And we work with them and work with them well. But I do not believe that too many people realize the amount of work and the number of personnel involved in conection with running a small loan department from the time the loan is made, put on the books, and then kept current with monthly payments. And when they get in arrears, telephone calls go out. It is just an expensive type of operation.

Mr. ZWACH. Do you have quite a heavy loss experience on these personal type loans? In actual loss?

Mr. JENNINGS. Let me say this, we operate at a profit. We stay pretty much within the national average. Yes, we have a fairly substantial group of loans that we cannot collect for one reason or another. In some we repossess the automobiles. If they do not have the collateral, we send the note down to our attorneys to see whether or not there is anything that may finally be done.

Mr. ZWACH. And you attach anything you can?

Mr. JENNINGS. Well, sometimes, yes; sometimes, no. If the amount is too small, maybe we decide that the best part of wisdom is not to go ahead to try to collect in what appears to be a rather hopeless situation.

Mr. ZWACH. You know, gentlemen, I have paid interest on loans all of my life. And I am one who would like to keep the interest rates as low as possibly can be done. That is, to be in line with a reasonable return.

Mr. GUNTHER. May I have the privilege of also answering a question that Mr. Jennings answered as to the loss ratio? Our experience with this class of people has not been catastrophic, but our loss ratio on these personal loans, these installment loans, is, at least, 20 times what it is on the other type of loans made by the bank.

Mr. ZWACH. I am glad to have that figure, because it will give us some insight into your operation.

Mr. JENNINGS. One other thing that we should make clear, is that during many periods there are other types of investments that we could make that would really give more than the small personal loan business does. We could go into tax-exempt municipals and have yield that would require no supervision, at eight and one half and nine percent, being the effective yield. We would make more money on those, but bankers do have a real desire to serve the public.

Mr. ZWACH. You render a public service.

Mr. JENNINGS. They want to do this.

STUDENT LOANS

Mr. ZWACH. Do you make student loans?

Mr. JENNINGS. Yes, sir; we, certainly, do.

Mr. ZWACH. Both of you?

Mr. GUNTHER. In Washington some of the banks have their own plans, but the Bankers Association here collectively makes them. Each bank that participates takes its proportionate share of the amount loaned.

Mr. ZWACH. Thank you.

Mr. JENNINGS. In that area, before the student loan program was enacted by the Congress, we had our own student loan program. We have had \$3 million to \$5 million of such loans on our books on which