must push savings and loan, credit unions, and—on a layoff basis—life insurance companies and pension funds into this business.

Mr. GURNEY. How can we get credit unions into this business?

Mr. BARR. Through persuasion. I have had three meetings with their national leadership. I went to their national convention. I gave them a speech. The President met with them the other day.

Mr. GURNEY. I used the same method on the president of the company.

Mr. BARR. I am informed they will be before this committee.

Mr. GURNEY. Are there any State laws that you know of that forbid credit unions to make loans of this sort?

Mr. BARR. None that I know of.

Mr. GURNEY. This is simply a policy.

Mr. BARR. That is my understanding.

Mr. HOWE. The figures I have here indicate present patricipation as follows: Commercial banks, 13,000; savings and loans, 395; credit unions, 610. It gives you the breakdowns of different types of institutions.

Mr. MUIRHEAD. There is before you, Mr. Gurney, an amendment that would encourage credit unions to participate a little more vigorously in the program because of the way they operate and the fact that their membership crosses State lines.

There will be an opportunity to set up a nonprofit private agency that can serve interstate and can thus encourage the credit unions to participate a little more than they have been.

Mr. BARR. Funds available are $400 billion from the commercial banking system, about $200 billion from mutuals and S. & L.'s, about $16 billion from credit unions. So even if they all participated, it is a small amount.

Mrs. GREEN. I wonder if we can turn to Commissioner Howe and then following that we will return to this particular aspect.

Mr. GURNEY. May I ask one more question of Mr. Barr?

I just recalled a conversation I had with a man who is going to attend college who said that he planned to borrow money under the guaranteed loan program. It was not for college, his father was going to help him with that. But he was below $15,000 and they were going to use the money for another purpose. I told him this would be prohibited. I didn't know how it was going to be prohibited.

Can you tell me how you would prohibit it?

Mr. MUIRHEAD. I don't think we can prohibit it. The loan is made directly to the student. If he meets the eligibility requirement and he can prove that the cost of education is greater than the loan which he is receiving, then that loan is available to him.

I think it goes to part of the objective of this program. A middle-income family such as you are describing may find that they have other expenses and that they cannot pay out of current income the costs of higher education. They could then divert their resources to some other objective.

Mr. BARR. You will have testimony, Mr. Quie, that will indicate that perhaps this should be a Federal direct loan program. We could