These other problems were so immediate, and that problem can be postponed for a little while, that attention zeroed in on the acquisition fee. But I think you will want to take a look within the next year or two at this question of the problem of the payout.

If you could drop the interest subsidy after graduation, or if you could adopt the Michigan plan, that would get around some of the problems, but does not get around all the problems involved. You see, normally commercial banks, and I notice in Mr. Marin's statement what he referred to as the short-term mentality of the credit union lenders, normally you don't make consumer loans, individual loans, which stretch out to as long as 14 years or so.

So this is a new area we are in and we are going to have to move cautiously and experiment with it as we go along.

Mr. GURNEY. I wonder if we could have your analysis presented in that guise?

Mr. WALKER. Yes.

Mr. GURNEY. It seems to me it would be far more useful. It has occurred to me in listening to the testimony here, of Mr. Barr particularly, Mr. Howe and now the people who are actually doing the lending, that this legislation may be simply looking at one problem to get it on the books today. It may help the situation, and I am sure it will. But it does not seem to me as though it realistically looks at the problem down the line 5, 10, 20 years from now.

I am sure we can make the program sound by looking at the whole thing. I have talked to some bankers back home about this same problem. They agree with me.

Mr. WALKER. Might I say I just had a letter from a banker the other day, and it is not a unanimous opinion on the fee approach, but it has been very well received by the bankers we have talked to, but this banker was from a State very early in the business, the very first State that served as the prototype of the U.S. Air Force operation. He said those of us who have been in this program a long time and were in the payout period and so on think the fee approach is a faulty approach. He says what we need is a higher interest rate.

He can say this because his State does not have a usury statute, the State of Massachusetts. But the higher interest rate won't work.

Mr. GURNEY. If you did not have your usury statutes, yes, that would be a proper answer.

Mr. WALKER. We are engaged in a very ambitious project with the Council of Commissioners of Uniform State Laws that developed the uniform commercial code adopted in nearly all States to develop a uniform consumer credit code which would not only include truth in lending but many other aspects of consumer credit which, if adopted, would repeal usury statutes in all States, general usury statutes, and substitute specific usury statutes for specific types of business.

If this were ever achieved in the next decade or two, then this problem could be approached on the interest rate basis.

Mr. GURNEY. One thing troubles me about this, this again goes back to the $35 and whatever plan you might come up with on the fee of putting it on the books and processing it, though I suppose it is an average figure.

Do you find any problems posed by money being in much greater demand in some parts of the country? For example, my home is in