

Mrs. GREEN. Congressman Erlenborn?

Mr. ERLENBORN. Mr. Martin, in talking about the answers to your questionnaire, I think you said that the median was \$22.90.

Mr. MARIN. We had two parts to this questionnaire. One is the one I read, and then the "B" part which covers the payout costs. Our estimate ran a little higher there. This is a one-time only fee. That would be included in the data we submit. But the total on the "B" part, which is the payout part, the median was \$38.95. In the other case it was \$22.91. The average of the two would come around \$35.

But we will submit the detail from which this summation comes.

Mr. ERLENBORN. The \$22.91, was that for each transaction, each time a loan was made or for the full 4 years?

Mr. MARIN. That included the items that were mentioned in four categories. This is the initial cost of processing cost of arranging payment to the student borrower, cost of maintaining the account monthly and cost of conversion to payment status. That is \$22.91. The other figure which came out at \$38.95 median but ranged as high as \$75 and as low as \$2.90, and that \$1.82 credit union before, would include the normal cost of processing payments by monthly installment, cost of following up of delinquent borrowers, and estimated cost of figuring payment or guarantee of default and all of these things which would be covered by the last time consolidation fee. The estimate of our credit unions is that that is a more costly process, because of the collection problems involved, than the preparation of the loan.

Mr. ERLENBORN. Thank you.

Mrs. GREEN. I have one other question. Do you think that the fee should be the same amount for the first year's loans as the second, third, and fourth?

Mr. MARIN. I think there would be some justification in having a higher fee for the first time setting up the account and perhaps a lower fee for add-ons. There clearly is going to be less likelihood of a credit investigation or any of these things the second time around, once you have established the contact.

Mrs. GREEN. Do you think there should be a credit investigation?

Mr. MARIN. I think in many cases there is going to be, I am not really sure from a moral judgment whether I would say it ought to be done in all cases or not. Most credit unions do not use credit investigations. I think probably most banks would.

Mrs. GREEN. Thank you very much, Mr. Marin.

Mr. MARIN. It has been a real pleasure.

Thank you.

Mrs. GREEN. The next individual, Dr. Walker, representing the American Bankers Association.

STATEMENT OF CHARLS E. WALKER, EXECUTIVE VICE PRESIDENT, AMERICAN BANKERS ASSOCIATION; ACCOMPANIED BY EDWARD J. GANNON, SPECIAL ASSISTANT

Mrs. GREEN. Dr. Walker, we again express our thanks to you for arranging your own schedule and coming back today, and also adjusting your schedule this morning.

Mr. WALKER. I was very glad to do it, Madam Chairman, because of our sincere interest and concern and dedication to this program.