

the private sector of the economy is going to be able to supply all the money necessary for students to obtain their education from one year to the next. Economic conditions are going to change. There may be a good deal of money available some years and less in other years.

Mr. QUIE. What is your experience with the overlap?

Mr. MOULTON. I don't really have any. We have just instituted the guaranteed loan program in this State. We have had some students applying for guaranteed loans. Wherever possible we have tried to refer students to banks.

Mr. GIBBONS. Are they getting any loans?

Mr. MOULTON. Yes, they are.

Mr. QUIE. In other words, if they can get a guaranteed loan program you won't provide a NDEA loan program for them?

Mr. MOULTON. We have need for approximately \$140,000 worth of funds under NDEA this year and our appropriation is \$100,000. So for some students it was necessary to refer them to banks.

Mr. QUIE. What would happen if you did find yourself in an overlap? Would you try not to use the NDEA program?

Mr. MOULTON. This, I don't know. I will plead ignorance. This is actually Mr. Wilder's province. How he would handle this one, I don't really know. The situation might very well rest on the financial situation of the family. If it is a family that is fairly prosperous now, a family that is making \$15,000 or more, we definitely send them to the bank. We view the National Defense Education Act program as being money available to students who are going to find it very, very difficult to pay their bills to the college.

Mr. QUIE. It was never intended that the NDEA loan program would be available to students from families with incomes over \$15,000.

Mr. MOULTON. That's correct.

Mr. QUIE. As I recall, \$10,000 and \$11,000 is as high as the schools have gone on that.

Mr. MOULTON. It is on a college scholarship service need analysis basis. That is if students have a need on a CSS basis they qualify for National Defense Educational Act money and we would provide it if we have the money for them.

Mr. QUIE. I am concerned when I see a sentence like your last one in your report because the Congress refused to go along with the President. In fact, we were unanimous in our committee not to cut out the student loan program in NDEA; neither to phase it out. We should not even buy the new gimmick, the so-called revolving fund, which would end up phasing it out. To me, the most damaging testimony they had on phasing it out is that it would cost the Federal Government more money in the guaranteed loan program than it costs the Federal Government in the NDEA loan program.

The only reason why Congress supported the guaranteed loan program in the first place is that they thought they would save some money and they would give the loan money to the students at lesser cost.

I recognize that the college bears costs in the NDEA loan program that you don't in the guaranteed loan program.

Mr. MOULTON. That is correct.

Mr. QUIE. So, because of that I should say I look at the selfish reasoning for the college willing to see the shift. But I am concerned