was issued and filled out by the APP named Questionnaire Star. A total of 2735 questionnaires were received and statistical analysis was performed as follow.

1.2 Survey Results and Analysis

PARTICIPATION OF CAMPUS LOAN AND ANALYSIS

The results show that the students used the campus loan and other similar products (such as the Jingdong Baitiao, Ali Ant Credit Pay, Famous School Loan, Interesting Installments and so on), which accounted for 28.3% of students, indicating that the students of Financial Colleges and universities have a higher participation in campus loans. In the question of “Do you have friends who have experience in using campus loans”, there are three options, “never”, “Yes, but very few”, and “Yes, installment is still popular”. The results of each option are 39.23%, 29.47%, and 19.71%, which shows that campus loans are more common. Among the students who participated in the questionnaire, 54.99% of them were freshmen, illustrating that the lower grade students had higher participation in campus loans due to their lower academic burden, less survival stress, strong curiosity, and lack of self-judgment.
COGNITION OF CAMPUS LOAN BRANDS AND THE CALCULATION OF INTEREST RATE

The relatively familiar campus loan brands were listed and the classification options were designed in the questionnaire. In the item of "the campus online loan platforms you heard", “Ali Ant Credit pay” accounted for 89.4%, and the Jingdong Baitiao is 33.71%, which shows that students in financial and economic colleges have a certain contact with many brands of campus loans, which relied on Alipay, Jingdong and other large shopping platforms are more popular with students. Most of these brands are in installments not credit cashing, indicating that students are more concerned about the safety of campus loan brands.

However, for the calculation of the interest rate on campus loans, 53.6% of the students had little information on it, only the 6.58% said that they have calculated the rate and knew it quite well. It indicates that a considerable number of students have insufficient understanding of the interest rate mechanism and the risks of future defaults, which will easily give rise to significant risks.

ANALYSIS OF STUDENTS’ CONSUMPTION AND PURPOSE

According to the survey results, the monthly living expenses of students (excluding tuition, accommodation, books, etc.) accounted for 40.44% of the 500-1000 yuan, 53.42% of 1000-2000 yuan, and the proportion of more than 2,000 yuan was very low. In the case of whether the actual monthly consumption exceeds the cost of living, 48.1% of the students occasionally exceed, and 3.4% of the students often spend ahead of time. It shows that the current economic level of students meets the needs of daily living, and there is a phenomenon of advanced consumption. Only less than one-third of students can reasonably plan their living expenses.

In the case of over-consumption incapable repayment, there are 1.76% of students who chose to borrow new loans from other loan platforms for repayment, indicating that they mainly want to ask for money from their parents or make money themselves after over-consumption. Only a few people chose campus loans. However, there are also many platforms that utilize students' demand for part-time jobs to marketing

In the consumption purpose (multiple choice questions), 46.54% of students chose electronic products, the 52.5% chose clothing and beauty, the 41.13% chose tourism consumption, the 26.76% chose to communicate (falling love, gathering, etc.), and the 34.63% chose to start a business. The data above are in line with the consumer identity and actual needs of students, and the proportion of doing a business reflects a good momentum of students’ entrepreneurship.
ATTITUDE AND UNDERSTANDING OF CAMPUS LOANS

For the attitude of campus loans, results show that, 56.1% of the students were with a neutral attitude and thought they can use it when economic conditions permitted and 33.97% were resolutely unused. It can be seen that students have a higher acceptance of campus loans.

In the nature of campus loan, 45.27% of students thought that campus loan is usury, 24.86% is common loans, 20.37% is internet finance, and 9.51% is a financial innovation product, which shows that college students are less aware of the nature of campus loan.

RISK PROBLEMS AND MEASURES OF CAMPUS LOANS

In the questionnaire, four options were set for the question “What do you think are the main risks of campus loans?” (Multiple choice questions), namely, “the selection threshold is low, the audit is not strict enough, and the agent reliability is low”, "the interest is high, the management fees, service fees and other charges are numerous", "the personal information are leaked", and "loan platform is confusing, and the law is not perfect". The results of each option are 59.6%, 57.995, 64.79% and 50.35%, showing that students have a certain understanding of the risk of campus loans. In terms of how to view the risk of campus loans, 50.49% of students believed that there are risks but can be circumvented, and 11.92% of students thought that there is no risk if repayment is on time, indicating that students are more optimistic about the risk of campus loans.

77.88% of the students thought the main problem of the campus loan consumption is that some students have improper consumption habits and the emotional consuming, and the 27.61% considered that the education of financial knowledge and consumption concept was lacked in the school. It shows that students have certain knowledge about their consumption habits, impulsive consumption and so on.

