

The 10-year repayment period in the law is for the Federal guaranteed program.

Mr. CAREY. Do they have to adopt this now?

Mr. MUIRHEAD. No. They may continue under their own.

Mr. CAREY. The direct Federal guarantee is 10 years.

Mr. MUIRHEAD. Yes.

Mr. CAREY. How does New York's period compare with this?

Mr. MUIRHEAD. I think New York's period is 6.

Mr. CAREY. The repayment period is 6.

Mr. MUIRHEAD. There is an amendment before you which would say that for loans that are of not a very large amount the repayment could be speeded up.

Mr. CAREY. I would think that would be a worthwhile thing to get the obligation cleared up fast where it is a small amount.

Mr. MUIRHEAD. They would be required to pay a minimum amount each year. So with a \$2,000 loan it would be repaid perhaps in 5 years rather than 10.

Mr. CAREY. My figures show under the guaranteed loan program approximately 25 percent of the loans go to families with adjusted family incomes of \$6,000 and below.

Now, these students, of course, would be eligible for the NDEA loan program as well, would they not?

Mr. HOWE. Yes.

Mr. CAREY. We have students sitting in adjoining chairs in the same graduating class. One has gone through with the guaranteed loan program. The family is making the same amount of money. The other has been successful in getting in the NDEA loan program. If I am correct one will be eligible for forgiveness even though they are in the same profession and the other would not be.

Mr. HOWE. That is correct.

Mr. CAREY. How is that equity?

Mr. HOWE. We had some discussion of this a little earlier. We are examining that policy of forgiveness. We have the college entrance examination board making a study of it. We have been urged by the committee chairman to speed up that study. We will certainly do what we can on that.

Mr. CAREY. Next the great constitutional convention in New York is grappling with the matter of free tuition. Much has gone in the direction of graduated family income tuition. California is going in a third direction which I am not current on. Are the money lenders following the development, what effect the tuition plan will have on the guaranteed loan program escalation. What effect do these various State tuition plans which I suppose will differ widely from State to State have on the supply of money for student loans?

Mr. HOWE. The general tendency in tuition, both private and public institutions, is to move slowly upward. Even though there are individual States or individual institutions adopting policies that will slow that trend the movement is steadily upward and, therefore, creates in a broad picture additional need for this type of program.

Mr. CAREY. Am I correct that the guaranteed percentage in the guaranteed loan program is 80 percent, in the NDEA loan program it is 90 percent?