

We have had absolutely no comments from the financial aid community but I can secure some and submit them for the record.

Mr. REID. I would be extremely interested and I think the committee would be interested in any information you could submit as to how that functions.

(The document referred to follows:)

MAY 2, 1967.

HON. EDITH GREEN,
Chairman, Special Subcommittee on Education, Committee on Education and Labor, U.S. House of Representatives, Washington, D.C.

DEAR MRS. GREEN: During the course of our testimony before your subcommittee on April 19, I was asked for comments on how well the provision to increase, under certain circumstances, the maximum stipend to be paid on an opportunity grant was working. I testified at that time that I had heard no reactions from the field.

I should have realized at the time I was questioned that the provision has not been in force long enough to get any reaction. Obviously, a student would not be eligible for the additional stipend until he had established a record for at least one college year. Since this is the first year the opportunity grant program has been in effect, there have so far been no students eligible to receive the extra stipend.

I am advised of three things:

1. In the determination of class rank, institutions are permitted to use their generally established practice for determining this but whatever system is chosen must be applied in a consistent manner to all students who may be eligible for the award.

2. Transfer students will be considered eligible for consideration in the same way as are other college students.

3. The total aid provided to students must not exceed his measured need. If student need is being met in full, the matching funds for a student who receives a \$200 additional award will be reduced accordingly. If the matching includes allowance for loans or for work, the \$200 award may be offset by reduction in one of these.

I think that in another year it should be possible to provide you with a reasonably good assessment of how the provision is working.

Sincerely yours,

JOHN F. MORSE,
Director of the Commission.

Mrs. GREEN. Congressman Carey.

Mr. CAREY. Let me submit a personal welcome to Dr. Gross; I have had opportunity to work with him, and serving as a sort of reform advisory committee, Dr. Gross has helped the Academy without disrupting the service to the country, so I am personally much indebted to you for that.

On the basis of your analysis of your section 1001 and the effects it would have on fluctuating rates of interest in problems of long-term financing, I am glad that in drafting the bill we put section 1001 near the very end, it will make it more easy to drop it off like boots.

Dr. GROSS. An excellent idea.

Mr. CAREY. I think this would be an impossible way to go out in the private sector and not know what your funds will be from the private sector.

Second, in the Congress and the other body, the matter of financing the higher education through student guaranteed loans, and tax deductions, it is not true that insofar as the guaranteed student loan program is concerned, we do have a tax deduction program now for the student who is successful in getting a loan when it comes to the time of repayment he does deduct the interest on that loan, that is a taxable reduction now, is it not?