nor did he furnish nor could he furnish the technical assistance that was required. And this brought to my mind the very urgent need to have your agent, as fully as it possibly could, to at least assure itself that the business applying for a loan is solvent, and that the possible business applying for a loan is one that has at least some possibilities of success.

Mr. MOOT. I would say, Mr. Dingell, that I could get the specific answer to that particular case, if you want the details.

Mr. DINGELL. I don't want to clog the record with that, Mr. Moot.

Mr. MOOT. I mean specifically from the hearing.

But I would like to say that we are acutely aware of this problem. We do provide actually, with our somewhat limited personnel in the field, some limited servicing of loans and processing of loans and following up of loans. We also have the entire organization involved in management counseling, seminars, workshops, face-to-face counseling. In addition to that, we have 3,210 members of our SCORE teams which are, as you know, service corps of retired executives, whose job it is to provide expertise in terms of particular operations.

Thus we are very acutely aware of the need for management and technical assistance as well as the initial need to evaluate the risks of the proposition.

So, I am somewhat concerned about the aspects of the case as you mentioned. If it was known to us, and it should have been known to us, it doesn't look as though it was the type of loan that we should have made. I would be the first to admit that every loan is not a perfect loan. We do make mistakes.

Mr. DINGELL. I fully understand that. This question was asked not by way of criticism, but by way of example, perhaps to alert you to a problem that you might face, and also to ascertain what you could do in terms of loan applications to assure that an individual who is going into reliable business is not going into something which involves the assumption of perhaps almost impossible liabilities.

Mr. MOOT. As a matter of fact, we have been looking fairly sympathetically at good franchise operations, because a franchise operation does provide the kind of production and technical management assistance that is so acutely needed.

Mr. DINGELL. And on an on-going basis.

Mr. MOOT. On an on-going basis. But it is likewise true that it has to be a good franchise operation. Otherwise, it can be a mulcting or a draining off of funds, or a hit and run, a selling of the franchise, and then no followup.

We are aware of these problems.

Mr. DINGELL. The other question I wanted to direct your attention to is to try and find out what your experience has been in terms of the expansion of geographic areas. As you remember, the amendments which placed the Small Business Administration in charge of these programs were much criticized on the basis that it was a blow struck at the poor and the impoverished Economic Opportunity Act.

It was my experience that only small areas of the country were able to derive benefits under the previous loan program when it was administered by OEO. I believe that you now cover the whole country. And it is my experience that you are making loans in much larger amounts, both in terms of numbers of loans made and in terms of dollar amounts involved. Am I correct in that?