I have, I hope the record will be clear enough that I was illustrating the cost of these two routes. Mr. Hathaway's point might argue that maybe we shouldn't compensate the banks as much as we are planning to do. That is, of course, open to debate.

Mr. HATHAWAY. My final question is, why shouldn't we wait until the participation does drop off before considering extra amounts of money for educational fee?

Mr. BARR. I would hate to kill this program.

Mr. HATHAWAY. But if the thing is increasing, you are not killing the program, it seemed to be going along all right without it.

Mr. BARR. Perhaps so. Maybe the banking community——

Mr. GIBBONS. Will the gentleman yield? There are advantages other than lending money, the building of good quality grade customers for the future by establishment of a banking connection early, and bankers are smart enough to understand these things. I don't see why we are not smart enough to do a little salesmanship on this, say, we have to increase the interest rate and increase the service fee on guaranteed student loans, depending on the type of program you use, whether Government program or the USAF program. But if it is a Government program, you have the full faith and credit of the Government behind you.

They can dump anyone they don't want and at no expense to them. The borrower is paying the insurance, a quarter of 1 percent. I would think that from the banker's point of view it would be relatively an attractive matter and I don't think it should be so attractive; they would put all of their money in this sort of thing because the banks were not designed just to support students but it is a competitive matter and I think the interest rate we have is reasonable.

Mrs. GREEN. I think the time for the gentleman from Maine has expired.

Congressman Erlenborn.

Mr. ERLENBORN. No questions.

Mrs. GREEN. Congressman Carey.

Mr. CAREY. Thank you, Madam Chairman.

Mr. Secretary, I gather the thing you want to do is free up as much money as possible in the banks for the support of education?

Mr. BARR. Correct.

Mr. CAREY. Therefore, part of your job is to make it attractive for the banks to commit as much of their reserve as possible for the purposes of the student loan?

Mr. BARR. That is correct.

Mr. CAREY. Isn't it true, again, in a prototype, one that has done the most lending, savings and loans in New York, just about reached the limit of money they can make available for student loans?

Mr. BARR. I've heard that is correct.

Mr. CAREY. Now, isn't this because under your regulation or under the law, I don't know which, I would like to find out.

Mr. BARR. Under the law.

Mr. CAREY. Under the regulation or law, the loans to students are called nonconforming loans?

Mr. BARR. That is correct; nonconforming or nonqualifying loans.

Mr. CAREY. Loans for housing purchase, real estate are conforming loans?