We hope they will not because we are afraid that will leave no incentive for States to move ahead.

Mr. CAREY. I might say it is common in New York commercial banks, but I did detect the bank is making a judgment as to who is capable of pursuing a college career successfully?

Mr. BRYTCZUK. Only to this extent, we were anxious that we be able to collect the loan after the student graduates. One of the factors in being able to successfully collect your loan is to be sure the boy will have an adequate income.

I think one thing follows the other. If he can complete his college education, he will have an adequate income and we will be able to collect our loans.

We don't want to run into a situation where x percent of our loans are uncollectable because the people don't have enough money to repay them.

Dr. WALKER. Bankers are not setting themselves up as scholastic judges of ability. We go on the college judgments.

Mr. CAREY. What standard do you use?

Mr. BRYTCZUK. Under the New York program the college first initiates it and they indicate in their judgment whether they think this boy will make a good college student.

Mr. CAREY. So the college made this judgment?

Mr. BRYTCZUK. Yes, and he submits his grades with this loan application.

Mr. CAREY. But you still might turn him down even though the college is willing to accept him?

Mr. BRYTCZUK. Or we might reduce the loan amount.

Mr. CAREY. If he can't make up the difference he does not go even though he is acceptable as college material?

Dr. WALKER. That is why we have to make this program grow and work better.

Mr. CAREY. As good as the program is, there is still a number of persons, the number is marginal, but a number who have gained acceptance, who are college material.

I think it is clear to all of us who have studied this that there are a great many that fall below acceptance because they went through the New York school system and many students who might have gone to other high schools, coming out of our high schools are not getting the proper diplomas.

If the college accepts the person but he is borderline in the estimate of the bank, he still might not get a loan; is that correct?

Dr. WALKER. That is true in many parts of the country.

Mr. BRYTCZUK. We have been sort of bypassing this to the New York State educational program. Where we feel in doubt about a loan application, we forward it to Albany and ask the New York Higher Education Assistance Authority to make the judgment.

Mr. CAREY. It all sounds good on paper. I would like to make this observation: as good as it sounds, in the grassroots, I am told by parent after parent that for all intents and purposes if your child has not won a regents scholarship, it really means he is in the top 10 percent, or if he is not eligible on the poverty program, forget it, you won't get a student loan.