Mr. GURNEY. Madam Chairman, I wonder if the committee could receive such evidence?

Mr. MARIN. We will be pleased to submit it and include it as part of our testimony. We will get it to you as quickly as we can.

Mr. GURNEY. Really in the form of what you would do if you were making the decision as to the plan you would come up with to make this loan competitive.

Mrs. GREEN. Without objection, it will be placed at this point in the record.

Mr. GURNEY. Thank you.

(The information requested to be furnished follows:)

Form for analysis of costs under guaranteed student loan program

A. Cost incurred by the lender before the loan enters repayment status:

1. Initial cost of processing application $______
   (include costs of filling out application, counseling the student, mailing application to guarantee agency, and other matters connected with the origination of the application for the loan)
2. Cost of arranging payment to the student borrower $______
   (include costs of making out check to student borrower, including cost incurred when the student desires payment to be made in installments rather than in lump sum)
3. Cost of maintenance per month $______
   (include costs involved in obtaining interest payments from the Federal Government and any counseling done on behalf of the student)
4. Cost of conversion to payment status $______
   (include cost of preparing pay-out note, costs of contacting student, costs of communication with guarantee agency and with Federal Government)

B. Costs of collection while the loan is in repayment status:

1. Normal cost of processing payments by monthly installments $______
   (include costs of receiving partial interest payments from the Federal Government, costs of receiving interest and principal payments from the student)
2. Estimate cost of following up on delinquent borrower $______
   (include all costs that are normally involved on regular consumer loans)
3. Estimate costs of figuring payment of guarantee or default $______
   (include costs of communications with the guarantee agency and with the student in order to obtain reimbursement for obligations that have defaulted)

Since it is anticipated that many credit unions have not had adequate experience in the program, it will be difficult to obtain reliable cost data. In such cases, please use data thta you have available on regular consumer loans and estimate additional costs connected with the student loan program.

This cost study is being made at the request of the Department of the Treasury. I is for the purpose of obtaining realistic cost data which will be used to determine the amount of the fee which the Federal Government may pay to the lender for processing student loan applications. The fee will be designed to cover the administrative costs of processing the applications.

SUMMARY COST DATA FOR CREDIT UNION PARTICIPATION IN THE HIGHER EDUCATION ACT PROGRAM[1]

	A-1	A-2	A-3	A-4	Total A	B-1	B-2	B-3	Total B	Net total
High	$25.00	$5.00	$7.50	$15.00	$44.00	$25.00	$25.00	$20.00	$55.00	$75.00
Low	.50	.10	.10	.12	1.82	.07	.25	.30	.20	2.90
Median	12.75	2.55	3.80	7.56	22.91	12.54	12.63	10.15	27.60	38.95
Average	4.41	1.66	1.79	2.66	10.35	3.31	5.30	4.00	11.73	21.78

[1] Data based on replies from 47 credit unions in Connecticut, Hawaii, Indiana, and Michigan.