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HIGHER EDUCATION AMENDMENTS OF 1966

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HEARINGS

BEFORE THE

SPECIAL SUBCOMMITTEE ON EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH CONGRESS

SECOND SESSION

ON

H.R. 13174 and H.R. 13237

BILLS TO STRENGTHEN AND IMPROVE PUBLIC AND PRIVATE PROGRAMS OF ASSISTANCE FOR INSTITUTIONS OF HIGHER EDUCATION AND STUDENTS ATTENDING THEM

HEARINGS HELD IN WASHINGTON, D.C.

MARCH 10, 11, 14, 16, AND 17, 1966

Printed for the use of the Committee on Education and Labor

ADAM C. POWELL, *Chairman*

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HIGHER EDUCATION AMENDMENTS OF 1966

THURSDAY, MARCH 10, 1966

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to call, in room 2261, Rayburn House Office Building, Hon. Edith Green (chairman of the subcommittee) presiding.

Present: Representatives Green, Brademas, Hathaway, and Quie.

Also present: William F. Gaul, counsel, and Charles W. Radcliffe, minority counsel for education.

(Text of H.R. 13174 follows:)

[H.R. 13174, 89th Cong., 2d sess.]

A BILL To strengthen and improve public and private programs of assistance for institutions of higher education and students attending them

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Higher Education Amendments of 1966".

TITLE I—EXTENSION OF ASSISTANCE TO HIGHER EDUCATION

PART A—EXTENSION OF AND AMENDMENTS TO THE HIGHER EDUCATION FACILITIES ACT OF 1963

EXTENSION OF GRANTS FOR CONSTRUCTION OF UNDER-GRADUATE ACADEMIC FACILITIES

SEC. 101. (a) Section 101 of the Higher Education Facilities Act of 1963 is amended to read as follows:

"SEC. 101. (a) For the purpose of enabling the Commissioner of Education (hereinafter in this Act referred to as the 'Commissioner') to make grants to institutions of higher education for the construction of academic facilities in accordance with the provisions of this title, there is hereby authorized to be appropriated the sum of $230,000,000 for the fiscal year ending June 30, 1964, and for the succeeding fiscal year, $460,000,000 for the fiscal year ending June 30, 1966, $453,000,000 for the fiscal year ending June 30, 1967, and such sums as may be necessary for each of the four succeeding fiscal years. In addition to the sums authorized to be appropriated under the preceding sentence for each fiscal year, there is hereby authorized to be appropriated for that fiscal year for making such grants the difference (if any) between any specific sums authorized to be appropriated under the preceding sentence for the preceding fiscal year and the sums which were appropriated for such preceding year under such sentence.

"(b) Sums appropriated pursuant to subsection (a) of this section shall remain available for reservation as provided in section 109 until the close of the fiscal year next succeeding the fiscal year for which they were appropriated."

PAYMENTS FOR ADMINISTRATIVE EXPENSES AND FOR PLANNING

SEC. 102. Subsection (b) of section 105 of the Higher Education Facilities Act of 1963 is amended to read as follows:

"(b) The Commissioner is authorized to expend not exceeding $3,000,000 during the fiscal years ending June 30, 1965, and June 30, 1966, and not exceeding $7,000,000 for the fiscal year ending June 30, 1967, and each of the four succeeding fiscal years, in such amounts as he may consider necessary (1) for the proper and efficient administration of the State plans approved under this title and under part A of title VI of the Higher Education Act of 1965, including expenses which he determines were necessary for the preparation of such plans, and (2) for grants, upon such terms and conditions as the Commissioner determines will best further the purposes of this Act, to State commissions for conducting either directly or through other appropriate agencies and institutions, comprehensive planning to determine the construction needs of institutions (and particularly combinations and regional groupings of institutions) of higher education. Not more than $3,000,000 may be expended in any fiscal year for the purposes set forth in clause (1)."

EXTENSION OF GRANTS FOR CONSTRUCTION OF GRADUATE ACADEMIC FACILITIES; EXTENDING AVAILABILITY OF APPROPRIATIONS

SEC. 203. (a) Section 201 of the Higher Education Facilities Act of 1963 is amended to read as follows:

"SEC. 201. In order to increase the supply of highly qualified personnel critically needed by the community, industry, government, research, and teaching, the Commissioner shall, during the fiscal year ending June 30, 1964, and each of the seven succeeding fiscal years, make construction grants to assist institutions of higher education to improve existing graduate schools and cooperative graduate centers, and to assist in the establishment of graduate schools and cooperative graduate centers of excellence. For the purpose of making grants under this title, there is hereby authorized to be appropriated the sum of $25,000,000 for the fiscal year ending June 30, 1964, the sum of $60,000,000 for the fiscal year ending June 30, 1965, the sum of $120,000,000 for the fiscal year ending June 30, 1966, the sum of $60,000,000 for the fiscal year ending June 30, 1967, and such sums as may be necessary for each of the four succeeding fiscal years. In addition to the sums authorized to be appropriated under the preceding sentence for each fiscal year, there is hereby authorized to be appropriated for that fiscal year for making such grants the difference (if any) between any specific sums authorized to be appropriated under the preceding sentence for the preceding fiscal year and the sums which were appropriated for such preceding year under such sentence. Sums appropriated pursuant to this title for any fiscal year shall remain available for grants under this title until expended."

EXTENSION OF LOANS FOR CONSTRUCTION OF ACADEMIC FACILITIES

SEC. 104. Section 303(c) of the Higher Education Facilities Act of 1963 is amended—

(1) by striking out "four" in the first sentence and inserting "seven";

(2) by striking out in the second sentence all that follows "the two succeeding fiscal years" and inserting in lieu thereof ", $200,000,000 for the fiscal year ending June 30, 1967, and such sums as may be necessary for each of the four succeeding fiscal years."; and

(3) by amending the third and fourth sentences to read as follows: "In addition to the sums authorized to be appropriated under the preceding sentence for each fiscal year, there is hereby authorized to be appropriated for that fiscal year, for making such loans, the difference (if any) between any specific sums authorized to be appropriated under the preceding sentence for the preceding fiscal year and the sums which were appropriated for such preceding year under such sentence. Sums appropriated pursuant to this subsection for any fiscal year shall be available without fiscal-year limitation for loans under this title."

CLARIFYING AMENDMENT OF DEFINITION OF DEVELOPMENT COST

SEC. 105. Subsection (c) of section 401 of the Higher Education Facilities Act of 1963 is amended (1) by inserting "(1)" immediately after "(c)", (2) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively, (3) by redesignating

subclauses (A) and (B) as subclauses (i) and (ii), and (4) by adding at the end thereof the following new paragraph:

"(2) In determining the development cost with respect to an academic facility, the Commissioner may include expenditures for works of art for the facility of not to exceed 1 per centum of the total cost (including such expenditures) to the applicant of construction of, and land acquisition and site improvements for, such facility."

REPEAL OF AUTHORITY TO PRESCRIBE A SCHEDULE OF FEES FOR CERTAIN INSPECTIONS AND RELATED ACTIVITIES

SEC. 106. The Higher Education Facilities Act of 1963 is amended by striking out subsection (b) of section 304 and by redesignating subsection (c) and references thereto as subsection (b).

PART B—EXTENSION OF ASSISTANCE TO DEVELOPING INSTITUTIONS

SEC. 111. Paragraph (1) of section 301(b) of the Higher Education Act of 1965 is amended by inserting "the sum of $30,000,000 for the fiscal year ending June 30, 1967, and such sums as may be necessary for each of the three succeeding fiscal years" after "1966,".

TITLE II—STUDENT LOAN PROGRAMS

LOAN REIMBURSEMENT PAYMENTS FOR TEACHERS

SEC. 201. Title II of the National Defense Education Act of 1958 is amended by redesignating subsection (c) of section 205 as subsection (d), and by inserting after subsection (b) the following new subsection:

"(c) In order to encourage students who have obtained a loan under this title to refinance such loan through the student loan program carried out under part B of title IV of the Higher Education Act of 1965, and likewise to encourage students to obtain new loans under such part B program in lieu of obtaining such loans under this title, a student who does so with the approval of the educational institution involved shall, with respect to so much of the loan under such part B as—

"(1) is a refinancing of a student loan made by the institution under this title, or,

"(2) in the case of a loan under such part B obtained in lieu of a loan from the institution, does not exceed the amount which he was eligible to borrow from the institution,

be entitled, in accordance with regulations of the Commissioner, to have the following loan reimbursement payments made to him by the Commissioner: An amount equal to 10 per centum of the applicable total principal amount of any such loan shall be paid for each complete academic year or its equivalent (as determined under regulations of the Commissioner) of service as a full-time teacher in a public or other nonprofit elementary or secondary school in a State, in an institution of higher education, or in an elementary or secondary school overseas of the Armed Forces of the United States, until an amount equal to 50 percentum of such total has been paid. The annual amount shall be 15 per centum (rather than 10 per centum) for each complete academic year or its equivalent (as so determined) of service as a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency which is eligible in that year for assistance pursuant to title II of the Act of September 30, 1950, Public Law 874, Eighty-first Congress, as amended, and which for purposes of this paragraph and for that year has been determined by the Commissioner, pursuant to regulations and after consultation with the appropriate State educational agency, to be a school in which there is a high concentration of students from low-income families, except that the Commissioner shall not make such determination with respect to more than 25 per centum of the total of the public and other nonprofit elementary and secondary schools in any one State for any one year; and for the purpose of payments pursuant to this sentence, an aggregate amount equal to an additional 50 per centum of the applicable total principal amount of any such loan may be so paid. No payment shall be made under this subsection for service performed more than fifteen years from the execution of the note or written agreement evidencing it."

ENCOURAGING PRIVATE CAPITAL FOR NATIONAL DEFENSE STUDENT LOANS

SEC. 202. Section 203 of the National Defense Education Act of 1958 is amended by designating the present text as subsection (a) and by inserting at the end thereof the following new subsection:

"(b)(1) For the purpose of substituting for direct Federal support to the maximum extent practicable private and other non-Federal funds for student loans, the Commissioner is authorized to provide the following forms of assistance, upon such terms and conditions as he may deem appropriate, for the benefit of students attending institutions of higher education:

"(A) If an institution of higher education borrows non-Federal funds (or otherwise receives or makes available repayable non-Federal funds) for use as capital contributions to a student loan fund established under this title, the Commissioner may (i) guarantee timely repayment of all or part of such funds (plus interest thereon), (ii) agree to reimburse the institution for up to 90 per centum of the loss to it from defaults on student loans made from such funds, (iii) agree to pay to the institution the amount of the interest differential (as defined in paragraph (3) of this subsection) with respect to such funds, and (iv) agree to pay the institution the amount of administrative expenses authorized by clause (3) of section 204 to be paid out of a student loan fund with respect to such funds.

"(B) If an institution of higher education arranges for a student assistance organization (as defined in paragraph (3) of this subsection) to make loans to students attending the institution, the Commissioner may enter into an agreement with the organization upon the terms set forth in section 204 and may (i) guarantee timely repayment of funds (plus interest thereon) borrowed by the organization for use as capital contributions to a student loan fund established under this title, (ii) agree to reimburse the organization for up to 90 per centum of the loss to it from defaults on student loans made from such borrowed funds, (iii) agree to pay to the organization the amount of the interest differential with respect to such borrowed funds, and (iv) agree to pay to the organization the amount of administrative expenses authorized by clause (3) of section 204 to be paid out of a student loan fund with respect to such funds. A student assistance organization with which the Commissioner makes an agreement pursuant to this subparagraph shall be deemed to be an institution of higher education for purpose of applying the other provisions of this title.

"(C) If an institution of higher education enters into arrangement with one or more lenders pursuant to which the lender makes loans (upon terms and conditions set forth in section 205(b)) in such amounts and to such students as the institution may determine on the basis of the criteria set forth in section 205, the Commissioner may (i) guarantee to the lender timely repayment of the loans (including amounts thereof which are canceled), (ii) agree to pay to the lender such amount as the Commissioner determines will give the lender, considering the interest on the loan, a reasonable rate of return on such loans, and (iii) agree to pay to the institution, with respect to the aggregate amount of outstanding principal on such loans, an amount equal to the amount of administrative expenses authorized by clause (3) of section 204 to be paid from a student loan fund. The Commissioner shall condition any such assistance upon agreement by the institution to pay the Commissioner promptly an amount equal to 10 per centum of the amount paid by him to the lender on account of defaults on such student loans.

"(2) The assistance provided by the Commissioner pursuant to paragraph (1) shall be subject to the following limitations:

"(A) If the interest on an obligation is exempt from income taxation by reason of section 103(a) of the Internal Revenue Code of 1954, the Commissioner shall not guarantee timely payment of that obligation except during such time or times as it is held beneficially by a holder which is exempt from income tax because it is a State or an instrumentality of a State or because of section 501(c) of such Code.

"(B) No payment shall be made under this subsection with respect to a loan if the rate of interest on that loan exceeds such per centum per annum on the principal obligation outstanding as the Secretary (after consultation with the Secretary of the Treasury) determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the rate of interest the borrower pays or would have to pay with respect to other loans of a similar duration.

"(3) For purposes of this subsection—

"(A) the term 'interest differential' means the excess of (i) the amount of interest paid by an institution or organization with respect to sums deposited by it as capital contributions to a student loan fund established under this title, over (ii) the amount of interest received by it on student loans made from such funds.

"(B) The term 'student assistance organization' means a nonprofit organization authorized to make loans to students in one or more institutions of higher education.

REVOLVING FUND; APPROPRIATIONS AUTHORIZED

SEC. 203. (a) Section 203 of the National Defense Education Act of 1958 is further amended by adding at the end thereof the following new subsections:

"(c) There is hereby created in the Treasury a separate fund (hereinafter in this section called 'the fund') which shall be available to the Commissioner without fiscal year limitation as a revolving fund for making Federal capital contributions to institutions which have agreements with the Commissioner under this title but which for legal or other reasons are unable (as determined by the Commissioner) to take adequate advantage of assistance under subsection (b). Federal capital contributions made from the fund shall be made upon such terms and conditions as the Commissioner may deem appropriate, and they may be made without regard to the allocation provisions of sections 202 and 203(a). There shall be deposited in the fund all amounts appropriated pursuant to subsection (d) of this section, all sums appropriated pursuant to section 201 and not obligated prior to the date of enactment of this subsection, all amounts received by the Commissioner as repayments of capital contributions, and any other moneys, property, or assets derived by him from his operations in connection with the fund, including any money derived directly or indirectly from the sale of assets, or beneficial interests or participations in assets, of the fund. There shall be paid from the fund all payments to institutions of higher education required by section 208 with respect to student loans financed from capital contributions from the fund and all expenses and payments of the Commissioner in connection with the sale (through the Federal National Mortgage Association or otherwise) of participations in obligations acquired under this title. If at any time the Commissioner determines that moneys in the fund exceed the requirements of the fund, such excess shall be transferred to the general fund of the Treasury.

"(d)(1) There are authorized to be appropriated $150,000,000 for the fiscal year ending June 30, 1967, and such sums for the succeeding fiscal year as may be necessary for making payments into the fund established under subsection (c).

"(2) In order to receive Federal capital contributions from the fund (and notwithstanding section 205(b)(8)), an institution must agree to require each student who receives a loan financed from such capital contributions to authorize in writing assignment to the Commissioner of the note or other agreement evidencing that loan, and the note or other agreement evidencing each prior loan made by the institution to the student under this title, and the institution must agree to assign to the Commissioner so much of these notes and agreements as he may determine. The institution shall continue to collect, as agent of the Commissioner and for so long as he may determine, payments of principal and interest with respect to any such notes and agreements which may be assigned, and while the institution is so collecting the provisions of clause (3) of section 204 (regarding administrative expenses and collection costs) shall continue to apply to the loans evidenced by such notes and agreements. Ten per centum of such payments with respect to notes and agreements which have been assigned shall be retained by the institution and 90 per centum of such payments shall be paid to the Commissioner.

"(e)(1) For any fiscal year, the aggregate of (A) the amount of loans which may be guaranteed under clause (i) of subparagraph (A), (B), or (C) of subsection (b), (B) the amount of any other loans with respect to which the Commissioner agrees to pay the interest differential authorized by subsection (b), (C) the amount of Federal capital contributions made from the fund established under subsection (d), and (D) the amount of student loans with respect to which the Commissioner may become liable, by virtue of section 205(c), to make loan reimbursement payments may not exceed such maximum amount as may be authorized by an appropriation Act, except that this amount in turn may not exceed the amount authorized to be appropriated for that year by section 201. Whenever a specified maximum amount is so authorized by an appropriation Act, there shall be established on the books of the Treasury as indefinite appropriations such sums as may

be necessary from time to time to enable the Commissioner to make payments required by a contract of guaranty or by any other undertaking made by him pursuant to subsection (b) with respect to such maximum amount.

"(2) For any fiscal year, the share of the maximum amount determined under paragraph (1) which shall be available for students attending any institution shall be determined by the Commissioner by allocating such maximum amount among institutions and organizations with which he has agreements under this title in a manner which he deems to be consistent, considering the availability of student loan assistance under title IV–B of the Higher Education Act of 1965, with the provisions of sections 202 and 203."

(b) Section 206(b) of such Act is amended to read as follows:

"(b) After September 30, 1966, each institution with which the Commissioner has made an agreement under this title shall pay to the Commissioner, not less often than quarterly, 90 per centum (or such lesser proportion as the Commissioner may deem to be equitable in light of the relative Federal and non-Federal contributions to the loan fund) of the amounts received by the institution after that date in payment of principal or interest on student loans made from the student loan fund established pursuant to such agreement (which amount shall be determined after deduction of any administrative costs or collection costs authorized by clause (3) of section 204 to be paid from the student loan fund and not already reimbursed), and the remainder of such amounts shall be retained by the institution."

AUTHORIZING LOAN INSURANCE FOR LOANS TO REFINANCE LOANS MADE FROM FEDERALLY ASSISTED STUDENT LOAN FUNDS

SEC. 204. (a) Title IV of the Higher Education Act of 1965 is amended by redesignating subsections (b) and (c) of section 427, and references thereto, as subsections (c) and (d), respectively, and by inserting after subsection (a) the following new subsection:

"(b) A loan by an eligible lender shall also be insurable by the Commissioner under the provisions of this part if it is made for the purpose of enabling the borrower to repay one or more loans obtained by him from a loan fund established under title II of the National Defense Education Act of 1958. The Commissioner shall promulgate such regulations as he may deem appropriate to assure that loans which are insurable by virtue of this subsection shall be used for the purpose for which they are made. A loan shall be insurable by virtue of this subsection only if it is evidenced by a note or other written agreement which meets the requirements of clause (2) of subsection (a), except that if the repayment period has begun for any loan which is to be repaid, the new loan may not be insured under this part unless its repayment period begins when the loan is paid to the borrower. The amount of any loan which is made insurable by virtue of this subsection shall not be included in determining whether a student has exceeded the annual or aggregate limits set forth in section 425(a)(1)."

(b) Section 428(c)(1)(A) (as redesignated by section 101(b) of this Act) is attended by inserting at the end thereof and before the semicolon: ", except that there shall not be included in determining such amount the amount of any loan made pursuant to regulations of the Commissioner for the purpose of enabling the borrower to repay one or more loans obtained by him from a loan fund established under title II of the National Defense Education Act of 1958".

Mrs. GREEN. The subcommittee will come to order.

Mr. Secretary, we are delighted to have you here. I know you have had a busy week. In fact all of us have with three subcommittees holding hearings simultaneously. The hearings on the higher education amendments were scheduled at this time primarily because of the urgent need to act on the student loan provision, as evidenced in pleas made in innumerable letters received from the various colleges and universities around the country.

May I say, and I think I can speak for all of the members of the subcommittee, that the satisfaction we feel with regard to the legislation record that has been made in the field of education in the last two sessions of the Congress is only equaled by that felt when we

learned of your appointment as Secretary of the Department of Health, Education, and Welfare. This subcommittee looks forward to our work with you and Commissioner Howe as we strive to improve American education at all levels.

During the last few years, there has been much public attention given to the unrest on college and university campuses, and within the last 2 months much of this unrest and uncertainty—if the letters I receive are indicative—has centered on two questions: one, the drafting of college students, and two, the proposal to phase out the student loan program carried on under NDEA.

As you know, this subcommittee has already started the hearings on the first of these questions: the present and the projected professional manpower needs and the effect the drafting of college students may have on the Nation's ability to meet these needs.

It is my hope, Mr. Secretary, as our session continues this morning we will have an opportunity also to discuss some of these questions, as the subcommittee is most interested to learn your views on the manpower picture and whether, indeed, we will have sufficient qualified manpower to staff and to implement our expanding domestic programs and our military commitments.

Equally important and equally deserving of our immediate attention is the bill before the subcommittee today, H.R. 13174 and the proposal to phase out the NDEA student loan program. I am certain that everyone here is well aware of the uncertainty and the anxiety of the education community with regard to this proposal, and at this point, without any objection, I would like to make, as a part of the record, letters I have received and letters referred to me by other members from college and university presidents, deans and student aid officers, expressing deep concern over the proposed revisions.

(The letters referred to follow:)

OFFICE OF STUDENT FINANCIAL AIDS,
UNIVERSITY OF DETROIT,
Detroit, Mich., March 3, 1966.

Hon. MRS. EDITH GREEN,
House Office Building, Washington, D.C.

DEAR MRS. GREEN: We, here at the University of Detroit, are perplexed and greatly disturbed by the proposed elimination of the National Defense Student Loan Program.

This program is the mainstay of our Financial Aid Programs, as it is in many private institutions whose students face tuition rates such as we have.

If the National Defense Loan Program is eliminated or greatly reduced, inestimable damage will be done to Higher Education. Here, at least 600 students will be seriously effected; in fact, a substantial percent of these students will be forced to withdraw from the University.

It seems possible and pertinent that the Federal guaranteed loan program could replace the National Defense Loan Program. However, it also appears clear that the initiation and operation of this replacement program will require several years. If the National Defense Loan Program is eliminated or seriously contracted, what is the needy student to do, particularly in view of the rising costs of tuition, and secondary costs of attendance.

We hope that you and your committee will give serious, objective, and weighted consideration to the proposed elimination of the National Defense Student Loan Program. We urge that the National Defense Student Loan Program be funded, if only on a limited basis, to allow able and worthy students to complete their education.

Sincerely yours,

ROBERT M. PETERS, *Director.*

ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES,
Washington, D.C., March 9, 1966.

Hon. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: The Association of State Colleges and Universities, at its annual meeting in Chicago on February 16, 1966, adopted a resolution calling for the extension and adequate funding of the NDEA Student Loan program. (The Association of State Colleges and Universities is comprised of 194 institutions enrolling approximately one million students.)

Presidents of member institutions attending the meeting expressed grave concern over the proposed termination of the NDEA Student Loan Program and the substitution for it of a new guaranteed loan program. They felt the existing program should be continued pending an adequate trial of the guaranteed program to see if it, in effect, is capable of meeting the need of students who must borrow money in order to attend college.

In any event, early action by Congress is imperative because the colleges need to know what kinds of program or programs will be in effect so they can properly advise students and their parents without further delay.

I know that both the colleges and the students will be most appreciative of your efforts to resolve this situation at the earliest possible date.

Please let me know if our Association can be of assistance to you.

Cordially,

ALLAN W. OSTAR, *Executive Director.*

RECOMMENDATIONS OF THE COMMITTEE ON LEGISLATION

The Association of State Colleges and Universities' Committee on Legislation moves that the Association take the following actions:

1. Endorse the current NASULGC position statement, "National Action Affecting Higher Education," with the provision that the following words be included as the conclusion of the first sentence of II, 3., (2), (3): "including degrees in education which qualify recipients to teach in the above fields."
2. Recommend to the directors of the Association of State Colleges and Universities that they work toward the issuance by ASCU and NASULGC of a joint position statement on National Action Affecting Higher Education.
3. Endorse the recommendations presented to the 89th Congress by the President of the United States for the strengthening of international education programs, and recommend to the Congress that the legislation implementing these programs make provision for the participation of the ASCU member institutions.
4. Recommend to the 89th Congress of the United States the extension and adequate funding of the NDEA Loan program.
5. Recommend to the 89th Congress of the United States the full funding of the College Housing Loan program.

CASE INSTITUTE OF TECHNOLOGY,
Cleveland, Ohio, March 1, 1966.

Hon. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: A number of people at Case Institute of Technology have been concerned recently when we learned that there is congressional discussion concerning substantially reducing the funds available for the 1966–67 school year under Title II of the NDEA Loan Program. I understand your Committee has been asked to review certain aspects of this matter.

We are confident that a new Federal Guaranty Program, properly designed and fully operating, could provide the loan resources which the National Defense Student Loan Program has been providing and would provide private sources of funding to replace federal government funding sources. All of these ideas are commendable.

Despite our optimism about the eventual ability of the Guaranty Program to replace the NDSL Program, we are concerned about the immediacy of such a move and feel that a phasing out of the NDSL, and a phasing in of the Guaranty Program should take place over a several year period.

Will you please send me current information about this situation? We want to understand this matter fully then make our views known officially to you.

Sincerely,

T. KEITH GLENNAN, *President.*

MERCER UNIVERSITY,
Macon, Ga., February 22, 1966.

Hon. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: I should like to impose upon your time for a moment to request that you note the point of view I have sought to express to the American Council on Education regarding the failure of appropriation for the National Defense Student Loan Program. I believe the matter is serious enough for a large number of economically deprived young people to justify calling it to your attention. The point of view that the national interest is best served by all all levels of American youth being educated to the extent of their capability seems to be overlooked by withdrawing these loans from such a large number of them who cannot obtain such assistance elsewhere.

With deep appreciation of your many services, I am

Yours very truly,

RUFUS C. HARRIS.

Enclosure

MERCER UNIVERSITY,
Macon, Ga., February 22, 1966.

Dr. LOGAN WILSON,
President, American Council on Education,
Washington, D.C.

DEAR LOGAN: It is difficult for me to express both my extreme disappointment and consternation over the failure of the President's budget request to the Congress to include an appropriation request for the National Defense Student Loan Program. There is a demonstrable need for this Program and Mercer University students, along with many students from nearly all the institutions of higher education, had come to depend heavily on this. It is a shock for the Program to be discontinued abruptly rather than phased out without any notice. This is especially true since many colleges, in large part, have obligated already their student aid funds for the fiscal year 1966–67.

It would seem that the discontinuation of the National Defense Student Loans is in severe opposition to the recently indicated interest of the national government to assist all qualified young people in this country to continue their education beyond high school. Such students simply cannot obtain bank secured loans in many places. The loss of the Student Defense Loan casts a shadow over the national concern for extended and fuller educational opportunity.

I have shared the widely expressed enthusiasm for the significant support by President Johnson of excellent international educational programs in foreign fields. I am afraid however that if such extension appears to come at the expense of deeply needed educational assistance programs in continental United States the splendid conception of the President and others will suffer, and lose much of the enthusiasm and support needed for it.

May I urge the American Council on Education to use every resource at its command to seek means to secure the authorization of money needed for the 1966–67 continuation of this Loan Program. Without it thousands of young people may effectively be denied the opportunity of higher education. This I believe would reflect serious national consequences.

Yours very truly,

RUFUS C. HARRIS.

BETHANY COLLEGE,
Bethany, W. Va., February 16, 1966.

Congresswoman EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN GREEN: It has come to my attention that there is some effort in Congress to "phase out" the National Defense Student Loan Program. This letter is to express my objections to this proposal.

The National Defense Student Loan Program has worked beautifully at this College. Hundreds of needy students have been able to complete their education because of the availability of these funds.

This College is proud of its collection record and low rate of default. We do not find the administration of the program cumbersome.

During recent years—largely in accordance with government guidelines—we have reorganized and centralized our financial aid program to such an extent that one application, one evaluation of need, and one "packaged offer" (including scholarship, loan, and employment) does the job. To "phase out" the institutionally controlled loan program is to regress and to promote inefficient use of available funds.

Furthermore, if our past experience with state and private loan programs is any guide, we do not expect that the "phasing out" of the NDSL program will in any way save the institution from endless paper work. All such programs in the past have required much support in terms of applications and reports from the colleges.

I do hope that the National Defense Student Loan Program is continued and expanded.

Sincerely,

ROBERT A. SANDERCOX,
Dean of Students.

UNIVERSITY OF WASHINGTON,
Seattle, Wash., February 24, 1966.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.

DEAR CONGRESSWOMAN GREEN: The purpose of this letter is two-fold: one, to inquire whether a copy of your comments to the 24th NRECA Annual Meeting, held in Las Vegas earlier this month, and entitled "The Rural American" would be available. I would very much appreciate receiving a copy if possible.

The second is to urge your favorable consideration to the continuation of NDEA loan activity. While I have not made a special study of this matter I have the firm conviction that the loan program has worked well in the past, created opportunities for advancement of many who would otherwise have dropped by the way, and finally, that the alternative program, as I understand it, will not reach the same number of people.

There seems to have been an extreme reaction among the students on this campus to the threat of the end to NDEA general purpose loans. I understand that the students have organized an extensive petition campaign, the results of which will reach the capitol presently. I hope that on other campuses similar concern is being registered and will also come to your attention.

From my own personal experience, the NDEA was of great help in allowing me to get to finish graduate school. In some ways I am a walking advertisement of the value of a government assisted educational investment: I have my doctorate, have contributed to scholarship, have my second book nearly done, am teaching at the university full time at a good salary. The NDEA assistance came at a crucial time and I do not know what would have happened, had this not been available.