In the item of “what should be strengthened to reduce the risk of campus loan” (multiple choices), 70.38% of the students hold the view that college students should refuse to impulsive consumption, and develop timely, moderate and reasonable consumption habits. The 63.4% believed that the online loan platforms have responsibility to strengthen the examination and regulation procedures for accessing lending and repayment. The 61.06% thought that the government is required to increase the monitoring and management of campus loans. The 43.36% considered the school should carry out special education to improve students' financial management and the awareness of lending risk. And the 10.24% thought that all circles should work together and publicize the safety online loans extensively.
THE ESSENCE OF CAMPUS LOANS

College Students online loans, namely campus loans, refers to obtain loans or installment consumption through a variety of current Internet technology like online loan platforms or consumption platforms, such as “Interesting installment”, "Famous School Loan", "Nonobank" and so on. In recent years, the development of internet finance and the vacancy of campus loan market have made the campus loan more and more vigorous. Campus loan is usually divided into the following three types: the installment shopping platform for college students, the P2P loan platform for college students and entrepreneurship, and traditional e-commerce platforms such as Ali, Jingdong, and Taobao. Owing to simple lending procedures, convenient operations and flexible borrowing periods, those platforms are very attractive to college students.

Most of the campus loans include fraudulent elements. With “no physical mortgage, giving money as long as you have a certificate, fast lending, agent allowed, zero down payment, zero interest, etc.” as the gimmick, students are induced to ask for a loan concealed the detailed information. The published rate of campus loans is far lower than the actual interest rate after being calculated accurately. According to the survey results of Home of Online Loan, the highest annual interest rate of some installment shopping platforms has reached more than 35%, and products with an annual interest rate of more than 20% are very common. Therefore, campus loan is essentially a kind of invisible usury for students, which is a form of P2P network finance that is surviving with high commission charge, intermediary fees, management fees, service charges, and default payments.

It can be seen from the questionnaire that college students have a certain understanding of the risk of campus loans. The reason why college students are trapped in online loan is mainly due to irrational consumption habits and advanced consumption patterns. At present, the consumption behavior of college students is no longer just a "living consumption", but an increasingly trend-oriented consumption, that is, symbolic consumption. More and more college students are keen on famous brands, cool products and high grade restaurants to satisfy their vanity and pursuit of personality, which forms a false demand that is inconsistent with their economic ability. Thus, in order to keep college students away from the bad campus loans behaviors, the first thing is to avoid unrealistic competition and emotional consuming, and pay attention to rational and moderate consumption habits.

Secondly, the college students' own risk prevention awareness is low. From the questionnaire, it can be seen that the college students generally have insufficient prevention of the loan risk for their trusting to luck. And it is closely related to their immaturity, vulnerable mental and lack of social experience. They tend to believe in false propaganda and are not aware of interest rate calculations and the potential risks of personal information leakage. Once they are deceive and fail to repay on time, online loan companies will adopt violent ways to ask them to repay. As a
result, college students often borrow new loans to repay the old one, which falls into the vicious circle of loans and results in heavy debt burden.

**RISK PREVENTION OF CAMPUS LOANS**

In order to prevent and solve the problem of campus loans, all circles, such as the government, online loan companies, students, schools, families and supervision departments, are required to make every effort and cooperate with each other to propose feasible prevention measures after analyzing the risk caused by campus loans. And risk prevention mechanism and countermeasure system should be established to help college students develop healthy consumption values and cultivate students' consciousness of good credit.

**Improvement of the Market Supervision System and Enhancement of Cooperation between the Government and Universities**

The state has conducted a series of regulations and guidance against the unhealthy phenomenon of campus loans. In August 24, 2016, the CBRC explicitly proposed the five-character policy of "Stop, transform, rectify, teach and guide" to rectify the problem of campus loans. Then, the CBRC issued "Guidance on the risk prevention and control of banking industry" in 2017, which indicates that the country's guidance to campus loan is gradually strengthened from the policy. With the joint efforts of the central and local governments, the initial results have been achieved in clearing and rectifying the campus loan business.

**TO ESTABLISH A COORDINATED MANAGEMENT AND PREVENT RISKS AT THE SOURCE**

The national law department should introduce the relevant laws and regulations of the campus loans, and actively guide and standardize the development of them, so that it can be based on the law and create a good legal environment. Financial regulation departments are demanded to improve the market access mechanism of campus loans, which can prevent the occurrence of unhealthy phenomenon from the source. Besides, punishment standards should be clarified to supervise and purify all kinds of campus loan markets.

