

and the way you get at it is developing a relationship with individual institutions, higher educational institutions, and helping them to do a better job with their procedures for followup of students.

Mrs. GREEN. Would you yield there?

Mr. QUIE. Yes.

Mrs. GREEN. I have one question on this. Has any thought been given to allowing the institutions to write off the uncollected loans so they don't have to report them year after year?

Mr. MUIRHEAD. Yes, considerable thought has been given to that and to have them extend as far as they care to whatever legal channels they wish to take in the collection of the loan and then determine when the loan is uncollectable.

Our thinking on that has been to establish some criteria as to when a loan really is delinquent and the college then would write it off of their books and turn it over to some other agency to collect, either a State agency or perhaps the Federal Government.

I think it would clearly have to be a procedure, however, that it would be clearly known when the college took this decision there would continue to be efforts to collect the loan. I think it would be unfortunate to have the impression given if you just wait long enough you won't have to pay it.

Mrs. GREEN. You have the authority to do this now, as far as the institutions are concerned? It does not require legislative action?

Mr. MUIRHEAD. That is right; it does not require legislative action.

Mr. HOWE. Perhaps going ahead with some of the other titles of the Higher Education Act, we are suggesting that title V of that act move into the new Educational Professions Development Act and the new legislation you have is set up that way.

Title VI for minor remodeling and for equipment for undergraduate instruction, a 5-year extension, and here we are requesting that the limitation on subjects be dropped in line with the Secretary's statement of yesterday in which we are seeking more flexibility for institutions and seeking really broad categorical authorities rather than narrow authorities.

I think these are the main points in connection with the Higher Education Act. I would like to go to the National Defense Education Act, which, again, we are bringing up a year early. We have just been discussing title II of that act, the title for student loans, and as you observed, one of the changes that we are suggesting there is the cancellation of obligations for teachers not in the regular schools.

In addition, we are asking to put in place this revolving fund arrangement which will in effect expand the funding available in the individual institutions for NDEA purposes; the total amount involved in fiscal 1968 will be approximately an additional \$50 million of loans available to students over and above the \$190 million amount which we will be asking for as a direct appropriation.

These, I think, are the things—well, let me make another observation on the revolving fund: It should be beneficial to the individual college because it allows the individual college to cease making its 10-percent contribution under the direct capital grant arrangement we have had in being and which will continue in being; the college pays 10 percent, or pays 10 percent of the total amount involved in the loan program.