FIRST NATIONAL BANK OF HIALEAH,
August 28, 1967.

Hon. CLAUDE PEPPER,
Member of Congress,
Congress of the United States,
Washington, D.C.

DEAR HONORABLE PEPPER: We are in receipt of your letter dated August 23 along with the enclosure H.R. 11978 as well as statements made by you before the House Special Subcommittee on Education of the Education and Labor Committee. We appreciate your furnishing this information to us and we are pleased to reply with our personal comments.

First of all I would like to state that this Bank, for a period of time, did participate in the Student Loan Program but we were forced to withdraw from this program in the latter part of 1966. Our withdrawal was not so much aimed at the rate of interest on these loans but primarily because of the involved detail work in handling and processing these loans. This especially created problems where, for one reason or another, the student was terminated at the College.

In one specific instance we were involved in a lengthy and detailed interchange of correspondence where the student had withdrawn from College and had been drafted and where the parents were not cooperative.

Personally, I feel that the approach to this entire subject by yourself has been most realistic and would cause a number of Banks to come back into the Student Loan Program. We do not have a detailed cost analysis breakdown of loans of this type but I would guess that our cost would range somewhere from $25.00 to $35.00 because of the detail involved.

A $1.00 service fee with each instalment would take care of the related problems and red tape quite satisfactorily.

I believe that you will find most of the Banks in this district will be receptive to Bill H.R. 11978 and I trust that you are successful in carrying this Bill through the Congress.

With best regards.

Sincerely,

DONALD R. JONES, *President.*

BANK OF FLORIDA,
Homestead, Fla., August 28, 1967.

Hon. CLAUDE PEPPER,
House of Representatives,
Washington, D.C.

DEAR MR. PEPPER: Thank you for your letter of August 23 in regard to your Bill H.R. 11978 relative to the Guaranteed Student Loan Program.

As far as our bank is concerned, we are going into the third season of making student loans. All during this period, we have not requested any help from the Federal Government for these students in the payment of interest. All of the parents have been willing to accept the responsibility for the payment of the interest which only runs $55.00 per month per $1,000 of student loan. We do not feel it is necessary for the Federal Government to invoke any more of the socialistic programs in assisting the students as it is not necessary and the bank feels that even if there should be a small loss on the handling of these loans that we are glad to accept it as our obligation to the community and these young people to see that they get an education as, on the whole, they will be future customers of this bank. We feel that the good will in general will take care of any loss, if any, and we will charge this up to business promotion.

If each commercial bank in the United States would take care of requests from students for the people in their area, there would be no burden on any bank and it would not be necessary to obtain any help from the Federal Government.

Sincerely yours,

P. J. VALTER, *President.*

P.S.—In order to cure the negro situation, Congress should pass an "On-Job" Training Bill like was available for GI's after World War II with the Federal Government paying part of the salary while the employee is learning.