the insurer meets such reasonable standards of administrative and fiscal responsibility as the Commissioner may from time to time establish.

Authorize $12.5 million be provided as additional advances to State and nonprofit student loan insurance programs for FY 1969, to be matched by State or nonprofit private programs eligible to receive these funds. This would provide $25 million in additional reserve funds at the 10 to 1 ratio which, with the 80 percent default coverage, would provide a loan capacity of $1 billion in FY 1969.

I appreciate this opportunity to present these proposals to you and I will be happy, with the assistance of my associates, to try to answer any questions you may have.

Mr. HOWE. I would like to say one or two things about it if I may.

I think we see this program as part of a total package which includes all of our other student aides as a significant part of that package and an increasingly significant part of that package as times goes along.

All of our other student aides come under fellowships, work-study, opportunity grants, NDEA loans which are particularly focused on students with the greatest need.

As we reach toward serving the broad purpose of getting every student the resources to finance his college education I think this guaranteed loan program makes that objective more possible, more immediately, than all the rest of the package put together.

I would say also that I think in spite of the fact that it has been a program which you might describe as a slow launch in terms of our expectations for it, there are good reasons for this, some are outlined in my formal testimony, and to look at it from another perspective it has been a successful program. We have succeeded through it in making the Commissioner of Education, I am told, the second or third largest loan operator in the United States in one year's time.

In the process the Commissioner, as well as the bank, has developed some administrative problems and financial problems with the program and it is to straighten those out that we come to you with these particular amendments that we have.

We have established a whole new set of relationships involving private lending institutions on the one hand, the Federal Government on the other hand, and third, the higher education institutions themselves.

There are always new experiences in new relationships of this kind. Again I think the amendments that are being suggested and that Mr. Barr has outlined so that I won't repeat them, do get at the problems we have had.

I strongly recommend that you give favorable action to the amendments suggested here and our hope is that we can get as rapid action as the Congress can possibly provide because that action will indeed influence the opportunities of young people who are in a sense standing in line.

So, Madam Chairman, with that brief résumé of our position and calling to your attention the fact that we have involved all of the States in one way or another, with a listing provided you on page 5 of my testimony to show the various categories in which the States fall in the program as it now exists, I would submit that we have here a worthwhile enterprise for your consideration.

Mrs. GREEN. Thank you, Mr. Howe.

I have a letter from the Savings Bank Association of New York State and maybe this question should be addressed to Mr. Barr.

The letter draws attention to the usury laws in New York. The asso-