

Maybe it will make more difficulty for us to get acceptance of the bill if any student is automatically going to get the loan.

Mr. HOWE. Mrs. Green, let me add to Mr. Barr's interpretation here the point that admission to and being in good standing in an institution satisfies a lot about characteristics of a student. It seems to me that this in itself goes a long way toward meeting possible problems, not that all students in all institutions of higher education are highly reliable, but when you combine this business of being enrolled and being in good standing I think you have important criteria in the picture.

Mrs. GREEN. I would not want it to be a part of the legislative history of the bill that lending institutions were not checking the student rating and financial rating or ability to repay or his record of past repayment.

Mr. BARR. He usually won't have it.

Mrs. GREEN. I understood you to say that you did not see a need for it. By the same token, could you not also say a reason for not checking the character reference and credit rating of people who borrow under FHA or VA is that they are also guaranteed.

Mr. BARR. I think our primary reliance would be on the institution itself.

For instance, if a child had a crime record I don't know what the bank would do about that. I would be inclined to say if the institution of higher education determined that he was a student that they would like to have in spite of the fact that he might have some sort of police record, then I would personally say that the bank would be consistent if it went ahead and made the loan.

Mrs. GREEN. I would think so.

The college is looking at a different matter when they are admitting a student with a criminal record than somebody who is making a financial loan. They are not making the judgment for the same reason.

Mr. BARR. There is possibly some difference. It would seem to me to be very close. If the institution decides that the child is worthwhile—if it is worthwhile to educate this child to admit him to their rolls—then I would say the presumption would be that he should be financed.

Mr. HOWE. I think we are making a bet here, Mrs. Green on two things, one on the capacity of education to produce greater earning capacity and secondly on the capacity of education to produce a certain amount of reliability.

Mrs. GREEN. Do we have recent studies by the General Accounting Office or have you people done studies on the rate of repayment under NDEA?

Mr. MUIRHEAD. Yes; we have.

We make constant studies of repayment records under NDEA. I can report to you that as compared with last year, when you asked a similar question, that we have outstanding under the NDEA loan program, that is the amount of money that is collectible at the end of fiscal year 1966, \$340 million. Of that amount, \$7 million is in a delinquent status, that is the payments are overdue, which brings out a delinquency rate of 2.3 percent. The comparable rate for last year was 2.4 percent.

Mrs. GREEN. What was the highest rate of delinquency in any single institution?