

2. Frequent turnover of personnel assigned responsibility for the above functions, thereby seriously hindering continuity in management of the program.

3. Inattention on the part of college personnel as to the importance of directives, suggestions, and recommendations contained in program reviews and audit reports.

4. Nonattendance of institutional personnel at regional or State informational meetings and workshops.

5. Failure by responsible institutional personnel in familiarizing themselves with administrative memorandums and procedural manuals distributed by the Office of Education, and to recognize the importance of these issuances.

Perhaps the best example of what can occur when one or more of the above situations exists is the problem of delinquencies in repayment of National Defense Student loans. A detailed report on this problem, as well as the action which has and is being taken in the regional office, has previously been submitted to this committee.

Through such efforts, the institutional reports submitted to this office indicate a marked improvement on collections over the past 6 months.

One of the programs enacted recently by Congress is the Guaranteed Loan Program. I would like to refer the committee's attention to page 10.

In general, the hesitancy of lenders lies not with the applicant, but with a variety of other reasons, including the following:

1. Return on investment insufficient; loans handled at a loss.
2. Tight money market dictates that credit be extended where return is highest.
3. Unwillingness to extend credit over periods up to 15 years.
4. Lenders contend that need should be a factor in the award decision, since this would help insure that available and limited funds are being used to their best advantage.
5. Smalltown lenders often disenchanted because experience shows many of their young people do not return to their home locality after graduation.
6. Lenders want benefit of experience and recommendation of college financial aid officer regarding applicant's need. Currently, it is not the function of the college to make any recommendation based on the applicant's need.

That, Madam Chairman, is a summary of my report.

(Dr. Boldt's full statement follows:)

STATEMENT OF DR. ALBERT W. BOLDT, REPRESENTATIVE, HIGHER EDUCATION, U.S. OFFICE OF EDUCATION, REGION IV, ATLANTA, GEORGIA

Madam Chairman and members of the Committee, my name is Albert W. Boldt, Representative for Higher Education, U.S. Office of Education, Department of Health, Education, and Welfare, Region IV, Atlanta, Georgia.

It is a privilege to appear before this distinguished committee to report on the operation of higher education programs administered by that Office in the Southeast.

The U.S. Office of education has maintained field services for some programs in Higher Education since 1960. The scope of these field services varied with the reorganization patterns of headquarters. In 1960, for example, the Regional Offices established liaison with the colleges participating in such programs as