Mr. CURLEY. I beg your pardon?

Mrs. GREEN. Is their capacity to earn upon graduation theoretically the same?

Mr. CURLEY. I think basically it is.

Mrs. GREEN. Let me ask you the next question.

Would you put greater involvement of the financial aid officer at the college or university in the guaranteed student loan program?

Mr. OSWALD. I think I would answer the last part, yes.

I think there should be a greater involvement of the financial aid officer so that the banks can clearly have a mechanism whereby they are in touch with the college in relationship to this individual and so forth.

As far as the strict needs test, I think probably that might get away from the purpose, as I understand it, Mrs. Green, of this particular program, of meeting a somewhat different level of students as far as their ability to pay and yet ones for which college is in a sense a hardship on the parents.

Mrs. GREEN. I would not suggest the same kind of needs test that we have under NDEA but it seems to me we could devise the needs test to decrease the chances of abuse. An example was given me yesterday, of a student who turned in his 1968 Firebird and bought a 1969 Firebird with his GSLP.

With the budget tight as it is, it seems to me it would be bad for this committee to recommend legislation whereby we create the possibility of families making money on the program instead of really helping students go to college.

Dr. Curley, under NDEA, at what time does the loan become delinquent?

Mr. CURLEY. I would say after about a year. I am not sure, Mrs. Green.

Mrs. GREEN. What do you do then? What is your procedure?

Mr. CURLEY. We run a very husky pursuit of the student. We have not and do not engage a collection agency but we do put forth a very detailed effort within the institution.

Mrs. GREEN. Is this a real problem to the institution?

Mr. CURLEY. I would not say it is a major problem in our institution, Mrs. Green. I think we have a very small percentage of delinquencies. Our major problem really is maintaining proper location and address of the student, the name of female students that change when they get married, this kind of thing, is really a very difficult record keeping problem.

Mrs. GREEN. One of the major arguments for going into a guaranteed student loan program is the presently increasing burden we place on the university. If we expand the number of loans, both the paperwork to make the loan and the collection increase, especially the collection and its cost.

As I understand it, under the guaranteed student loan program a bank makes the loan. However, yesterday I was told by someone, I must say I have no quarrel with his critique, that 90 or 120 days after the loan is due it would be delinquent and they would go to the guarantee agency and turn it over to them for payment, because the bank will not pursue the delinquent student in an active sort of way.