provisions developed if we are going to accommodate this enormous volume of loans.

We have techniques available such as FNMA and other secondary markets. It is a question of sorting them out. We are at work on it now.

Mr. QUIE. This is also a good reason why we ought to maintain the NDEA loan program at the present level.

Mr. BARR. Yes, indeed.

Mr. QUIE. That is all.

Mrs. GREEN. Congressman Carey.

Mr. CAREY. Thank you, Madam Chairman.

Mr. Barr, in developing this 4-to-1 multiplier to increase the funds for student loans have you contacted the major States student loan program administering agencies, and I mean specifically New York State Student Loan Insurance Corp.?

Mr. BARR. We have, indeed. We met with them 2 weeks ago. The Commissioner from the State of New York was present and gave enthusiastic support to this idea.

Mr. CAREY. Does he anticipate if the $56 million that New York now has in outstanding loans is multiplied four times there will be a very quick market for this?

Mr. BARR. He thinks so, Mr. Carey—that the demand is there. He thinks that the combination of the reinsurance program—which will take New York off the hook for a while, so they won't have to appropriate any more money for guarantees for a few years—with the break-even provision (the placement and conversion fees) will give them the supply to meet what he says is a steadily increasing demand.

Mr. CAREY. This is a very well conducted program, and the particular individual you mentioned, I believe, is a man who retired from banking circles and has devoted his whole life to the development of this program and has done a fine job on it.

Mr. BARR. One of the finest in the country, Mr. Carey.

Mr. CAREY. How would you compare the administrative allowances under the NDEA loan program, administrative expense allowance and disbursements under that program, with the $35 fee you allow to the bank for loan?

Mr. BARR. I am advised by our debt analysis staff that the NDEA provisions are slightly more liberal. I have indicated I will submit this analysis for the record.

Mr. GURNEY. Will you yield at this point.

Mr. CAREY. Yes.

Mr. GURNEY. I notice in your testimony, Mr. Howe, you mentioned the $35 figure, but in Mr. Barr's testimony he mentions $25.

Mr. BARR. It is a range of zero to $35. It is flexible. The Treasury would recommend to the Commissioner the appropriate level of payment. I said at the moment, with these market rates, we would recommend $25.

Mr. CAREY. Your total term for an outstanding loan is 15 years and the payment period is 10 years.

Mr. BARR. Yes.

Mr. CAREY. Are any States differing from this now? Is it uniform in the States? Is New York's period any different from this?

Mr. MUIRHEAD. The repayment period does vary from State to State.