Mr. WALKER. It is a spotty situation in the States. The whole United Students Aid Fund program had its basic inception in the State of Indiana. I will also point out, without getting into the details, because I don't have all the facts, that there were some problems at the State government level in Indiana with respect to setting up the State program which very much crippled the program in the State of Indiana. I would think it would be interesting to check and see what happened in Indiana in that respect.

Mr. BRADEMAS. If that is the case, you know there are Members of Congress, both Democrats and Republicans, who are sympathetic to the program and if you can tell us I am sure we will be very glad to talk to our State government officials and see what kinks there are and see if we can be of any help. We do have a common goal in making the program work and on that I am persuaded by the force of your testimony.

One of the things that has been of concern to me in listening to Mr. Patman yesterday and your responses today and those of Mr. Marin is the question of the accuracy of this $35 placement fee. I believe that Mr. Marin says that their study shows that a median would be $22 for credit unions. I believe your colleague, Mr. Gannon, said that $21 was the figure that turned up for consumer, that is to say, noneducation, loans. Yet the figure you are tied to for education loans is $35. You have not given us in this respect any concrete dollars and cents breakdown of what goes into that $35. I believe Mr. Patman said yesterday that in your ABA survey you only touched base with some 20 banks. Could you provide for this committee a concrete indication of where that $35 comes from?

Mr. WALKER. We would be very glad to do that. It would be following through on a typical student loan transaction and computing the officer time and so forth involved in that.

I would like to make clear that I am here supporting a recommendation of the President of the United States on the basis of a subcommittee survey that was not based on ABA figures but was based on wide comprehensive figures of other surveys. It so happened that their figures basically confirmed our study on a small sample of banks.

As an economist and statistician I will not say a 20-bank study is enough but the Barr committee did not take that. It went out on its own and came up with its figures. If you take in the cost of interest, the cost of funds up to 5½ percent, and money has moved up back there now in negotiable certificates of deposits in commercial banks, reserve requirements which banks must take out of the picture, you have to advertise to get this money, you have to pay rent for your space which the credit unions don't have to do, you have to pay overhead and officers' salaries which basically unions don't have to do, the time is free except for the clerical help, that as a consequence the $35 will simply move this back up toward a break-even basis. I would not try to just identify that fee specifically and wholly and exclusively on this being the cost. This offsets part of all of these costs, and believe me, we are not going to get rich on it or make any money on it.

Mr. BRADEMAS. I guess my point is that while I appreciate the force of what you have said I still think that you ought to be prepared to show where the $13 goes that is the difference between what it costs to