

fellowship program which he has added to the GI bill to bring it up to this level?

Mr. CAREY. This is a nice idea, but this is what I am tending toward. You are giving birth to the Quie-Carey amendment before we get it framed.

Are you attempting to simplify the student loan process in any way? I have had occasion to study the student loan application forms. The State has a voluminous requirement for supply of a means test, data on the means of the parent, to determine eligibility for interest forgiveness, and so forth, or interest for admission, and in many cases the student in order to get the tax returns of his father and mother or other employed person together with State application and then the requirement that the States also make him submit the Federal application whether he wants a State loan or Federal loan, places such a burden upon the student to submit data, my information is the student begins seeking help, say, in June, July, or August, he gets a financial counselor in the institution to declare him eligible by reason of his admission and in many cases he already made two tuition payments which the father or mother probably had to go to Household Finance to get before his student loan money comes through and isn't this a real condition?

Mr. HOWE. I don't know the extent to which it is a real condition. We are attempting to simplify administration of the program both for students and institutions. You find within the proposals here a major effort to simplify them for the higher education institutions which in turn, I think, will reflect on simplification for the student.

Do you have any details, Mr. Moore?

Mr. MOORE. Mr. Carey has put his finger again on a kind of a problem which can be generated within a State as a matter of local requirements for information. We are working diligently with the Council of State Loan Directors on this matter to attempt to achieve some degree of uniformity among the various States' programs to indicate where various kinds of information can be deleted from a local application form without damaging the program, but it is a process of education.

Mr. CAREY. When you get around to redrafting this form, if you are going to redraft our own form as well as to try to make it a uniform form with the States, can you explain to me why on the Federal student loan application as you begin to fill up the application, you first come into category 1, which is the low-income student and the first eligibility line and then you come to the second one, and in the second one the student is told to insert whether the family's adjusted gross income is above \$15,000, and then it says at this point: "If you are above \$15,000 you are not eligible for Federal interest benefits."

Now, isn't it true that local bank employees handling it, once they get to this part of the form, sometimes inform the student: "You are not eligible for a loan"?

This has happened, and they say, "At this point if you are above \$15,000, continue making up the form," but actually where it says, "You are not eligible for interest benefits," they interpret this as a mission to tell the student, "You are not eligible," and it has happened, I believe.

Mr. HOWE. I am sure it has. I think this reflects the fact that credit is short and that the banks are placing their priorities on students who