There is no question about it, they would be given preferential treatment because so much money is being spent in recruiting these students.

Mrs. GREEN. They already have had that advantage sometimes to the tune of several thousand dollars. Then we say because you have been enrolled in that we will put you at the head of the line on everything else.

Mr. PURDY. Right.

Mrs. GREEN. Mr. Davis, do you want to comment?

Mr. DAVIS. I am just like he is. In many instances, I have not had the funds with which to give preferential treatment. We have, I believe, some 14 or 15 this year. We had other calls and were asked to give preferential treatment but the calls did not come until 10 days before school opened. I told them I was sorry, I was committed all the way.

Mrs. GREEN. My own personal feeling is that this kind of policy is really in conflict with congressional intent. I see absolutely no justification for this at all. I regret that the National Director of Upward Bound has had this policy for some time.

Are there any other questions on the disadvantaged?

Mr. PURDY. I think we will just wind up with one brief statement on the guaranteed loan program. First of all, the guaranteed loan program is still in considerable need for credit. It has its problems. We are interested in finding again the college boards study shows that 32 percent of the borrowers under guaranteed loans are under the $6,000 income, which means that we do have students who need loans who are being helped.

Fifty-eight percent are under $9,000. Then we go on up to where there are those maybe who have no need at all. From the financial aid standpoint when the student who does need a loan goes to his bank and cannot get it either because the bank is not participating at all or because the bank has loaned out $100,000 and the directors have decided that is all they can loan or because that the student's parents do not have an account at that bank, basically we feel that the program is being limited because the lender feels that he is not getting compensation for the service rendered or fair compensation.

Now we can say that we would like to see the program work. There are financial experts far better than we to say what the changes should be to make it work. It has been suggested, of course, increase the interest, a handling fee.

Now the financial aid person under the current regulations has very little to say about it. All we can do is rubberstamp, he is in school, period. That is really all we can say about it at this time.

Frankly, I think we would like to have a little bit more to say about it if it is to be a program to help those who need credit.

I think we are in a position to help out considerably.

I had a situation in December in my own office in which we had some applications piling up, 25 to 30 of them. We were short on guaranteed funds. I said, call each of these in and talk with them and see what their real needs are. The applications were for around $22,000. After talking with these kids we took care of all of them with $16,000.

They were well taken care of but they had asked for the traditional $1,000 apiece when many of them could really get along on less than that.