From my impression of the new program, set in the context of the effort against poverty, I do not believe it would now be possible for me to repeat this experience. Hence, my concern that there will be several thousand students like me, who will be caught in the box we all know too well.

I know your contribution to higher education has been of the greatest importance in recent years. Your knowledge of the area is very thorough and I hesitate to do more than bring to your attention my concern and my own personal experience.

Yours truly,

JOHN E. CROW, *Assistant Professor.*

LUTHER COLLEGE,
Decorah, Iowa, February 18, 1966.

Hon. JOHN C. CULVER,
Representative from Iowa,
Washington, D.C.

DEAR CONGRESSMAN CULVER: We have recently heard that President Johnson is proposing legislation which would "phase out" direct National Defense Educa-

tion Act loans to college students and replace this program with some kind of guaranteed loan program in which the student would negotiate his loan from a commercial lending agency and perhaps from institutional lending programs.

We believe that any precipitate action in the proposal direction would create havoc in many colleges. Specifically we feel that students currently enrolled in colleges with NDEA loan assistance should have their interests protected with continued allocation of funds to allow them to complete their education programs.

Colleges have to plan ahead in setting budgets and making contractual arrangements with faculty. Most colleges have already completed these plans for next year and have done so on projected enrollment figures based on the expectation of continued availability of federal funds for student loans. Most colleges have already made tentative commitments of anticipated federal funds to students currently attending secondary schools for enrollment in the colleges next September. Any appreciable reduction in funds for loan by colleges during the 1966–67 college year will very probably result in reduced enrollments and severe budget deficiencies in colleges who have already made contracts with faculty members for next year.

We fear that there will be a major problem for the young student in his first or second year of college in seeking loans from commercial sources to extend over a period of four years or longer. It seems that bankers will hesitate to loan under such circumstances even with interest payments guaranteed. Before the proposed legislation is enacted we believe that steps must be taken to:

1. continue direct loan support to students currently financing their college costs partly with NDEA loans.
2. insure that funds are available to colleges for the 1966–67 college year to allow them to fulfill commitments to students planning to enroll in college for the first time in September, 1966.
3. insure the availability of some form of loan support in future years to first and second year college students who may find it very difficult to find a commercial source of funds even with guaranteed interest.
4. give careful consideration to the retention of currently available benefits in the form of partial debt forgiveness to those students who enter the teaching profession. This policy has served admirably to help attract able young people into elementary, secondary and college and university teaching where our nation's needs have been great and show every evidence of continuing.

At a meeting of college admissions officers which I attended in Chicago this week it was evident that almost all of the midwestern colleges represented there would be very badly handicapped unless the proposed legislation provides for ample time for shifting from the current program to the proposed one. Ample time is probably at least twelve months forewarning.

Yours very truly,

C. G. KLOSTER,
Vice President for Student Personnel Services.

CENTRE COLLEGE OF KENTUCKY,
Danville, Ky., March 4, 1966.

Hon. EDITH GREEN,
Chairman, Education Subcommittee,
U.S. House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: You will find attached a copy of a resolution brought forth from a recent regional meeting of college and university financial aid administrators. It relates to the proposed shift of the NDEA and health professions student loan programs to the new program of Federally guaranteed private loans. I am writing my personal support of the resolution, and request your earnest attention to the matter.

I cannot believe that Congress will allow any necessary tightening of the purse strings to be borne by our college students. The NDEA and the Guaranty loan programs have different purposes; the first for the needy student with little or no family support, and the latter for the middle-income family who can support their children but may need help obtaining the funds at the exact time of college attendance. The two programs can and should be mutually supportive. Elimination of the NDEA plan will ax the needy student. This would be a direct reversal from what Congress has been building in the last several years.

If some higher education funds must be trimmed, would it not be wiser to hold back on building and research programs which can be picked up again later rather than to close out the prospect of college attendance to many eligible students.

A sufficient appropriation to support the continuance of the NDEA loan program is as important now as it ever was or shall be. Can Congress forget that the origin and purpose of the National Defense Student Loan Program was "to identify and educate more of the talent of our Nation," and "to insure trained manpower of sufficient quality and quantity to meet the national defense needs of the United States?"

Yours very truly,

W. BARRY DIXON,
Financial Aid Officer.

Whereas the National Defense Student Loan Program and the Health Professions Loan Program have proved to be both an inspiration and an invaluable source of aid for needy students aspiring to receive college training; and

Whereas students currently borrowing have expectations of being able to continue to borrow as needed until their degree programs are completed; and

Whereas the College Work-Study Program and the Educational Opportunity Grant Program were predicated upon the continuation of the loan programs; and

Whereas it seems clear that no comparable program providing long-term, low-interest loans to college students can be implemented in every state by the 1966–67 academic year; and

Whereas Congress encouraged educational institutions to search out and bring to campus many students who would not be able to attend college without financial aid, failure to continue the loan programs would appear to be a breach of trust between Congress and the students and their families: Be it therefore

Resolved, That the Southern Association of Student Financial Aid Administrators respectfully urges the Congress to continue the above mentioned loan programs.

EMBLEM, WYO., *March 7, 1966.*

Representative RONCALIO,
Washington, D.C.

It is my understanding that President Johnson in his budget message to Congress, has proposed drastic reductions in the federal support now going to the Nation's 97 land-grant colleges and universities. I feel that this would seriously affect the program at the University of Wyoming.

If our land-grant college and our extension service are going to meet the needs of the Wyoming people, it is important that we have this continued support for teaching, research and extension.

The future of our state is depending on what our sons and daughters are trained to do. As a mother of four children, I feel it is important that we have a strong university to teach these boys and girls properly. As a homemaker and farmer's wife, I consider it extremely important that we maintain the fine research, and extension programs in agriculture and home economics and youth, that we have been privileged to have in the past.

I surely am not in favor of this reduction in federal support to our college, and urge you as our representative in Congress to oppose it in our behalf.

Sincerely yours,

Mrs. OTTO A. GERNANT.

WAYNE STATE UNIVERSITY,
Detroit, Mich., February 25, 1966.

Hon. EDITH GREEN,
House Office Building,
Washington, D.C.

DEAR CONGRESSWOMAN GREEN: When I had the privilege of introducing you last year to the meeting of the National Association of Student Personnel Administrators you suggested to the membership that it communicate with you about pending legislation affecting student aid programs.

Recently, in connection with coordination of certain activities in the State of Michigan, I had occasion to mention to 56 post-secondary institutions which participate in the NDSL Program that there was a proposal before the Congress to reduce drastically or to eliminate appropriations for National Defense Student

loans. I have collated for your information the comments which have been received by me in the past week about this proposed action.

I hope that these comments will be of some use to you in the deliberations of your Special Sub-Committee.

Sincerely yours,

W. H. KNAPP, *Associate Director.*

COMMENTS BY STUDENTS ON PROPOSAL TO REDUCE OR ELIMINATE APPROPRIATIONS FOR NATIONAL DEFENSE STUDENT LOANS

Four-year church related co-ed.

"If the Federal budget is approved as is, as it was presented to Congress, relative to the National Defense Loan Program it certainly will handicap our loan program for another year. The NDSL Program represents about 80 per cent of our current loan program."

"I am in complete agreement with those who are dismayed at the prospect that NDSL loans will be 'phased out.' Unless the Federal Guaranteed Loan Program is more successful than that sponsored by MHEAA we are in real trouble."

"In common with other institutions, we have encountered serious resistance from participating banks in the approval of loans. If this situation does not change under the Federal proposal, it may become impossible for many students to finance their education."

"I would surely express our dismay at the proposed cut in National Defense Student Loan Program. It is our sincere hope that the Federal Government will take a second look and decide to maintain their present rate of appropriations."

Four-year church related women

"This offers a great deal of aid for students on our campus since our scholarship and grant monies are so very limited. However, if the banks could cooperate in the operation of insured loans, this would be a valid substitute providing they didn't tack on all those restrictions—grade point average, family income, etc. There must be some degree of risk involved in financing higher education, and we must be willing to take it. I don't think the banks are."

Four-year public co-ed

"We feel very strongly that a sharp reduction in the NDSL Program at this time would be a serious error and would, to a large extent, undermine the variety of efforts aimed at providing financial assistance for economically disadvantaged students. If the new Federally insured loan program established by the Higher Education Act of 1965 does function well, then certainly I think a good argument can be made for an eventual phasing out of the NDSL Program, but I am sure it will be at least a couple of years before we will be in a position to make such a decision. In the meantime, continuation of the NDSL Program is essential not only to small private institutions with limited aid funds, but also to large institutions, such as we."

"We know there's a high risk but if we have to rely on the state program we won't be able to package. If there's a tie-up anywhere in the process the kid won't know whether he can come as he plans because the timing will fall down. We can't sell the banks any better than you can in Detroit."

Four-year private co-ed

"I am definitely opposed to cutting the National Defense Student Loan Program at this time and have asked our president to write letters to our senators and representatives stating our feeling on this."

Two-year church related co-ed

"In reference to your memo of February 14, 1966, please be advised that we would not be in favor of the Government cutting the NDSL Program.

While we exhaust all possible areas in obtaining scholarships, we still would feel better if there were funds available to pass on to students in order that they can further their education."

"I attended the Conference on Financial Aid Opportunities for College Students in Lansing on February 9 and 10. Although Dr. Porter indicated that legislation necessary to carry on the loan program in Michigan would be forthcoming, I believe there would be more red tape in the entire loan program as well as difficulty obtaining loans for the average student and those from low-income families.

It seems to me that the cost of processing the program on the state level with national support will only increase overhead, thus costing the taxpayers more for the student loan program."

Two-year public co-ed

"We feel that a reduction or phasing out of the NDSL Program could seriously affect our ability to package financial assistance especially in regard to the Economic Opportunity Grants."

"In response to your request as to reaction to the decrease of NDSL funds and the transfer of this fund to the insured loan program, let me say that I approve. This approval stems from the fact that we are not involved in the NDSL Program and removal of the program would relieve us of the necessity of setting up the loan department as we grew larger and student needs would force such a program upon us. Also, in line with this the banks in our community have accepted the MHE Guaranteed loans and would definitely accept the new loans under the Federal Plan with 100 per cent guarantee.

One of the areas I would like explored would be the use of Work-Study funds as matching for Federal Grants. I don't think it is feasible now where the government provides 90 per cent of the funds, but when the government share goes down to 75 per cent then I feel we have a brief for some recognition given to the college funds being used when matching the grants."

"My President has already called Senator Hart. The Vice-Presidents of our local banks will not lend to freshmen and 90 per cent of them will not lend to sophomores, so the state program will be useless even with the addition of Federal funds. They told me that even a 100 per cent guarantee would not sway them because the program is just poor banking practice."

"We had planned to get into NDSL in 1967. If it's taken away we aren't going to be able to meet the financial need of the students coming in the next couple of years. We have the same problem of no loans to freshmen or sophomores."

Two-year private technological

"A state program of student loans would detract from the personalized campus life. It has been our experience that students are more reluctant to make loans through banks and other lending agencies than they are from the institution itself.

We further believe that it is unfair to have institutions establish programs with the systems and procedures necessary to participate in Federal aid and then have the rug pulled out for lack of funds. We experienced this problem with MDTA."

OTTERBEIN COLLEGE,
Westerville, Ohio, February 25, 1966.

Hon. WILLIAM E. MINSHALL,
House of Representatives,
Washington, D.C.

DEAR MR. MINSHALL: May I share with you my deep concern for the many thousands of Ohio youngsters who will be clamoring to enter college this fall but who may not be able to do so because of the serious problem immediately facing all colleges in their financial aid programs. The problem stems from the apparent and abrupt phasing out of the NDEA student loan program, established in 1958.

The NDEA program administered through the colleges has been a tremendous frontline financial assist to millions of students. It has provided the desperately needed loan funds to supplement student marginal resources and the scholarships that colleges have been able to provide. At Otterbein, over 40% of our students participate in the NDEA program for a yearly total of well over $100,000. As you know, these funds come largely from the federal government with the institution contributing 10% of the total amount.

The situation at the moment is that the proposed federal budget for the next fiscal year shows a drastic reduction in the annual appropriation for this activity, even though Congress has already authorized its continuation until 1968. The budget makers may have suggested this paring in NDEA funds with the thought that the new loan program contained in the Higher Education Act of 1965 would be operating and adequate. The newer loan program, however, is not yet operating and in all probability will not be operative in Ohio in time to solve the acute financial problems of students for the coming school year. I cite the following reasons for your information.

1) The newer loan program is to be channeled through Ohio's OHEAC, whose lending provisions are not yet sufficiently attractive to encourage private banks to supply the very large sums needed for this loan program.

2) OHEAC rules and regulations, as they are presently constituted, guarantee 80% of the loan, have lower loan limits, and have a slightly less favorable rate of interest than the newer federal loan program. Action to change these provisions by the Ohio Legislature will be necessary to make this type of loan more attractive to banking institutions. You know, of course, that the Ohio Legislature does not meet until 1967.

3) "Needy" upperclassmen already obligated to repay NDEA loans, who may be successful in obtaining the newer type of loan from a bank, will face the prospect of paying off two types of loans not many months following graduation.

With no NDEA funds in our portfolio to help these youngsters, especially the ones who will have great difficulty obtaining a new federal loan through banks, we face the prospect of denying financial assistance to over 25% of our students. Heroic efforts are being made at all colleges to increase gift funds to needy students along with increased campus employment opportunities. But I know our efforts will not be fruitful in time to meet the present crisis.

I specifically urge your consideration in the halls of Congress for the retention of the NDEA program for at least another fiscal year to enable the educational, legislative, and banking communities to work out the problems posed in the new loan program.

Very sincerely yours,

LYNN W. TURNER, *President.*

THE CLEVELAND STATE UNIVERSITY,
Cleveland, Ohio, February 18, 1966.

Hon. WILLIAM E. MINSHALL,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN MINSHALL: At a regional meeting this week of the College Entrance Examination Board, we have learned that the National Defense Student Loan Program may be discontinued abruptly and that colleges may not receive allocations of Federal loan funds for next fall for which they applied recently.

We understand that the Guaranteed Student Loan Program is intended to replace the NDSL program and to incorporate attractive NDSL features, such as the forgiveness clause for teachers. Most colleges, however, have woven NDSL funds into the fabric of their financial aid programs and depend on NDSL for over 50 percent of their student aid. At this late date in the admissions calendar for September 1966, it would create severe problems for students and colleges if NDSL were to be discontinued for the fall, 1966. At least a year's notice is required to effect the change-over properly. We therefore urge a continuation of NDSL until at least June 30, 1967.

The Guaranteed Student Loan Program requires the cooperation of banks or State Higher Education Assistance agencies before it can be put into operation. Such arrangements will take time to complete. Meanwhile freshmen expect and need to be informed in March or April as to financial aid for next fall.

Furthermore colleges have been able to administer NDSL funds as part of their aid program and offer loans directly to students. The Guaranteed Loan Program will probably not operate in this way according to descriptions of it available so far. The student himself must initiate the process of obtaining the loan from the bank. Even though the college gives the student encouragement and approval, he will have to display a great deal more initiative and motivation to get an educational loan than was necessary under the NDSL program.

The NDSL program has been an outstandingly successful Federal aid to higher education for both students and colleges. We hope the Guaranteed Loan Program will enjoy equal success, although it will be difficult indeed to improve on NDSL features. If the Guaranteed Loan Program is to get off to a good start, the ground work must be laid thoroughly. Retaining NDSL until June 30, 1967 will permit a smooth transition from one program to another to take place. May we therefore urge you to take every step possible to include sufficient funds in the appropriation bill for the continuation of the NDSL program until June 30, 1967.

Sincerely yours,

HAROLD L. ENARSON.

SOUTHEAST MISSOURI STATE COLLEGE,
Cape Girardeau, Mo., February 2, 1966.

Hon. STUART SYMINGTON
Hon. EDWARD V. LONG
Hon. PAUL C. JONES

GENTLEMEN: As you will recall, for a number of years I have worked in trying to bring about a change in the lending of Government money under the National Defense Education Act of 1958, hoping that the home town banks of the students involved in the matter would make the loans on the basis of the recommendation of the College. The above referenced act is a step in this direction, but in some ways it has made the situation a great deal worse than it has been. There is time to correct this matter now. I understand that it will not be financed until the school year 1968 and that the President hopes to phase out NDEA about 1967. I have kept in close touch with the Secretary of the Missouri Commission on Higher Education and he shares my concern over the fact that the law apparently does not consider any factor of need whatever and that the rules and regulations which we expect to come from the U.S. Office of Education governing the administration of this law take the colleges and universities entirely out of the picture except for a simple certification that the student is enrolled. We are about to begin the greatest boondoggle of all time. The factor of need must be considered and general guide lines need to be laid down by the U.S. Office of Education to be supplemented and implemented by the colleges which these young people will attend.

I well remember that when NDEA was first passed and announced of several instances in which students came to the college demanding to be loaned the maximum of $1000 and wanting it all in one check. In certain instances their parents came with them, and it became obvious that it was the parent who wanted the loan rather than the student. We quickly set up our own rules and we have taken care of every student who was qualified scholastically and in need. *There is no student who has any possibility of success in college who cannot attend this college under the rules and regulations as we have followed them, and yet the average loan this past year at our school was $341.* In some schools it probably should be more. I am old-fashioned enough to think that along with need as a factor in making a loan that there should be a concomitant work program for most students. I think that we ought not destroy this facet of American character, but I don't think we should oppress any one here and we haven't. Governor Hearnes has designated United Student Aid Funds of Indianapolis as the administrating agency for our state. We have worked with United Student Aid Funds since its very inception. We bought the credit that we have owned there and we have had a few students who have borrowed from that organization. In such instances, the student would go to his home town bank seeking a loan and we would guarantee it from our credit, but in every instance we passed on the student's budget and on his loan request and would refuse to guarantee an unwise or unneeded amount. I feel that the present loan program ought to be governed in the same way. I am sure that the Missouri Commission on Higher Education will take views very similar to mine.

With every good wish, I am,
Very sincerely yours,

MARK SCULLY, *President.*

MEMORANDUM OF UNIVERSITY OF PENNSYLVANIA, PHILADELPHIA, PA., JANUARY 27, 1966

To: Ivy and M.I.T. Financial Aid Officers.
Subject: NDEA Loan appropriations.
From: D. R. Dickson, Group Secretary, *Office of Student Financial Aid.*

President Johnson's budget message raises some alarming questions for our financial aid programs. The information I have received indicates that his askings for NDEA loans are $30,000,000 as compared to $149,000,000 for the current academic year. I don't know what effect an 80% cut will have on the programs of your institutions, but for mine the effect will be crippling. The

intention seems to be to retain NDEA loans for prospective teachers. For us, this is ludicrous. Health Professions, Nursing, and our own funds have been utilized in those areas least likely to enroll prospective teachers; consequently a very high proportion of our NDEA funds have gone to those who either will or may go into teaching. 20% of last year's allocation would not cover loans to a third of our students in preparation for teaching.

The effect on our recruitment programs is particularly disturbing to me at this time. I presume all of us are at a stage of evaluating applications for admission and aid, at least on a preliminary basis. Most of us have promoted a reasonable inclusion of loan assistance in packages of aid to incoming students, and I assume that most if not all of us are dependent upon continued NDEA loan appropriations to make good on our commitments to students. My own situation is that I cannot make good on commitments to enrolled students if there is an 80% cut in NDEA allocations, and therefore can scarcely make new commitments to prospective freshmen. May I ask if the rest of you are in the same distressing situation?

I believe this represents a crisis for all of us. At the very least we must arrive at some agreement regarding candidates for the class of 1970. My personal view is that my own institution can offer no loan assistance to entering freshmen and that we must therefore package aid with a calculated shortage to be filled by loans from state and federal guaranteed loan programs. Obviously, for the University of Pennsylvania to do this if competing institutions do not would be seriously disadvantageous to us. Therefore, I hope we can arrive at some consensus before actions involving the incoming class are firm.

May I also say that my experience with state and so-called non-profit loan programs has been exceedingly poor, and I consequently hope that the projected cut in NDEA funds will be restored so that well packaged aid can be made available to prospective students again this year.

ASSOCIATED STUDENTS, UNIVERSITY OF WASHINGTON,
Seattle, Wash., March 7, 1966.

Hon. EDITH GREEN: Upon receiving notice of President Johnson's intention of terminating the National Defense Education Act Loan Program, a petition was circulated in the University of Washington community.

The petition strongly urging that means be found to continue the loan services of the N.D.E.A. has been sent to the office of the Honorable Warren G. Magnuson. Endorsement of this petition has been expressed in the signatures of several thousand students, administration and faculty members of the University of Washington.

We support your efforts to achieve continuance of the essential and widely functioning N.D.E.A. Loan services.

Yours truely,

N.D.E.A. LOAN PETITION COMMITTEE
JOCK HEVERLING,
N.D.E.A. Loan Petition Coordinator,
JUDD KIRK,
Member of ASUW Board of Control,
AL PICK
ASUW First Vice President.

SAINT MICHAEL'S COLLEGE,
Winooski, Vt., March 1, 1966.

Hon. EDITH GREEN,
Representative in Congress,
Washington, D.C.

DEAR MRS. GREEN: We in small colleges are deeply concerned over the present proposal to phase out the NDEA Loan Program at this late date. I suspect that the Congress and the U.S. Office of Education are likewise concerned, since it would not appear to have been their idea. It may be that the Federal Guaranteed Loan Program will be able to pick up the slack, but with the $15,000 adjusted income provision, it does not seem probable, even if private funds should be available.

But there is a more serious side to the coin. One of the main provisions of the Higher Education Act of 1965 is that for Economic Opportunity Grants. For the small colleges, particularly the younger colleges in rural areas, such as Saint Michael's—and there must be many such throughout the country—this offered a real opportunity not only to keep excellent students of low income in college, but to demonstrate that those of similar background at last had an opportunity to enter college and stay there. This angle was widely publicized, and much work has already been done to identify these prospective students.

Now the catch is, where are the required matching funds to come from? Originally 25% of the NDEA loan funds could be utilized for this purpose. For any state institution or private institution old enough to have amassed sufficient endowment to back a grant or loan program of their own, all well and good. The University of Vermont, just across the river from us has $350,000 of such funds available. We have none, since such aid as we can render comes out of current operating income, and will continue to do so for some time to come. Frankly, our effective alumni are too young to have funded such an endowment. In essence then, the intent of the bill will be defeated in part, in so far as colleges in our class are concerned, while the older and larger institutions will be in clover.

To go back to the NDEA Loan Program as such. For the past three years in Vermont we have graduated an average of 5,000 college qualified students per annum. This may be expected to increase. Our Vermont Student Assistance Corporation, of which I am a director, has a state guaranteed loan program of $250,000 per year, presently for freshmen. Our allotment of Federal funds for the new program provides "seed money" of $25,000. Since this sum represents an 8% reserve, we can only loan against it $312,500. This gives us a state total of $562,500. But about 95% of Vermont families would come under the $15,000 adjusted proviso. Therefore we will be hard pressed to meet the demonstrated need. In fact, on the freshman program, our current funds are exhausted. This situation will of course be multiplied by the needs of 49 other states.

My conclusion is obvious. Unless the NDEA Loan Program is reinstituted to run alongside of the new Federal Guaranteed Loan Program, the intent of the congress will be defeated, so that to the interested public it would appear to be a breach of trust between congress and the students and their families.

Time is a factor. Students and parents want to start planning their financial programs for 1966–67 now. We should like to help them, but are hopelessly enmeshed by the indecisive statements coming out of Washington, the lack of guidelines covering what is left of PL–329, and finally by the phasing out of the NDEA Loan Program at this late date. Is any real progress being made toward a decision?

Sincerely,

RICHARD MCDOWELL,
Director, Financial Aid.

RESOLUTION BY GEORGIA A. ROBINSON, UNIVERSITY OF HOUSTON

Whereas the National Defense Student Loan Program and the Health Professions Loan Program have proved to be both an inspiration and an invaluable source of aid for needy students aspiring to receive college training; and whereas students currently borrowing have expectations of being able to continue to borrow as needed until their degree programs are completed; and whereas the College Work-Study Program and the Educational Opportunity Grant Program were predicated upon the continuation of the loan programs; and whereas it seems clear that no comparable program providing long-term, low-interest loans to college students can be implemented in every state by the 1966–67 academic year; and whereas many institutions have, in good faith, already made National Defense Education Act loan commitments to freshman and other new student candidates for the 1966–67 academic year; and whereas Congress encouraged educational institutions to search out and bring to campus many students who would not be able to attend college without financial aid, failure to continue the loan programs would appear to be a breach of trust between Congress and the financial aid administrators and the students and their families: Be it therefore

Resolved, That as a member of the South West Association of Student Financial Aid Administrators, I respectfuly urge the Congress to continue the above mentioned loan programs.

FEBRUARY 25, 1966.

CONCORDIA COLLEGE,
Moorhead, Minn., March 3, 1966.

Hon. JOHN BRADEMAS,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. BRADEMAS: Would you please inform me of your position on the 1966–1967 funding of the National Defense Student Loan Program. I am aware that it is not funded at an operational level in the President's budget message. Will Congress follow his lead or could it be funded again?

The Guaranteed Loan Program may be an excellent replacement to the NDSL in time; however, to expect it to carry the load for this year seems impossible.

Concordia College has been a substantial user of the USA Loan Program as a supplement to the NDSL Program. This year for example some 200 of our students will borrow from their local banks through this program. On December 1, 1965, we had used $390,000 since the USA beginning. Many banks are still not USA participants, and even with the repayment guarantee our eligible students are often refused USA loans by bankers. We still have problems with this several year old program. How can we expect all guarantee loan amendments, operational machinery, and publicity to be completed in time for the coming school year?

When the guarantee loan does function imagine this problem. A poor boy, the type Educational grants and the Work Study Programs are designed to put into college, being told to go to his banker for a college loan. From my experience the bankers are willing, not anxious, to make the low interest loan to the children of substantial families; however, the poor boy will in most instances have trouble. He will also be hesitant to go to the banker in the first place. Since the loan is necessary to match the Educational Opportunity Grant this program may also be ruined.

Please do what you can to continue the NDSL Program at its full level for 1966–1967. If it is to be phased out in favor of the Guaranteed Loan do it over the three year period as planned in the 1958 Education Act.

Yours very truly,

EDWARD N. ELLENSON,
Financial Aids Officer.

MINNESOTA STATE COLLEGE BOARD,
St. Paul, Minn., March 4, 1966.

Hon. ALBERT H. QUIE,
United States Representative,
Washington, D.C.

DEAR SIR: I note with great concern indications that the National Defense Loan Program for the 1966–67 fiscal year may not be fully funded or may be only partially funded. It is my understanding that plans for merging the National Defense Loan Program into the Guaranteed Loan Program are being made. If this is to be the direction of Federal support for needy students, we can accommodate our students' needs provided adequate transitional time is given.

Our fear now is that abandonment of the National Defense Loan Program or even restriction of the program, at this time, will work a real hardship on the large number of students who now have National Defense Loans and others who have planned their 1966–67 college attendance around the National Defense Loan Program. I do not see how we can be in a position in the Minnesota State Colleges to participate as fully and as rapidly in the Guaranteed Loan Program as will be needed by our students. We need time to obtain state legislation so that our participation in the Guaranteed Loan Program can be adequate to the needs of our students.

In my opinion, the National Defense Loan Program has been one of the most effective programs in higher education. Some seven thousand students in Minnesota State Colleges had received aid from this source by June 30, 1965. A copy

of our report on Activity in the Program through June 30, 1965, is enclosed for your information.

I would urge that careful consideration be given to this matter and I solicit your support for full funding of the National Defense Loan Program for the fiscal year 1966–67.

Respectfully,

BEVINGTON REED, *Chancellor.*

SUMMARY OF ACTIVITY IN THE NATIONAL DEFENSE STUDENT LOAN PROGRAM, MINNESOTA STATE COLLEGES, FISCAL YEAR ENDING JUNE 30, 1963

The following information has been taken from the Annual Report of the National Defense Student Loan Account (Form SCB10) for the year ending June 30, 1965. Information is divided into two parts. The first part relates only to the activity during the 1964–65 fiscal year. The second part relates to the whole National Defense Student Loan Program from its start in the 1958–59 fiscal year to June 30, 1965.

Prepared by The Board Office October, 1965.

