Mr. O'NEILL. Absolutely not. We consider the applicant regardless of race, color, or creed. I can't think of a single girl we have turned down, either colored or white.

Dr. WALKER. I want to comment on the ability to repay and also to respond to Mr. Carey. On the ability to repay, the point should be very clear that the bankers view these loans as very good, regardless of income level, if the student shows promise of completing school.

We are talking about the student completing school and then it looks as though he will have the ability to repay. This is borne out because in the USAF figures, they are not looking at financial worth at the present time, but earning capacity based on the ability to get a college education.

With all due respect, Mr. Carey, our statement is directed to the fact this is a new program. It has a lot of bugs in it, but we are trying as conscientiously as we can to work out those bugs.

In spite of all the problems, I am very proud of the fact that 270,000 students got loans. There were some turned down and I know you and I hear more about the turndowns than the others.

I would like to follow through with the banks making the loans and see what we can find out.

Mr. SMITH. I think the financial aid officers would be a good source for information on this point.

Mr. CAREY. The bank figures would be inaccurate unless we get the student aid officer figures. In many cases the student aid officers say they won't recommend a student because they deem you capable of making a loan on your own.

If the student then goes home and says, "I can't get a loan," the student aid officers might assume that the student went to some other source.

I say it is hard to get the actual figures of turndowns from banks alone. We must also get those figures from the student aid officers?

Dr. WALKER. We will try to do that.

Mrs. GREEN. Congressman Hathaway?

Mr. HATHAWAY. If you lose money on some loans, why are so many more lenders getting into the program?

Dr. WALKER. Because they think it is good for the country for people to get college degrees and in the long run, we like the fact that a young man or woman has his first loan experience under this sort of discipline.

We think they will be good customers in the future and when we presented the program to President Johnson last year, he brought out some good points supporting it.

We have a difficult time finding enough people to come into the banking industry. If you make them a loan to go to college, they are much more sympathetic about coming to you later.

Basically, I think, without getting on a soapbox for my industry, but a banker in any community is vitally concerned with the success of his community or his bank can't be successful.

Mr. HATHAWAY. I appreciate the community interest but isn't there also a good possibility of making a profit.

Dr. WALKER. It is good business and we think what is good business for the country will be good for the banks.