We have every day large numbers of students throughout the country—I know we have it in Pennsylvania, and I know from talking with the other people involved—students go to three, four, five, six banks and cannot get loans. Their portfolio is filled, they have reached their quota. Maybe they are just making loans on a renewal basis, because they feel they must restrict the volume of 6 percent simple interest loans that they make.

In some cases, it is paperwork. But there is wide evidence of inconvenience and unavailability on the part of the students.

We think this is even more important than many of the surveys that are made of the lenders. When the student goes in they just aren't always able to get a loan. Maybe some of the other panelists can comment on that.

Mr. NOEL. Perhaps I am impressed by the harassing I get on the phone daily from lenders that are complaining. Equally impressive is the harassing that takes place with the uninterested, non-self-serving group and that is our colleges that Mr. Purdy pointed out, that daily they are confronted with students who cannot obtain loans because we don't have full lender participation.

I also came across last week a questionnaire circulated last July—July 1967—by the Association of Reserve City Bankers which includes about 150 of the largest banks in the country and this questionnaire was sent to their student loan officers, sent out to 152. Ninety-five replied. Of the 95 who replied, only 73 are participating in the guaranteed loan program.

Now perhaps some other bit of evidence to add to the results of their questionnaire is that they were asked: What is the most crucial or how can the guaranteed loan be improved, and 63 pointed to yield and 39—this is a multiple-response kind of question—and 39 referred to paperwork and primarily the item there is the split billing of interest during the repayment period.

Granted the fact that lenders would like to have greater return, the fact that 63 said they wanted greater yield is probably not as impressive as the fact that of the 73 participating, 53 required that the parent or the borrower have an account relationship with that bank.

Mrs. GREEN. Say that again. Out of how many?

Mr. NOEL. Out of the 73 that responded, "and are participating," 53 indicated they had a limitation, in other words, they would only make loans to students who had an account or whose parents had an account at that bank. Fifty-three out of 73 have that limitation.

Mr. REEHER. This is almost universal.

Mrs. GREEN. This is true in every case.

Mr. NOEL. This is very true in Illinois for all size banks.

Mr. COSGROVE. Having been in the Massachusetts loan program for some 12 years, we have a history of the loaning of the various banks in our program.

We can definitely show that in the last 2 years since the loans have expanded so much, that various banks have cut down the percentage of loans in their lending portfolio. If you go into it a little deeper you will find that the reason they have cut down is the yield on the loans.

If we could have these conversion fees which would go into the pot of the yield, I am very confident that these same banks in Massachu-