I think individually we agree with the idea that elimination of the fees would solve a lot of paperwork and encourage lender participation.

Incidentally, there is some correspondence from a few of the lenders that points that out in this portfolio.

Mrs. GREEN. If we go, and I suspect we will, toward an involvement of the student financial aid officer at the college in making the recommendation, have you given consideration to what kind of reimbursement should be made to the college or university if we are going to allow the banks to make money, at the same time require the colleges to lose money?

Mr. REEHER. We do not have that in our position paper. We talk about the burden. We know this and the State scholarship programs, EOG, and so forth, have caused a real shortage of financial aid people, which causes the price of them to go up for the institutions, plus the volume of the programs.

We personally felt that that is secondary to such things as a strong State agency, proper lender participation and maybe that should come from organizations such as the American Council on Education, the National Financial Aid Officers Group.

So we did not include it in our position although we are aware that that is a critical problem.

Mrs. GREEN. May I ask Dr. Sanders to comment on these last three points?

Will you identify yourself?

STATEMENT OF EDWARD SANDERS, COLLEGE ENTRANCE EXAMINATION BOARD

Mr. SANDERS. Edward Sanders, of college entrance examination board. For 15 years colleges and universities have been trying to develop procedures for originally awarding their own money equitably and wisely as possible.

We now, I think, are able to achieve more precision, more equity, by several different systems of needs analysis than we could have earlier.

If the act asks college financial aid officers to speak to the need of prospective borrowers, I think they have the instruments for doing this.

If on the other hand you ask them to speak to the need without a needs assessment or to speak the need casually, so to speak, I think this contradicts the whole direction of our effort to use our funds wisely.

So I would feel puzzled to know how we could do this, we could express the need without the kind of needs assessment we are accustomed to making.

I think the group can do this if it is required.

Mrs. GREEN. What about interest subsidy? I believe you recommend that the interest subsidy be knocked out.

Mr. SANDERS. Mr. Pappert is here. I would prefer he speak to that point.

Mrs. GREEN. What is your feeling, Dr. Sanders? You are an expert in this area.