

tion centers with a concentration of lower economic level families, predominantly Negro.

I think this committee has to weigh what you say, that the banks are not going to make money on it, with whether or not it is going to accomplish the purpose of providing funds for kinds that need funds to go to college. I think this has been one of the most damaging bits of testimony of how successful this program has been.

Mr. QUIE. Madam Chairman, this makes me wonder about any attempt to shift the NDEA student loan program over to the guaranteed loan program. So far, the banks have been making their decisions as to whom they will lend money in the traditional concept of who pays the best interest gets the money. When you talk about center city and problems of the minority race, here we have had really an outstanding example of student aid officers in colleges encouraging them to accept the loans, which has not been in their family tradition to ever do.

Some of them have to have loans of larger amounts than their parents ever earned in a year. It seems to me that the lender programs would have to make certain that for low-income people we do have the NDSL. Perhaps there are some State programs, but I imagine the State-guaranteed loans programs are essentially like the Federal ones.

Mr. HOLLISTER. May I say something about the New York program?

We have a mixture of savings banks, savings and loan associations, and commercial banks. I have to talk about large city areas, I have to talk about New York, Buffalo, Rochester, Syracuse, just a few large areas.

There are none of those areas that I have any knowledge of where we are not able to take care of these people under the guaranteed loan program. We have been going a little longer. We have had impetus from the State education department, the type of thing we have been working with. We have college financial aid advisers. They all recognize the problem.

I don't know of a bank in New York State that has a board ruling which says you must restrict it this way. I do know a policy, we can put this much money out this year in student loans, so we will restrict it to the parents who are customers of those particular banks.

I have been told by them, and I have seen cases coming to my office where people who don't have accounts are taken in the real needy cases. Where it is just a little more convenient, they are saying, "No, you don't happen to have an account here." This is what we are finding as far as our State is concerned.

I also note that this fall I was called by almost every financial aid officer in the State and the figure again hits me, the largest was NYU, said "We have \$500,000 less than we expected in Federal funds to help our students this year. Can you take up this gap for us?"

To the best of my knowledge, from the number we put on for NYU students this year, we have picked up the money they expected to have available for the programs they directly administer. I have this in school after school.