doing that, just as the banks and other lending institutions do. This is a small segment of their total program, but we are happy and pleased to be participating in it.

I would also call to the attention of the committee, and would like to include in the record, an editorial in this morning's Washington Post in which they take to task the bankers of the Washington, D.C., area for their failure to make any loans at all under this act. At least the Washington Post contends not a single loan has been made in the District of Columbia since the enactment of the original legislation, by banks, although some 48 loans have been made by credit unions. We are pleased to get this modest plug in this morning's paper.

(The editorial referred to follows:)

[From the Washington Post, Aug. 18, 1967]

VERY, VERY SLOW

Washington's bankers have been exceedingly reluctant to take up their responsibilities to help the city's college students. The Federal Government has put up the reserve funds for these student loans, and banks in both Maryland and Virginia have cooperated very vigorously. Throughout the country, banks have loaned some $4 million to 460,000 students in the year since this guaranteed student loan program went into effect. But in the District of Columbia, the situation is altogether different.

When the Higher Education Act was originally proposed, it called for direct Federal loans to students to enable them to finish college. But bankers urged Congress to leave the loans to private enterprise, with the Government only putting up a reserve fund to cover defaults.

So far, in the District, only 48 students have obtained loans, and all of them were through credit unions. The banks have issued no student loans at all. Instead, they are carrying on interminable negotiations with Federal and city officials over the niggling details.

In most states, including both Maryland and Virginia, the banks are lending $10 or more on every dollar of reserves. But in the District the banks said at first that they would lend a maximum of only $500,000 on a reserve fund of $187,000. They have now raised that loan limit slightly, but it remains far below the ratio offered elsewhere in the country. Another academic year is now about to begin, and the banks can very properly be asked to take a more urgent view of their civic obligations.

We would also point out, however, in anticipation of what I am to say in the testimony, that many credit unions in the District that would like to be participating find the present nature of the act makes it literally impossible for them to participate because of the geographic dispersion of their membership.

Most of the State guaranteed programs discriminate either against nonstate residents or nonstate lenders, or both, and District credit unions, specifically the AFL–CIO credit union here in the District, have for some 3 years been attempting to qualify to make loans under the existing legislation. They have failed to do so, primarily because of these geographical restrictions which are imposed by the various guarantee agencies. Since they feel, as a board of directors of that credit union, that they do not wish to discriminate, that they are going to have to make loans to all their members or none of their members, they are still a nonparticipating credit union, although they would like to participate.

So that 48 loans in the District, even though they have all been made by credit unions, is a pretty sad showing. I will point out later that the