

In determining the amount of the fees to be so paid the Commissioner is to consider, among other factors, the lender's reasonable and necessary placement and servicing costs not adequately compensated through interest charges.

Federal Home Loan Bank Board statistics show that the prevailing interest rate on real estate mortgages is well above the 6 per cent simple annual interest rate allowable on student loans under the Federal statutes here under discussion. Real estate mortgage investments make major demands on available funds of savings and loan associations. Providing handling fees such as those contemplated in section 426 would make it practical for savings and loan associations to make more student loans than present conditions make feasible. The National League supports the Administration's request that the Congress authorize the payment of such fees as required to place the insured student loan program on a break-even basis.

I appreciate the opportunity of presenting these views on behalf of the National League.

Mr. BRADEMAs. The hearing is adjourned.

(Whereupon, at 12 o'clock noon, the subcommittee recessed, to reconvene at 10 a.m., Wednesday, March 6, 1968.)