expertise and you can train them to do just about anything you want them to do.

Mr. DELLENBACK. Let me come back again to one question that it seems to me is significant. I intend to go back and read the record carefully on this but I think I recall your saying that you find that these bright, well-qualified, well-trained people are able to do at least as well and in some instances a better job in dealing with the poor because a part of their responsibility is dealing with the nonpoor. Those weren't your words but this is the paraphrase of what I think the testimony will indicate you said. Is this what you meant?

Mr. BOUTIN. No, I think what the testimony will indicate on review, Congressman, what I said was wishing to achieve maximum productivity from our people and with limited dollar available for administrative expense that we have crosstrained our people in these various programs so that they can in fact service all kinds of loans.

This is an accident of our own operation, the type of mix that we have to deal with in terms of applications, requests for management counseling. I don't think that it makes a man or a woman on SBA's staff as a loan officer, a better, more effective loan officer doing a better job because he does it on a comprehensive basis or on a limited basis. My own concept of management is that it is better to have generalists with broad knowledge than specialists with limited knowledge.

Mr. DELLENBACK. I like your way of saying it better than my own.

Mr. BOUTIN. Thank you, sir.

Mr. DELLENBACK. So far as SBA is concerned in setting the terms in dealing with the EOL 1 and 2 loans, do you set different terms? Are you more lenient in allowing delays in repayment or in forgiveness or terms of this nature?

Mr. BOUTIN. Our regular loan program has a maximum term of 10 years where the EOL 1 and 2 program has a maximum term of 15 years. The regular has a maximum limitation by statute of $350,000 versus the $25,000 by statute. We have administratively lowered that for EOL 1 to $15,000. It is on an ad hoc basis that we make these determinations. The terms for qualifications under EOL 1 and 2 obviously are nowhere near as stringent as they are under the regular loan program. We do not require the same degree of collateral. We place greater emphasis upon the motivation, the ability of the individual applicant without requiring the input of money. Obviously they have very little or none in most cases. We evaluate very carefully what they want to do. As an example, in a Negro ghetto area let us say if the tradition has been that they are in the beauty parlor business, or in the shoeshine business or some of these limited fields, and have been precluded from getting into the more lucrative and actually the more important to the local community types of businesses, then we try to concentrate our efforts in broadening the scope of services that are available by the local residents.

Mr. DELLENBACK. Do you feel that it would help or hurt the loan process to have OEO personnel involved in the approval or disapproval of loans?

Mr. BOUTIN. I think it would be a mistake.

Mr. DELLENBACK. We are better off to leave it the way we are?

Mr. BOUTIN. Yes, sir.