**TO ESTABLISH PUNISHMENG SUPERVISION MECHANISM AND THE CREDIT SYSTEM**

A credit information database should be set up, so that the credit information of the student and the loan platforms can be efficiently consulted via the internet. Supplemented by the rating system, the efficiency of credit decision-making can be
improved through the rating of individual credit, so as to prevent the emergence of non-performing loans as much as possible.

The supervision mechanism of credit punishment is to punish credit breakers by the way of economic, administrative, and public moral blame. At the same time, the contradiction caused by credit breaking increases forms the counterparty to the whole society. Such strong pressure makes it give up incredibility strategies.

At present, the state has not developed a complete credit evaluation system for college students, which leads to a serious lack of credit consciousness. Firstly, the school should cooperate with the government to establish a unified credit system platform that promotes the information sharing system and records credit information, so as to avoid overdue credit. Secondly, we are meant to actively promote the construction of college students' credit archives to record their credit behavior. Thirdly, a national personal credit information system is demanded to further restrict the occurrence of incredibility behaviors. For students who have the need and the ability to repay, it is easier to obtain loans. But for those with poor credit rating, they will be disqualified.

TO STRENGTHEN CAMPUS SUPERVISION AND CREATE A GOOD CULTURAL ATMOSPHERE

Universities should prohibit agents of campus loans to invite professionals from financial institutions, regulatory agencies, and network security departments to conduct financial and network knowledge lectures on campus. Making publicity materials about credit knowledge to guide students to protect their legitimate rights is also a measure in a way. After developing scientific concept of consumption, rational thinking and correct judgment can protect students from all kinds of financial traps. In addition, in order to protect the safety of students' life and property, the daily monitoring, real-time warning and coping mechanism of bad campus loan behaviors are also in demand.

Establishment of Campus Prevention and Control System for Strengthening Security and Risk Prevention Capabilities

It is universities that have duty and mission to maintain safety and stability of the campus and cultivate students’ growth. Therefore, universities should treat the risk of and renovation work on campus loans as primarily task in current stage, actively improve the management mechanism, establish the relevant management system, and take on the dual management and education of students. The following solutions are put forward.

TO REGARD PREVENTION OF HARMFUL ONLINE LOANS AS IMPORTANT CONTENT IN DAILY EDUCATION, AND INTENSIFY THE POPULARIZATION OF KNOWLEDGE IN LAW, FINANCE AND NETWORK SECURITY
Firstly, it is necessary to establish a system which is fully coordinated by the school student affairs department and assumed responsibilities by teachers in charge of students work. Secondly, assembling an information feedback team that consists of the backbone of students should be set up, such as party organization, student union, mass organization and classes. Thirdly, emergency response mechanism for communication between family and school is also important. Through the establishment of the rules and regulations above, the roles of various departments in the school loans risk prevention work are clearly defined, and the joint efforts to prevent the risk of campus loans are formed.

TO BUILD A MULTI-LAYERED AND STEREOSCOPIC CULTURAL ENVIRONMENT FOR FURTHER STRENGTHENING EDUCATION ON THE CORE VALUES OF CHINESE SOCIALISM, AND GUIDING STUDENTS TO ESTABLISH A CORRECT OUTLOOK ON LIFE, WORLD AND VALUES

Universities should treat the prevention of harmful online loans as important content in daily education. Significantly, to develop the prevention loans risk capability of students, universities are supposed to organize colorful educational activities by using the effect of the great festivals, the group effect of class and community, the demonstration radiation effect of excellence, the advertising effect of school journals and the social media.

TO GUIDE STUDENTS TO DEVELOP REASONABLE AND SCIENTIFIC CONSUMPTION HABITS AS INSTRUCTORS AND PROFESSIONAL TEACHERS

Students should be allowed to know the law knowledge related to loans by campus broadcasting, WeChat subscription, various WeChat groups in classes and other channels. Based on this, they are forced to build an awareness of credit and prevention. We should take advantage of teachers’ specialties in economic disciplines, or set up financial courses and carry out the related lecture education, so as to actively popularize latest relevant laws and policies, and help them to distinguish the financial risks scientifically.

In addition, inviting professional psychological teachers to conduct psychological counseling is required too. We should pay close attention to students' psychological development at any time, and enhance interaction with students, especially those who are in poor situations. It can guide students to grow up healthily by constructing a trust relationship with them.

