Mr. BARR. That is correct.

Mr. CAREY. So why do you give a better preference for a loan to purchase a house than a loan to a student to get his education? Why is one priced at a more attractive rate than the other as far as S. & L.'s?

Mr. BARR. This was a provision written into the law in 1962 when we first really began seriously to tax the S. & L.'s. It is one that Treasury has under study at the moment with a recommendation to clean it up. In 1962, when we were looking at the S. & L.'s situation, even the commercial banks had little interest in student loans, as you will remember. This is relatively a new development in the whole private financial area. That is why we didn't consider it at that time. I think we should change it, and I have so stated to the loan institutions.

Mr. CAREY. I am glad you say it because I hope, Madam Chairman, some form of resolution can be made in the committee that this is a discriminatory provision.

Mr. BARR. I think it would be useful if you did so.

Mr. CAREY. There is no reason why the student loan should not get the same basis in estimate of attractiveness to S. & L.'s as a loan to buy a home?

Mr. BARR. Correct.

Mr. CAREY. This would free up, I think, sizeable amounts of money at a time when actually students are being turned away now because they have reached the limit of their lending potential, so I think it is something we can do in government without spending any money and free up money that the banks I think would be glad to make available to students.

Mr. BARR. Treasury would be glad to support that recommendation. We are presently considering legislative proposals concerning the tax treatment of mutual thrift institutions generally, including problems arising, as this one does, from the definition of an S. & L. under existing law. Those proposals would remove any impediments that presently exist and permit S. & L.'s to participate fully in guaranteed student loan programs.

Mr. CAREY. Now the purpose of a student loan program by and large is to finance education for the student and for the institution, to enable the institution to expand or at least maintain its enrollment. This is not directed to Secretary Barr, but anyone at the table, and do we have a breakdown available under educational opportunity grants, work study, and student loans to free tuition institutions as compared with tuition institutions?

Mr. HOWE. Mr. Carey, these work study and opportunity grants, of course, are based directly on the cost of education. Therefore, the tuition charges of institutions are reflected in the amounts given. Maybe Mr. Moore can give you a definite answer.

Mr. MOORE. We do have that.

Mr. CAREY. It is true, though, that free tuition institutions can have their students eligible, or to put it differently, students in free tuition institutions are eligible for opportunity grants, work study funds, and student loans?

Mr. MOORE. Yes.

Mr. CAREY. And none of this money goes to the institution?

Mr. MOORE. No, it goes against the room and board charges, expense, and other costs.

Mr. CAREY. To get room and board, no, I am talking about larger universities where there is no room and board.