Facts relating to loans made during the 1964–65 fiscal year—Distribution of size of loans

Size of loan	Bemidji		Mankato		Moorhead		St. Cloud		Winona		All State colleges	
	Number of loans	Amount loaned	Number of loans	Amount loaned	Number of loans	Amount loaned	Number of loans	Amount loaned	Number of loans	Amount loaned	Number of loans	Amount loaned
$1,401 to $1,500	0	0	0	0	0	0	1	$1,650.00	0	0	1	$1,650.00
$1,301 to $1,400	1	$1,365.00	0	0	0	0	1	1,400.00	0	0	2	2,765.00
$1,201 to $1,300	0	0	0	0	0	0	1	1,250.00	4	$5,037.00	5	6,287.00
$1,101 to $1,200	5	5,707.00	0	0	0	0	1	1,125.00	6	7,035.00	12	13,867.00
$1,001 to $1,100	2	2,090.00	0	0	1	$1,025.00	1	1,050.00	3	3,188.00	7	7,353.00
$901 to $1,000	64	62,325.00	14	$13,775.00	9	8,875.00	36	35,530.00	20	19,487.00	143	139,992.00
$801 to $900	49	42,730.00	34	30,270.00	38	32,900.00	8	7,125.00	18	15,780.00	147	128,805.00
$701 to $800	100	78,072.00	105	81,360.00	175	131,285.00	111	87,175.00	41	31,715.00	532	409,607.00
$601 to $700	78	52,410.00	40	27,170.00	87	58,780.00	65	44,300.00	54	36,707.00	324	219,367.00
$501 to $600	78	44,600.00	72	43,000.00	75	43,980.00	94	53,250.00	57	33,196.00	376	218,026.00
$401 to $500	84	39,773.00	135	65,620.00	86	41,695.00	75	35,800.00	39	18,478.00	419	201,366.00
$301 to $400	79	29,306.00	63	24,435.00	69	26,140.00	71	27,150.00	42	14,774.00	324	121,805.00
$201 to $300	78	21,131.00	86	24,030.00	69	18,208.00	87	23,900.00	41	11,304.00	361	98,573.00
$101 to $200	54	9,369.00	38	6,680.00	45	6,950.00	46	8,175.00	18	2,574.85	201	33,748.85
$1 to $100	9	790.00	51	4,770.00	14	1,315.00	12	1,175.00	6	515.00	92	8,565.00
Total	681	389,668.00	638	321,110.00	668	371,153.00	610	330,055.00	349	199,790.85	2,946	1,611,776.85
RANGE:												
High		1,365.00		950.00		1,025.00		1,650.00		1,300.00		1,650.00
Low		35.00		50.00		75.00		75.00		65.00		35.00
Average		572.20		503.31		555.62		541.07		572.47		547.11

Facts relating to loans made during the entire national defense student loan program to June 30, 1965

	Bemidji	Mankato	Moorhead	St. Cloud	Winona	All State colleges
1. Number of students receiving loans	1,631	1,336	1,494	1,699	845	7,005
2. Amount of money loaned	$1,443,111.82	$1,112,203	$1,297,907	$1,282,675	$699,477.85	$5,835,374.67
3. Distribution of size of loans made during entire national defense student loan program to June 30, 1965:						
Size of loans:						
$3,801 to $4,000 (number)	0	0	1	0	0	1
$3,601 to $3,800 (do)	0	0	0	0	0	0
$3,401 to $3,600 (do)	1	0	1	2	0	4
$3,201 to $3,400 (do)	3	1	0	0	0	4
$3,001 to $3,200 (do)	10	3	1	5	1	20
$2,801 to $3,000 (do)	9	8	11	9	7	44
$2,601 to $2,800 (do)	21	10	14	8	7	60
$2,401 to $2,600 (do)	23	18	15	20	7	83
$2,201 to $2,400 (do)	23	28	30	22	10	113
$2,001 to $2,200 (do)	38	17	30	18	20	123
$1,801 to $2,000 (do)	42	44	46	21	18	171
$1,601 to $1,800 (do)	68	44	57	44	25	238
$1,401 to $1,600 (do)	79	55	62	71	42	309
$1,201 to $1,400 (do)	100	63	87	57	60	367
$1,001 to $1,200 (do)	100	72	92	83	46	393
$901 to $1,000 (do)	77	58	59	78	43	315
$801 to $900 (do)	53	60	51	58	30	252
$701 to $800 (do)	119	142	158	153	56	628
$601 to $700 (do)	120	53	106	100	62	441
$501 to $600 (do)	132	86	117	178	84	597
$401 to $500 (do)	145	217	169	176	75	782
$301 to $400 (do)	109	116	138	197	65	625
$201 to $300 (do)	168	133	134	225	101	761
$101 to $200 (do)	153	77	86	149	72	537
$1 to $100 (do)	38	31	29	25	14	137
Range:						
High	$3,235.00	$3,400.00	$3,975.00	$3,550.00	$3,188.00	$3,976.00
Low	35.00	50.00	75.00	50.00	65.00	35.00
Average	884.80	832.49	868.75	754.96	827.78	833.03
4. Loans canceled because of death or disability:						
Number	2	2	0	4	3	11
Amount canceled	$2,440	$1,000	0	$2,895	$2,681	$9,016
5. Partial cancellation of loans because of teaching service:						
Number of borrowers	392	280	293	411	160	1,536
Amount canceled	$74,485.34	$47,283.90	$57,860.12	$75,796.50	$36,000.80	$291,426.66

6. Repayment of principal:						
Number making partial repayments	201	344	164	244	177	1,130
Number making total repayment	42	49	43	83	39	256
Amount repaid	$49,542.94	$99,983.94	$41,804.41	$51,788.78	$49,060.20	$292,180.27
7. Borrowers in arrears:						
Number in arrears	89	8	76	32	23	228
Amount in arrears	$8,974.77	$482.68	$6,169.22	$1,742.00	$1,517.90	$18,886.57
8. Number of borrowers withdrawn from colleges	347	192	297	286	116	1,238
9. Number of above known to have transferred to another college	86	53	60	55	11	265
10. Number of borrowers graduated from college	534	514	589	635	452	2,724

Mrs. GREEN. The subcommittee today is beginning consideration of amendments to two of our most important domestic programs, and each, I think, has proven itself. Under the Higher Education Facilities Act, colleges and universities have received funds for the construction of academic facilities. The bill proposes to extend this program.

Frankly, I must say that I am disappointed that the administration is suggesting a cutback in the authorization for title II of the act providing grants for the construction of graduate facilities, and I am sure that the other members of the subcommittee would be interested as I would in knowing why this recommendation is being made, and on what it is based. Are the matching provisions of the bill difficult for the colleges or universities? Does this have an effect on the number of applications being sent in?

In the light of the amendments last year to remove the categorical limitation from title I of the act, thus making it far more attractive to the colleges and universities, I am concerned whether the administration's request for funds at the same level as last year is realistic and sufficient.

Not in the particular bill that is before us this morning, but closely related to this whole subject, is the recommendation that I understand the administration is making to cut back funds for the land grant colleges. Because it is so closely related, we would also like to have your views on this.

Though the bill that is before us might be considered as a very minor piece of legislation in comparison to bills in higher-education in recent years, nevertheless it does contain provisions that, if enacted, will have a profound impact on higher education. Therefore, Mr. Secretary, we are especially anxious to hear your comments and views and your recommendations to this committee. So if you would proceed.

Mr. QUIE. Could I make a comment before the Secretary proceeds?

Mrs. GREEN. Yes.

Mr. QUIE. I would join with you, Madam Chairman, in everything you have said but want to add another concern I have in the proposal the administration is making on student loans, and that is the provision of the forgiveness feature in the insured loans.

Now, I have been strongly opposed for a number of years now to the forgiveness feature for teachers in the NDEA loan program. I feel that it has not been proven and that if you have proved it I would like to see if this has actually brought an increase to teachers; and secondly, I can't see it has brought an increase in quality of teachers because of that forgiveness feature.

If we maintained the forgiveness feature I felt there would be an escalation for other professions and occupations as well without going into the health profession.

Now, you have responsibility in your department for not only education but the health and welfare side of it, too, the social workers as well coming under this. I think this would greatly weaken the insured loan program and would like if we are going to switch entirely to the insured loan program to get away from the forgiveness feature. I wish you could address yourself at some length to that in your comments now.

As I mentioned to you last night I am sorry I have to be away because I have to go up and question Mr. Shriver, being the ranking Republican on that subcommittee as well, so I wish I could be here with you but if you would address yourself to it, I will read your comments in the transcript and perhaps get a hold of you on the phone.

Mr. BRADEMAS. If the gentleman will yield, I can assure I am asking questions of the Secretary that will probably be along the lines of your interests, so your interests will be protected.

Mr. QUIE. Thank you. I am sure the chairman will also have questions along that line.

Mrs. GREEN. Then, would you proceed, Mr. Secretary, if you wish.

STATEMENT OF HON. JOHN W. GARDNER, SECRETARY, U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY HON. HAROLD HOWE II, COMMISSIONER OF EDUCATION; RALPH K. HUITT, ASSISTANT SECRETARY OF HEALTH, EDUCATION, AND WELFARE FOR LEGISLATION; PETER P. MUIRHEAD, ASSOCIATE COMMISSIONER FOR HIGHER EDUCATION, U.S. OFFICE OF EDUCATION; SAMUEL HALPERIN, DEPUTY ASSISTANT SECRETARY OF HEALTH, EDUCATION, AND WELFARE FOR LEGISLATION; AND ALBERT L. ALFORD, ASSISTANT COMMISSIONER FOR LEGISLATION, U.S. OFFICE OF EDUCATION

Secretary GARDNER. I have a prepared statement. May I read that?

Mrs. GREEN. Yes.

Secretary GARDNER. I am happy to have this first opportunity to meet with this distinguished subcommittee which has played such a prominent role in expanding educational opportunities for the college students of our Nation. The Higher Education Facilities Act of 1963, numerous amendments to the National Defense Education Act of 1958, and the Higher Education Act of 1965 stand as tributes to your foresight and dedication.

Today, I bring to your committee the President's proposals embodied in the "Higher Education Amendments of 1966," H.R. 13174 and H.R. 13237.

Less than 4 months ago the President signed into law the latest product of this subcommittee's deliberations, the Higher Education Act of 1965. I know that you share with me the concern that, in our programs of support for education, the Federal Government's resources be used with maximum effectiveness. The Office of Education is making substantial progress in initiating the new programs, as well as improving the administration of the programs authorized by earlier legislation.

Before turning attention to the bill under consideration, I should like, if I may, to put it in perspective by reminding you of the remarkable growth of Federal aid to education in a very short time, an achievement which reflects credit upon the executive and Congress alike.

In the first 3 years of the 88th and 89th Congresses, 19 landmark pieces of education legislation were enacted. Any one of these would

have been considered by itself a genuine accomplishment in an ordinary session of the Congress.

In 1961, the budget of the Office of Education was $539 million. For fiscal 1967, the Office is budgeting $3.478 billion, an increase of 545 percent. These figures suggest the dimensions of the revolution which has occurred in our mutual commitment to education.

We are not going to lessen our effort. The war in Vietnam has forced cruel decisions on the administration. We believe that some programs should not be funded for the full amounts which would have been in order were there no military effort to sustain. Nevertheless, the proposed increase in funds for higher education in fiscal 1967 is impressive: $326 million more than in fiscal year 1966.

Financial assistance offered to college students furnishes a good example of the way our investment in education has grown. Until 1964, as you know, the National Defense Education Act of 1958 was the only general Federal program for the support of undergraduate students needing financial assistance. Since then you have authorized the college work-study program, for which the 1967 budget provides $134 million. You have established an "opportunity grant" program for able but exceptionally needy students. The budget figure for 1967 is $120 million. You have also provided a loan guarantee program with Federal interest subsidies for students at almost all income levels.

These programs will be larger in 1967 than ever before. We expect 775,000 students to borrow money under the two programs, 210,000 to hold work-study grants, and 220,000 to receive opportunity grants.

Not only will there be more aid for more students, the forms of aid will be more adaptable to student needs than was true when a single kind of loan was the only help available. The following table shows the number of students reached by these programs:

Number of students assisted

[In thousands]

	1964	1965	1966	1967
NDEA student loans	247	317	400	775
Subsidized guaranteed loans			300	
Work-study grants		110	150	210
Opportunity grants			115	220

These figures give impressive evidence, I think, of President Johnson's and this administration's deep commitment to expanded educational opportunity.

The proposed Higher Education Amendments of 1966 would renew and strengthen two programs essential to the advancement of educational opportunities in the Nation: (1) the construction of higher education facilities and (2) the improvement of smaller, developing colleges.

This bill would also adapt present student loan programs in order to tap a larger measure of the financial resources of our commercial credit industry.

This is a significant legislative proposal. It is responsive to the need for a partnership between the Federal Government and our colleges and universities. These institutions must be helped to expand and attain higher academic standards as well as to accommodate the unprecedented growth of our college enrollments.

EXHIBIT 1

Estimated total opening fall degree-credit enrollment in institutions of higher education, by level: United States, 1954 to 1974 [1] [2]

Fall (1)	Total (2)	Undergraduate and 1st-professional (3)	Graduate (4)
1954	2,452,000	2,235,000	218,000
1955	2,660,000	2,418,000	242,000
1956	2,927,000	2,656,000	271,000
1957	3,047,000	2,760,000	288,000
1958	3,236,000	2,924,000	312,000
1959	3,377,000	3,046,000	331,000
1960	3,583,000	3,227,000	356,000
1961	3,861,000	3,474,000	387,000
1962	4,175,000	3,753,000	422,000
1963	4,495,000	4,031,000	464,000
1964	4,950,000	4,433,000	517,000
PROJECTED			
1965	5,435,000	4,857,000	577,000
1966	5,924,000	5,284,000	640,000
1967	6,410,000	5,706,000	705,000
1968	6,820,000	6,058,000	762,000
1969	6,966,000	6,175,000	790,000
1970	7,225,000	6,391,000	834,000
1971	7,574,000	6,686,000	888,000
1972	7,963,000	7,015,000	948,000
1973	8,359,000	7,349,000	1,010,000
1974	8,689,000	7,623,000	1,066,000

[1] Sources and method: Enrollment data from U.S. Department of Health, Education, and Welfare, Office of Education publications: (1) "Opening (Fall) Enrollment in Higher Education" (1954 through 1964); and (2) "Comprehensive Survey of Education" (1954, 1955, 1957, 1959, 1961).

The projection of total fall degree-credit enrollment by level is based on the assumption that the proportion of total enrollment at the graduate level will continue the 1954–61 trend to 1974.

For methodology details, see appendix table A.

[2] Total opening fall degree-credit enrollment by level is estimated from enrollment by level reported in the Comprehensive Report on Enrollment (annually 1553–55, biennially 1957–61) and in the Migration of College Student Survey (1963). Estimates of undergraduate and 1st-professional level include students studying for degrees such as M.D., D.D.S., D.V.M., LL.B., B.D., and other degrees classified as 1st-professional. Graduate enrollment is about 8 percent higher than enrollment for advanced degrees (478,011 in 1964) because graduate enrollment includes students taking work at the graduate level but not enrolled for advanced degrees.

NOTE.—Data include 50 States and District of Columbia for all years. Because of rounding, detail may not add to totals.

Exhibit 1 sets forth the most recent projections by the Office of Education of college enrollments through 1974. These projections are conservative estimates. It is difficult to exclude the possibility that in 1974 American institutions of higher education will have to provide for almost 4 million more students than they did in 1964.

EXHIBIT 2

Estimated costs for tuition and required fees and total cost of attending college, per student, 1930–31 through 1980–81, by control

Year	Tuition and required fees		Total costs of attending college	
	Public	Private	Public	Private
1980–81	$760	$1,815	$2,400	$3,640
1978–79	653	1,647	2,270	3,450
1976–77	560	1,494	2,160	3,280
1974–75	480	1,355	2,040	3,100
1972–73	411	1,229	1,940	2,940
1970–71	353	1,115	1,840	2,780
1968–69	303	1,011	1,740	2,640
1966–67	260	917	1,640	2,570
1964–65	222	831	1,560	2,370
1962–63	191	753	1,480	2,240
1960–61	179	676	1,400	2,090
1958–59	164	584	1,330	1,950
1956–57	142	495	1,260	1,820
1954–55	139	438	1,190	1,700
1952–53	137	420	1,130	1,590
1950–51	138	414	1,070	1,480
1948–49	140	396	1,010	1,380
1946–47	125	330	960	1,290
1944–45	95	280	910	1,200
1942–43	88	276	860	1,120
1940–41	82	270	830	1,080
1938–39	79	256	810	1,050
1936–37	78	253	790	1,020
1934–35	75	252	770	1,000
1932–33	71	251	750	980
1930–31	71	252	730	960

The cost of attending college increases unabated, as the data in exhibit 2 clearly indicate. In public institutions, for example, college costs will jump from an average of $730 in 1930 to a predicted $2,400 in 1980. In the school year 1964–65, the average direct cost of attending college was approximately $1,560 in public institutions and $2,370 in private institutions. When we compare these costs with today's annual median family income of $6,000, it is evident that 4 years of college education represents a substantial outlay for American families. This consideration underlines the need for student financial aid programs. If costs of higher education should increase in proportion to increases in student financial aid, needless to say there could be no extension of educational opportunity in our country, a goal to which you and the administration are both committed.

All of these factors point to the need for the extensions of programs which the administration is proposing.

EXTENSION OF THE HIGHER EDUCATION FACILITIES ACT OF 1963

Title I, part A of the Higher Education Amendments of 1966 would amend the Higher Education Facilities Act of 1963 to extend the authority to fund its programs through fiscal year 1971.

The bill provides that the following sums be authorized to be appropriated for fiscal year 1967 for this act: $453 million for grants for the construction of undergraduate academic facilities under title I; $60 million for grants for the construction of graduate academic facilities under title II; and $200 million for loans for the construction of higher education facilities under title III. We are also proposing to make

these programs more administratively economical and effective by requesting the authorization of $4 million to finance long-term planning by the State commissions and institutions, and of $3 million for their administrative expenses.

I need not dwell upon the importance of this statute which President Johnson hailed, upon its enactment, as "the most significant education bill passed by the Congress in the history of the Republic."

Despite the brief life of this program—appropriations were approved the first time in the fall of 1964—a great deal has been accomplished.

Under title I State commissions were established and State plans approved for all of the States. A total of 516 construction grants to 475 different institutions were approved within the year, and grants awarded for these projects amounted to $224.4 million.

Grants went to 98 community college campuses which plan to educate 110,776 additional undergraduate students by the fall of 1968 (5.9 percent of the total expected nationally).

Grants also went to 377 institutions or branch campuses other than public community colleges. These institutions started 1964 with an average of 53.7 square feet of instructional and library space per full-time student. They plan to educate 535,329 additional undergraduate students by the fall of 1968 (28.6 percent of the total expected nationally). If the same ratio of space per full-time student is maintained, the facilities assisted by the title I grants would provide for 401,163 additional students—that figure doesn't seem to me quite accurate, but I will check that (only about half of the anticipated increase). Thus, these colleges will have to finance on their own an amount of construction equal to that provided by the federally assisted projects merely in order to "hold their own."

Your attention is invited to exhibit 3 which lists by State all of the institutions which received funds under the act during fiscal year 1965 and, in each case, the type of facility for which assistance was given, the amount of assistance given, and an estimate of the total development costs involved. The total of assistance given during the year is making possible construction of almost $1.4 billion in value.

EXHIBIT 3

HIGHER EDUCATION FACILITIES CONSTRUCTION

Attached is an itemized list of college construction projects by States and institutions for which loans and/or grants were made through the Higher Education Facilities Act of 1963 (Public Law 88–204) during the fiscal year ending June 30, 1965.

Government funds were allotted as follows:

Title I; grants for the construction of undergraduate facilities	$224, 362, 675
Title II; grants for the construction of graduate academic facilities	60, 000, 000
Title III; loans to institutions of higher learning	107, 706, 000
Total grants and loans	392, 068, 675
Approximate total development cost of the listed projects	1, 373, 914, 000

State, institution, and type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
ALABAMA				
Alabama State College: Science	$359,913			$1,079,742
Auburn University: Modern foreign language	173,057			3,668,362
Birmingham-Jefferson State Junior College: Academic complex	856,656			2,234,443
Birmingham Southern College: Science	72,921			223,764
Florence State College: Science and library	115,421			346,263
Gadsen Technical Junior College: Academic complex	304,578			1,744,668
Jacksonville State College: Academic building	573,750			2,194,365
Tuskgee Institute:				
Engineering	574,992			1,724,975
Math and language	67,585			563,287
Library	54,532			163,597
University of Alabama: Multidiscipline		$420,900		1,262,700
University of South Alabama: Multidiscipline	430,100		$537,000	3,065,341
ALASKA				
University of Alaska:				
Foreign language lab	17,396			61,165
Science	116,651			3,555,604
ARIZONA				
Arizona State College: Library	183,811			1,289,503
Arizona State University:				
Mathematics		178,285		1,337,144
Library	649,302			4,011,577
Arizona Western College: Technology building	241,424			627,611
Glendale Community College: Business education	200,014			500,035
University of Arizona: Multidiscipline	800,761			2,726,248
ARKANSAS				
Arkansas Agricultural and Mechanical College: Library	50,288			360,000
Arkansas College: Language	224,573			673,719
Arkansas Polytechnic College: Library	150,000			450,000
Arkansas State Teachers College: Science	400,000			1,200,000
Crowley's Ridge Junior College: Library	79,438			238,314
Harding College: Science	344,352			1,033,056
Little Rock University:				
Classrooms	166,654		777,000	1,133,961
Science	134,852			404,556
Southern Baptist College: Library	79,429			238,288
CALIFORNIA				
California College of Arts and Crafts: Library	205,158		464,000	1,121,037
California State Polytechnic College: Science	578,169			1,734,510
California Western University: Science	272,000			816,000
Chapman College: Library	250,000			750,000
College of the Holy Names: Foreign language and math	221,193		275,000	663,580
Claremont Graduate School and University: Classrooms and library		397,800		1,193,500
De Anza College: New campus	3,770,269			11,102,465
Golden Gate College: Library	81,941			464,491
Humphreys College: Science, math, and library	125,355		200,000	476,134
Monterey Institute of Foreign Studies: Academic building	126,503		158,000	416,976
Pacific College of Fresno: Science	56,984			170,952
Pitzer College: Academic building	176,779		221,000	535,132
San Francisco College for Women: Library	201,089			603,267
San Francisco State College: Science	1,000,000			6,508,000
San Jose State College: Science	1,000,000			6,829,761
Scripps College: Library	112,333			337,000
Southern California College: Science and math	51,000		51,000	156,730
Stanford University:				
Library	1,000,000			4,903,720
Business		1,330,293		4,988,600
St. Mary's College: Library	332,845		429,000	1,016,481
St. Patrick's College: Library	536,815			1,610,446
University of California:				
Davis campus:				
Library	974,333			3,073,000
Science	1,000,000			4,195,291
Engineering	646,883			4,965,000
Irvine campus:				
Science	1,000,000			4,609,000
Library	488,890			2,171,500
Physical science		1,514,300		9,006,000
Los Angeles campus:				
Math	1,000,000			5,054,000
Psychology		1,110,000		9,006,000

State, institution, and type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
CALIFORNIA—continued				
University of California—Continued				
Riverside campus: Academic building	$1,000,000			$3,800,400
San Diego campus: Academic building	1,000,000			4,415,844
Santa Barbara campus:				
Chemistry	905,808			4,101,324
Library	1,000,000			4,349,638
Do	1,000,000			3,914,693
Santa Cruz campus: Library	1,000,000			3,087,000
University of Pacific: Library	172,759		$964,000	1,517,196
University of Santa Clara: Science	452,424			1,357,274
University of Southern California:				
Library	700,000	$154,207		2,100,000
Social sciences		1,216,583		3,649,750
Westmont College: Library	340,000		407,000	1,083,000
Whittier College: Science	867,943			2,603,830
COLORADO				
Fort Lewis College: Library and classrooms	333,333			1,040,000
Mesa College: Library	346,300			865,750
Regis College: Science	731,933			2,195,799
Southern Colorado State College: Science	994,398			3,376,500
Trinidad State Junior College: Library	142,684			683,510
University of Colorado: Engineering and science	41,493			3,744,010
University of Denver: International studies		264,166		792,500
CONNECTICUT				
Albertus Magnus College: Library			1,133,000	1,577,868
Annhurst College: Library	277,913			833,738
Danbury State College: Library	466,667			1,400,000
New Haven College: Engineering and science			1,007,000	1,343,245
Quinnipiac College: Multidiscipline	468,204		1,858,000	2,478,275
University of Connecticut:				
Academic building	520,836			2,033,427
Social sciences		375,000		1,125,000
Physics	340,521			3,444,853
University of Hartford: Science	500,000		1,000,000	3,034,500
Willimantic State College: Science and math	350,000			1,050,000
Yale University: Law library annex		298,682		1,196,048
DELAWARE				
University of Delaware:				
Science	136,214			408,641
Science and metallurgy	281,347			2,210,451
DISTRICT OF COLUMBIA				
American University: Science	333,666			1,001,000
Catholic Univeristy of America: Classrooms and labs	42,026			959,048
Dunbarton College of the Holy Cross: Library	253,208			758,625
Georgetown University: Library	585,302	1,253,000		5,990,500
George Washington University: Law library		529,100		1,587,300
Immaculata College of Washington: Library	9,194			27,582
FLORIDA				
Bethune-Cookman College: Laboratories	142,979			428,937
Brevard Engineering College: Library	45,618			136,854
Florida Atlantic University: Academic building	478,426			1,687,780
Florida Presbyterian College: Music and library			284,000	378,902
Florida State University:				
Library	523,513			2,013,513
Social science		880,000		3,380,000
Miami-Dade Junior College: Learning resources	977,710			2,444,274
New College:				
Renovation of estate	125,000			375,000
Science	15,667			78,337
Rollins College: Science	606,437		1,603,000	3,143,417
Stetson University: Library			1,100,000	1,467,800
St. Petersburg Junior College: New campus	393,738			1,305,296
University of Florida:				
Library	582,131			2,238,965
International studies		400,000		1,200,000
Engineering		357,145		4,824,116
Do		314,940		1,518,484
Do		458,227		1,374,682
University of Miami: Science	1,183,965		2,500,000	5,334,594
University of South Florida: Science	638,584			2,844,737

State, institution, and type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
GEORGIA				
Abraham Baldwin Agricultural College: Gym	$121,359			$553,989
Atlanta University: Education		$200,000		600,000
Berry College: Math, science	183,892			732,923
Emory University: Library		1,747,481		5,401,318
Georgia Institute of Technology:				
Lecture room and auditorium	279,560			838,680
Chemistry		672,000		3,600,000
Library		1,000,000		3,250,000
Space science and technology		492,717		1,589,411
Gordon Military College: Multidiscipline	151,497		$189,000	454,492
Marietta-Cobb City Junior College: New campus	993,911			2,484,777
Middle Georgia College: Science	125,878			314,696
Morehouse College: Multidiscipline	200,000			600,000
Morris Brown College: Multidiscipline	483,079		466,000	1,449,239
University of Georgia:				
Math	998,993			2,996,980
Graduate studies		740,903		5,561,944
West Georgia College: Multidiscipline	698,192			2,094,577
Young Harris College: Library	81,215			243,645 S
HAWAII				
Maui Community College: Academic building	238,400			598,000
University of Hawaii:				
Modern language	649,095			1,997,000
Library		1,088,000		3,451,000
IDAHO				
Boise Junior College:				
Science	142,519			356,298
Classrooms	130,934			925,603
Idaho State University: Library	54,956			164,887
Northwest Nazarene College:				
Science	71,667		89,000	215,000
Library	132,000		165,000	396,000
ILLINOIS				
Augustana College: Science	130,004			390,012
Barat College of the Sacred Heart: Science	234,033			708,098
Bradley University: Business		78,589		235,766
Chicago City Junior College: Academic building	2,099,039			7,006,134
College of St. Francis: Library			929,000	1,240,189
De Paul University: Library and language	755,100		2,680,000	4,587,086
Elmhurst College: Science			1,600,000	2,320,000
Eureka College: Library	235,093			705,281
Illinois Institute of Technology: Science and language	460,517			1,381,552
Illinois Wesleyan University: Library and classrooms	442,702		553,000	1,328,106
Judson College: Library			225,000	301,226
Lewis College: Science	200,527			601,582
Loyola University: Academic building	731,984		2,746,000	5,814,824
McKendree College:				
Science and math	210,822			632,582
Library improvement	5,573			16,719
Mundelein College: Library	1,000,000		1,000,000	3,956,014
National College of Education: Library	337,984		1,524,000	2,959,548
North Park College: Science	512,903		900,000	2,367,180
Northwestern University: Library	294,330	2,164,136		9,738,615
Olivet Nazarene College: Science and math	475,723			1,498,113
Southern Illinois University: Carbondale campus:				
Science	1,000,000			7,190,212
Edwardsville campus: Science	202,465			607,394
Springfield Junior College: Library	133,005			339,017
University of Chicago: Chemistry		346,210		4,995,091
University of Illinois:				
Chicago Circle: Library	1,000,000			4,990,000
Urbana campus: Library	1,000,000			3,666,725
INDIANA				
Ball State University:				
Science and math	784,422			3,918,000
Physical science		446,129		3,918,000
Library		108,676		978,085
Indiana Institute of Technology: Renovation	208,160			624,307
Indiana State University:				
Academic building	197,305			591,915
Science	766,400	564,600		2,299,250
Indiana University: Classrooms	128,573			426,130
Marion College: Classrooms	140,000		205,000	573,270

