Neither United Student Aid Funds, Incorporated, the State Department of Education, nor the Department of Health, Education and Welfare can force banks to make these loans. I am happy to report, however, that the banking industry seems to be showing more interest in making such loans. In the meantime, all of us must work to try to sell the banking industry on the idea that this program is good; that it is workable; and that it is in the best interest of the State of Alabama.

I would speculate that the reason none of your students have received loans is because they are not eligible under the Student Guaranteed Loan Program. Your institution is listed, however, as an eligible institution to participate in the National Vocational Student Loan Insurance Program. The State of Alabama has completed and filed all necessary paperwork with the Office of Education; however, as of this date, no response has been made as to when the Vocational Student Loan Program will be operable in the State of Alabama.

I hope this letter will answer some of the questions that you have raised.

Sincerely yours,

RUDOLPH DAVIDSON,
Director, Division of Research, Planning, and Information.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
Washington, D.C., February 27, 1967.

Mrs. A. G. GASTON,
Director, Booker T. Washington Business College,
Birmingham, Ala.

DEAR MRS. GASTON: The special committee under the chairmanship of Under Secretary of the Treasury, Mr. Joseph W. Barr, will make a report soon to Secretaries Gardner and Fowler on ways in which the program can be made more appealing to lenders. It will probably be in some form of an application fee paid to the lender by the Federal Government. This will require an amendment to the Act, therefore, I cannot be too optimistic about how soon money for student borrowers will become abundant.

It is always a pleasure to hear from you and I am sorry I haven't better news.

Sincerely yours,

C. E. DEAKINS,
Chief, Insured Loans Branch,
Division of Student Financial Aid.

BOOKER T. WASHINGTON BUSINESS COLLEGE,
Birmingham, Ala., February 14, 1967.

Mr. C. E. DEAKINS,
Chief, Insured Loans Branch, Division of Student Financial Aid, Department of Health, Education, and Welfare, Bureau of Higher Education, Washington, D.C.

DEAR MR. DEAKINS: Thank you very much for sending the follow-up material on Insured Loans for vocational and four-year colleges.

We are still stranded in Alabama. I think I can say that the banks have not been very liberal because very few and none of my students have received loans nor consideration.

An article appeared in last week's newspaper stating that Alabama had been funded and that several banks were participating. Although when students make applications, they are turned down. They are given different reasons such as: their parents do not have bank accounts with the bank or the bank funds have been exhausted for the year. As you know, many students who need a loan are naturally unable to bank.

I am carrying a number of students who have been unable to pay tuition since September. They are making satisfactory progress, and within a year they will be ready for employment. Our demands far exceed the number we are able to train, for we receive from four to six calls for secretaries every day.