

under the national defense student loan program, the health professions student loan program, and the nursing student loan program. As a logical followup of the centralization of administration of all the Federal student loan programs, which is recommended in Recommendation 1, and as a subsequent step, it is believed feasible and desirable to merge into one loan program the national defense student loan program, the health professions student loan program, and the nursing student loan program. The major precaution that would have to be taken is the development of appropriate allocation procedures to reflect the differing needs of the various institutions. Such merger would leave only two Federal student loan programs: the merged program as recommended above and the guaranteed loan program.

OE position

As previously stated, it is not deemed feasible to consolidate the PHS and OE programs, at this time. However, the incorporation of the Cuban loan program by the national defense student loan program is endorsed. Since the elimination of a State allotment formula is proposed in the "Higher Education Amendments of 1968," one of the major problems confronting this action may be disposed of.

As institutions have already filed their applications for funds for fiscal year 1969, the Cuban loan program should be merged with NDSL for fiscal year 1970. Due notice will be given to those institutions concerned, so that they can increase their applications for funds for fiscal year 1970. The need for reaching agreement with, and transferring appropriations from the Welfare Administration to the Office of Education is apparent; obviously a program of this magnitude could not be absorbed by the NDSL at present levels without additional funding.

NOTE.—Reference recommendation No. 38 and recommendation No. 21 concerning the guaranteed loan program merger.

3. Under the national defense student loan program, it is recommended that the U.S. Office of Education continue to simplify and to standardize reporting procedures and also to make every effort to avoid frequent changes. (See ch. IV, p. 16.)

OE position

The Office of Education has and will continue to make every effort to standardize and simplify reporting procedures.

4. Under the guaranteed loan program, it is recommended that the U.S. Office of Education, in collaboration with the State agencies and educational institutions, work toward the standardization of policies, procedures, and forms among the various States. (See ch. VIII, p. 43.)

OE position

The Office of Education has and will continue to make every attempt to work toward standardization. The variety of forms and procedures used by each State loan agency director and requirements of State law make this an especially difficult area to coordinate.

The reinsurance proposal should enable States to adopt more uniform procedures.

B. NEED FOR STUDY OF MAXIMUM BORROWING

5. It is recommended that an economic, educational and social analysis of the impact of borrowing be undertaken by the institutions of higher education and their associations, with the assistance of the U.S. Office of Education, to determine what might be considered reasonable maximum indebtedness that students from various family income levels, students preparing for low paying occupations, and women might be expected to assume. (See ch. X, p. 5.)

OE position

The Office agrees that it would be most desirable to conduct a study to determine the impact of borrowing on the student after he has graduated or dropped out of school. It is hoped that such a study may be started during the next fiscal year. The fiscal year 1969 budget contains a request for \$429,000 to support an "analysis of student financial aid programs and of the universe of students that these programs are designed to aid." A second study in the amount of \$175,000 entitled, "Analysis of the Recipients of Educational Opportunity Grants," and still a third study, to cost \$75,000, entitled, "Analysis of the Effect of the College Work-Study Program on the Educational Experience of Aid Recipients" are also planned for fiscal year 1969. These studies will jointly overlap the question of student debt load.