State, institution, and type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
INDIANA—continued				
Purdue University:				
Main campus: Math, science	$427,235			$1,281,704
North-central regional campus: New campus	1,120,000			2,800,000
Purdue University: Engineering	251,000			753,300
Rose Polytechnic Institute:				
Chemistry	50,000			150,000
Chemistry and physics	97,510			154,575
St. Francis College: Science and math	400,000			3,207,324
Taylor University: Science	410,371		$521,000	1,242,141
Tri State College: Science building	400,000			1,301,637
University of Indiana: Library		$2,656,000		14,412,000
University of Notre Dame Du Lac: Engineering	132,000			396,000
Valparaiso University: Science	433,333			1,300,000
Vincennes University:				
Academic facilities	16,444			41,110
Science	38,625			96,564
Library addition	25,422			63,232
IOWA				
Buena Vista College: Library	140,450			440,000
Clarinda Community College: Academic	57,876			144,689
Clarke College: Science and classrooms	496,392		1,143,000	2,344,261
Clinton Community College: Academic	315,707			789,268
Dordt College: Library	117,120		146,000	849,373
Drake University: Library	444,318			1,621,591
Dubuque University: Science			465,000	621,000
Eagle Grove Junior College: Classrooms and Library	140,000			350,000
Ellsworth Junior College: Classrooms and lab	21,958			54,894
Estherville Junior College: Academic	152,000			380,000
Graceland College: Science	283,124			849,373
Marshalltown Community College: New campus	210,989			527,473
Northwestern College: Science			392,000	523,560
Parsons College: Modern language	301,722			908,613
State College of Iowa: Science and library	510,000			1,760,012
State University of Iowa: Engineering		366,514		2,062,000
University of Iowa: Library	321,700			1,039,500
Upper Iowa University: Library			270,000	647,808
Waldorf College: Science	29,519			433,894
Wartburg College: Labs and classrooms	250,771			1,349,778
KANSAS				
Butler County Junior College: Academic	525,446			1,352,660
Fort Hays Kansas State College: Library	500,000			1,500,000
Hutchinson Junior College: Library and science	220,000			605,000
Kansas State Teachers College: Science	476,500			1,429,500
Kansas State University:				
Chemistry	422,240			1,226,720
Engineering	103,192			309,575
Biological sciences	482,632			1,900,389
Sacred Heart College: Science	218,375			655,124
Washburn University: Math and modern language	182,626			547,879
KENTUCKY				
Centre College of Kentucky: Academic			1,039,000	1,455,000
Eastern Kentucky State College: Library	1,092,243			3,276,730
Hopkinsville Community College: Academic	477,750			1,194,374
Morehead State College: Academic	287,313			862,028
Murray State College: Library	275,241			825,724
Somerset Community College: Academic	379,379			948,448
University of Kentucky: Academic	508,755			2,675,621
Western Kentucky State College: Library	439,566			1,318,699
LOUISIANA				
Francis T. Nicholls State College: Academic	500,000			1,585,344
Louisiana Polytechnic Institute: Engineering	260,000			780,000
Louisiana State University:				
Eunice branch: Science and classrooms	347,179			1,159,241
Shreveport branch: Science and classrooms	765,374			1,913,435
Loyola University:				
Chemistry	500,000		767,000	1,689,755
Academic			907,000	1,876,270
Northeast Louisiana State College: Academic	500,000			1,500,000
St. Mary's Dominican College: Library	211,852			718,145
Tulane University:				
Library	500,000			4,731,860
Do		1,327,833		5,793,500
University of Southwestern Louisiana: Library	500,000			2,099,002

State, institution, and type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
MAINE				
Bates College: Chemistry	$76,438			$772,206
Bowdoin College: Library	388,476			1,968,092
Nasson College: Science	212,694		$326,000	722,064
University of Maine: Modern language and science	175,000			1,175,000
MARYLAND				
College of Notre Dame of Maryland: Science and math	764,667			2,294,000
Coppin State College: Science and modern foreign language	369,306			1,280,357
John Hopkins University: Humanities and social sciences		$225,267		1,225,500
Montgomery Junior College: New campus	761,870			4,942,709
Salisbury State College: Academic	507,403			1,522,363
St. Joseph College: Science	248,474			1,985,650
University of Maryland:				
Chemistry and math	1,000,000			3,552,300
Animal science		441,000		1,674,686
MASSACHUSETTS				
Bentley College of Accounting and Finance: Library	513,173			1,539,518
Boston Architectural Center: Academic			750,000	1,203,993
Boston College: Science	750,000	501,585		4,929,195
Boston University: Library	750,000			6,335,545
Brandeis University: Humanities		355,716		1,108,213
Cape Code Community College: New campus	1,202,327			5,837,240
Dean Academy and Junior College: Science	282,256			854,322
Lowell Technological Institute: Nuclear physics	532,250			3,363,420
Merrimack College: Library	604,241		700,000	1,857,452
Massachusetts Institute of Technology:				
Engineering		987,000		2,961,000
Library		348,333		1,045,000
Newton College of the Sacred Heart: Academic			1,137,000	1,516,452
Northeastern University:				
Chemistry	666,888			2,000,665
Do		223,641		2,671,590
Southeastern Massachusetts Technological Institute: Science and engineering	750,000			5,404,848
Tufts University:				
Library		547,582		2,795,500
International relations		160,966		482,900
University of Massachusetts:				
Academic	402,711			4,115,203
Physical science		2,404,653		11,722,032
Wentworth Institute: Academic	550,761			1,652,283
MICHIGAN				
Detroit Institute of Technology: Academic	98,159			311,744
Eastern Michigan University: Library	750,000			2,880,000
Grand Valley State College: Science	477,800			1,433,400
Kalamazoo College: Library	586,516			1,759,549
Lansing Community College: Academic	501,628			5,295,319
Macomb County Community College: Academic	1,761,370			4,403,424
Madonna College: Academic	483,973			4,488,771
Michigan State University: Forestry conservation	750,000			3,663,225
Michigan Technological Institute: Library	693,822			2,201,647
Northern Michigan University: Science	750,000			3,000,000
Olivet College: Science and math	750,000			2,330,600
Saginaw Valley College: Academic	750,000		940,000	3,914,895
Suomi College: Library	133,333		166,000	401,300
University of Detroit: Science	226,915		1,405,000	1,910,500
Wayne State University:				
Science	750,000			2,778,800
Library		488,818		2,296,000
Language and speech		435,000		4,500,000
University of Michigan: Library		1,458,333		4,375,000
Western Michigan University: Engineering	750,000			4,250,000
MINNESOTA				
Austin Junior College: Academic	440,000			1,117,186
Bemidji State College: Library	464,967			1,394,901
Concordia College: Physical science	306,072			1,787,092
Hibbing Junior College: New campus	398,015			1,000,000
Mankato State College: Library	850,000			3,400,000
St. John's University:				
Library			1,202,000	1,829,631
Science			2,136,000	2,883,687

State, institution, and type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
MINNESOTA—continued				
University of Minnesota:				
Minneapolis: Library	$1,000,000	$2,066,666		$5,046,885
Duluth: Library	466,329			1,398,988
Morris: Science	315,333			946,000
Winona State College: Library	422,450			1,269,996
Worthington Junior College: Academic	356,000			951,870
MISSISSIPPI				
Delta State College: Science and library	333,333			1,000,000
Itwamba Junior College: Classrooms and science	40,636			114,240
Jackson County Junior College: Classrooms and library	150,000			1,292,988
Jefferson Davis Junior College: Classrooms and science	150,000			1,868,031
Jones County Junior College: Science and teaching	121,896			384,442
Meridian Junior College: Classrooms and science	150,000			1,481,742
Mississippi State College for Women: Science and administration	160,463			687,093
Mississippi State University:				
Engineering	125,000			375,000
Library and classrooms	287,500			862,500
Science and classrooms	212,500			637,500
Science	12,500			37,500
Mississippi Valley State College: Science and classrooms	197,856			731,192
Pearl River Junior College: Classrooms	133,334			333,334
University of Mississippi:				
Academic	115,761			969,570
Mathematics	153,785			645,500
University of Southern Mississippi:				
Library	300,000			900,000
Academic building	87,669			263,006
MISSOURI				
Central Missouri State College: Library	250,000			750,000
Fontbonne College: Library			$808,000	1,077,620
Forrest Park Community College: Library and classrooms	951,681			4,973,934
Jasper County Junior College: Teaching	236,036			590,092
Lindenwood College: Labs and classrooms	283,789			1,625,824
Missouri Valley College: Science and classrooms	235,000			710,000
Northeast Missouri State Teachers College: Library	250,000			750,000
Rockhurst University: Library			675,000	900,000
Southeast Missouri State College:				
Science and classrooms	51,556			1,563,142
Library and laboratory	166,667			666,667
St. Louis University: Classrooms	537,465			1,810,691
Tarkio College: Library and classrooms	200,000		250,000	600,000
University of Missouri:				
Columbia:				
Science		306,506		2,130,000
General classrooms	411,995			2,449,295
Rolla:				
Library	750,000			2,250,000
Ceramic and metallurgical engineering		342,000		1,092,000
Washington University: Social sciences		534,600		1,604,100
Webster College: Labs and classrooms	400,000			1,200,000
Westminster College: Labs and classrooms	333,000			1,000,000
William Woods College: Labs and classrooms	136,003		170,000	408,050
MONTANA				
Carroll College: Labs and classrooms	129,620			700,000
Dawson County Junior College: Classrooms	160,000			400,000
NEBRASKA				
Chadron State College: Library and teaching facilities	315,000			945,000
College of St. Mary: Science and math	329,779			991,339
Fairbury Junior College: Labs and library	120,000			300,000
Kearney State College: Science	699,893			2,623,837
Midland Lutheran College: Classrooms and labs	144,000		600,000	1,079,078
North Platte Junior College: Academic	106,082			303,082
NEVADA				
University of Nevada: Social science		116,011		1,665,404

State, institution, and type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
NEW HAMPSHIRE				
New England College: Library	$22,381		$386,000	$545,452
New Hampshire Technical Institute: Academic	176,297			1,290,975
University of New Hampshire:				
Chemistry	491,948			1,533,897
Physics	111,392			483,300
NEW JERSEY				
Bloomfield College and Seminary: Labs and classrooms	525,935		500,000	1,602,453
Drew University: Laboratory	833,325		1,040,000	2,500,000
Fairleigh Dickinson University:				
Hackensack campus: Labs and classrooms	239,623		299,000	718,869
Madison campus: Library and teaching	258,083		322,000	774,250
Rutherford campus: classrooms and teaching	428,399		535,000	1,285,197
Library, teaching	68,484		114,000	244,835
Middlesex County College: Teaching	1,330,510			3,626,000
Princeton University: Mathematics, physics, and library		$2,259,935		14,242,450
Rider College: Labs and classrooms	292,793		1,300,000	2,178,423
Rutgers University: Library		367,916		1,103,750
Seton Hall University: Classrooms, and faculty offices	367,991			1,969,374
Stevens Institute of Technology: Library		600,000	900,000	2,430,000
St. Peter's College: Library and classrooms	550,194			1,678,808
Union Junior College: Labs and classrooms	307,330			922,000
Upsala College: Labs and classrooms	734,839		849,000	2,228,085
NEW MEXICO				
New Mexico State University: Library	160,378			1,061,247
University of New Mexico: Library	802,134			2,529,247
NEW YORK				
Briarcliff College: Classrooms and labs	260,006			3,578,450
City College of the City University of New York: Science	1,500,000			21,032,480
Columbia University: International affairs		2,500,000		12,250,000
D'Youville College: Science and classrooms	761,159			3,405,599
Fordham University: Library and classrooms	985,030			14,929,018
Hartwick College: Library and classrooms	521,555			1,564,665
Hofstra University: Library	1,458,656			4,597,790
Ithaca College: Library	644,953			1,934,858
Long Island University:				
Classrooms			2,402,000	3,405,599
C. W. Post College: Labs and library	1,500,000		2,099,000	4,798,790
Lecture hall			555,000	740,800
Main campus: Humanities			2,994,000	4,449,600
Marymount College: Library and classrooms	407,000		500,000	1,228,000
Monroe Community College: Science	988,894			17,200,634
New York City Community College: Library and classrooms	1,074,352			11,870,485
New York University: Library	1,500,000	3,303,940		19,455,775
Queen of the Apostles College: Science			852,000	1,352,811
Queensborough Community College: Science	1,230,273			12,722,644
Rochester Institute of Technology: Science	1,500,000			4,813,180
State University of New York:				
Albany: Library	1,500,000			8,479,000
Stony Brook: Engineering		1,229,774		5,240,000
St. Francis College:				
Classrooms and labs	1,115,916		1,394,000	3,347,749
Library			1,016,000	1,355,428
Teachers College, Columbia University: Education		126,286		539,725
Wagner College: Science	906,835		1,133,000	2,720,507
Yeshiva University:				
Library	1,448,565		1,117,000	4,345,695
Social work		840,000		2,640,000
NORTH CAROLINA				
Agricultural and Technical College of North Carolina: Science	266,630			1,151,630
Belmont Abbey College: Labs and classrooms	212,233			636,699
Bennett College: Labs and classrooms	138,325			1,119,316
Charlotte College: Labs and classrooms	536,666			1,610,000
Duke University: Library		1,372,170		4,116,512
East Carolina College: Library	259,500			823,452
Elizabeth City State College: Library	199,953			617,870
Fayetteville State College: Library	200,000			600,000
Gaston College: Library	387,902			1,131,297
High Point College: Labs and classrooms	322,884		403,000	968,652

State, institution, and type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
NORTH CAROLINA—continued				
Johnson C. Smith University:				
Library	$272,160			$816,480
Science	413,658			1,309,824
Livingstone College: Labs	167,051			501,154
Louisburg College: Library and classrooms	117,066			351,200
Mount Olive Junior College: Labs and classrooms	113,437			470,300
Pembroke State College: Library and classrooms	463,000			1,390,000
Pfeiffer College: Library and research	261,666		$323,000	785,000
Queens College: Labs and classrooms	223,300		279,000	670,000
Rockingham Community College: New campus	337,730			2,876,105
Sandhills Community College: Labs and classrooms	568,013			2,727,105
Southeastern Community College: Multidiscipline	337,730			1,845,003
Winston-Salem State College: Library and offices	185,000			555,000
NORTH DAKOTA				
Lake Region Junior College: General purpose	270,000			675,000
Mayville State College: Library	55,000			165,000
Minot State College: Science	75,000			225,000
North Dakota State University of Agriculture and Applied Science: Lecture hall	32,410			340,311
University of North Dakota: Math and physics	416,667			1,250,000
OHIO				
Bowling Green State University: Library	1,133,833			4,535,333
Kent State University: Labs and classrooms	614,322			2,900,000
Lorain County Community College: Multidiscipline	1,343,162			2,940,852
Mary Manse College: Library	235,000			705,000
Miami University (Middletown): Library and classrooms	1,200,000			3,010,000
Ohio State University:				
Engineering	619,074			2,109,000
Chemistry		$427,933		1,310,000
Ohio University:				
Labs and offices	896,000			4,863,354
Library		536,304		3,707,171
Ohio Wesleyan University: Library	582,715			2,208,600
Rio Grande College: Library	140,141			420,425
University of Akron: Labs and classrooms	2,142,336			8,488,921
University of Toledo: Labs and classrooms	981,017			4,336,278
Ursuline College: Labs and library	530,779			2,965,910
Youngstown University: Laboratories	561,985			1,685,956
Xavier University: Library	572,608			1,717,823
OKLAHOMA				
Altus Junior College: Labs and classrooms	44,044			110,10
Bethany Nazarene College:				
Science	315,184		743,000	1,621,300
Library	155,553			466,660
Northeast Oklahoma A. & M. College:				
Labs and classrooms	175,950			439,875
Library	348,999			872,498
Oklahoma Christian College:				
Library	300,110			1,609,864
Classrooms	67,692			516,267
Oklahoma State University:				
Labs and library	275,000			900,000
Business and education		357,885		1,582,000
Laboratories	99,050			297,150
Labs and research	80,894			2,281,315
Library and air conditioning	27,251			310,969
Oral Roberts University: Labs and library	573,280		2,933,000	4,675,209
Southwestern College: Library and classrooms	46,466			140,807
St. Gregory's College: Labs and classrooms	290,521			909,419
University of Tulsa: Classrooms and offices	96,714			289,570
OREGON				
Central Oregon College:				
Library and classrooms	142,734			372,242
Labs and classrooms	88,236			228,509
Eastern Oregon College: Science	233,497			965,834
Lewis and Clark College: Library	278,500			1,285,000
Oregon College of Education: Labs and classrooms	62,788.			701,804
Oregon State University: Multidiscipline	214,970			836,886
Portland State College:				
Library	439,485			2,988,975
Labs and research	341,400			3,068,597

State, institution, and type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
OREGON—continued				
Pacific University: Library	$200,000			$1,396,076
Reed Institute: Biology and physics	27,515		$787,000	1,050,000
Southwestern Oregon College: Labs and classrooms	267,300			668,250
Treasure Valley Community College: Labs and classrooms	83,896			440,310
University of Oregon: Library	351,223			2,142,626
Willamette University: Library			450,000	625,629
University of Oregon:				
Graduate center		$25,000		75,000
Social sciences		523,529		1,748,000
PENNSYLVANIA				
Allentown College of St. Francis de Sales: Academic	529,160		1,009,000	2,320,315
Alliance College: Labs and classrooms	336,033			1,337,957
Bloomsburg State College: Library	372,350			1,175,842
Delaware Valley College: Science	293,812		695,000	927,726
Eastern Baptist College: Library	23,423			90,196
Elizabethtown College: Academic and library	387,750			1,292,498
Franklin and Marshall College: Laboratories	788,128			2,955,485
Harrisburg Area Community College: Library and classrooms	1,534,342			3,835,855
Indiana State College: Science	1,026,000			4,104,000
Juniata College: Academic			1,710,093	3,023,825
Lycoming College: Academic complex	894,988			3,970,273
Marywood College: Library	522,662			1,834,168
Mercyhurst College: Labs and classrooms	370,244		890,000	1,706,082
Mount Mercy College: Library			1,429,000	1,906,428
Pennsylvania Military College: Labs and classrooms	679,737			2,693,556
Pennsylvania State University:				
Social sciences		1,212,499		3,688,583
Library	669,910			2,430,192
Library and study	257,096			1,043,178
Labs and library	473,967			1,184,917
Classrooms	225,100			765,100
Labs and classrooms	168,460			420,150
Labs and study	275,947			704,668
Academic	211,685			1,480,565
Philadelphia College of Textiles: Library	243,667			892,520
Point Park Junior College: Academic			1,070,000	1,427,000
St. Francis College: Academic and library	653,732		1,000,000	2,350,129
Temple University:				
Business		518,068		3,090,422
Science	631,895			6,987,418
Thiel College: Physical education			243,000	325,000
University of Pennsylvania: Fine arts		858,022		2,872,840
University of Pittsburgh: Labs and classrooms	883,809		2,250,000	4,178,950
Villanova University: Library	346,815			2,478,890
Wilkes College: Instructional	605,891			2,138,438
RHODE ISLAND				
Rhode Island College: Multidiscipline	167,033			917,033
Rhode Island Junior College: Multidiscipline	218,112			660,837
Roger Williams Junior College: Library	372,552			1,117,660
Salve Regina College: Science	320,122			1,364,456
University of Rhode Island: Library		125,000		375,000
SOUTH CAROLINA				
Benedict College: Science	211,551			750,186
Central Wesleyan College: Multidiscipline	108,783		224,000	458,611
Clemson University: Library		509,170		3,115,023
Columbia College: Library	332,100		415,000	996,299
Furman University: Labs and instructional	611,898			1,899,300
Greenville Technical Education Center: Science	399,044			997,612
Lander College: Science	135,087			414,873
Morris College: Labs and classrooms	113,512			361,605
Piedmont Technical Education Center: Labs and classrooms	289,335			723,338
Presbyterian College: Science	326,522			979,568
University of South Carolina:				
Labs and classrooms	118,249			717,231
Academic	52,553			179,405
Physical science		702,850		5,132,790
Voorhees College: Science	130,540		216,000	462,852
SOUTH DAKOTA				
Black Hills State College: Library	50,000			150,000
Sioux Falls College: Library	169,682			616,421
University of South Dakota: Instructional and library	500,000			1,500,000

State, institution, and type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
TENNESSEE				
Austin Peay State College: Library	$323,920			$1,119,601
Bethel College: Library			$255,000	609,753
Chattanooga State Technical Institute: Academic	787,199			2,015,499
Christian Brothers College: Science	237,500		325,000	755,000
David Lipscomb College: Science	407,296			1,536,478
East Tennessee State University: Library	499,861			1,999,303
Knoxville College: Library	194,368			611,987
Memphis State University: Chemistry and math	532,417			2,162,083
South Central Community Junior College: Academic	428,808			2,722,706
Tennessee Technological University:				
Science	244,817			779,267
Science	235,470,			741,882
Tennessee Wesleyan College: Science	160,482,			700,000
University of Tennessee:,				
Library	403,234		730,000	1,516,168
Science			2,602,000	3,469,607
TEXAS				
Arlington State College: Library	700,000			2,100,000
Bishop College: Library and science	634,472			1,903,418
East Texas State College: Science	311,000			933,000
Grayson County Junior College: Multidiscipline	465,707			2,434,428
Hill Junior College: Library			133,000	178,393
Lamar State College of Technology: Library	297,000			891,000
LeTourneau College: Science and math			485,000	647,604
McMurry College: Science			786,000	1,048,440
North Texas State University: Library and science	697,863			2,093,588
Our Lady of the Lake College: Science		$117,123		351,370
Panola Junior College: Library			220,000	629,988
Paul Quinn College: Science and math			120,000	160,311
Rice University: Humanities		985,333		2,956,000
San Antonio College: Library	1,750,794			4,376,985
San Jacinto College: Library	501,202			1,253,006
Southwest Texas State College: Science	260,000			780,000
St. Mary's University: Library and science	1,500,000		2,040,000	4,721,279
Texarkana Junior College: Science			75,000	167,062
Texas A. & M. University: Biological sciences		394,579		2,437,705
Texas Southern University: Library	140,219			904,210
Texas Southmost College: Academic			330,000	499,090
Texas Technological College: Foreign language and math	450,000			1,350,000
Texas Western College: Science	666,667			2,000,000
Trinity University: Science			449,000	1,466,651
University of Dallas: Science	147,995		184,000	443,985
University of Houston:				
Library	1,106,620			3,319,860
Engineering	1,188,515	346,472		3,565,546
Math and modern language	753,566			2,260,698
Chemistry	111,397			334,193
History and political science		208,558		4,957,760
University of St. Thomas: Science			545,000	727,804
University of Texas: Humanities		439,365		1,400,000
West Texas State University: Library	109,029			327,089
Wiley College: Library			1,302,000	1,736,862
UTAH				
College of Eastern Utah: Science	206,152			515,381
Dixie Junior College: Library	149,693			374,233
University of Utah:				
Science	159,985			2,199,972
Science	811,666			3,355,000
Engineering		588,944		2,539,650
Weber State College: Library	434,885			1,304,656
Westminster College: Library	61,885			185,656
VERMONT				
Castleton State College: Library	134,575			403,726
Johnson State College: Library	130,699			392,098
Lyndon State College: Library	113,010			393,444
Middlebury College: Library			300,000	889,418
Norwich University: Science			750,000	1,062,534
St. Michael's College: Science			895,000	1,194,000
Vermont Technical College: Classrooms	138,043			447,049
Windham College: Library	100,024		199,000	400,000

State, institution, and type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
VIRGINIA				
College of William and Mary: Library	$647,495			$3,562,606
George Mason College: Library	373,333			933,333
Hollins College: Science	459,929			2,164,558
Marion College: Library	82,287			246,774
Mary Baldwin College: Library	326,676		$639,000	1,288,359
Marymount Junior College: Library and classrooms	286,260		429,000	2,235,268
Old Dominion College: Chemistry	268,625			913,000
Randolph-Macon Women's College: Library	300,828			1,098,679
St. Paul's College: Science	47,394			142,183
Sullins College: Science	98,376		120,000	295,129
University of Virginia:				
Classrooms	34,640			86,601
Library	333,493			1,866,305
Virginia Union University: Science and language	436,061		1,092,000	2,028,598
WASHINGTON				
Eastern Washington State College: Library	750,000			2,250,000
Green River Community College: Classrooms	172,039			2,900,000
Seattle University: Library	820,438		850,000	2,514,001
Tacoma Community College: Multipurpose	705,469			1,771,760
University of Puget Sound: Science	604,288		1,027,000	2,688,267
University of Washington:				
Engineering	455,639			2,819,657
Social work		$182,076		546,229
University of Washington: Science	685,281			3,863,737
WEST VIRGINIA				
Alderson-Broaddus College:				
Labs and classrooms	333,000		333,000	1,000,070
Science			115,000	345,470
Fairmont State College: Science	221,000			1,821,000
Glenville State College: Library	72,777			750,000
Marshall University: Library	500,000			1,796,000
Ohio Valley College: Science			180,000	241,070
Potomac State College of West Virginia University:				
Classrooms	533,332			1,333,330
West Liberty State College: Classrooms	109,544			273,860
West Virginia Institute of Technology: Engineering	550,000			1,650,000
WISCONSIN				
Marquette University: Chemistry	704,077		1,634,000	3,241,775
Milwaukee Institute of Technology: Labs and classrooms	539,169			1,347,922
Mount Senario College: Academic	197,944		582,000	1,148,312
Northland College: Science			400,000	647,049
St. Norbert College: Science	61,338			2,796,458
University of Wisconsin:				
Academic	610,677			1,865,954
Classrooms	219,330			1,604,561
Do	1,014,821	363,000		3,850,000
Library	475,766			3,857,563
Statistics and computer		68,500		1,521,440
History		331,660		9,851,300
Chemistry		269,016		6,760,000
Wisconsin State University:				
Science	796,658			2,389,975
Labs	898,300			2,695,000
WYOMING				
Casper Community College: Classrooms	101,338			590,088
University of Wyoming:				
Multidiscipline	342,632			4,891,000
Biological sciences		413,000		3,307,000
PUERTO RICO				
Puerto Rico Junior College: Library	75,900		135,000	967,900
University of Puerto Rico:				
Academic	616,857		929,000	2,061,323
Library	1,058,000		1,346,000	3,206,000
Multidiscipline	386,687		1,749,000	3,210,000
Classrooms			901,000	1,202,000
VIRGIN ISLANDS				
College of the Virgin Islands: Instructional and library	8,724			720,000

Under title II of the act, concerning graduate facilities, an Advisory Committee was formed, and six panels were appointed to evaluate applications prior to final action upon them by the Advisory Committee. During fiscal year 1965, the Office of Education received and processed 125 applications in a period of 4 months. Eighty-five grants were approved with a value of $60 million, the full amount of the funds appropriated.

These grants, in keeping with the law, represent no more than one-third of the development cost of any of the projects assisted. The listing of institutions in exhibit 3 is suggestive of the influence of this program in promoting a wider geographic distribution of quality graduate education.

Under title III of the act almost $108 million in loans to help build higher education facilities were obligated during fiscal year 1965. Over 140 applications for loans were received and 133 approved.

During the current fiscal year, the demand for assistance under this program is even greater. The number of applications already received for grants for undergraduate facilities exceeds the total number of applications for the last fiscal year. Under title II, the value of applications for grants during the current fiscal year also exceeds the value of funds appropriated for the year.

By the end of January 1966, 31 grants had been made on the recommendation of the Advisory Committee. These grants total $18.3 million, and the demand for loans to help build higher education facilities is particularly strong this year, owing partly to the interest rate of 3 percent authorized by the Higher Education Act of 1965. Even before the end of the first half of the fiscal year, 100 loan applications had been received with a total value exceeding the total of $110 million appropriated for fiscal year 1966.

The strength of this demand for assistance and the need which lies behind it convince us that it is essential to continue this program for at least another 5 years. In exhibit 4 you will see a projection of unmet cumulative needs in facilities construction. In the light of the reasonable assumptions on which the estimates are based, we believe that there may still be an unmet need of over $2 billion at the end of fiscal year 1971, even if Federal assistance should be available each year in the amounts we are proposing for fiscal year 1967.

66-902—66——4

EXHIBIT 4

Program impact and projected requirements—Analysis based on 150 gross square feet of academic area requirement per student

Fiscal year	Opening fall degree credit enrollment (1)	Student increment over last year (2)	Cost per student [1] (3)	Construction needs for student increment (millions) (4)	Rehabilitation +7.5 percent (millions) (5)	Total annual need (millions) (6)	Non-Federal funds (millions) [2] (7)	Title I Federal grants (millions) (8)	Title II Federal grants (millions) (9)	Title III Federal loans (millions) (10)	Total Federal program (millions) (11)	Annual unmet need (millions) (12)	Cumulative unmet need [3] (millions) (13)
1957–58	3,047,000		$3,237										[4] $986
1958–59	3,236,000	189,000	3,342	$632	$47	$679	$484					$195	1,213
1959–60	3,377,000	141,000	3,451	487	36	523	613					(90)	1,162
1960–61	3,583,000	206,000	3,563	734	55	789	628					161	1,361
1961–62	3,861,000	278,000	3,679	1,023	77	1,100	715					385	1,790
1962–63	4,175,000	314,000	3,799	1,193	89	1,282	788					494	2,342
1963–64	4,495,000	320,000	3,923	1,255	94	1,349	882					467	2,885
1964–65	4,950,000	455,000	4,050	1,848	138	1,981	970	$224	$60	$98	$382	629	3,608
1965–66	5,435,000	485,000	4,182	2,028	152	2,180	1,067	464	60	110	634	479	4,204
1966–67	5,924,000	489,000	4,318	2,112	158	2,270	1,174	453	60	[5] 300	[6] 813	283	4,624
1967–68	6,410,000	486,000	4,458	2,167	163	2,330	1,291				[6] 813	226	5,000
1968–69	6,820,000	410,000	4,603	1,887	142	2,029	1,420				[6] 813	(204)	4,959
1969–70	6,966,000	146,000	4,752	694	52	746	1,562				[6] 813	(1,629)	3,491
1970–71	7,225,000	259,000	4,907	1,271	95	1,366	1,718				[6] 813	(1,165)	2,439
1971–72	7,574,000	349,000	5,066	1,768	133	1,901	1,890				[6] 813	(802)	1,716

[1] Cost per student based on 150 gross square feet per student for academic facilities, at $27 per square foot in 1964–65, adjusted +3.25 percent annually.

