

The operation of this program depended on the willingness of the banks and other lending institutions to make their funds available to qualified students. For many months now it has been apparent that these private lenders have been reluctant for various reasons to commit sufficient funds to this program to make it a success.

I regret to say, Madam Chairman and members of the committee, that in my county of Dade, with 1¼ million population and many, many banks, large and small, I am informed that not a single bank is at the present time participating in this student loan program.

The average cost today of attending a public college or university is estimated by the Office of Education to be \$1,020 an academic year—and for a private college or university, \$2,066 a year.

At this same time, the Bureau of the Census put the median money income of American families with heads under 65 years old at \$7,352. Clearly, those families with incomes of \$7,352 or less would find it very difficult if not impossible to support one, let alone two or more children through college. Therefore, it is imperative that we, in a nation that honors equality of educational opportunity as a basic principle of justice, aid those families who have present difficulties in sending their children through college.

May I interpolate, Madam Chairman and members of the committee, that I was privileged to hear President Johnson, speaking at one of our great colleges in Florida, South Atlantic University, he said that in the America of today the inheritance that a child is entitled to enjoy was not only the right to a public school education, a high school education, but also the right to a college education.

There have been two main problems preventing the guaranteed student loan program from operating to its capacities.

First, the banks and other lenders contend that the maximum interest rate of 6 percent does not cover the cost of the loan to the lender in today's tight money market. Student loans, to have any effectiveness, must be given for comparatively long terms—thusly, they do not contribute to bank liquidity through repayment of principal as some other loans do. These loans are repaid within 5 to 10 years after graduation which creates a long timelag in the rollover time of this money.

Second, there is a burdensome amount of paperwork involved in making and processing these loans. Student loans, because of the extra time and paperwork involved, cost more than most other types of loans.

These pressing problems must be remedied before the lenders will decide to allocate more of their limited funds for the purpose of student loans.

In our hands, the hands of the Congress, rests the future of a great part of America's youth. Given this great responsibility, we must act immediately and definitely to change the atmosphere regarding student loans.

I have introduced amendments to the Higher Education Act of 1965, H.R. 11978, which would increase the effectiveness of this program of student loans. Since the main obstacles of the efficient functioning of this program are the maximum interest rate allowable on loans, and the cumbersome and costly paperwork involved in making these loans, my amendments concern themselves largely with these two areas.