continue to rise more rapidly than the level of income — which they have done steadily in recent years — more and more students will need special aid and more and more programs must be devised to assist them unless educational opportunity is to be denied. For this reason, our Associations believe that first priority in new programs needs to be given to those which will help keep down the costs of higher education to the students. These are discussed elsewhere. The following comments concern student-aid programs:

(A) N.D.E.A. Student Loan Program.

The National Defense Education Act Student Loan program was established to insure access to low-interest loans to enable students particularly in need of financial assistance to attend college. It is essential that the integrity and identity of this program be maintained. Within this context, the Associations support experimental approaches to the problem of providing the full amount of funds needed while reducing the burden on the Federal administrative budget and on the capital resources of colleges and universities involved in the 1/9 matching requirement.

(B) Guaranteed Student Loan Program.

The Guaranteed Student Loan program was adopted in recognition of the fact that the rising level of student charges in our colleges and universities has caused undue financial burdens on many families in the middle-income level. This program and its purposes should not be confused with those of the N.D.E.A. loan program. Under present credit conditions, the Guaranteed Loan program has been less successful than anticipated because of the lack of availability both of loan guarantee funds and of loans.

We continue to support the central purpose of this program, but observation of the program by our member institutions strongly indicates need for changes in the law. Therefore, we recommend that the law be amended to provide (1) that any Federally guaranteed loan and any loan requiring Federal funds to subsidize interest cost be made only after lenders have secured pertinent information about the borrower from the educational institution involved; (2) that the interest subsidy be terminated one year after the student