Mrs. GREEN. Now, the testimony of Mr. Noel was that 53 out of 73 required a bank account. Could you make an estimate of what percentage of yours require it?

Mr. PETRIE. I can't make any estimate. I know when this has happened, I acted upon it immediately to get that across to them and they agreed with me in our conversation that certainly they did not want to penalize someone who did not have a bank account. But if they had bank business with another bank, then they would encourage them to consider going to them.

Mrs. GREEN. If the board of directors have arrived at this as a policy decision, could the person with whom you talk change the policy of the bank?

Mr. PETRIE. The decision of the board of directors has never entered into our conversations.

Mr. QUIE. Madam Chairman, would you yield?

Mrs. GREEN. Yes.

Mr. QUIE. Was it the decision of the board of directors in those 53 banks?

Mr. NOEL. I am not sure. It was a simple question. This is what they responded to: "Do you require borrowers or their parents to maintain accounts at your bank? Yes or no."

And 53 out of the 73 said "Yes," they require it.

Mr. COSGROVE. Madam Chairman, there isn't any question but what Mr. Noel's figures are correct. In fact, they are an understatement. I would go so far as to say 65 to 70 percent of the banks require an account either of the youngster or of their parents.

Going back to Mr. Reeher's comment about having lenders in a program that do not make loans, so do we. But we have found out as a rule if we call them up and say, "What is the matter? Why don't you get going?"

They frequently reply, "We have gone as far as we can go along with the community idea." In other words, as Mr. Petrie says, sure, you can get a lender in your program on the basis of appealing to What is he going to do for the youth of his city, and so forth, and they will come in like they give a certain amount to the Community Chest every year.

But just as soon as they get beyond that percentage of their lending funds in a bank, the board of directors sits around and they say, "That is enough. We are making too many loans now at a rate of interest which is not competitive with the rest of our loans."

Mr. NESTOR. I wanted to emphasize a point that should be made, and that is the fact that assuming a freshman borrows $1,000 this year and remains in school for 4 years, plus 3 years of graduate study, may even borrow in each of these years, the $1,000 loan is made at 6 percent simple interest and there is no payment on principal, no return or anything for at least 8 years. This is the kind of loan problem that I think is of concern to many.

Mrs. GREEN. I am sympathetic to what you have just said. I also read further in the study that the critical area, talking about guaranteed student loans, the critical areas appear to be in large popula-