

In the pay as you go plan loans are renewed and disbursed each six months, August and February, after six payments have been remitted. It will be necessary to make a loan payment each month, including that month in which the loan is renewed for another semester's tuition.

To show you exactly how the Educational Loan Plan works we have selected the \$300 per semester or \$2,400 4 year total plan and show below the detailed workings of such a loan. If at any point during the period of schooling the student leaves school you would continue with regular payments until the full unpaid balance at that time was repaid.

LOAN PROGRESSION CHART

PAY AS YOU GO

\$300 per semester, \$2,400 4 year total, \$29 per month

BEGIN COLLEGE—			3rd YEAR—		
\$300 disbursement	\$300.00		\$300 disbursement	\$884.68	
\$2.25	\$26.75	\$273.25	6.64	22.36	862.32
2.05	26.95	246.30	6.47	22.53	839.79
1.85	27.15	219.15	6.31	22.69	817.10
1.65	27.35	191.80	6.14	22.86	794.24
1.45	27.55	164.25	5.96	23.04	771.20
1.24	27.76	136.49	5.79	23.21	747.99
\$300 disbursement			\$300 disbursement		
3.28	25.72	410.77	7.87	21.13	1,026.86
3.08	25.92	384.65	7.71	21.29	1,005.57
2.88	26.12	358.73	7.55	21.45	984.12
2.69	26.31	332.42	7.39	21.61	962.51
2.50	26.50	305.92	7.22	21.78	940.73
2.30	26.70	279.22	7.07	21.93	918.80
2nd YEAR—			4th YEAR—		
\$300 disbursement	\$579.22		\$300 disbursement	\$1,218.80	
4.36	24.64	554.58	9.15	19.85	1,198.95
4.16	24.84	529.74	9.00	20.00	1,178.95
3.98	25.02	504.72	8.85	20.15	1,158.80
3.79	25.21	479.51	8.70	20.30	1,138.50
3.60	25.40	454.11	8.54	20.46	1,118.04
3.41	25.59	428.52	8.39	20.61	1,097.43
\$300 disbursement			\$300 disbursement		
5.47	23.53	704.99			
5.30	23.70	681.29			
5.12	23.88	657.41			
4.94	24.06	633.35			
4.75	24.25	609.10			
4.58	24.42	584.68			

60 payments @ \$29 continued for a regular 5 year loan of \$1,397.43
High balance for credit committee collateral consideration \$1,397.43

Mr. QUIE. Why would it have to charge that much?

Mr. BARR. That is what they charge now for any kind of loan for a Federal employee.

Mr. QUIE. They are not guaranteed by the Government.

Mr. BARR. Well, in effect, they are about the same because they are loaned to Federal employees and they know they are going to get paid.

Mr. QUIE. They are not going to get fired.

Mr. BARR. That is right. I don't know what the lending rate is in the credit union here in the Congress. I suppose we could call up the credit union and see what it is. I am told it is about the same, 8 or 9 percent. So the issue, Mr. Quie, is how much do you want to help this group? If you want to subsidize them, you hold it to 6 percent and do something marginal to make it sufficiently attractive