

the student. We know that some students go to school and they are advised to ask for a thousand dollars or \$1,500 and with the counseling of the student aid officer saying, "Well, do you really need this? What will it take you to go to school?" and the student aid officer could make a recommendation, not a limitation but a recommendation with the understanding that this recommendation can be considered by the lender to either increase that or if the lender has information, then in his own right he might reduce the amount because he may have financial information available to the lender as a banker which is not available to the student aid officer or the student didn't mention anything like that.

I would certainly, strongly suggest that the student aid officer be given the authority to make a recommendation, not necessarily a limitation.

Mr. NOEL. Realizing it is a massive program it seems to me it needs to have a fairly tight guideline. While as a group we oppose the traditional need assessment of parents, it seems to me there might be some middle ground of possible self-help concept meaning that a student could borrow a certain percentage of his unmet cost, taking his college expenses, and subtracting his scholarship and then whatever is remaining he could borrow, let us say for practical purposes, two-thirds of that. Meaning, if the student has a \$1,500 college budget, maybe we should not permit him to borrow \$1,500 but restrict it to two-thirds of this in which case it would be a thousand dollars.

It would be the self-help concept.

Mrs. GREEN. Mr. Purdy, will you comment on this needs test, the involvement of the student financial aid officer?

Mr. PURDY. I hardly know where to start on this. We as financial aid people are traditionally geared to loaning money where it is needed.

We have seen the bank loan program we think use money where it probably was not needed or not needed very much. We would be concerned if it continues to be a program in which it might siphon off large sums of money where there was no needs test; one way of holding the program within bounds would be to have a needs test at least on loans which receive Government subsidy in the form of interest payment.

Now I think Mr. Reeher's comments here saying not the traditional needs test, I believe most financial aid people if we are going to have a needs test would have one way of doing it but then make a different decision after we get the need.

In other words, I don't really think we need to go out and develop something we don't have, I think we have everything we need in knowing how to go about this in determining whether a student has need.

But then if we wanted to, as Lee Noel has said, be different in the recommendation that we have made, I think that could be done on the basis of the needs test we already have.

So we have almost got to say, what is the philosophical purpose of the loan?

Is it to help those who need help and, if so, we are prepared to make the needs test and recommend the amount of loan. If it is a loan of convenience, then it might be that the student should pay his own interest.