

this matter doubtless would be most encouraging both to financial aid officers and to lenders.

In summing up this statement, let me say that the American Bankers Association believes the placement fee, the co-insurance plan and the matching grants for next year will do much to help student lending programs reach their full potential and we urge their favorable consideration. We also believe adoption of the proposal to have the student pay the full interest and then be reimbursed—the Michigan plan—will streamline the whole operation. And, we are convinced the program will be more effective and equitable for all students if the financial aid officer is given a greater voice in the loan process.

The American Bankers Association believes the guaranteed student loan program has more potential than any other proposal so far advanced to finance the rising costs of education.

But, the hour is late. Even now deserving students are seeking loans, probably in record amounts, from the Nation's financial institutions.

Favorable action by your committee on these proposals at the earliest possible date could well be the first step in transforming a promising program with a highly creditable start into a truly significant contribution to our common goal—that is, to make certain that no qualified and deserving high school graduate is denied a college education because of lack of funds.

Thank you very much.

Mrs. GREEN. Mr. Walker, do you know the number of loans that were made during the 1966-67 academic year?

Mr. WALKER. During the 12 months ended in August the figure has been given by the Office of Education of 480,000. From the months of July 1, 1966, through May 31, 1967, which might be considered the academic year, the total number was 302,000 according to the Office of Education.

Mrs. GREEN. 302,000 loans.

Mr. WALKER. That is from July 1, 1966, to May 31, 1967.

Mrs. GREEN. What is the total dollar amount?

Mr. WALKER. \$228 million rounded off.

Mrs. GREEN. Do you have any way of knowing or making an estimate of how many of those loans would have been made by the State guarantee loan program or USAF if the Federal guaranteed loan program had not been enacted.

Mr. WALKER. We can guess on the basis of activity in previous year under these programs. Maybe Mr. Gannon recalls the figures.

Mr. GANNON. It was about \$140 million in the preceding academic year guaranteed by State and private guarantee agencies. I think there were 12 State plans in operation plus united student funds involved in the \$140 million.

Mrs. GREEN. Before the Federal program went into effect.

Mr. GANNON. That is correct.

Mrs. GREEN. There has been an increase of only \$90 million?

Mr. WALKER. I would not submit that figure without checking it out because I don't think they are comparable. I think you ought to take the 12-month figures for comparability and the 12-month period figures are \$400 million versus \$140 million, how many loans were made in the 12 months ended August 1, 1967, versus 1966. There is a \$260 million increase there.