loan? It would be far better to give him some work as a major part and match only where necessary initially his first year with a loan.

Mr. QUIE. Do you mean that the graduates of your institutions still are susceptible to those kind of jobs?

Mr. DAVIS. I am talking about the dropouts. I am not talking about the graduates.

Mr. QUIE. That is a subject we are handling over in the other subcommittee today. I wish I could be there at the same time.

Mr. PURDY. Are there any other comments or questions along this line?

Now just a matter of legality on NDEA loan collection under item 6, the present law does not provide for the cancellation of liability for the national defense student loan only in cases of bankruptcy, death or permanent disability.

Of course, anybody who operates a long program finally gets to the place in a collection procedure that there are times when you just have made every effort, you need to write something off the books.

All loan agencies have some such provision. This is one of the first things that the legal office of our school questioned. Okay, we make every effort, we try for 4 or 5 years and the boy does not take bankruptcy, maybe he disappears and we have not been able to locate him and so forth, that every reasonable effort whether or not it would be well to provide legally for a loan to be declared uncollectible.

Then if desirable, let the Office of Education take this loan, either for collection or decision whether or not the institution had made a sufficient effort and get it off the books one way or the other.

Now this is in termination of the really final case as a means of finally disposing of them. Our proposal would leave it up to the Commissioner to make the determination, first, that the institution had made an honest effort over a sufficient period, then either to take the loan or jointly declare it uncollectible.

I wonder if there are any questions on that?

Our business officers who in most cases are handling the collections for us because they are the people who have the accounts and handle the money, have sweated it under this provision quite a lot and have brought it up repeatedly except now 10 years have gone by since the beginning of the program and we are getting to the point where on some of these we have to make a decision because the 10-year time is up.

The effort has been made. We feel that nationally the collection procedures have been tightened up pretty well. The delinquency rate is not bad. In fact, it is according to how you describe a delinquent. But the really hard delinquent percentage is very low in this program.

Now those who are delinquent a month or 2 or 3 months, we may have a boy in Vietnam that we can't get a certain paper from him saying that he is in the service each year. So he is delinquent until we hear from him.

It is amazing how many teachers are delinquent until they get their teacher cancellation in.

In other words, they are delinquent on June 1. We may not get the signed paper from their principal until August 15. It may not be the teacher's fault. But during that 60 days they are delinquent.