

I find it a real pleasure to welcome Mr. Murphy here today in his capacity as head of the trade associations, also as chief executive officer of the Knickerbocker Savings & Loan.

I think it is true, is it not, Mr. Murphy, that your institution in the metropolitan area among the savings and loans is the lead institution in the number of student loans provided to college students in the area today?

Mr. MURPHY. I don't know whether I can claim that for the Knickerbocker but we are as active as we can be in it. I think that there are some figures in here that—

Mr. CAREY. I did not want to make you unpopular in your own association, but I have conferred with Mr. Hollister who administers the higher education assistance program in New York State and we were talking about various institutions who cooperate in the program and he seemed to indicate a great pride in the contribution your institution was making.

That is why I brought this up.

Mr. MURPHY. We are very active with him and I must say the cooperation we get is marvelous. There is no real problem.

Mr. CAREY. Isn't it true, also, that all institutions do not have a uniform policy on the acceptability of these loans?

It is true that one neighboring institution which I will not name, actually will only make loans to depositors or families of depositors who have had accounts in that institution for more than 2 or 3 years, it is a really low level of eligibility and this could be improved if we had some sort of uniform degree of acceptability of these loans.

I think I should tell you, that the mood or the current thinking of this subcommittee, as I sense it in regard to the \$35 conversion fee, is about as sympathetic to it right now as we would be to Father Knickerbocker in full dress coming into the room in midsummer.

It just does not seem to be selling in the subcommittee. Now I can appreciate it is very hard with your portfolio to justify 6-percent high cost service loans even though they are serving a public purpose.

Is there any other alternative that you might suggest that might give us some leverage to get more institutions into the program and to get more of the assets of these institutions pledged to the program rather than this conversion fee idea?

Is there any other instrumentation that you can think of that would serve the same purpose?

Mr. MURPHY. I think it is a matter of giving them justification for where to place the money. I don't say it has to be \$35. To whatever degree that can be an offset.

Mr. CAREY. You understand the objectionable feature of this, that the student has to pay the fee?

Mr. MURPHY. I did not understand that.

Mr. CAREY. Who is going to pay it? It will be added to the cost of the loan somewhere.

Mr. MURPHY. I assume it will be paid by the Commissioner of Education.

Mr. CAREY. Since it is going to be paid by the Federal Government, certainly the student payment—

Mr. MURPHY. I do not agree that it should be passed on to the student.