Mrs. GREEN. I was going to say you perhaps should divide it up into what they might well have loaned if we had not had any Federal program at all, because of their previous experience and because of the apparent great interest in loans in New York to support the State program, and what was loaned as a specific result of the Federal program.

Mr. MORSE. I, frankly, don't think there would be any difference in New York State. I think the same record would have been made without the Federal program. The only thing the Federal program has done in New York State is to transfer the bill for subsidizing interest from the State of New York to the Federal Government. But in the 3 months of August, September, and October last year—as I recall it, this was a very, very high interest period—the New York State banks guaranteed $43 million in student loans.

I use as a rule of thumb because of the size of the student population in New York State, extrapolating nationally from New York State, that would mean that in those 3 months throughout the country, if there had been going programs in all States $430 million would have been guaranteed to students.

So, there is something odd about the problem. There is one factor, I might say, Mrs. Green, in New York State which does not prevail under the Federal program. That is, that there must be an assertion by the institution that the student needs the loan and how much he needs.

Mrs. GREEN. Let me turn to some other questions.

Do you have any economists on the staff who have really studied this in terms of what interest would be paid if there were a $25, $35 or other dollar fee?

Mr. MORSE. No.

Mrs. GREEN. If this committee deleted that part for interest subsidy after graduation, I take it from your testimony the American Council on Education would support that?

Mr. MORSE. Yes, we would.

Mrs. GREEN. Do you prefer that?

Mr. MORSE. The only problem I would have now, Mrs. Green, is the fact that because of the shortage of NDEA funds there are a good many youngsters who would be eligible for NDEA loans that are going to have to turn to this program. Certainly as this guaranteed program was conceived, we would prefer that the interest not be subsidized after the student gets out of college. As we look down the road, this can be a staggeringly expensive program, especially if no assessment of need is allowed in it.

Mrs. GREEN. In line with what you have just said, because of the lack of money, the students normally eligible for NDEA loans would be getting the guaranteed loan and, therefore, this would affect our thinking on interest subsidy after graduation, does that also affect your thinking on the forgiveness feature? Should that be extended?

Mr. MORSE. Logic would demand that it would be, but we have taken the position for some years that we hope definitely that there will be no further extension of this forgiveness concept in loans. As a matter of fact, we would prefer to see, though it is a tough political issue, we would prefer to see the forgiveness of interest in all programs abandoned and the money saved used for more opportunity grants for needy kids regardless of what career they later go into.