HIGHER EDUCATION AMENDMENTS OF 1967

FRIDAY, AUGUST 18, 1967

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION,
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 10:10 a.m., pursuant to recess, in room 2257, Rayburn House Office Building, Hon. Edith Green (chairman of the subcommittee) presiding.

Present: Representatives Green, Brademas, Hathaway, Quie, Gurney, and Erlenborn.

Also present: William Gaul, associate counsel of the full committee; Richard H. Martin, counsel for the subcommittee; and Charles W. Radcliffe, minority counsel for education.

Mrs. GREEN. The subcommittee will come to order for the further consideration of the Higher Education Act of 1967, H.R. 6232 and H.R. 6265.

The first witness this morning will be Kenneth J. Marin, member of the executive committee of the Credit Union National Association.

Mr. Marin, we are very grateful to you for rearranging your schedule and your willingness to come back today when we ran out of time yesterday. So, will you proceed as you wish, Mr. Marin.

STATEMENT OF KENNETH J. MARIN, MEMBER OF THE EXECUTIVE COMMITTEE, CREDIT UNION NATIONAL ASSOCIATION, INC., WASHINGTON, D.C.

Mr. MARIN. Thank you, Madam Chairman.

Before I start on the testimony which has been submitted in advance, let me just first of all clarify a statement made by Congressman Patman in his testimony yesterday. He attributed to the credit unions an unrealisticaly low rate on the average loan. The true rate of interest on most credit union loans is around 12 percent. This is on the basis of some $6 to $6.50 per hundred dollars per year. But in terms of the Proxmire bill this will be 12 percent, and we are happy about it, as we have supported the Proxmire and the Douglas bills for a number of years, and truth in lending.

I merely make this point to be sure that I do it before the bankers do, that we are not claiming the 6-percent rate on a typical credit union loan. Those credit unions that are participating in the act, that we are considering here, the possible amendments to the act, we, of course, do make the loans at the 6-percent rate, and have some problems in