these people, 6 percent even in today's market will look pretty good; that is, on Government bonds or other similar quality paper they will be getting less than that. They may find their corporate portfolio is somewhat higher.

Mr. GURNEY. What you are saying is; No. 1, you would not have to do the economics of processing and collecting, so you would get that much out of the way?

Mr. MARIN. No, you would still have to do that. The credit union or the bank would still originate the loan and ultimately collect the loan.

Mr. GURNEY. But not process it. Or would they process it?

Mr. MARIN. I think they would be doing the full processing. You might still find it desirable to come up with some kind of processing fee, because obviously this is an out-of-pocket cost of some substance, although one credit union here tells us $1.92, which is not going to be recovered out of the interest if the man pays it off quickly. If this is a 1-year loan, this is a fixed cost as opposed to the variable cost of the interest.

Mr. GURNEY. Really this solution simply avoids tying up its capital?

Mr. MARIN. I think it will in effect reach a whole new market that is willing to take 6 percent.

Mr. GURNEY. We are still faced with the problem of determining how much it costs to process the loan.

Mr. MARIN. Yes. I don't think you can really avoid that.

Mr. GURNEY. Could you submit later—it seems to me this is absolutely essential for this committee to get some sort of opinion from you people who are going to make the loans and process them—how much it is going to cost to do this and to make the loans competitive with your other loans in your organization? And you—could you furnish this information for the committee to the best of your ability?

Mr. MARIN. Yes. I think, for instance, this study that we have done in-house here that I have quoted some data from could be prepared for committee use. I am sure we would be pleased to do this. As an elected official I can always say this, because we can just make the staff do it. The fact is that it is not going to be too helpful, perhaps, but at least it will be some basis for further discussion.

I would like to quote from a letter from the treasurer of East Hartfort Aircraft Credit Union, one of the largest in the United States in answering this particular questionnaire and in submitting their data, which incidentally was very low. This is a highly automated credit union. They were the lowest estimate of cost and in some correspondence he comes back and says:

> In reviewing your reply we have generally come to the conclusion that we all may be naive neophites in cost analysis. According to statements made in the American Banker about the lack of cost analysis by the bankers, I feel they should move over and make room for us.

In other words, I think if you ask Dr. Walker for similar data, again he would be pleased to try to give you some data; but I don't think it would be too conclusive, except as a basis for starting. The larger banks will have cost accountants who could answer that kind of question with some justification. If you send this to a smaller bank, they will take a wild guess at it, because they really don't know how to come to these conclusions.