[2] Increment in non-Federal funds based on annual rate of increase at 10 percent from 1964–65 through 1971–72.

[3] Cumulative unmet need adjusted +3.25 percent when carried forward to next year.

[4] Office of Education "Inventory of Colleges and University Physical Facilities, Dec. 31, 1957," reported 132.4 gross square feet of academic area per student for institutions in the United States representing 95.7 percent of the enrollment in higher education. This is approximately 15 square feet below the 150 square foot requirement, thereby producing a cumulative unmet need in 1957–58 of $986,000,000 (15 feet^2 per student times $21.58 per foot^2 times 3,047,000 students).

[5] Consists of $200,000,000 appropriation and $100,000,000 derived from proposed new FNMA participating pool.

[6] Unauthorized.

NOTE.—All expenditures and costs are related to academic facilities—namely, instructional, general, and research—excluding residential and other auxiliary facilities. Expenditures and costs include land, buildings and fixed equipment, improvements such as utilities and landscaping, and movable equipment.

EXTENSION OF TITLE III OF THE HIGHER EDUCATION ACT OF 1965 (DEVELOPING INSTITUTIONS)

Under section 211 of the amendments of 1966, we would authorize the appropriation of $30 million for fiscal year 1967, and such sums as may be necessary for each of the 3 succeeding fiscal years, for assistance to developing institutions.

You will recall the purpose of this program stated in the law: It is to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to the higher education resources of our Nation, but which, for financial and other reasons, are struggling for survival and are isolated from the main currents of academic life, and to do so by enabling the Commissioner to establish a national teaching fellow program, and to encourage and assist in the establishment of cooperative arrangements under which these colleges may draw on the talent and experience of our finest colleges and universities, and on the educational resources of business and industry, in their effort to improve their academic quality.

Our legislative recommendation reaffirms the validity of this purpose.

We are on schedule on getting this program underway. Dr. Willa B. Player, president of Bennett College, has been named head of the Division of College Support under which the program will be administered. Dr. Player is here this morning, Madam Chairman.

EXHIBIT 5

THE WHITE HOUSE

JANUARY 29, 1966.

President Johnson today announced the appointment of eight public members to the Advisory Council on Developing Institutions. The Council will assist the U.S. Office of Education in its efforts to strengthen small colleges.

The Council was established under Title III of the Higher Education Act of 1965 to assist the Commissioner of Education in identifying eligible institutions and to advise on administrative matters.

Under the Higher Education Act, a "developing" institution is described as an accredited two or four year college "making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services."

Congress appropriated $5 million for the program during fiscal 1966 which ends June 30, 1966. Grants may be used for faculty and student exchanges, to provide for visiting scholars, and for faculty and administrative improvement programs. Title III also establishes a national teaching fellowship program to encourage qualified graduate students and junior faculty members of major colleges and universities to teach at developing institutions.

The Commissioner of Education, Harold Howe II, will serve as Chairman of the Council which also includes representatives from the Departments of Commerce, Labor, and State, the Office of Economic Opportunity, the National Science Foundation, and the Agency for International Development.

Public members whose appointments were announed by the President are:

Thomas W. Braden, President, Board of Trustees, California State College, Oceanside, California.

Thomas W. Cole, Sr., President, Wiley College, Marshall, Texas.

Bernice Frieder (Mrs. Philip), President, National Association of State Boards of Education, Denver, Colorado.

Alfred T. Hill, Executive Secretary, Council for the Advancement of Small Colleges, Washington, D.C.

William R. Keast, President, Wayne State University, Detroit, Michigan.

John P. Leary, S. J., President, Gonzaga University, Spokane, Washington.

Frederick D. Patterson, President, United Negro College Fund, New York City.

Henry K, Stanford, President, University of Miami, Coral Gables, Florida.

The Advisory Committee, the members of which are listed in exhibit 5, has been announced and will meet on March 24 and 25. The announcement of the program has been distributed, together with applications and instructions. These have been reproduced as part of the exhibits for my statement. The deadline for receipt of applications is April 15, 1966. Grants to be made under the program in this first year of operation are scheduled to be announced in June.

The strong interest in the program persuades us that the $5 million appropriation for fiscal year 1966 will soon be spent, and that some hard decisions will be involved in deciding which applicants should receive funds this year. When the advisory council meets later this month one of its primary concerns will be to consider criteria to govern selections of those insitutions to be assisted under this program.

In our testimony of last year we outlined the characteristics of the developing institutions. These include chronic lack of capital, a limited program of studies deficient in new learning, inordinately heavy teaching loads, inadequate instructional facilities, and difficulty in competing for capable faculty and administration.

These characteristics are generally a function of the smallness of institutions rather than their newness. The small college which is not at least in some degree struggling for survival and isolated from the main currents of academic life is exceptional. It is extraordinarily difficult for small colleges to make ends meet and preserve the balance between original research and good teaching, which is indispensable to academic excellence.

This program is, therefore, not merely responsive to the needs of a handful of institutions recently established. The program is a limited response to a very large problem which will be with us for a long time. It is a program to help only the most grievously afflicted minority of a very large and important category of institutions.

I should like to emphasize that the problems to which this program is directed are not ones which student financial aid, help in the construction of facilities, or other programs for higher education can sufficiently resolve—essential as these programs are to the small colleges. Smallness and isolation are the heart of the problem, and the establishment of strong connections among institutions are essential to its solution. The problems of the small colleges are qualitative problems which demand a broad and flexible concept of assistance taking special account of the need for cooperative relationships.

This program offers such assistance, and we strongly advocate its continuation with the larger appropriation for which we have asked.

STUDENT LOAN PROGRAMS

Turning to the proposals the administration is recommending for the improvement of the student loan program, let me first emphasize the President's assurance stated in his message on education that every student needing a loan will be able to obtain the funds necessary for his education.

I would also like to emphasize that the administration's proposals are designed to increase the availability of student loans, and not to diminish this important form of student assistance.

The administration proposes to meet the needs of college students by shifting to a fuller utilization of private channels of credit. We

are not proposing to suddenly close down the familiar NDEA loan program. What we are requesting is that our colleges and universities no longer depend upon direct Federal appropriations as the sole source of funds for student loans. This is a phased conversion from a mechanism whereby contributions of capital are made from the Federal Treasury to college loan funds to a guarantee and subsidy program consisting of two parts: Under the first part, the program enacted last year, students obtain loans insured by State and private programs. Under the second part, the proposal this year, colleges—if they wish to continue college loan funds—can borrow from banks, savings and loan associations, retirement funds, or other investors with the strength of a Federal guarantee and a Federal subsidy of the interest.

We are confident that the insured loan program enacted by the Congress last year will be in operation in time to make student loans in every State by next fall. As you know, last year's program provides for a subsidy of the interest, making these loans comparable to NDEA loans. Under the insured loan program enacted last year, students may borrow from commercial lending institutions.

While we believe there are many advantages for colleges in encouraging students to go to the banks, this legislation does not require the college to send the student to the bank. The college may wish to continue its loan fund in order to assure the availability of loans for its students.

This proposal is designed to phase out the present Federal Treasury financing of NDEA loan funds, but we are not trying to force college loan funds out of operation. Instead, Federal financing would be largely replaced by guarantees and subsidies which, as far as the student borrower is concerned, would make the loan as beneficial as one under NDEA.

My personal view is that there are several fundamental aims toward which our student assistance programs should be directed:

We must maintain the availability of an adequate program of low-interest student loans with repayment provisions designed to meet the particular needs of college students. All of our loan proposals embody this principle.

We must increase the total amount of student loans to provide for students who have not qualified under the strict need limitations of the NDEA loan program. This we are doing as we implement the subsidized insured loan program enacted last year.

We must fully utilize private sources, rather than the Federal Treasury, as the source of funds for student loans.

We must enlist the fullest cooperation of commercial lending agencies in augmenting the funds they can make available for student loans.

Colleges and universities must be permitted to relieve themselves of the responsibility for detailed administration of loan programs. Colleges are in the business of education, not commercial lending. The servicing of loans is an administrative burden which they cannot, generally, carry out as efficiently as commercial lenders.

We believe that a substantial number of students who would otherwise be requesting loans from the NDEA college loan funds will be securing private loans under the federally subsidized program enacted last year. The revised program recommended by the administration

would sustain a level of loans comparable to the present NDEA loan program. The teacher forgiveness provisions which are applicable to NDEA loans would be retained for loans under the proposed revisions.

In order to assure that, during the period of change from the present NDEA program to a guaranteed and subsidized private program, no student is deprived of the opportunity to obtain a student loan, we are requesting an authorization of $150 million for fiscal year 1967. This appropriation would be deposited in a revolving fund from which capital contributions may be made to colleges and universities which cannot secure loan capital from non-Federal sources. In addition, the legislation provides that the Federal share of repayments by former students into institutional loan funds would be deposited in this revolving fund.

But let me emphasize that we regard this as a standby appropriation. We expect that many institutions will not request Federal capital contributions, because they will be able to secure funds from federally guaranteed subsidized loans proposed in this legislation. In some cases, a college may secure funds for the first semester from the revolving fund, but by the second semester will have been able to make the necessary private arrangements.

Under our proposal, the Commissioner of Education would be authorized to guarantee loans borrowed by an institution for its NDEA loan fund or by a nonprofit student assistance corporation especially established by a college. In addition, the Government would subsidize the difference between the interest received on student loans by the fund and the interest it pays to the bank. Student loans will, as under the existing NDEA program, bear no interest while the student is in college, and only 3 percent when the repayment period starts.

Mr. Muirhead will be able to describe these proposed transitional arrangements in much greater detail, if you so desire.

In keeping with the policy of periodic review and examination, the administration has made a careful study of these programs as they have operated. The proposed amendments and extensions reflect several months of careful consideration. The rapid expansion of the Federal commitment in education has caused us all to pause and reexamine our goals and the means through which we may attain these goals. We are confident that this subcommittee will study our recommendations, work with them, and improve them.

I am grateful, Madam Chairman, for this opportunity to meet with you. My colleagues and I are now available for your questions.

Mrs. GREEN. Thank you very, very much, Mr. Secretary.

Let me turn now, if I may——

Mr. BRADEMAS. Madam Chairman, may I ask one question?

Mrs. GREEN. Yes.

Mr. BRADEMAS. We are pleased to have with us in our committee a group of distinguished visitors, members of the French National Assembly, who sit on our counterpart committee, and I should like to ask unanimous consent that the names of our guests be read into the record at this point. They sit on the committee that deals with the legislation affecting education, culture, and family affairs.

Mrs. GREEN. Thank you very much, Congressman Brademas, may I also welcome you to this session of the committee and to hear the Secretary's views.

(The names referred to follow:)

BIOGRAPHIC DATA—DELEGATION FROM COMMISSION ON CULTURAL, FAMILY AND SOCIAL AFFAIRS, NATIONAL ASSEMBLY, REPUBLIC OF FRANCE

Leader

Gasparini, Jean-Louis. Deputy of Moselle since 1962 (UNR). Vice President of National Assembly's Committee on Cultural, Family and Social Affairs. President of Association of Free French in his department. Chevalier of the Legion of Honor; Croix de Guerre (1939–56). Pharmacist. Born Aix-les-Bains, Savoie, June 9, 1915.

Members

Bordage, Augustin Marc. Deputy, Deux-Sevres since 1962 (UNR). Merchant in grain and fertilizers, born Valses (Deux-Sevres), France, November 23, 1900.

Flornoy, Bertrand. Deputy, Seine et Marne since 1962 (UNR). Explorer of Amazon and Andes, man of letters, documentary films. Hobby: Television, Born Paris, March 27, 1910.

Gorce-Franklin, Henri. Deputy, Rhone since 1962 (UNR–UDT). Businessman, born, Lyon, December 7, 1906.

Moulin, Jean. Deputy, Ardeche since 1962 (MRP). Veterinary doctor, born Thueyts (Ardeche), July 17, 1924.

Poujade, Daniel. Administrator of Services of the National Assembly. Born Paris, November 23, 1926.

Mrs. GREEN. Let me turn first to your statement, if I may, Mr. Secretary. On page 6 you state that the total number of applications for the undergraduate facilities exceeds the total number for the last fiscal year. Are the funds that you are recommending sufficient to cover these? I know it is at the same level which the committee set, or which the Congress set, last year.

Secretary GARDNER. I would like to ask Peter Muirhead to answer that question.

Mr. MUIRHEAD. I presume this is under title I.

Mrs. GREEN. Yes. Title I.

Mr. MUIRHEAD. Undergraduate facilities. This year though all of the applications are not in as yet, Madam Chairman, we predict that the applications will be in excess of the amount of money available. As you know the program operates through the State commissions which determine which applications will be approved and which applications will be forwarded to us, but we can report to you that the State commissions, in almost every instance, receive more applications than they have money to support.

Mrs. GREEN. Do you have a figure on how much could be used efficiently and wisely if we were to respond to all of the applications.

Mr. MUIRHEAD. I am quite sure, Madam Chairman, we could provide you with such a figure upon the advice of the State commissions. I think we would certainly want to get their advice in terms of the applications they received and those that meet their standards.

Mrs. GREEN. Why are you recommending a cutback for the graduate facilities program?

Mr. MUIRHEAD. Under title II of the graduate facilities?

Mrs. GREEN. Yes.

Mr. MUIRHEAD. Interestingly enough the applications that we have received for this program which I consider to be as you do, Madam Chairman, a very promsising one, the applications have not been far in excess of the amount of money available. I think probably there have been a number of reasons. One reason I think you referred to in your opening statement, the matching provision in title II which provides for up to one-third Federal support. There are comparable programs for graduate schools that provide for up to 50 percent Federal support. I would speculate that in a number of instances institutions have been reluctant to seek support under this program if an opportunity were available under another Federal program at 50 percent matching.

Mrs. GREEN. Does this, then, pose a problem to which the Office and the Congress should give their attention? Should there be similar matching requirements in all of the construction programs?

Is there any justification for 50 percent matching for graduate facilities in one program and a 33⅓ percent matching in another?

Mr. MUIRHEAD. If there is such a justification it would seem it would have to be measured against what would appear to be in the national interest.

If a construction program is more directed to a sharp need in the national interest then I think a case possibly could be made.

Mrs. GREEN. Can you think of one?

Mr. MUIRHEAD. Possibly I am not the person to ask, Madam Chairman, because I feel that the program that we are supporting has as sharp a need as any.

Secretary GARDNER. Madam Chairman, may I just strike a blow in favor of flexibility in matching requirements?

I can't comment on the justifications back of these various differences, but I would hope that we would keep a flexibility in the various matching requirements so we could throw priorities toward one or the other as the occasion may seem to warrant. You may want to alter those priorities from year to year.

Mrs. GREEN. Flexibility between programs or within a program?

Secretary GARDNER. Between programs.

Mrs. GREEN. How could we change it from year to year as you suggest and have a 5-year authorization?

Secretary GARDNER. I was not thinking of any particular span of years. I was just suggesting that we not try to be too consistent in matching provisions in our construction programs.

I think that we should take it program by program and determine the national priorities and set it in those terms.

Mrs. GREEN. Does the National Science Foundation have 50 percent matching?

Mr. MUIRHEAD. Yes, ma'am.

Mrs. GREEN. What is the justification for this? I note a great many of the applications that were approved under the facilities act are for science buildings.

Where is the justification for having one program for the construction of science buildings with 50 percent Federal matching funds and another program for the construction of science buildings with 33 percent matching funds?

Secretary GARDNER. I don't see any particular justification.

Mr. HOWE. I believe some programs such as the Atomic Energy Commission's give an even larger content of Federal support for a very special purpose.

Secretary GARDNER. I think in the case of the Atomic Energy Commission they are often dealing in terms of facilities which really are a national resource rather than strictly a local service of some kind.

Mrs. GREEN. Don't they finance science buildings, too, for a college campus?

Mr. HOWE. Research facilities.

Mrs. GREEN. This committee hopes to turn its attention to a study of all the programs in the Office of Education. Isn't this one area to which our attention should be directed? Why should we really have three Federal programs involving three different agencies for the construction of science buildings?

Secretary GARDNER. I think that is well worth examination.

Mrs. GREEN. Is one of the reasons you are recommending a cutback in the graduate facilities because the number of people applying for graduate study is not as high as was anticipated?

Mr. MUIRHEAD. Madam Chairman, that is not the reason. The number of people who are applying for graduate study is increasing. The number of candidates for fellowships continues to be at a high level.

Our reason for suggesting that we keep the title II program at the same level that it was last year is that the number of requests that we have received for support doesn't warrant——

Mrs. GREEN. They are not expanding their facilities then?

Mr. MUIRHEAD. They are not expanding their facilities under this particular program, under title II, in rather sharp contrast, to the demand under title I, the undergraduate program, supporting both junior colleges and 4-year institutions.

Mrs. GREEN. I suppose it is an oversimplification, but is one of the reasons that they are not expanding their facilities because they don't have the applications?

If the students were there they would have to expand.

Mr. MUIRHEAD. Perhaps one of the reasons they are not expanding is the fact that they are not able to find the two-thirds money that they need to put up the facility.

Mrs. GREEN. You think that is the overriding factor?

Mr. MUIRHEAD. Yes, I think so, and also, Madam Chairman, I think in many public institutions, because of the cycle of their budgetary procedure and their legislative action, that they may have to wait until an opportune time to get contributions from the legislature to make their matching.

Mrs. GREEN. Is it the experience of the Department that it is easier for an institution to raise the matching funds for the undergraduate construction as far as alumni grants and others are concerned, easier at that level than at the graduate level?

Mr. MUIRHEAD. Yes, I think so. There is a much broader basis of support for that and certainly our experience with the Higher Education Facilities Act would bear that out.

Mrs. GREEN. Would this be reason for this committee to consider a different matching provision for graduate facilities than for undergraduate facilities, and sufficient justification for it?

Mr. MUIRHEAD. It could very well be one of several reasons, I am sure, that you would want to consider as you address yourself to that problem.

Mrs. GREEN. On page 7, Mr. Secretary, you referred to the advisory committee that is going to meet under title III and I note by your exhibit that there are eight members on that committee.

How many applications would they be considering during a 2-day period?

Mr. HOWE. The advisory committee under title III when it first meets will really give its energy to the development of guidelines and policies rather than to detailed examination of applications.

We have an extensive job to do with that committee on setting forth regulations under which the whole program will operate. We have a draft of suggested regulations, but the committee really has to help us define in more detail than the act does the kinds of institutions, for example, which ought to receive priority, whereas the act does define broadly the nature of a developing institution.

There is a real problem of priorities here. I think the award process will involve staff work and perhaps consultants after the advisory group has laid out the broad policies under which this shall operate.

Mrs. GREEN. Two other questions.

Do you have all of the rules and regulations for all of the legislation that has been passed, completed, and sent out?

Mr. HOWE. No. We are working on at least two major sections of the rules and regulations. The advisory committee on title I of the Higher Education Act met just the first part of this week and we presented draft rules and regulations to that group.

They made many suggestions for changes. They will be distributed within the next 10 days probably. This item that you just referred to has not been worked on by the committee yet and will be out probably within 10 days after the meeting of that committee.

Mrs. GREEN. Is there a deadline for applications under that?

Mr. MUIRHEAD. Yes, we have a deadline. It comes in April—April 15, Madam Chairman.

Mrs. GREEN. How can they get their applications in if you don't have your regulations out?

Mr. MUIRHEAD. They do have the applications now and we have put into their hands draft regulations which for all practical purposes will be the final regulations.

Mrs. GREEN. What do you mean by "all practical purposes will be the final regulations"?

Does this advisory committee just look at your regulations and they say OK?

Mr. MUIRHEAD. No.

Mr. HOWE. I doubt that very much from my experience with other advisory committees.

Mr. MUIRHEAD. No, but the action of the advisory committee will, of course, as the Commissioner has just indicated, be directed toward developing policy and criteria for reviewing the applications.

That won't stand in the way of institutions submitting applications and they already are hard at work in preparing the applications now.

Mrs. GREEN. I don't understand how one can submit applications if they have not been issued regulations. Why do you have the regulations?

Mr. MUIRHEAD. We have the regulations to set up the definitions, of course, that flow from the act and to determine the eligible institutions.

The regulations that have been sent out are quite general in nature. The actions of the advisory committee will be largely directed toward endorsing guidelines that flow from these regulations and procedures. We decided, Madam Chairman, in the interest of getting this program underway to move as quickly as we could to develop regulations and to call upon the advisory committee to help us in interpreting the regulations and determining what the actual guidelines and the modus operandi would be for the program.

Mrs. GREEN. You are not suggesting that it doesn't create a problem for an individual college or university not to have the regulations in hand and yet to have to meet an April 15 deadline?

Mr. MUIRHEAD. I think I am suggesting, Madam Chairman, that to have the draft regulations in their hands and the other material that we have prepared does present the college with an opportunity to fill out, and to fill out reasonably well, an application by April 15.

Our decision, in this case, was that—in order to get this program underway, and it was, I am sure, your will and the will of Congress that it should get underway this year—we should get information to the colleges as quickly as possible. We have done just that.

Mrs. GREEN. I am not being any more critical of you than I am of the Congress. I am trying to determine whether we really have asked the impossible.

Mr. HOWE. Madam Chairman, I think there is a problem of timing. The act was passed in November. Is that correct, Peter?

Mr. MUIRHEAD. That is right.

Mr. HOWE. The process that we must go through in getting an advisory committee operating and carefully using an advisory committee takes time. It is also true that the act is funded for this year at a relatively low level, only $5 million, whereas it moves in fiscal 1967, or this title moves, to $30 million, I believe, so that we will not be able to do a large volume of business under the act.

We are having to create the machinery to make the title work in a rush and this involves us in the kind of situation you have identified. We must give some guidance to the colleges to help them get started, some of which may change in process of working with the advisory committee, but at least we will have information from institutions, which are interested in this particular title, about the kind of requests they would want to make under it.

They have, of course, the act and some interpretation from us, but there is certainly a time problem.

Mrs. GREEN. I am not concerned just about title III. I believe you just said you do not have the rules and regulations out on title I.

Mr. HOWE. There is not a similar deadline. You are referring to the title which provides extension services?

Mrs. GREEN. Yes. Those rules and regulations are not out?

Mr. HOWE. They are not out. They will be out very shortly, however. As I said, we presented a draft of them to the committee just at the beginning of this week. We are working hard on them.

Mrs. GREEN. Is that deadline April 15 for applications?

Mr. HOWE. I have forgotten the deadline of applications, but I will get it for you if someone here doesn't know it.

Mr. ALFORD. It is not April 15, I don't think.

Mrs. GREEN. And the rules and regulations are not out for title III?

Mr. HOWE. Of the Higher Education Act.

Mrs. GREEN. What about your new proposals on student loans? Are the regulations out for this?

Mr. MUIRHEAD. May I respond to that?

Mr. HOWE. Yes.

Mr. MUIRHEAD. We are working, and working rather diligently, in getting the regulations out.

Mrs. GREEN. Well, are they out?

Mr. MUIRHEAD. They are not all out.

Mrs. GREEN. What is the deadline there?

Mr. MUIRHEAD. The deadline is just as soon as we get them out we will execute agreements with the State agencies that will be carrying on guaranteed loan programs and we will execute agreements with nonprofit private agencies, of which the best example is the United Student Aid Fund.

We expect, Madam Chairman, to sign agreements with 10 States and with the United Student Aid Fund on or before March 21.

Mrs. GREEN. How many vacancies are there now in the Office of Education, Mr. Commissioner?

Mr. HOWE. Just under 500.

Mrs. GREEN. Out of a total of——

Mr. HOWE. Approximately 2,600.

Mrs. GREEN. About 20 percent?

Mr. Secretary, do you know how many vacancies there are in HEW?

Secretary GARDNER. No; I do not.

Mrs. GREEN. Would it be about the same percentage do you think?

Secretary GARDNER. I cannot honestly say. I would say that perhaps the only constituent agency that would be in the same ball park would be the Social Security Administration, which has also been faced with very heavy expansion of its programs.

Mrs. GREEN. Have we really gone too fast to do the job well? Have we placed upon you the burden that we could not reasonably expect you to assume in the way of filling positions for all of these myriads of programs, and by asking you to get the rules and regulations out and to get them into operation?

Secretary GARDNER. Let me say that it is hard to know whether you have asked too much of us. Sometimes you don't know what you can do until someone places a burden on you, but I will say when Peter Muirhead said that they had been working rather diligently he was speaking very modestly.

The Office of Education has literally been straining every nerve to get one after another of these programs mounted and on the way, and of all the bottlenecks certainly the problem of staffing, is the most difficult.

It is difficult because it is more or less irreversible. You either go carefully and get the right people or you find yourself with people that you wish you had not gotten.

Mr. HOWE. May I say that we have a net gain each month in this staffing problem, slow but steady, in the sense that we are taking on more people than we are losing.

In the total process of turnover we are making a gain on our total staffing problem each month. We could provide you with figures on this if you would like to have them.

(The information follows:)

Office of Education staffing

	Authorized positions	Filled positions
July 31, 1965	1,498	1,417
Public Law 156 approved Aug. 31, 1965	+107	
Aug. 31, 1965	1,605	1,564
Public Law 199 approved Sept. 23, 1965	+330	
Sept. 30, 1965	1,935	1,641
Oct. 31, 1965	1,935	1,721
Public Law 329 approved Nov. 8, 1965 including transfer of 60 positions from OEO for work-study	+257	
Nov. 30, 1965	2,192	1,787
Dec. 31, 1965	2,192	1,784
Jan. 31, 1966	2,192	1,803
Feb. 28, 1966	2,192	1,840

Mrs. GREEN. I wish you would because one person from your office advised me that the people were leaving faster than they were coming in, and I am glad to hear that that is not the case.

Mr. HOWE. No, that is not true. I just examined this yesterday. I was happy to find that out myself.

Secretary GARDNER. It is true that in this circumstance the people who are there are carrying a very, very heavy burden.

Mrs. GREEN. We did last year when we worked to 1 o'clock on a few nights, too, to be sure to get the program out in time.

I am not sure whether in either case it is educationally sound.

On page 10 on the student loans, Mr. Secretary, your recommendation on phasing out the NDEA loans would be predicated on the full participation and cooperation of the banks, would it not?

Secretary GARDNER. That is correct.

Mrs. GREEN. Let me read from a letter of February 16 from the American Bankers Association.

This was a letter addressed to Senator Javits and sent to other Members of Congress.

Despite our gratification with the philosophy underlying the Administration's recommendation, it is our considered judgment that implementation of that proposal—at this time might not be in the best interests of either the NDEA program or the new guaranteed loan program.

It is estimated that the guaranteed loan program may well generate student loan demand in the order of $500 million for the first academic year of operation.

Meeting such an initial demand, with credit resources already under heavy pressure, is going to require a major effort on our part.

If, additionally, the $200 million in anticipated loan demand from the NDEA program is shifted to the private credit sector, a situation could possibly develop which might jeopardize the inception of the guaranteed loan program and at the same time not fully serve the important needs of the NDEA.

In short, it would seem that the better course would be for the private sector to concentrate its energies and attention on a successful launching of the guaranteed loan program and to withhold a decision on the proposed change in the NDEA loan program until the guaranteed private loan program has gained some experience and maturity.

I believe that this letter was written at the time when the administration was recommending a much smaller amount of money.

Nevertheless, do these comments still place in serious question the recommendation of transferring from the NDEA loan to a private loan, guaranteed loan, even though you add some of these others, the savings and loan association and retirement fund?

Secretary GARDNER. May I say that the letter certainly raised very serious reservations concerning the plan which we had at the time and in fact was a major factor in leading us to a revision of that plan. We have had conversations since with the bankers which lead us to believe that we have met their concerns.

Would you care to comment?

Mr. HOWE. Really, I would say the same thing, perhaps in a little more detail: That we had extensive meetings with the officials of the American Bankers Association and they pointed out to us that the impact on commercial banks from the guaranteed loan program was going to be a considerable one, and that if the NDEA conversion process were focused on the same commercial banks they foresaw trouble in the credit supply.

It was partly for this reason that the revised plan which has been recommended—allowing a number of different sources of private credit beyond commercial banks, retirement funds, pension plans, and so forth, to invest in this program—was devised. It was specifically the officials of the American Bankers Association who suggested that sort of expansion into different sources of private credit. We have been very closely in communication with them on this.

Peter Muirhead I think might be able to provide more detail on it.

Mr. MUIRHEAD. I think it has been covered very well.

I think the point to underscore, Madam Chairman, is that Mr. Walker, who has worked with us in the development of this program right along, was responding to a concept of having all of the NDEA funds supported from private sources with a Federal guarantee and the payment of interest by the Federal Government, and his point was, as he pointed out in the letter, that they felt that getting the guaranteed loan program underway was probably as much as the banks could do this year.

