Mr. MOOT. We have to date taken five contracts from other Government agencies, for a total amount of $8,200,000. In turn, we have negotiated eight subcontracts with small firms throughout the country for the production and delivery of these items for the same amount of money, $8,200,000.

These eight small firms employ some 1,300 employees. This is an increase of some 300 employees as a result of the procurement we are providing. It also results in the retention of certain employees that would otherwise have been discharged in the coming months.

The CHAIRMAN. Mr. Administrator, I want my colleagues also to have an opportunity to ask questions. One further question: You mentioned the two loan programs in addition to training and setting up organizations and introducing industry. And you are taking the prime contracts. You also have two types of loans. One is for $15,000 and another, I believe, is for $25,000?

Mr. GREENBERG. That is correct, sir.

The CHAIRMAN. Delineate for the committee and the record the difference between these two loans programs.

Mr. GREENBERG. The EOL I program, which has a limitation of $15,000, is for those who have submarginal incomes, who don't have enough income to meet their basic needs. They are eligible for loans under this particular program. The criteria are less stringent than they are under our regular programs.

The CHAIRMAN. This is a loan to go into business, to begin a business, or to expand a business?

Mr. GREENBERG. Yes, for any of those purposes.

The CHAIRMAN. It all relates to businesses?

Mr. GREENBERG. That is correct, sir.

The second, EOL II, has a maximum lending limit of $25,000. Those people who are disadvantaged by reason of social or economic discrimination are eligible for loans in this particular category. The criterion for the loans is really the applicant's character rather than the other more stringent criteria under our regular business loan programs.

The CHAIRMAN. Both of these loans are for what term?

Mr. GREENBERG. Fifteen years, 5½ percent, Mr. Chairman. This is the maximum term, 15 years.

The CHAIRMAN. Mr. Dingell, any questions?

Mr. DINGELL. Yes, Mr. Chairman.

I am most pleased to see my old freind, Mr. Greenberg, here this morning.

I would also like to welcome the distinguished Administrator. And I would like to commend them for very fine testimony this morning.

I would like, gentlemen, if I could, to lightly treat some of the matters which have been discussed by the chairman with you, in two particulars.

One, can you tell us what supervision is given by SBA to assure that the loans made to these small businesses in economically deprived areas are for what essentially would be regarded as reasonably good investments for the person concerned? For example, I came across the other day a case where the Small Business Administration had made a loan for a franchised restaurant operation to an individual who was presently in bankruptcy, and who neither delivered the supervision, provided the assistance in procuring foods, or afforded the bookkeeping and other services that he was supposed to provide,