

and your subcommittee would take a particular look at that and I devoted some portion of my statement to it.

If you put yourself in the place of the lender and this bank puts aside \$500,000 to make the loans and it has demands for \$1,000,000 worth of loans, perhaps some of these you know are from students and customers you know can afford to get the funds elsewhere or pay it out of the current income.

I think then the banker has to look at the situation. Maybe 5 years from now we can be away from this but I don't think we can in the embryo stage.

Mrs. GREEN. Let me say I do understand the lenders' position. I think all bankers would operate in the same fashion. Where there is a limited amount of money it should be on the basis of need.

I think legislation did say any student with income less than \$15,000 was eligible.

Dr. WALKER. He was eligible for the interest subsidy, not the loan. Any student is eligible even with an income of a million dollars, eligible for the interest subsidy. There is nothing, though, that says the lender must make the loan. We are doing all we can but there is no requirement that the loan must be made.

Mrs. GREEN. I think this points up the concern of some of us that students from the middle-income bracket really do not have a program of student assistance to help them through college.

Dr. WALKER. You have hundreds of millions of dollars of loans for years under what we call the banks own plans. This is at a higher rate of interest and a more competitive rate of interest but, when you talk of an adjusted family income of \$15,000, or gross family income of \$19,000 or \$20,000 or \$21,000, and these loans run possibly 12 percent in interest, this is tax deductible, and particularly in accordance with the point Mr. Carey made earlier.

I would disagree that these people are completely out in the cold. They have quite a few sources of credit and many families started when the child was born to build up a fund to send the student to college later.

Mr. CAREY. I will agree that a great many people did in frugal ways manage to sequester funds for the education of their children but none of us reckoned with the high cost of education today.

No matter what the savings were, nobody could determine 20 years ago that we would face the high cost of the tuition in colleges today.

I assume this is on my time now, Madam Chairman, had you finished your questioning?

Mrs. GREEN. Yes; please go ahead.

Mr. CAREY. I compute that roughly 480,000 students were able to obtain some kind of loan under the guaranteed program of USAF program, if my figures are accurate.

Dr. WALKER. Including NDEA?

Mr. CAREY. No; just the USAF, this calendar year.

Dr. WALKER. Right.

Mr. CAREY. We don't know, or I don't know, how we can find out how many students applied for loans and were not fortunate enough to live in the area of the First National City Bank of New York.

I think it is of interest to the committee to determine what happened to these students, where did they go? Perhaps the parents were not