The proposal that is now before this committee, instead of providing for only one option for the support of NDEA next year, provides for a number of options, including those that have just been enumerated by the Commissioner, plus the $150 million appropriation, so that the NDEA next year will not be resting as heavily upon the private sector as was originally proposed.

Mrs. GREEN. We will have the bankers in so we can get their views on the new proposal.

What interest rate do you think you are going to pay on this?

Mr. MUIRHEAD. The interest rate on the loan that would be made by the institution from the——

Mrs. GREEN. The guaranteed loan program through the private sector. What interest rate? How much will you have to subsidize?

Mr. MUIRHEAD. We expect to pay 6-percent interest on the guaranteed loan program, that is, the State operated, and the United Student Aid Fund operated, and there is in the law an opportunity to go to 7 percent on the Federal insurance program.

Mrs. GREEN. I was thinking that there was a change in your recommendations and you did not set an interest rate.

Mr. MUIRHEAD. We believe, and we have this type of assurance from the banks, that the interest rate for the State program and the United Student Aid Fund program will be no higher than 6 percent, and as the law now prescribes there will be an opportunity under certain circumstances for the direct Federal program to pay 7 percent.

I think in all honesty I must, of course, report to you, Madam Chairman, that we may have to reexamine that situation. When this law was enacted, as you know of course, the credit situation was not the same as it is today.

Mrs. GREEN. Well, the bankers were very reluctant to accept that last year before the increase in the interest rate. Have you figured the cost of this kind of a program by the Federal Government, that any student who comes from a family with an adjusted income of $15,000 or less can make a loan up to the $1,000 a year and then the cumulative amount, how much that will cost just in interest rates?

And then also you are recommending the forgiveness be extended to everybody who goes into teaching, not just the needy students who have gone into teaching.

Mr. MUIRHEAD. May I first respond to the latter part of your question?

Our recommendation applies only to the NDEA eligible student insofar as teacher forgiveness is concerned. In order to carry teacher forgiveness to the guaranteed loan program the student must be eligible for an NDEA loan. We have not extended teaching forgiveness to all students under the guaranteed loan program.

Mrs. GREEN. I don't understand what you mean by that. You are suggesting a phaseout in NDEA. Is that not right?

Mr. MUIRHEAD. That is right.

Mrs. GREEN. Then you won't have it. Then the forgiveness is going to go to whom? The ones who would have been under the old NDEA?

Mr. MUIRHEAD. Well, Madam Chairman, our recommendation is for next year and our recommendation for next year includes the extension of teacher forgiveness to all NDEA students, whether they get the NDEA loan from a college or whether they get a loan from a bank, and meet the NDEA standards, and the forgiveness at that juncture is limited to the NDEA eligibles.

Mrs. GREEN. Have you figured the cost now?

Mr. MUIRHEAD. We have made some estimates as to the cost.

Mrs. GREEN. Do you have those with you today?

Mr. MUIRHEAD. We can put them into the record. In general we expect that this program will extend to about 85 percent of the college population; that is, that will be the group that is eligible, and we expect that next year guaranteed loans approaching $700 million, will be supported under this program, and we are asking an appropriation next year of $33 million to pay the interest charges and $10 million to support the guaranteed funds in the participating States.

Mr. QUIE. Would the gentle lady yield for one question?

Mrs. GREEN. Yes. I would like to have those supplied in some detail.

Mr. MUIRHEAD. Oh, by all means.

(The information follows:)

Comparative costs to the U.S. Government of reduced interest loans and national defense student loan

COST OF REDUCED INTEREST LOANS

ASSUMPTIONS

1. Each borrower obtains 1 loan of $1,000 at the beginning of the freshman year and remains enrolled for 4 years, making his 1st repayment at the end of the 5th year (grace period) as the legislation requires.
2. The Federal contribution toward payment of interest is 6 percent while the borrower is in school and including the grace period (5 years) and 3 percent per annum on the outstanding reducing balances. No estimate is made of the cost to the Federal Government for payments from the insurance fund for death, disability, and bankruptcy.
3. Repayments each year on principal and interest cannot be less than $360 as set forth in the act.
4. Repayments will be made in 3 equal annual installments.

Year	Principal outstanding	Principal payment by borrower	Interest payment by borrower	Principal and interest payment by borrowers	Interest payment by U.S. Government
1	$1,000				$60.00
2	1,000				60.00
3	1,000				60.00
4	1,000				60.00
5 (grace period)	1,000				60.00
6	670	$330.00	$30.00	$360	30.00
7	330	339.90	20.10	360	20.10
8	0	339.10	9.90	340	9.90
Total	0	1,000.00	60.00	1,060	360.00

$360 times 1,000,000 borrowers equals $360,000,000, cost to U.S. Government.
Cost to U.S. Government is $54,750,000 more in the case of reduced interest loans.

COST OF NATIONAL DEFENSE STUDENT LOANS

ASSUMPTIONS

1. Each borrower obtains 1 loan of $1,000 at the beginning of the freshman year and remains enrolled for 4 years, making his 1st repayment at the end of the 5th year (grace period) as the legislation requires.
2. For comparative purposes the amortization of the loan is restricted to the same period (3 years) as under the reduced interest loans.
3. Of each $1,000 loan, $100 is contributed by the institution of higher education. Therefore, the interest obligation of the U.S. Government is limited to $900 or 9/10 of reducing balances.
4. Borrower pays no interest while in school, but the cost to the U.S. Government is 4.75 percent per annum. Borrower pays 3 percent interest on total reducing balances, whereas the U.S. Government pays 1.75 percent on 9/10 of the loan.

Year	Principal outstanding	Principal payment by borrower	Interest payment by borrower	Principal and interest payment by borrower on $1,000	Federal portion of principal outstanding	Interest payment by U.S. Government	Assistance for administrative expenses
1	$1,000				$900.00	$42.75	$10.00
2	1,000				900.00	42.75	10.00
3	1,000				900.00	42.75	10.00
4	1,000				900.00	42.75	10.00
5 (grace period)	1,000				900.00	42.75	10.00
6	670	$330.00	$30.00	$360	603.00	15.75	6.70
7	330	339.90	20.10	360	297.09	10.55	3.30
8	0	330.10	9.90	340	0	5.20	0
Total	0	1,000.00	60.00	1,060	0	245.00	60.00

$245.23 plus $60 equals $305.25 times 1,000,000 borrowers equals $305,250,000, cost to U.S. Government.

Mrs. GREEN. I have talked to others and they told me this is going to go to astronomical sums, that no real estimate has ever been made.

Mr. MUIRHEAD. I would be glad to provide you the figures that we do have and the precise figures we have for next year.

Mr. QUIE. You say that the students who would have qualified for an NDEA loan would qualify for a forgiveness under the insured loan program. Is that right?

Mr. MUIRHEAD. That is right.

Mr. QUIE. The qualification for an NDEA loan differs from institution to institution. Some institutions give a loan where there is what might be considered a pretty high income for some families.

If I recall correctly, some of them went over $10,000, $11,000 income, if I recall correctly, and these undoubtedly were families with more than one child.

In others the regulations are quite restrictive. What does this mean? That all of the institutions will begin using the liberal determination because it will be nothing out of their pocket?

Mr. MUIRHEAD. I hope that it means, Mr. Quie, that the institutions will behave the same way under this program as they have behaved previously under the NDEA. Under the NDEA, standards vary from institution to institution in terms of their financial need assessments.

We would expect that there would be the same variation under this program.

Mr. QUIE. What reasons have you? Under the NDEA they had to finance the $1 for every $9 and they also had to collect the money, which was a substantial cost to them. Now they have neither of those expenses.

Mr. MUIRHEAD. What we are saying as a rationale for this is that any student who would qualify for an NDEA loan next year should have such an opportunity and he should have the benefits that go with the NDEA.

Mr. QUIE. You said they keep their same qualifications in each of the institutions.

Mr. MUIRHEAD. That is right.

Mr. QUIE. I don't see what reason they would have. I can understand now why an institution would be restrictive, some of them, because it is difficult for them to match the dollar for every nine and they are reluctant to get into a large college program, but others feel more willing to do it and therefore have their standards much more liberal.

Mr. MUIRHEAD. The same restrictions or the same sense of obligation would rest upon the college under this program as has always rested upon the college.

The recommendation which is before you sets a limit on the amount of NDEA loans that can be supported. It asks for an appropriation of up to $150 million. It sets a ceiling of $190 million. The law itself has authorized a ceiling of $190 million, so that a college or university that has funds allocated to it under the NDEA, whether they come from Federal sources or whether they borrow it from the bank, has the same obligation and the same restriction that it has always had under the NDEA.

It cannot go beyond the allocation which it has made and which has been determined to be reasonable.

Mr. HOWE. Perhaps it should be said here that the very large proportion of colleges now maintain very responsible operations offices for the assessment of student needs, for both their scholarship and grant programs, as well as loan programs and work programs, that the colleges administer for needy students, and these offices in colleges are set up to take a look at the relative needs of students applying for NDEA-type loans from the college or applying for the privilege of teacher forgiveness, if they were eligible under an NDEA-type loan even though the loan may come from a commercial banking institution under the new program.

Mr. QUIE. You aren't getting through to me, but I will wait to ask more questions.

Mrs. GREEN. I will ask just one more question.

Under the guaranteed loan program, does the law require that the student get the loan from a bank in his own community?

Mr. MUIRHEAD. It would require that he get the loan from a bank, not necessarily in his own community. I think when the program is in full operation, Mrs. Green, we would look to an ideal situation where there would be 50 State programs in operation and where young people would go to their hometown banks and obtain a loan to study at the colleges of their choice.

Mrs. GREEN. The banks last year were most reluctant to do it and they said that they just did not wish to allocate too much of their money for this purpose because they weren't making any money on it.

If this recommendation is carried out we are going to ask the banks to make available a great deal more of their money, and the interest rate has gone up. If there are limited funds—and there certainly will be—what will the reaction be of the banks if they have 100 applications and 50 of them are from students who come from fairly well-to-do families with a lot of collateral, a lot of resources, and a real ability to repay, and 50 of the applications are from very needy students who come from families that have no resources, who would not be in a position to help the student.

It just seems to me that we are really defeating the purpose for which the NDEA was set up. The NDEA was to help the most needy student who could not get the money, and if we have a guaranteed loan I would think it would help the student who comes from the wealthier families, and I think this in large case will be the white students with resources and to whom the bank looks to as a good security risk.

Am I wrong?

Mr. MUIRHEAD. Mrs. Green, you are just as right as can be that it must be the posture of this committee and the posture of the administration to see to it that loans are available on a first-priority basis, if you will, to young people from disadvantaged homes and who are in financial need.

I think that I should like to underscore, if I may, that the proposal that is now before you is addressed to that very objective.

That is why the administration has introduced this legislation as an amendment to what they had previously introduced.

This legislation before you puts at the top of the list in terms of loan support by the Federal Government the NDEA student——

Mrs. GREEN. This is for 1 year only?

Mr. MUIRHEAD. Yes; this is for 1 year only.

Mrs. GREEN. You would phase it out?

Mr. MUIRHEAD. Let me say again, however—and I can say this with complete confidence—that this will continue to be the No. 1 priority of this administration. If we find at the end of this year that the guaranteed loan program is not serving adequately the NDEA student from the disadvantaged home or the poor family, the administration will again recommend a first priority for that student.

There are a variety of ways to do it, but this it seems to me will always be the first priority of this administration.

Mrs. GREEN. All three of you gentlemen are eloquent spokesmen in defending the administration recommendation, and for that I admire you, and you stand firmly together and strong.

Let me say that I think your words are in contradiction to what the recommendation is and I, just as one member of the subcommittee, am just as opposed to this plan as I can possibly be because I think it would destroy the purpose of the NDEA loan program and it would make it impossible for the most needy students to attend the college of their choice. I just haven't been persuaded that the other is true.

There are other questions I would like to ask on land-grant colleges, but let me turn to Congressman Brademas.

Mr. BRADEMAS. Thank you, Madam Chairman.

Let me reiterate what I said before and what Mrs. Green has already said, how pleased we are to have you, Mr. Secretary, and Mr. Howe, and Mr. Muirhead, and your distinguished colleagues.

I want to make a few observations about the loan program in particular, and in part I suppose I will echo what Mrs. Green has said.

I want to be very candid. I am not really sure if you expect the members of this committee to take this proposal seriously or not and I want to give you some of the reasons why I have a very profound skepticism about whether we should. I hope you understand that my remarks are not in any way meant personally.

In the first place, the President of the United States has Vietnam on his mind and has serious budget problems. I can understand and sympathize with the President, and your allusion to his dilemma in your statement, Mr. Secretary.

A second reason for my skepticism is that you have already made one retreat on this particular matter. After having come up with an initial suggestion the Department of Health, Education, and Welfare goes into hiding and comes out shortly after with a new, modified proposal.

In the third place the logic of your statement, Mr. Secretary, belies you proposal. On page 10 of your statement you say:

> We are not trying to force college loan funds out of operation.

On page 11 of your statement you reinforce that observation by pointing out that—

> Colleges and universities must be permitted to relieve themselves of the responsibility for detailed administration of loan programs—

and you discourage colleges and universities from being in the business of lending. Yet on page 12 of your statement you come up with a new device which is aimed precisely at enabling colleges and universities to stay in the business of lending, so the overall logic of your proposal escapes me.

Now let me give you several direct, specific reasons why I am very skeptical about this whole proposal, and I know that I am echoing some of the criticisms that Mrs. Green has already raised.

First of all, I have seen no evidence that the bankers are going to participate in an insured loan program to the extent that would be required to make possible an adequate amount of loans to undergraduates in this country. You say on page 10 of your statement:

> We are confident that the insured loan program enacted by the Congress last year will be in operation in time to make student loans in every State by next fall.

But that really doesn't mean anything. If you have only 1 bank in the State of Indiana willing to make loans, if you have 1 bank in every one of the 50 States, that justifies your making that kind of a statement, but it certainly doesn't make available loans to the students of this country.

I know that in my own district I have been trying to figure out a good way in which I can encourage the bankers of my district to participate in the 1965 program, let alone the new program that you are proposing.

One of the problems I found with all of these new education programs which, as you know, I have strongly supported, is that we must educate the electorate in the details of these programs. I am sure there are many bankers who don't even know beyond a newspaper story that we have the October 1965 program on the books, so we have a selling job to do just on 1965.

Second, and you have heard me express my skepticism about this before, it may well be, and I have seen responsible observers suggest, that to reduce the budget the President tried to get as much out of the public sector and into the private sector as he could. This proposal is the example par excellence of that approach, and it is the Congress and not the President which will have to take the heat for the results.

I propose in my own district to make that observation whenever I get an opportunity, and I am a strong supporter of President Johnson.

Third, as Mrs. Green pointed out, is the question of tight money. Why should bankers be making 6 percent loans when they have to perhaps pay 5 percent for the money and perhaps can loan it at more than 6?

Fourth, and this is again a point that Mrs. Green touched on, but I would like to push even further, I think we need a very careful cost analysis to make clear that your proposed new program is going to cost less money to the taxpayers than the present NDEA loan program.

For instance, what will be the cost of subsidies of the interest rate under this proposed expansion of the loan program from the 1965 act?

In addition, I don't think we have yet had a clear enough explanation of the impact of the teacher forgiveness proposal on the cost of your new program because, as my memory tells me, and I am prepared to be told I am mistaken, when the President made his recommendation a few days ago on education he suggested that the teacher forgiveness feature presently in the NDEA loan program was going to be extended to your proposed new insured loan program.

The NDEA loan has been aimed at the needy student, while the insured loan program of last year was primarily a middle-income student appropriation. If we expand coverage from the narrower

group to a larger group you are going to have a lot more cost to the taxpayer, it seems to me, all in the name of fiscal responsibility.

I would like to see a very careful cost analysis of this appropriation. Moreover, the Federal Government under the NDEA loan program is going to get the money back. The people are to repay their loans, and I think it is important that we get these cost analyses not over a 1-year period, but over a 5-year period, let us say.

We will then have an honest and accurate picture of the real impact of the difference between your proposed new loan program and the present NDEA loan program. I know that it may not make our administration look so good in 1 year, but if we are trying to be fair with the taxpayer's dollar we ought to look at the picture over a period of time.

I am wondering also about the welcome the Negro student in Biloxi, Miss., will find if he goes into the First National Bank in that State and wants a loan to go to college.

I am not persuaded that your new program is going to be very helpful to him. I have already had a number of letters and telegrams in opposition to the administration's new proposed insured loan program from such distinguished people as Father Hesburgh, the president of the University of Notre Dame, and from the director of student financial assistance at Radcliffe.

I think Mrs. Green has had similar letters. These then are some of the reasons why I must reiterate that I am not quite sure if you really expect us to take your proposal seriously. You have your problems and I quite understand that, but I don't propose to be a rubber stamp for the administration on any proposal, especially on one that on the face of it seems to me so difficult to defend rationally.

Mrs. GREEN. Would you yield just for a minute?

Mr. BRADEMAS. Yes.

Mrs. GREEN. Would you do some arithmetic with me?

You said 85 percent of the students will be eligible. If we have 7 million by 1970, that would be about 6 million students that would be eligible for loans.

If my figures are right, if you just have $1,000 for the 85 percent that you say are eligible, in the interest subsidy alone we would be paying $180 million a year. And then if you multiply that by the 4 years that the students are in the college, it looks to me like it is going to be a costlier program by far, and this doen't take in forgiveness or anything else.

Mr. MUIRHEAD. It seems to me, Madam Chairman, that we probably have to look at this in the context of what the purpose of the guaranteed loan program is.

Mrs. GREEN. What is the purpose? Is it to make the budget look good for next year, or to make kids able to go to college?

Mr. MUIRHEAD. In my opinion the purpose is to extend the concept of credit to a large group of young people whose families are finding it increasingly burdensome to pay the cost of higher education.

We have shown, and with the tremendous support of this committee, that this type of support for higher education for needy students is worth while and NDEA has been a glorious program up to this time.

The guaranteed loan program it seems to me then is extending this concept to a much larger social purpose. It is saying in effect that the costs of higher education are difficult for middle and upper middle

income families and that it is in the best interests of the Nation, and the families, and the young people that some way should be found for them to pay for higher education costs, and to extend those payments over a long period of time, and to have some support from the Federal Government in the way of interest subsidy.

I think, Madam Chairman, that part of our difficulty at this time, it seems to me, is we are attempting to compare the NDEA purpose with the purpose of the guaranteed loan program, which is a much broader purpose.

Mrs. GREEN. Mr. Muirhead, last year, you admitted to the committee—you or someone else did—that the main purpose of the guaranteed loan program was to block the Ribicoff amendment.

Mr. MUIRHEAD. If I did, Madam Chairman, it is quite possible that——

Mrs. GREEN. I know that one of the top people in Treasury told me that in the cloakroom.

Mr. BRADEMAS. Not a bad reason.

Mr. QUIE. I overheard that a couple of times, too.

Mrs. GREEN. I think this is noble, but I really think that the guaranteed loan program was born out of necessity to block the Ribicoff proposal.

Mr. BRADEMAS. Just to follow Mrs. Green's question and Mr. Muirhead's response, it had seemed to me that what we have been trying to do in this committee is put together a series of financial assistance programs from the Federal Government designed to assist students across the full spectrum of economic need. At the bottom of the scale we now have the educational opportunity grant, the work study program, and the NDEA undergraduate loan program for needy students. Because there was a big need in the middle income family student area we wrote in the insured loan program in the Higher Education Act of 1965, the idea being that a student who has the ability to go to college would be financially able, no matter what his need, to put together from this arsenal of weapons a package designed either through Federal sources or private college sources to permit him to make his way.

If that is true, and you have just said, Mr. Muirhead, that the insured loan program is primarily a middle and upper income program, why do we want to do away with the needy student program, the NDEA loan program?

Isn't that the point? Can you answer that question, Mr. Secretary, and then maybe make any comment on my own barrage?

Secretary GARDNER. I would like to ask both of my colleagues to comment, but first let me make a general comment, just make a couple of points.

First, Madam Chairman, much as I appreciate your compliment on our loyalty to the administration, we really are convinced that through this program, perhaps with some modifications, we can serve every needy student. There isn't the slightest question in our minds that we would want to stand on that ground and modify the program if it must be modified to reach that objective. If we haven't communicated it we have to find other words or be convinced otherwise, but the three of us really do believe that this is possible.

Second, I don't think that the distinguished Congressman from Indiana really meant to indict us for being flexible in the face of a perfectly sound question raised by Mr. Walker.

We felt that his point was legitimate and we were perfectly prepared to revise our plans in the light of that.

Mr. BRADEMAS. I hope you will continue to be susceptible to revisionism.

Secretary GARDNER. I hope that all of us share that flexibility, sir.

May I call on the Commissioner?

Mr. HOWE. Going back to Mr. Brademas' remarks, I am not sure that I got notes on all of them because they came rather rapidly, but, first of all, I don't think that there is any inconsistency in the Secretary's testimony here. We are really attempting to keep these features in the institutions as long as they are needed for the benefit of needy students.

I would point out that the guaranteed loan program will provide all the advantages to needy students that the program within the institution provides to these students, but we are not a hundred percent sure that they can be made available to all students immediately. Because of this we have a transitional time in which we wish to preserve the right of needy students to get funds from their institutions, and we are providing $150 million backup appropriation for that purpose. I think we are reflecting here the kind of experience which States have had.

As States have developed insurance schemes with guarantees in them they have found that it takes a year or two to get them started.

I think that the administration is going to have to look at the experience in the first year of this program after students have entered college next September to see how the guaranteed loan program is working, what the relative need is for the kind of backup that will be provided for in NDEA loans, and what the program will be for the subsequent year so that nobody gets left out in that year.

This, I would assume, is one of the reasons for taking a 1-year step. We need experience in that 1-year step to assess what the subsequent year's need will be. We certainly stand behind the idea that in the subsequent years no needy student should be denied access to the loans he requires by the arrangements we devised.

As far as the bankers are concerned, there was strong support for the guaranteed loan program from the bankers when it was enacted in the 1965 act.

They believed in it and still do. They have some concerns about the possibility of making it as large a volume enterprise as it might have been when the credit arrangements are as tight as they are now, but they intend to support it.

What is more, they have told us that they are planning to work with the membership of the American Bankers Association to help focus the loans provided by banks on needy students and they have faced the issue in conversations with us about the particular problems which Negro students have.

Mr. BRADEMAS. You are saying that the ABA as an organization does endorse the administration proposal?

Mr. HOWE. It has endorsed the guaranteed loan program and has certainly suggested to us that the arrangements we have now devised for NDEA are arrangements which provide a kind of flexibility which is viable.

Mr. BRADEMAS. I am not sure that I understand what you just said. I know that they supported the 1965 act, but I was just asking

the question, and you may not be in a position to answer this, does the ABA presently endorse your new proposal?

Mr. HOWE. In terms of formal endorsement I just can't answer this, but I think that you will find that the ABA believes that the new proposal is a good arrangement as a transitional device.

On the cost analysis problem, on which we will try to give you further information, I think Mrs. Green is 100 percent correct; this is a very large program and I don't think that any of us have really visualized what the size of it can be.

The program recognizes something that is happening among the entire group of students going to college. This group is growing in its proportion of the population and growing very rapidly. As it does so, it is pulling into it large numbers of people who require financial assistance to go to college. These people recognize the fact that within a college education it is quite legitimate to ask a person to invest in himself through a loan program. Creating a device through the guaranteed loan setup will do that.

I think it will be a very large program and will open up opportunities in the first year or two which would be extremely difficult for the Federal Government to fund in the same manner as the NDEA program.

It also recognizes the need of lower middle income people or middle income people, which is a very real need as college costs mount.

On the teacher forgiveness aspect of the thing, I want to point out that about 50 percent of current NDEA loan participants are participating in the teacher forgiveness as they repay. Is this correct?

Mr. MUIRHEAD. Fifty percent of the young people borrow, who say that they plan to be teachers, and then, in their repayment process, about 25 percent of the repayments are forgiven.

Mr. HOWE. This gives us a rough base for figuring what the proportion of teacher forgiveness will continue to be because the teacher forgiveness feature will not extend to the $15,000 family. It is not so provided in the suggested legislation.

The teacher forgiveness feature continues to apply only to the needy student. This doesn't get into a discussion of whether or not teacher forgiveness is a good device, and you may want to go into that discussion further.

As far as Negro youngsters are concerned, I think the main guarantee provided in the program is that funding of the NDEA type of loan will be available in the institutions and that $150 million is being directed to that purpose. It seems to me that we have devised for next year a composite package to meet the needs of students which will begin to draw, as the Secretary suggested in his testimony, on the resources of the banks to get into this act on an increasing basis, and that as those resources become more available over the years they will present an opportunity for a very large proportion of people, something we have not done before at all.

Mr. BRADEMAS. I just have one final quick question on another subject.

Mr. Secretary, on page 8 of your statement you spoke of the title III developing institutions program and you said:

> It is a program to help only the most grievously afflicted minority of a very large and important category of institutions.

I happen to share your point of view on that, but this was a subject of contention in the conference committee last year and I don't know that the junior colleges would regard themselves as fitting within your definition here except with respect to money, and I wonder if you can tell me what percentage of the funds you have granted so far have gone to junior colleges?

Secretary GARDNER. This hasn't begun yet, but wasn't this fixed?

Mr. BRADEMAS. Twenty-two percent?

Secretary GARDNER. Twenty-two percent, yes.

Mr. BRADEMAS. Thank you very much.

Mrs. GREEN. Congressman Quie.

Mr. QUIE. I just want to say at the outset, Mr. Secretary, Commissioner, and Peter, that I did not approve of the insured loan program last year. I was very much opposed to it. The only reason why I finally went along with it was the bankers decided they were going to buy it.

I thought well, we can't even get support from them in opposition, because they had been in opposition before, so that shot any support we had out from under us.

I also support the tax credit proposal and have introduced such a bill myself, and my main purpose in that is that the parents will realize the tax benefit there will be if their child goes to college, and this will, in my belief, have a motivating effect on the family for children going to college, because I think it is awfully important that children are motivated early, and this is written into the tax law, too, a recognition of the Federal Government's feeling that everybody who possibly can, should go into higher education. I went back to my district last fall and talked to all of the colleges in my district, and people at the University of Minnesota, and other people in higher education and I warned all of them that is the end of the NDEA loan as you have known it for years, but I was shocked to realize that it was going to come as soon as I got back to Congress.

They looked at me as a Republican, you know, trying to frighten them out of their lethargy, to become concerned about it, and now these are the ones who write and say, "Well, why didn't somebody say something about about this." I just point out some of the things I had in the press releases I put out, and I am surprised, because I can't understand how it is possible that we can depend on a banker to recognize the ability of a child whose whole family relationship isn't one where he would go to a bank for a loan to go to college, because there are people in the institutions of higher learning who have that understanding of a child.

Mr. BRADEMAS. Maybe we should authorize some guidance and counseling institutes.

Mr. QUIE. To poor bankers to recognize intellectual ability of children from poorer families. As far as the educational opportunity grants are concerned, I not only supported them, but I said on the floor this was the best scholarship program I had ever seen devised. I even supported nonreimbursable loans before that, as you recall, but not some scholarship programs that have been devised.

Mrs. GREEN. This is as hard to defend as theirs.

Mr. QUIE. That was difficult to defend. But I am really concerned with what you are doing and what really compounds it to me is adding the forgiveness feature, because I still haven't seen anybody demon-

strate to me that this program has recruited one teacher and especially recruited a teacher of high quality.

Nobody has presented any testimony to us that this has done that and we had admission officers say to us that if the program has been successful we ought to end it because it has done its job; if it hasn't been we ought to end it because it didn't do its job.

I think we are making a terrible mistake if you are going to further compound it and expand to other occupations or professions the forgiveness, and it would have to be expanded.

You just can't stand still on where it is now, and you have a beautiful opportunity, if you can prove to us that you ought to be shifting from NDEA loans to insured loans only, and we have insured loans at less for the middle income now, to get rid of what I think is a bad feature, the forgiveness of a loan.

Mr. Howe in his testimony spends just one paragraph on page 18 mentioning the forgiveness of loans. I can't find anything in yours, Secretary Gardner, or even talk about it, and this indicates to me the importance you must think that has if you can't give it any more substantiation than that.

When you go through your whole testimony here, reading here again Mr. Howe, and you talk about a loan and they ought to recognize it as that, now we find the colleges having their difficulty with the students feeling they don't have to repay it, and when you add another group, people in law enforcement and social workers have been suggested before, as we have in the health profession, each one makes it more difficult to collect the money on the part of the institution, and that is one of the reasons why perhaps you are saying now that we have to relieve the college of this burden.

If we had left NDEA loans for the needy students, got rid of the forgiveness feature, I think we would have a program that could last for years and years and be well accepted in the higher education community and well accepted by the taxpayers of the country.

I have found no objection, only support for this, and I just am disturbed to see you now causing a disruption of what has been accepted in the higher education community and the people support them as an excellent program on the part of the Federal Government.

I think what you have touched upon disturbs me, and of course I can get into other things like the land-grant colleges, too. I am worked up about that.

Secretary GARDNER. Certainly the NDEA program was a valuable program, as you say, could go on for years as a highly reputable program, but would not reach the range of people that we are talking about today, and this is the thrust of our argument.

