

student loans, and Cuban refugee student loans to their efforts on behalf of their own loans. (See ch. IV, p. 27; ch. V, p. 6; and ch. VI, p. 5.)

OE position

We endorse this recommendation and are encouraging the creation of central billing and collection agencies.

26. *An incentive plan for the reimbursement of administrative expenses should be adopted.* (See ch. IV, p. 29; ch. V, p. 6; and ch. VI, p. 5.)

OE position

The Office does not endorse this recommendation because we feel it would not achieve the desired objective. We do not believe that the small schools which have poor administrative records would be induced by this method to improve their program administration. We do agree that a change in the method of reimbursement for administrative cost is necessary and we have recommended in H.R. 15067 that institutions be paid 3 percent of their yearly grant for administrative overhead in all three college-based student aid programs as well as in the PHS programs.

K. CANCELLATION OF LOANS

27. *The teacher cancellation provision of the national defense student loan program should be phased out.* (See ch. IV, p. 35.)

OE position

The information in that portion of the CEEB study which deals with the effectiveness of partial loan cancellation as a means of recruiting teachers, is inconclusive. We have no additional information or data which will or will not support the recommendation made by the college board. Further study and evaluation of this aspect of the NDEA loan program might be done although the array of attitudes and opinions in the educational community on this point is sharply divided, as for instance, among deans of education, financial aid officers, or loan recipients themselves.

28. *The nursing cancellation provision of the nursing student loan program should be phased out.* (See ch. VI, p. 8.)

OE position

No comment.

29. *The forgiveness (or cancellation) concept should not be extended to the guaranteed loan program.* (See ch. VIII, p. 41.)

OE position

We are in complete agreement with the recommendation that the teacher cancellation provision not be extended to the guaranteed loan program.

L. UNIFORMITY OF PROVISIONS

30. *Maximum borrowing. Limits of \$1,500 per year and \$5,000 aggregate should be set for undergraduate students, and limits of \$2,500 per year and \$10,000 aggregate should be set for graduate students (including undergraduate loans). These limits would apply for borrowing in each Federal loan program and, in addition, for borrowing under more than one Federal loan program.* (See ch. X, p. 3.)

OE position

We concur in the recommendation and have requested a change in the limit of borrowing in H.R. 15067, since the \$10,000 limit could be unduly restrictive for some graduate students. We have proposed a maximum of \$11,000. There is no need to modify the Cuban regulations, since it is proposed that this program be incorporated with the NDEA.

31. *Loans should be made available to half-time students.* (See ch. X, p. 5-6.)

OE position

Half-time students may currently borrow under the NDEA and the Federal insured student loan program. Under the guaranteed loan programs, this is at the option of the State loan agency.

32. *Interest payments during the repayment period should be standardized.* (See ch. X, p. 6.)