TO MAKE TEAMWORK BETWEEN INSTRUCTORS AND STUDENTS FUNDING CENTER AND TO DO A GOOD JOB OF STUDENT FUNDING

Pay more attention to students who are in poor financial situations, and do a good job on assisting. Strengthening the advertisement of collage funding, and
expanding the scholarship and the loans policy campaign is necessary. It is important to help students to find a way that makes them independent.

The school should strengthen the scientific management and system support for student funding. On the one hand, the level of student funding is improved and the state's financial support policies are guaranteed, on the other hand, it can meet the needs of tuitions and living expenses of students with financial difficulties.

**Collaboration between Families and Universities to Enhance the Communication**

In order to strengthen the ideological and political education of college students, constructing a safety environment by combining with universities, counselors and families for preventing unhealthy network loans is necessary. It appealed to parents to pay attention to and improve family education. Parents should help children to cultivate healthy consumption habits and financial awareness, guide them to think independently and develop correct consumption values.

By strengthening the communication between schools and parents, it is convenient for them to share student information, which achieves the information consistency of students' character and consumption habits. It can further help to cultivate their good study and consumption behaviors, so as to clarify the responsibilities that schools and families should bear in the process of students' growth.

**Cooperative Development of University Platforms to Promote Business Optimization**

Universities are the ones who have the best understanding of the students' situation in addition to students themselves. The economic situation, consumption habits, self-discipline and development needs of students are all grasped to a certain extent. At the beginning of the loan, the campus loan platforms can have a certain understanding of the credit information of students through universities. In the early stage, the loan conditions of students should be carefully examined, selected the best loans from the source, and offered a lower loan interest rate to the high-quality borrowers. But for those with poor credit, the interest rate should be increased appropriately, namely implementing the differential pricing service. At the same time, the state regulations on the interest rate of non-bank institutions are asked to be strictly observed, which not only guarantees the commercial interests of the platforms, but also offers preferential treatments to students.
Cooperation and Development between Banks and Enterprises to Urge Enterprises to Strengthen Self-Discipline

The initial purpose of campus loans is to provide convenience and solve the shortage of funds for students. However, the vicious events of campus loans come from the gap between the inflated consumption demand of college students and the neglect of formal financial institutions. Therefore, we should encourage and guide the development of the formal campus loan platforms, rather than blindly suppress and contain them, which can not only reduce the threat of bad platforms, but will increase the difficulty of supervision.

All circles should actively advocate the self-discipline of the campus loan industry. The CBRC should give full play to the leading role, assist the loan industry association and each campus loan platform to formulate the corresponding industry rules, and urge the campus loans to develop healthily. Besides, rating and ranking agencies for the online loan industry are required to be established to promote the orderly development of the online loan institutions. Moreover, the evaluation of campus loan reputation and strength are supposed to be carried out actively. At the same time, the campus loan enterprises should focus on the long-term interests, cooperate with each other, solve the existing problems, set up a good image, and win the long-term development.

Establishment of a Mechanism for Cooperation between Banks and Enterprises and Improvement of a Sound Online Loan System

The cooperation between banks and enterprises is an inevitable trend of social development. It can not only expand the business types of enterprises, but also make the sources of funds more secure. Students will be more reassured to borrow from campus loan platforms, and businesses will be more reassured to transfer money to students with bank supervision. The cooperation between banks and enterprises can make the banks, enterprises and students all benefit and win together. It also has an ability to reduce the probability of the frequent occurrence of vicious violence in recent years and the negative social impact caused by the negative factors of campus loans, more conducive to the stability and development of financial markets.

CONCLUSIONS

The appearance of campus loans reveals the pursuit of capital for interest, and also reflects the consumption demand of contemporary college students. The governance of campus loans is a multi-level and all-around process. It requires college students to improve their awareness of risk prevention, develop rational and moderate consumption. Universities should attach importance to the cultivation of students' consumption concepts and the financial management ability. Besides, strict prior education, early warning and monitoring mechanism should be established and
improved. In terms of government, it is supposed to strengthen the supervision and management of the campus loan platforms, to create a lawful, compliant, safe and fair loan platform, to perfect the legislation, and to make the management of campus loans having laws and regulations to be followed. And for financial institutions and platforms, it is necessary to always put integrity in the first place, consciously standardize the operating procedures, strictly examine the information of borrowers, and avoid risks to the maximum extent for enterprises and college students. It is believed that the society can get rid of the individual misfortune and family tragedy brought about by bad campus loan behaviors, promote the healthy and orderly development of campus loan, and build a good growth environment for the all-round development of college students.

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