If I may say a word about forgiveness, I am quite aware of the range of points of view that one can have on forgiveness and I see the cogency of arguments on both sides, but I do not believe this has spread nearly as rapidly as one might have supposed.

Back in 1957 and 1958 when I first looked at it I had the same apprehension that you do now. I said the only problem here is that it will spread to all fields.

Well, it just hasn't spread to all fields. It seems to me that there is plenty of room. After all, a loan with forgiveness is just a fellowship with a condition.

Having forgiven it you have retroactively given the individual a fellowship. Is that correct?

Mr. QUIE. That is right.

Secretary GARDNER. It seems to me there is plenty of room in the repertory of things, of devices by which you provide assistance to students, for something other than a straight fellowship or a straight loan.

This is one in which you say the conditions of national need and national urgency are such that we will give you a fellowship provided that, and you set a condition of entering a field for a period of years.

This seems to me fairly straightforward. It doesn't bother me.

Mr. QUIE. As far as the escalation is concerned I look at it like a hole in the dike. When the first few trickles come out you figure well, this isn't bad. We can ignore that, but then when it starts gushing, when various groups find that they can get through, and when the law enforcement officers get their forgiveness, I imagine the dike is going to expand quite speedily.

I question whether the Federal Government ought to direct people to pick their occupations. To me our responsibility and your responsibility in the Office of Education ought to be in helping students to secure higher education.

What they do with that education ought to be their judgment and the forces of society ought to influence them, but for the Federal Government to say that the teachers are more important than another group or that the nurses are more important than another group is hard for me to accept because the person who has certain talents should go where his talents lie, not by an inducement from the Federal Government.

To him the most important job is where his talents lie to society, to our country. The most important job to him and service to them is where his talents lie. If the person has the ability to be a teacher, of course, that is the most important place for that person to serve.

That is the highest, noblest occupation for that individual. But how we can say that here is a program and for those who are fortunate enough to get an NDEA-type loan, we are going to induce all these people into an occupation.

For one, I don't think it has done the job, and secondly, I don't see that this is a responsibility of the Federal Government.

Secretary GARDNER. May I comment, Madam Chairman? Two points.

First, the Federal Government, and in fact anybody who is acting vigorously and constructively to meet the needs of society, is in the business of luring good people into some line of work.

You can't pour out money into the health fields without creating a situation where you are in fact deciding that people should be attracted into these fields. That is where a great deal of the money goes, so it is very hard to act and decide in terms of social priorities without also in effect saying that you want certain people to move in certain directions.

You set up the reward system in such terms that more people will go to be health professionals than would have after last year's legislation.

Second, let me strike a blow for the teaching profession as the heart of everything else. I mean you can take the whole array of professions and say, "Why should we pick teaching?"

But teaching is the channel through which we all move. I mean the teacher gets all of us on the way to some other field, and if this field isn't sound nothing is sound. If we can't get first-class people into this field then the police enforcement officials, and the health professionals, and all the others will fall behind, so that if there is a justification anywhere it is in teaching.

Mr. QUIE. I feel that it isn't a question of a greater number of teachers, but the highest quality of teachers.

What bothers me is that some people who have acted in a guidance and counseling capacity in the college have advised people not to go into teaching, but because of the substantial loan forgiveness they have gone into teaching instead, and I don't see that that is a help to anybody.

I agree with you that teaching is the most important, but I think of the individual where he has the talents, and I look at this as a program that is completely unwise.

Are you going to recommend for the health profession the same kind of a shift to insured loans away from the grants?

Secretary GARDNER. Yes, sir.

Mr. QUIE. The same thing is going to happen to them?

Secretary GARDNER. Yes.

Mr. QUIE. And the same forgiveness feature is going to be carried through?

Secretary GARDNER. Yes.

Mr. BRADEMAS. Will you yield?

Mr. QUIE. Yes.

Mr. BRADEMAS. Can we contemplate also, if you can answer this question, that you propose to move increasingly in the construction field away from Federal grants to private loans?

Secretary GARDNER. I think very likely; yes.

Just one parenthetical comment. The very size of the program as you see it ahead is one of the reasons for taking this off the back of the colleges, and it also involves any cost analysis which we do.

As you can see, a great deal of the present cost of the program is borne in administration by the colleges themselves, and in the proposal these administrative services will be purchased.

Mrs. GREEN. Would you yield, there, just for a question?

Mr. QUIE. Yes.

Mrs. GREEN. To clarify our procedure, you say that under the new guaranteed loan only the NDEA qualified student would be eligible for the forgiveness feature. What is the procedure? Does the student go to the college, and the college looks into all of the financial records, and signs a statement that says that this student is eligible for an NDEA loan?

Mr. MUIRHEAD. Yes, ma'am. The student goes to the college and makes application for an NDEA loan. The college may not have sufficient funds to provide that NDEA loan, and may encourage this student to go to the bank, but carry with him an NDEA certification.

Mrs. GREEN. And that would have to be done every year the student is in college. Then you really just take part of the administrative burden off the colleges, don't you?

Mr. MUIRHEAD. Yes.

Mrs. GREEN. They will have to not only now look at the records of the people who would come to apply for this NDEA, but they

will also have to look at the applications of 85 percent of all of the students that are in all of the colleges, because they will be eligible for a loan?

Mr. MUIRHEAD. The only ones that they presumably would be asked to look at would be those who would ordinarily qualify for an NDEA loan.

As the record has shown, over 80 percent of those students come from families earning less than $7,000.

Mrs. GREEN. Wouldn't the inclination be for all the students to see if they would qualify, and wouldn't they have to look at them?

I think you might run the risk of increasing the burden in this manner considerably.

Mr. MUIRHEAD. I think what we would like to record, Madam Chairman, is the point that the NDEA program would operate about the same way that it has always operated under the procedure we have had before.

Mr. QUIE. Have you substantiated this with colleges who have pretty low income standards now, that they would not raise them?

Mr. MUIRHEAD. We have substantiated this whole idea that is now before you with the colleges. We have discussed it with them.

I should first of all report to you that I think there is a consensus in the higher education community that in the long run the type of loan program that we are seeking to establish through the guaranteed loan program, which may be as large as Mrs. Green has just indicated, is the type of responsibility that might more properly rest with banks, rather than with the colleges. There is a consensus in the higher education community that that is the thing to do.

There is also a consensus in the higher education community, as there is in this committee and as there is in the administration, that we must always see to it that the financially needy student gets a loan, whether or not he can get it at the bank.

Mrs. GREEN. Would you yield there?

Mr. QUIE. Yes.

Mrs. GREEN. You say there is a consensus in higher education that it is the job of the banks? Is that what you said?

Mr. MUIRHEAD. There is a consensus in the institutions of higher education, as the guaranteed loan program takes form and grows, as it undoubtedly will under the provisions of the legislation, that that type of operation might more properly rest with the banks than with the colleges.

Mrs. GREEN. I haven't received a single letter from a single college or university in the country in favor of this proposal, and I have received innumerable letters in opposition to it.

Mr. QUIE. I found the same thing, too. Nobody has asked me to take NDEA loans away from them.

Secretary GARDNER. I think you have to distinguish between the first reaction of the colleges to the first announcement of this when it appeared that there would be a very abrupt and unworkable cutoff of the NDEA and substitution of a program, the consequences of which they couldn't evaluate.

As we discussed this with them, it became clear that their real concern was this problem of the transition, and the more we have discussed this with them, carrying on into the new provisions of our new plan, the more it is clear that in effect they do feel that ultimately this does make great sense.

This I think you will find if you talk with them.

Mr. QUIE. Between that time when we got the letters in opposition to it until the present time, where you have this consensus, how did you go about getting that consensus from those people?

Secretary GARDNER. Well, "consensus" is a loose word. We have talked with a good many college people.

Do you want to relate those conversations?

Mr. MUIRHEAD. Yes.

We did call a meeting of the representatives of the colleges and the universities and the State guarantee agencies to discuss with them the proposal that was at that time before the Congress, which, as you know, would have provided actually no appropriation for the NDEA next year, and would have suggested that participating colleges obtain the funds from the private sector, with a Federal guarantee, and a Federal subsidy.

That proposal just met with almost complete opposition—I must say so—from the group.

We then came forward with this proposal that is now before you, and since that time we have met with representative groups from the college and university world, and what is emerging, and I think this is a fair report to you, is just the thing that is causing you concern, that there should be assurance that the needy student will not fall by the wayside in any transitional period, but there is also an acceptance and a consensus in the higher education community that a program that is moving to the level of the guaranteed loan program, which may very well reach several billion dollars in terms of loans that are being supported with Federal resources, that that type of operation can be more efficiently carried out by the bank, and that this is not a burden which should rest upon the colleges.

Colleges accept, and accept willingly, the burden to use their resources to help needy students.

Mr. QUIE. Let me ask this question. What if you had offered the college the subsidy that you are giving the bank? How would they feel about continuing the program then?

Because you are going to subsidize all the banks now above 3 percent interest for everybody who comes from a family with an income of less than $15,000 a year, and the only criticism I have had from the colleges is that it costs them about 3 percent to process these loans and collect them.

What if we gave them the subsidy, instead of the banks? If you had the choice, they would really have been in favor of continuing and expanding their own loan program; wouldn't they?

Mr. MUIRHEAD. Of course I don't know the answer to your question, but I would assume that many colleges would still say that they are not in the commercial loan business; that that is not a top-level priority with them; that they do carry on student loan programs because it is educationally sound; that they use their limited resources to help young people get a higher education; but that they are not willing to accept the responsibility that may be as high as 85 percent of the students on the campus.

Mr. Quie, of course, as you know, under the NDEA, due to the excellent action of this committee last year, the colleges are now being helped with their NDEA administrative costs.

Mr. BRADEMAS. I think it is useful that you make the distinction that the Secretary and you have made, Mr. Muirhead, between the second reaction and the initial reaction.

The only point I would make, and I probably share this experience with members of the subcommittee, is we have not had any signs of the conversion yet, if it has really taken place as you suggest.

Secretary GARDNER. May I just make one modification in our earlier comments?

I think instead of speaking of a consensus, it would be more accurate for us to say simply that we have consulted very, very carefully with representatives of the college and university world, and it is from these conversations that we get this.

Mr. HUITT. Mr. Quie, you speak of subsidy to the banks. Let me say this: It is not a subsidy to the banks, but to the student himself.

If the Federal Government agreed to pick up half the interest on my mortgage, this would be a subsidy to me, not to the mortgage holder.

The banks normally get 6 percent interest. If the Federal Government pays half of that, it means that the student is helped by his not having to pay that 3 percent.

Mr. QUIE. It depends on how you look at it. If the NDEA loans have an interest rate of 6 percent, and we say we require the colleges to pay for whatever is the cost of processing this, and if we said this to the bank, and they wouldn't lend any money, so in order to get them to do it, we subsidize them, sure it is the student that receives it, but it is the student that gets the benefit of the NDEA loan, too, but this comes from the college rather than from the Federal Government.

My last question would be, Madam Chairman, if you can point out to me teachers who have been recruited into the teaching profession by the forgiveness feature over these years.

Mr. HOWE. This is a hard thing to do, because you really are in an examination of individuals' motives, and whether you can get reliable information I am not sure.

The fact that, as Peter stated a moment ago, some 25 percent of the NDEA-type loans seemed to be operating on this forgiveness basis would be an indicator to me that this has some pulling power.

I think that we have to recognize as a reality that any grant or loan or fellowship program which opens the door will have more people flowing through that door than if the door had not been opened, and I think this is the only kind of general statement I could make about this.

Maybe we could get some information on this, which we now don't have, but it is difficult to get.

Mr. QUIE. The percent of students going into the teaching profession now, as compared to 1956, 1957, over a period of time?

Mr. HOWE. But there might be other factors operating.

Secretary GARDNER. It would be very, very difficult to get this data; very difficult.

Mr. QUIE. If the same percentage of students went into the teaching profession, say, from 1953 to 1958, as have gone subsequently, one wonders, then, if it did induce anybody to go into the teaching profession.

I also understand that if the same percentage of students went into the teaching profession who finished college from 1965 through 1970, we would not know where to place them all.

Mr. HOWE. The percentage we need in the elementary and secondary schools of those coming out of college in those years, you are quite correct, will decline some.

Mr. QUIE. And so we have a forgiveness feature to induce them to go into it.

Mr. HOWE. The numbers will go up appreciably.

Mr. QUIE. There is going to be a larger number of students in higher education, so the total numbers you don't have to worry about, but we should be talking about percentages of people who will go into the teaching profession.

It seems to me you are spending Federal money to accomplish something you don't need.

If you want to save money, then you save money on the forgiveness feature, and use it on something to help young people, who couldn't otherwise go to college, go to college.

Mr. HOWE. I still maintain that an opportunity created to go into a particular profession through Federal financing does indeed attract a proportion of the people who take that opportunity, but you simply can't give an estimate; I can't prove it.

We are all financially motivated to a certain extent.

Mrs. GREEN. Mr. Secretary, I have read your books over the years, and have such tremendous admiration for you and your views.

Where is it the most important, in your judgment, to have good teachers?

Secretary GARDNER. You mean at what level in the education system?

Mrs. GREEN. Whereabouts in our total program, or all of the programs that we have at the present time?

Secretary GARDNER. I would find that very difficult to answer. I have always felt that the elementary and secondary schools represented the most important thrust of social effort, as far as recruitment of teachers.

Mrs. GREEN. Let me refine the question. Which would you think would be the most important as a matter of good, sound national education policy? To concentrate on having our best teachers in the elementary and secondary schools, or in some of the periphery programs such as the war on poverty and so on?

Secretary GARDNER. I find it very hard to answer that question.

Mrs. GREEN. Let me be more specific. We have a forgiveness feature for teachers. Let us take the case of a person teaching in the Job Corps—they would be teaching disadvantaged children, would they not?

Secretary GARDNER. Yes.

Mrs. GREEN. So they would get the 15 percent forgiveness feature?

Secretary GARDNER. I don't know.

Mrs. GREEN. They would?

Mr. HALPERIN. They would not, Mrs. Green. The 15 percent annual forgiveness, up to 100 percent, applies to local public and private educational agencies.

Mrs. GREEN. And a public agency is running the Job Corps?

Mr. HALPERIN. If the public school teacher taught there, yes.

Mrs. GREEN. In Oregon—and I talked to the National Association of Guidance & Counseling Personnel the other day—I was told that we are paying for 100 percent of the salaries of teachers and guidance and counseling personnel in a Job Corps center, for example, and I was advised by the national association that the beginning guidance and counselors might start out at $6,000 or $7,000 in a public school system, but if they will go to a Job Corps center, they are sometimes being paid $10,000.

Is this educationally sound?

The same thing would be true where you have teachers who have left the local public school system and have gone to work at a much higher salary financed entirely with Federal funds in a Job Corps center, where they have 2 kids in their class instead of 35, and where they have to teach fewer hours.

Is there something that can be done to prevent the siphoning off of personnel and the competition between Federal programs?

Secretary GARDNER. If I understand your question correctly, it doesn't seem to me at all justified, and yet I don't know how you prevent this kind of disparity between one program and another.

It seems to me that if they are moving to comparable jobs, certainly the jobs in the school system are as important.

Mr. HOWE. May I make one comment on this? It does seem to me that in some of the major Federal legislation we have expressed the principle of compensatory education, something extra for those who have been short changed, because of family, or environment, or other factors, and that to the degree that there is some reshuffle of capable personnel so that the opportunities of those people may be expanded, a good social purpose is served in that.

Now, to the degree that this creates imbalance and too much competition for these able people who are in too short supply, there are certainly problems in any such compensatory arrangement, but I think that we need to look at your question through this kind of a mirror, rather than just in terms of the differential of pay.

Mrs. GREEN. Would you look at it, though, and see if there is some congressional provision that should be written in?

You talk about compensatory education. In Portland schools we have some model school programs. Some deal with compensatory education for the disadvantaged. There might be a conselor who would go to that school who would engage in exactly the same work through the public school system as he would if he were doing compensatory education in the Job Corps, but in one he would be paid with the local funds, much less, and in the other with Federal funds. It just really doesn't seem right.

Mr. HOWE. I certainly see the problem of the funds, and I think of the relative salary levels, and I think this ought to be looked at very carefully. But I do maintain that the youngsters on whom these services are being focused have been short changed by the educational system, and they need more than their share of the able teachers.

Mrs. GREEN. But that is the justification for Headstart, and the compensatory programs that are operating through the public school system, too. They have been short changed, but in one we just pay the teacher $6,000, and in another program the teacher may get $12,000.

66-902—66——6

Well, maybe you will want to give that some more thought.

One other suggestion to you, Mr. Howe. Tomorrow I would like to go into the criteria that you set up for approving applications for construction under the Higher Education Facilities Act.

I am quite disturbed, and I plead guilty to some biases, but when Oral Roberts gets a grant for a college that is not opened, and has never been accredited, I get a little bit upset, I must say.

Mr. HOWE. We will try to have information for you on this.

I would say that these arrangements are administered to a high degree by State authorities, and that there may be some differences in policy of those authorities, although we certainly have set the overall arrangements.

Mrs. GREEN. One last question, Mr. Secretary, because we are not going to have you here again. And with all of the responsibilities that you have, I am sure that you are grateful for that. I understand too, that you are leaving for Vietnam on Saturday.

But would you want to comment on the draft? Have you been consulted on the proposed changes in the draft? Are there educational implications? Do you, as a person distinguished in this field, believe that it is educationally sound to take students if they are in the lower quarter of their class and place the responsibility on them to take an examination?

Are examinations fair criteria?

Secretary GARDNER. Madam Chairman, I am ashamed to confess for the past 6 months the problem didn't have HEW in front of it. I have paid very little attention to it, and I should have studied this question, but it wasn't in the direct line of my administrative responsibilities, and I have not followed it closely.

Mrs. GREEN. You have not been consulted?

Secretary GARDNER. No, I have not been consulted, and I have not followed it closely. It is possible that the Commissioner would have a view on that.

Mrs. GREEN. We will ask him, then, tomorrow, but it seems to me there are educational implications beyond——

Secretary GARDNER. I am sure you are right.

Mr. QUIE. Madam Chairman, the thought came to me as I followed your latest questioning, have you any policy determination now as to how far you will go with Federal programs where you are paying the local teachers' salaries?

You are going to do it if you ever get the money for the National Teachers Corps. You are going to pay 100 percent of the salary, and still recognizing the limitations that come in, the attitude that the administration had last year in that confidential memorandum, that you don't want to pay 100 percent of the salaries to 2 million local employees, have you reached any policy decision as to how far you are going to go?

Secretary GARDNER. We have not arrived at any policy on it, no.

Mr. QUIE. Is there any chance that you will?

Secretary GARDNER. I suppose eventually we will have to.

Mrs. GREEN. Some of the questions which were directed to today's witnesses will also be directed to the Commissioner, who will testify tomorrow at 10 o'clock in room 2257. On Monday we will hear the views of the American Council on Education; on Tuesday the Association for Higher Education and the Association for Land Grant

Colleges. On Wednesday, the American Personnel and Guidance Association and the American Association of Junior Colleges; and on Thursday the American Banking Association and the U.S. Student Aid Fund.

May I express on behalf of the committee our real appreciation. I know this is at least the third appearance for you this week, Mr. Secretary, on three different matters, and I regret that they were scheduled so tightly.

We are delighted to have our very, very good friend, Peter Muirhead, for whom we have all had such a high regard over a long period of time, and we also welcome you, Commissioner Howe, for your first appearance, and I hope that today's lack of agreement on matters will not indicate that this will always be the case. I am sure that many times we will agree.

We also are very, very glad to have you, Mr. Huitt, with the group, and we look forward to working with you, as I said earlier.

The meeting is adjourned.

(Whereupon, at 12:25 p.m., the subcommittee adjourned, to reconvene at 10 a.m., Friday, March 11, 1966, in room 2257.)

HIGHER EDUCATION AMENDMENTS OF 1966

FRIDAY, MARCH 11, 1966

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to recess, in room 2257, Rayburn House Office Building, Hon. Edith Green (chairman of the subcommittee) presiding.

Present: Representatives Green, Brademas, Gibbons, Hathaway, and Quie.

Also present: Representative Meeds.

Staff members present: William F. Gaul, counsel, and Charles W. Radcliffe, minority counsel for education.

Mrs. GREEN. The subcommittee will come to order to further consider H.R. 13174 and H.R. 13237, the Higher Education Act of 1966.

Commissioner Howe, we are glad to welcome you and Mr. Muirhead back to the committee this morning. Do you want to proceed with your statement and then we will turn to the questions?

STATEMENT OF HON. HAROLD HOWE II, COMMISSIONER OF EDUCATION, ACCOMPANIED BY PETER P. MUIRHEAD, ASSOCIATE COMMISSIONER FOR HIGHER EDUCATION, U.S. OFFICE OF EDUCATION; AND SAMUEL HALPERIN, DEPUTY ASSISTANT SECRETARY OF HEALTH, EDUCATION, AND WELFARE FOR LEGISLATION; DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. HOWE. Madam Chairman and members of the Special Subcommittee on Education, I am very happy to meet with this subcommittee this morning to discuss the proposed Higher Education Amendments of 1966, H.R. 13174 and H.R. 13237.

This subcommittee has recognized that the vital role of higher education in national affairs has created a need for a national effort to assist both institutions of higher education and students.

The National Defense Education Act of 1958, the Higher Education Facilities Act of 1963, the Higher Education Act of 1965—all of these products of this committee have had a substantial impact on the course and quality of American higher education. All reflect this subcommittee's recognition that, if the goals of our Nation's higher educational system are to be met, every college must be developed to its full potential.

The job has not yet been done. The increased complexity of modern-day life, a thirst for knowledge on the part of young people,

and a growing demand on the part of all employers for college graduates have had a profound effect upon the higher education system. College enrollments have doubled in the past decade; there are today nearly 6 million students in our Nation's colleges and universities. By 1975 enrollments are expected to reach 8.6 million. Freshman enrollments for 1965 are 18 percent above those of the previous year.

Our institutions are valiantly trying to rise to the challenge presented by burgeoning enrollments. The number of colleges has almost tripled since the end of World War II—from 866 to 2,200 in 1966. There is every indication that this spectacular growth will continue.

Such rapid growth has not been limited to undergraduate enrollments and institutions. Students with bachelor's degrees are seeking to go to graduate school in ever-increasing numbers. Increasingly, colleges, vocational and technical schools, business, and industry are requiring their professional employees to have some postgraduate education. Ten years ago, there were about 240,000 students enrolled in graduate school; last September, there were 570,000. By 1971, it is expected that there will be almost 1.1 million students in graduate schools across the country.

Although increasing numbers of students are seeking undergraduate and graduate educations, rising costs of such education are making it increasingly difficult.

Costs to the undergraduate student in public institutions averaged $850 in 1940; last year that cost had almost doubled—$1,560. By 1980, the cost of an undergraduate education in a public institution will be even higher—an estimated $2,400.

In private institutions, the costs have risen from $1,100 in 1940 to $2,370 in 1965; by 1980 it is estimated that the average annual cost will be $3,640.

Mrs. GREEN. May I interrupt just for a second there?

Is that the actual cost, or is that the cost the student pays with the institutional subsidy?

Mr. HOWE. This is the cost to the student.

Mrs. GREEN. The actual cost would be higher?

Mr. HOWE. Yes. The actual cost would range in the realm of 30 to 60 percent higher, depending on the institution and the level of education.

The proposed Higher Education Amendments of 1966 would strengthen three basic elements of our overall program of Federal assistance to higher education:

(1) Construction of higher education facilities;

(2) The strengthening of developing colleges; and

(3) Our student loan programs.

Amendments to the Higher Education Facilities Act of 1963: When the Higher Education Facilities Act was enacted in 1963, President Johnson hailed it as "the most significant education bill passed by the Congress in the history of the Republic." It is the cornerstone of Federal legislation for higher education and has a significance that goes far beyond bricks and mortar.

The capacity of our colleges and universities must be enlarged to accommodate the surging enrollments of students, both graduate and undergraduate. Without Federal assistance colleges and universities would be under tremendous pressure to impose upon the student

population, in the form of increased tuition, the added expense of financing the expansion of American higher education. It is clear, then, that the construction of higher education facilities, as well as programs specifically concerned with student financial aid, have a direct bearing upon the welfare of the student and upon educational opportunity.

During the first year of operation, fiscal year 1965, the three programs authorized by the act got off to a good start, even though funds were not appropriated until several months after the beginning of the fiscal year.

Title I of the Higher Education Act establishes grants to public and private nonprofit colleges and universities for undergraduate classroom, laboratory, and library construction. These grants are used to pay up to 40 percent of construction or improvement costs of public community colleges and up to one-third of these costs for all other institutions of higher education.

In all 50 States, State commissions have been designated and plans have been submitted and approved. During fiscal year 1965, a total of 516 projects for construction of undergraduate facilities in 451 institutions has been approved.

Enrollment at the institutions receiving title I grants is expected to increase by nearly 650,000 students by 1968. This increase represents 35 percent of the projected national increase in undergraduate enrollment during the same period. Of the 516 projects funded, 103 were grants for public community colleges and technical institutes. Federal grants totaled almost $225 million; they will make possible the construction of facilities valued at $900 million.

This massive infusion of funds did not meet the construction needs of our colleges and universities. At this point, I should like to insert for the record tables showing the "excess demand" for title I funds. These tables have also been made available.

(The tables follow:)

HIGHER EDUCATION FACILITIES ACT OF 1963, FISCAL YEAR 1965

Sec. 103, junior colleges and technical institutes

	Fiscal year 1965	Total Federal share requested	Excess demand
Total	$50,600,000	$131,901,450	$84,454,131
10. Alabama	1,161,234	5,815,921	4,654,687
11. Alaska	34,640		
12. Arizona	441,438	451,118	9,680
13. Arkansas	675,760		
14. California	3,770,269	36,774,884	33,004,615
15. Colorado	488,984	976,408	487,424
16. Connecticut	520,836	2,656,702	2,135,866
17. Delaware	83,580		
18. District of Columbia	89,620		
19. Florida	1,371,448	1,499,828	128,380
20. Georgia	1,241,148	2,355,170	1,114,022
21. Hawaii	238,400	239,200	800
22. Idaho	273,453	516,360	242,907
23. Illinois	2,099,039	3,118,860	1,019,821
24. Indiana	1,329,064	1,372,491	43,427
25. Iowa	948,338	935,766	
26. Kansas	755,571	745,446	
27. Kentucky	910,444	1,439,356	528,912
28. Louisiana	1,112,553	2,307,558	1,195,005
29. Maine	327,504		
30. Maryland	761,870	6,569,922	5,808,052
31. Massachusetts	1,202,327	2,344,896	1,142,569
32. Michigan	2,262,998	10,417,891	8,154,893
33. Minnesota	1,194,015	1,227,622	33,607
34. Mississippi	745,866	750,926	5,060
35. Missouri	1,187,717	3,260,684	2,072,967
36. Montana	232,825	160,000	
37. Nebraska	457,648	226,082	
38. Nevada	53,792		
39. New Hampshire	176,297	374,082	197,785
40. New Jersey	1,330,510	4,861,755	3,531,245
41. New Mexico	306,493		
42. New York	3,293,519	8,639,209	5,345,690
43. North Carolina	1,631,375	3,475,743	1,844,368
44. North Dakota	273,453	270,000	
45. Ohio	2,543,162	5,425,979	2,882,817
46. Oklahoma	820,205	573,953	
47. Oregon	582,166	596,672	14,506
48. Pennsylvania	3,146,597	4,691,343	1,544,746
49. Rhode Island	218,112	264,335	46,223
50. South Carolina	859,181	1,089,415	230,234
51. South Dakota	262,767		
52. Tennessee	1,216,007	1,897,682	681,675
53. Texas	2,717,703	6,833,737	4,116,034
54. Utah	355,845	355,845	
55. Vermont	138,043	178,820	40,777
56. Virginia	1,116,941	407,973	
57. Washington	877,508	1,865,738	988,230
58. West Virginia	642,876	642,876	
59. Wisconsin	1,369,176	2,051,295	682,119
60. Wyoming	101,338	139,107	37,769
61. American Samoa	3,665		
63. Guam	19,049		
64. Puerto Rico	616,857	824,800	207,943
66. Virgin Islands	8,724	288,000	279,276

Sec. 104, colleges other than public community colleges and technical institutes

	Fiscal year 1965 allotment	⅓ of development cost of project	Excess demand
Total	$179,400,000	$343,413,568	$165,749,989
10. Alabama	2,631,032	2,422,271	
11. Alaska	138,404	137,039	
12. Arizona	1,633,874	2,675,776	1,041,902
13. Arkansas	1,629,586	1,699,298	69,712
14. California	19,877,204	41,009,019	21,131,815
15. Colorado	2,101,157	3,815,389	1,714,232
16. Connecticut	2,403,305	5,826,566	3,423,261
17. Delaware	417,561	898,768	481,207
18. District of Columbia	1,223,396	1,276,153	52,757
19. Florida	4,342,320	7,008,683	2,666,363
20. Georgia	3,269,144	5,035,339	1,766,195
21. Hawaii	649,095	665,667	16,572
22. Idaho	708,279	258,629	
23. Illinois	9,362,765	14,790,789	5,428,024
24. Indiana	4,697,836	5,954,710	1,256,874
25. Iowa	2,895,116	6,809,677	3,914,561
26. Kansas	2,385,565	3,177,992	792,427
27. Kentucky	2,603,118	5,325,687	2,722,569
28. Louisiana	3,008,753	9,226,897	6,218,144
29. Maine	852,608	1,494,438	641,830
30. Maryland	2,889,850	3,841,247	951,397
31. Massachusetts	5,802,280	19,344,207	13,541,927
32. Michigan	7,950,518	15,944,216	7,993,698
33. Minnesota	3,825,151	7,434,145	3,608,994
34. Mississippi	1,986,367	2,330,266	343,899
35. Missouri	4,005,475	4,645,030	639,555
36. Montana	713,536	129,620	
37. Nebraska	1,488,672	1,542,330	53,658
38. Nevada	268,820		
39. New Hampshire	625,721	1,016,660	390,939
40. New Jersey	4,733,069	6,508,251	1,775,182
41. New Mexico	962,512	1,993,025	1,030,513
42. New York	16,009,675	48,727,817	32,718,142
43. North Carolina	4,352,529	4,877,476	524,947
44. North Dakota	727,201	579,076	
45. Ohio	9,009,810	18,532,711	9,522,901
46. Oklahoma	2,631,362	3,129,777	498,415
47. Oregon	2,149,378	6,374,086	4,224,708
48. Pennsylvania	10,260,005	24,738,463	14,478,458
49. Rhode Island	860,085	1,244,566	384,481
50. South Carolina	1,969,993	1,977,701	7,708
51. South Dakota	719,082	755,473	35,791
52. Tennessee	3,239,365	5,368,508	2,129,143
53. Texas	9,074,343	15,881,552	6,807,209
54. Utah	1,468,421	2,300,428	832,007
55. Vermont	478,308	2,061,596	1,583,288
56. Virginia	3,287,424	4,618,076	1,330,652
57. Washington	3,315,646	4,910,720	1,595,074
58. West Virginia	1,676,777	3,236,946	1,560,169
59. Wisconsin	4,148,904	6,924,997	2,776,093
60. Wyoming	342,632	991,000	648,368
61. U.S. service schools			
62. American Samoa	10,900		
63. Guam	50,215		
64. Puerto Rico	1,520,587	1,944,815	424,228
66. Virgin Islands	14,669		

The tables reflect reports from State commissions showing a demand for some $250 million in excess of the funds appropriated under this title during the fiscal year.

This figure, I should point out, does not reflect the full extent of the excess demand, since some of the State commissions discouraged the filing of applications as their respective allocations became exhausted.

Further, the need for financial assistance to overcome the facility backlog must increase to meet rising college enrollments.

During the current fiscal year, the demand is no less strong. The number of applications already received exceeds the number processed by the end of the last fiscal year, and State commissions forward only

those applications for which sufficient Federal funds are available in the State allotment.

To date, 542 applications have requested a total of $217 million of title I funds; 127 projects have already been approved at a cost of $47 million.

Title II of the law establishes grants to public and nonprofit private colleges and universities for graduate classroom, laboratory, and library construction. These grants are also used to pay up to one-third of construction or improvement costs.

Under title II, an Advisory Committee was formed, along with six panels to evaluate applications prior to final action by the Advisory Committee. During fiscal year 1965, 125 applications were received. and 85 approved, at a total cost of $60 million, the full appropriation. Demand for assistance in construction of graduate facilities remains strong.

The value of applications for assistance to date already exceeds the amount of funds appropriated for the year. By the end of January 1966, 31 grants had already been made, upon recommendation of the Advisory Committee. The total amount committed was $18.3 million. If demand continues at its present rate, the total amount requested by graduate schools across the country will exceed $100 million by the end of this fiscal year.

Federal loans are available for undergraduate and graduate school construction under title III of the act. This program complements the grants programs embodied in titles I and II. Under a combination of these programs, the Federal share may not exceed three-fourths of the total cost of construction.

Almost $108 million in loans to build graduate and undergraduate facilities were obligated in fiscal year 1965. Of the over 140 applications received, 133 were approved. This fiscal year, due in part to the lowering of interest rates to 3 percent, the demand for loans is even higher. Public institutions now find the interest rate attractive. Although the fiscal year is far from over, applications for loans received exceed by $20 million the $110 million appropriated for the title.

The strong demand which we have experienced under all three higher education facilities programs is an expression of what President Kennedy called "the long predicted crisis in higher education facilities." The essence of the crisis is a gap between the resources needed to build facilities and the resources available for this purpose. Even with the expenditure of an estimated $1 billion in non-Federal construction of undergraduate facilities, plus $600 million in Federal grants and loans, the gap between needs and resources is estimated to exceed $4 billion.

It is for these reasons that we propose the extension of the Higher Education Facilities Act for 5 years, through fiscal 1971. The authorization level for fiscal year 1967 would be $453 million for grants for construction of undergraduate facilities, $60 million for grants for construction of graduate facilities, and $200 million for loans for graduate and undergraduate construction.

An additional $7 million is requested to cover the costs of administration of State plans and for comprehensive planning of construction needs of institutions of higher education.

Although funds have been made available in past years for the expenses of State administration, no money has been available to allow States or institutions to project their construction needs over an extended period of time.

Under the proposed amendment, grants for this latter purpose would be made to State commissions on application to the Office of Education. Planning to be supported might be conducted by institutions of higher education or by State commissions, in cooperation with colleges and universities, or by independent agencies, under contract.

The planning supported would be comprehensive in scope and directed toward the preparation of master plans in terms of what are generally called program requirements, rather than of actual specifications for construction. In view of the limited funds available they would only in exceptional cases be available to cover architectural and engineering fees.

There is an acute need for comprehensive forward planning under this program. It is a program which involves massive amounts of money and hundreds of institutions throughout the country. The State plans which have been prepared are essentially administrative documents for the purpose of arbitrating competition in application. Only in a few States are these plans based upon systematic projections of enrollments, careful definitions of optimum size, detailed assessments of financial resources and local needs, or intensive space utilization studies.

When such studies have been well conducted at the campus level and are reflected in State plans, resources have been more wisely allocated. Provision of funds for such planning can result in dramatic improvement of planning efforts, leading to more efficient and effective utilization of Federal construction funds.

The need for interstate and regional planning is also dramatic. The necessity for this has been particularly conspicuous under the Appalachian Regional Development Act of 1965. There are in being in various regions of the country institutions established by the States which concern themselves with higher education over entire regions—the Western Interstate Commission for Higher Education, for example; the New England Board of Higher Education; and the Southern Regional Education Board. State commissions might wish to engage the cooperation of institutions like these.

Colleges and universities are not islands unto themselves and their planning should take account of their locale; their importance to other levels of education; community service; and potentialities of cooperative development which could lead to a more economic use of development funds.

We consider that this amendment could materially strengthen our assessment of needs under this program, sharpen our evaluation of our efforts, and generally contribute to more effective administration of the program.

Another amendment which we propose would delete a provision in the original act which gives the Commissioner of Education the discretion to prescribe a schedule of fees, payable by borrowers under the loan program to cover the expenses of audits and inspections of construction. This authority has not been used and is not needed.

A third amendment would permit inclusion of the cost of works of art for placement in facilities constructed under the act in developmental costs for which the institutions may receive assistance. Expenditures for such purpose could not exceed 1 percent of the total cost of construction.

The purpose of this amendment is to acknowledge the importance of esthetics in our college facilities. There is precedent for this change in Federal programs for the construction of college dormitories.

The expense for art works is a normal concomitant of much of the construction which this program helps to finance; the allowance of 1 percent of the cost of construction is suggested by our experience to date.

Finally, the amendments would provide that sums appropriated to assist in the construction of graduate academic facilities under title II would remain available for grants until they are expended, rather than merely for the 2 succeeding fiscal years.

The authority requested by this amendment would bring the program into line with other Federal programs to help in the construction of graduate academic facilities. In addition, it is a distinct advantage to an institution in raising matching funds for a large project to have continuing assurance of Federal support.

The bidding for construction contracts and the letting of contracts often take place in a fiscal year subsequent to that in which a grant is obligated. If contract costs are less than the estimate on which a grant was based, there is reason for reducing the grant. As the law is now written, funds thus diverted may not be reallocated to another project, but instead are lost to the program. Amendment would allow such funds to remain available for reallocation without fiscal year limitation.

Extension of title III of the Higher Education Act of 1965 ("Developing Institutions"): Shortly after taking up my duties as Commissioner, it became my task to approve the draft regulations for title III of the Higher Education Act of 1965. Faced with this responsibility, I found it necessary to study the background and legislative history of the program.

After this study, I could not but gain a large measure of enthusiasm for the legislation as a well-designed instrument for strengthening one of our most valuable resources—developing colleges.

Surely, if we are to offer the opportunity for high quality education to all American young people, we must assure them that quality is available in our colleges, regardless of size. I, for one, firmly believe that the small college now plays and will continue to play a vital role in higher education.

Many very able students would prefer studying at a college which is small enough to offer close teacher-student relationships, often so important to a full understanding of the meaning of education. However, while expressing a desire to go to a small college, many students and parents express reservations about the quality of education offered. Today, many small colleges offer quality equal to that offered in the Ivy League. Unfortunately, many of them offer no more advanced information than is taught in some of our high schools.

With the implementation of title III, we hope that many more small colleges will be able to offer topnotch education. This year, almost half of our college students are studying in institutions having an

enrollment of less than 2,500 students. More than 1,700 of the 2,100 institutions of higher education fall into the category of small colleges. Although many of these schools offer courses of study which any educator must admire, there are many which simply cannot fulfill all of the demands that quality makes.

One-fourth of our institutions of higher education are unaccredited. Most of the unaccredited colleges fall in the category of small colleges.

Generally, they fail to be accredited because they lack the funds to maintain a large enough faculty to offer curriculums varied and deep enough to challenge a student's capacity to learn.

Even more serious, because salaries are necessarily uncompetitive, small colleges all too often must depend upon a faculty drawn from three groups of teachers:

(1) Able teachers who, from sheer dedication to the school, have declined to move on to "greener pastures" in universities and in business;

(2) Graduate students and recent degree recipients who are teaching in the small college on a short-term basis; and

(3) Personnel from other professions who are teaching because the college needs someone to fill a gap in the staff.

Federal research contracts, which have done much to improve the quality research competence in many institutions, have done little to help the developing institution.

Millions of dollars have been appropriated for contract research in defense, health, agriculture, and forestry, the space program, and education.

Ninety percent of the Federal research money has gone to fewer than 100 institutions—40 percent to the 10 largest universities. Very little has gone to small colleges. The Congress has rightly demanded top-quality research and competition for the contracts. This has prevented smaller institutions from participating in federally financed research, for these schools simply cannot maintain a research staff which can compete with the "giants" in the field.

The President has taken measures to spread contracts among colleges by ordering that consideration be given to schools which offer high-quality research capabilities but which have not received substantial research contracts in the past. However, the Federal Government cannot support research where there are no research facilities. Research programs are primarily designed to obtain results, not to assist the institution.

There are other factors which compound the problems of the developing college. Even if they have the funds necessary to hire the professional staff they need, they are often not able to find enough qualified candidates.

Today, American universities supply only about half the number of Ph. D.'s demanded. Business and industry are absorbing more than half of them each year. The larger universities producing Ph. D.'s generally can offer positions in research or teaching to many of their own graduates. Smaller institutions, on the other hand, frequently do not have the resources to hold the Ph. D.'s they are able to attract.

The title III program is a limited response to a very large problem. Because of limited funds, it is a program which of necessity can focus on only a few members of a large and important category of institu-

tions—institutions in which the majority of our elementary and secondary schoolteachers are educated and in which the pressures of soaring enrollments are most deeply felt.

We have already begun to develop listings of those colleges throughout the country which are in greatest need. The development of criteria with the advisory committee and a review of the applications received by the U.S. Office of Education will help us to develop standards concerning the size of the projects which we can support, in relation to the number of institutions participating.

Smallness and isolation are the heart of the problem. The establishment of strong connections among institutions is essential to its solution. The needs of the small colleges require a broad and flexible concept of assistance which cooperative relationships seem best adapted to meet.

Cooperative arrangements will present opportunities for dealing with the difficult personnel problems of smaller institutions. Such arrangements will help relieve these problems by supporting faculty self-improvement programs, by encouraging highly qualified graduate students and junior faculty members in strong institutions to undertake 1- to 2-year appointments in small colleges as national teaching fellows, and by making senior scholars and administrative advisers available to the developing colleges on a visiting basis.

The variety of cooperative arrangements which have already been worked out at private initiative persuade us that the cooperative approach is a practical one.

Secretary Gardner's testimony contains a listing of cooperative relationships which already exist and are bearing fruit. This list is merely illustrative of various kinds of cooperation among institutions and has been prepared without consideration of whether the cooperative arrangements distinguished or the small institutions included may be eligible for support under the program for strengthening developing institutions authorized by the Higher Education Act of 1965.

It should not be construed to be an approved or exemplary list. However, the list will give you an idea of what has already been done. These arrangements are varied in kind, including bilateral cooperative relationships; consortia among institutions; the Woodrow Wilson teaching internship program, under which Woodrow Wilson fellows teach for a year or more at predominantly Negro institutions.

Under a cooperative arrangement, two or more institutions submit a joint application under the direction of a coordinating institution which will be the recipient of Federal funds. Although the law permits 100 percent Federal financing, we are requiring the participant to demonstrate that it is and has been making a reasonable effort to update its curriculum, improve facilities, and increase faculty caliber.

The national teaching fellowships offer another method to develop curriculum offerings. There are many highly qualified graduate students and junior faculty members in our large universities who can offer a wealth of education and experience to the students in developing colleges.

I might add that the educational benefits to be offered are not one-sided. After several years in a large university graduate students and junior faculty members may well find themselves learning from, as well as teaching, students who, in social, economic, and geographic background, probably vary a great deal from students in the larger schools.

The administration is requesting that the program be extended for 4 years with a fiscal year 1967 authorization of $30 million.

I would be less than candid with this committee if I were not to admit that I am excited about the future of this program.

Madam Chairman, I might add that we had some discussion about this yesterday, and about the regulations and tentative guidelines, and the advisory committee connected with it, and I have brought for each member of the committee today a notebook Miss Willa Player has prepared giving more detailed information on these matters if you would like to have these.

Student loan programs: Title II of the proposed legislation would add several new provisions to the national defense student loan program designed to facilitate a smooth but expeditious transition toward the substitution of private financing for the Federal appropriations which have for the past 7 years supplied colleges with funds for loans to students.

I would not for one minute deprecate the value of the loan program enacted in 1958 as title II of the National Defense Education Act. It has shown us all—students, educators, and bankers—that we can view education as a sound investment in hard financial terms. Most of all, college students have learned to view the pursuit of their own education as an investment in themselves.

As a result, the colleges have been met with demands for loans from students which are so great that the Congress last year recognized the necessity of asking the Nation's financial community to join our colleges in increasing the proportion of their portfolios which they devote to this form of human investment.

Let me state at the outset that there is an undisputed need for student assistance for which no repayment is required. Students who through no fault of their own are poor credit risks by commercial standards should not be induced to undertake financial obligations too great for them to bear.

It was for this reason that the Congress last year enacted the program of educational opportunity grants in title IV–A of the Higher Education Act of 1965. The members of this committee were important architects of that legislation. As one still fresh from the exciting experience of working with disadvantaged youth, let me commend you for your handiwork.

A loan to a student is still a loan, however. It is a financial obligation which must be redeemed. If we encouraged student borrowers to view loans differently, we would surely not be doing them a favor.

Many colleges and universities, particularly those which are well established and have strong administrative capacity, have been able to administer loans under the national defense student loan program quite efficiently. Others have not done as well, however.

We could undertake to develop greater competence in those which do not have the necessary administrative capacity in their financial aid offices. In fact, last year's amendments to the National Defense Education Act are providing help by authorizing Federal assistance in the form of administrative expenses for the college loan fnnds.

In the longer view, however, it seems to us far sounder to permit colleges to turn their burdens over to the private financial community. Educators are, as they should be, more interested in the welfare of their students than in getting out from under a burden.

Until colleges are assured that private lenders will be taking care of the credit needs of their students, we would not expect colleges to liquidate their loan funds. Financial conditions may differ from community to community and may be especially acute for institutions with large numbers of low-income students. We are, therefore, proposing a variety of transitional measures to assist college loan funds to obtain funds from commercial lending institutions directly.

This legislation would provide authority to guarantee loans made by private lending institutions to student loan funds. In addition, the loan fund itself would be reimbursed for 90 percent of the loss which it sustains because of defaults in repayments on student loans.

Since student loans would—under the new arrangement—continue to bear no interest while the student is in college and 3 percent during the repayment period, the Federal Government would subsidize the difference between the rate of interest paid by the student and the rate paid by the loan fund to the private lender.

We recognize that in some cases institutions of higher education may need time to make the necessary legal and other arrangements to secure guaranteed loans from private sources for their college loan funds. The proposed legislation, therefore, would establish as an interim measure a revolving fund for making capital contributions to colleges which cannot derive loan capital from non-Federal sources.

Appropriations of $150 million would be authorized for this purpose in fiscal year 1967. The Federal share of repayments by former students into these institutional funds would be returned to the Federal Government for deposit in the revolving fund. There is authority also to appropriate for fiscal year 1968 such sums as may be needed for the revolving fund.

Colleges and universities may avail themselves of capital from the revolving fund only if they are found unable to secure capital for student loans from non-Federal sources. The allocation would not be restricted to the present National Defense Education Act formula. This is intended to insure that all colleges will make a genuine effort to find capital from private sources. At the same time, the procedure will guard against hardship for those institutions unable to raise capital in this manner.

Student loans made by institutions receiving capital contributions from the revolving fund will be assignable, and proceeds from sales based on these student loan notes will replenish the revolving fund.

Students who qualify now for a National Defense Education Act loan would be eligible for loan forgiveness under the new arrangements proposed in this legislation. We would simply carry over the existing terms of forgiveness for student borrowers who serve as teachers and authorize loan reimbursement payments comparable to the benefits in present law.

Thank you, Madam Chairman, for the opportunity to appear before you today. My colleagues and I will be delighted to answer any questions you may have on these programs.

Mrs. GREEN. Thank you very, very much, Commissioner Howe.

I have quite a few questions, but I am going to vary the procedure today and turn first to Congressman Brademas for the questions he may have.

Mr. BRADEMAS. Thank you very much, Madam Chairman. I have just a few questions.

First, with respect to the proposal of the administration for modifying the NDEA loan program and phasing it into an expansion of our 1965 insured loan program, can you give us some general comment on the operation to date of title IV–B, the insured loan program?

I have in mind such questions as these: How many banks and other private lending institutions are presently participating in the program? How many loans have they made? What States, what size cities, what kinds of colleges and universities are participating?

You indicated in your testimony that the financial and credit situations vary from community to community. Have you any experience on the pattern of lending in differing size communities in the country?

In other words, how are we doing so far with the program which you propose that we expand? That might give us some guidance for considering your new proposal.

Mr. HOWE. I think Mr. Muirhead can give some testimony on this point.

Mr. MUIRHEAD. Yes, Mr. Brademas.

The guaranteed loan program offers at the present time the possibility of widespread support, but no actual Federal programs are in operation. We are about to execute agreements, if you will, with 20 States—States which now have State guaranteed loan programs of their own.

When we sign those State agreements, which we have tentatively set for the 24th of this month, they will then be able to receive the Federal interest subsidy for the loans which they are making this college year and the Federal interest subsidy for any loans which they made after the enactment of the Higher Education Act on November 8, 1965.

We are also about to complete an agreement with the United Student Aid Fund, which is eligible, as you know, under the act. Upon the completion of that agreement, the United Student Aid Fund will be able to use the Federal resources to subsidize the interest on loans that they make between now and the end of the college year.

As to the 20 States with whom we are about to make agreements, their experience during the past year would indicate that they were supporting loans in the neighborhood of about $100 million.

Mr. BRADEMAS. Mr. Muirhead, what do you mean when you say 20 States? Do you mean banks in 20 States or what?

Mr. MUIRHEAD. Mr. Brademas, I am referring to States as student loan program agencies.

Mr. BRADEMAS. I see.

Mr. MUIRHEAD. The act, as you of course know, says that we should operate through State loan program agencies if they are available.

Mr. BRADEMAS. Yes.

Mr. MUIRHEAD. Or through nonprofit agencies if they are available, and at this moment in time there are 20 State agencies available and the United Student Aid Fund is eligible. So to answer your question in the most direct manner, Mr. Brademas, we have not as yet made a loan under the guaranteed loan program, but we expect between now and the end of this college year to have agreements with 20 States and the United Student Aid Fund, and our present projec-

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tion is that we probably will be supporting about $160 million in loans before the end of this college year.

Mr. BRADEMAS. That is helpful to me, but what I am trying to get at is a somewhat different problem, namely, are the bankers making loans or aren't they? What kind of evidence can you give us beyond what you have just suggested to indicate that:

(*a*) The bankers of the United States know of the existence of the program;

(*b*) Understand it, which is not the same thing;

(*c*) Are sympathetic to it; and

(*d*) Are willing to put some money up and make some loans.

I think those are all relevant questions, because if we can't get some positive answers to these questions, I should think you would run into even further skepticism with respect to the possibility of expanding the program.

Mr. MUIRHEAD. Yes, sir.

Well, let me first of all respond to whether or not the banks are sympathetic. The best evidence we can present to you is the evidence that has been presented to us by the spokesmen for the banking industry. They have reported to us that the banking community will support this program, and through the American Bankers Association and through the State chapters of the American Bankers Association a very vigorous program of information has been going on and a very vigorous program of seeking the cooperation of the banks.

Now, as to what the banks have done up to this point in programs of this kind, I must refer again to the experience of the 20 States that have been in operation for varying amounts of time. In each instance, in each State, they have found that the banks have participated and have participated generously in their State programs.

(The list follows:)

United
Student Aid
Funds
Incorporated

Lending Institutions Directory

P.O. Box 444
Indianapolis, Indiana 46206
October 15, 1965

Includes lending institutions which were participating on or before September 30, 1965. Additional lending institutions are enlisting regularly in the USA Funds program. Thus, in the intervals between quarterly publication, many new participants may not appear in the Directory.

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

ALABAMA

ALBERTVILLE	ALBERTVILLE NATIONAL BANK
ALBERTVILLE	STATE NATL BANK OF ALABAMA
ALEXANDER CITY	ALEXANDER CITY BANK
ALICEVILLE	ALICEVILLE BK AND TR CO
ANDALUSIA	THE COMMERCIAL BANK
ANNISTON	COMMERCIAL NATIONAL BANK
ANNISTON	FIRST NATIONAL BANK
ASHFORD	THE FARMERS AND MERCHANTS BK
ATHENS	STATE NATL BANK OF ALABAMA
ATHORE	FIRST NATIONAL BANK
AUBURN	AUBURN NATIONAL BANK
AUBURN	FIRST NATL BANK OF AUBURN
BAY MINETTE	BALDWIN COUNTY BANK
BAYOU LA BATRE	FIRST NATIONAL BANK
BESSEMER	BIRMINGHAM TRUST NATL BANK
BESSEMER	EXCHANGE SECURITY BANK
BESSEMER	THE FIRST NATIONAL BANK
BIRMINGHAM	BIRMINGHAM TRUST NATL BANK
BIRMINGHAM	EXCHANGE SECURITY BANK
BREWTON	CITIZENS FARMERS + MERCHANTS
BUTLER	CHOCTAW BANK
CAMDEN	CAMDEN NATIONAL BANK
CHEROKEE	FIRST NATL BK IN TUSCUMBIA
CHILDERSBURG	FIRST NATIONAL BANK
CLIO	THE PEOPLES BANK
COLLINSVILLE	STATE NATL BANK OF ALABAMA
COLUMBIANA	FIRST NATIONAL BANK
CULLMAN	STATE NATL BANK OF ALABAMA
DECATUR	STATE NATL BANK OF ALABAMA
DEMOPOLIS	ROBERTSON BANKING COMPANY
DOTHAN	THE FIRST NATIONAL BANK
DOTHAN	DOTHAN BANK AND TRUST CO
EAST TALLASSEE	PEOPLES BANK OF CARRVILLE
ELBA	THE PEOPLES BANK
ENTERPRISE	THE CITIZENS BANK
EUFAULA	FIRST NATL BANK OF EUFAULA
EUFAULA	THE CITIZENS BANK
FALKVILLE	STATE NATL BANK OF ALABAMA
FLORENCE	FIRST NATIONAL BANK
FLORENCE	STATE NATL BANK OF ALABAMA
FORT PAYNE	STATE NATL BANK OF ALABAMA
GADSDEN	ALABAMA CITY BANK
GADSDEN	AMERICAN NATIONAL BANK
GADSDEN	FIRST NATIONAL BANK
GENEVA	THE AMERICAN BANK
GREENVILLE	FIRST NATIONAL BANK
HALEYVILLE	STATE NATL BANK OF ALABAMA
HUNTSVILLE	PEOPLES NATL BANK
HUNTSVILLE	STATE NATL BANK OF ALABAMA
JACKSON	MERCHANTS BANK
JASPER	FIRST NATIONAL BANK
LANETT	VALLEY NATIONAL BANK
LEEDS	CITIZENS BANK
LUVERNE	LUVERNE BANK AND TRUST CO
MARION	MARION BANK + TRUST CO
MOBILE	FIRST NATIONAL BANK
MOBILE	MERCHANTS NATIONAL BANK
MONTEVALLO	MERCHANTS AND PLANTERS BANK
MONTGOMERY	THE ALABAMA NATIONAL BANK
MONTGOMERY	PEOPLES BK AND TR COMPANY
MONTGOMERY	UNION BANK AND TRUST CO
MUSCLE SHOALS	FIRST NATL BK IN TUSCUMBIA
MUSCLE SHOALS	STATE NATL BANK OF ALABAMA
NORTHPORT	FIRST NATIONAL BANK
ONEONTA	STATE NATL BANK OF ALABAMA
OPELIKA	OPELIKA NATIONAL BANK
OPP	FIRST NATIONAL BANK
OXFORD	FIRST STATE BANK
PRICHARD	MERCHANTS NATIONAL BANK
ROANOKE	CITY BANK AND TRUST CO
SCOTTSBORO	STATE NATL BANK OF ALABAMA
SELMA	PEOPLES BANK AND TRUST CO
SHEFFIELD	FIRST NATL BK IN TUSCUMBIA
SHEFFIELD	STATE NATL BANK OF ALABAMA
SYLACAUGA	FIRST NATIONAL BANK
THONASTON	PLANTERS BK + TR CO
THOMASVILLE	BANK OF THOMASVILLE
TROY	FIRST FARMERS + MER NATL BK
TROY	TROY BANK AND TRUST COMPANY
TUSCALOOSA	CITY NATIONAL BANK
TUSCALOOSA	FIRST NATIONAL BANK
TUSCUMBIA	FIRST NATL BK IN TUSCUMBIA
TUSCUMBIA	STATE NATL BANK OF ALABAMA
UNION SPRINGS	AMERICAN NATIONAL BANK
WARRIOR	WARRIOR SAVINGS BANK
WEDOWEE	BANK OF WEDOWEE
WETUMPKA	FIRST NATIONAL BANK
WILSONVILLE	FIRST NATIONAL BANK
YORK	BANK OF YORK

ARIZONA

AJO	VALLEY NATIONAL BANK
APACHE JUNCTION	1ST NATIONAL BANK OF ARIZONA
BAGDAD	VALLEY NATIONAL BANK
BENSON	1ST NATIONAL BANK OF ARIZONA
BISBEE	1ST NATIONAL BANK OF ARIZONA
BISBEE	THE ARIZONA BANK
BUCKEYE	VALLEY NATIONAL BANK
CASA GRANDE	1ST NATIONAL BANK OF ARIZONA
CASA GRANDE	VALLEY NATIONAL BANK
CHANDLER	THE ARIZONA BANK
CHANDLER	VALLEY NATIONAL BANK
CLARKDALE	1ST NATIONAL BANK OF ARIZONA
CLIFTON	VALLEY NATIONAL BANK
COOLIDGE	VALLEY NATIONAL BANK
COTTONWOOD	1ST NATIONAL BANK OF ARIZONA
DOUGLAS	THE ARIZONA BANK
DOUGLAS	VALLEY NATIONAL BANK
DUNCAN	VALLEY NATIONAL BANK
ELOY	1ST NATIONAL BANK OF ARIZONA
FLAGSTAFF	1ST NATIONAL BANK OF ARIZONA
FLAGSTAFF	THE ARIZONA BANK
FLAGSTAFF	VALLEY NATIONAL BANK
FLORENCE	1ST NATIONAL BANK OF ARIZONA
FORT HUACHUCA	1ST NATIONAL BANK OF ARIZONA
GILA BEND	VALLEY NATIONAL BANK
GILBERT	1ST NATIONAL BANK OF ARIZONA
GLENDALE	1ST NATIONAL BANK OF ARIZONA
GLENDALE	THE ARIZONA BANK
GLENDALE	VALLEY NATIONAL BANK
GLOBE	1ST NATIONAL BANK OF ARIZONA
GLOBE	VALLEY NATIONAL BANK
GOODYEAR	1ST NATIONAL BANK OF ARIZONA
HAYDEN	VALLEY NATIONAL BANK
KEARNY	VALLEY NATIONAL BANK
KINGMAN	VALLEY NATIONAL BANK
LITCHFIELD PARK	1ST NATIONAL BANK OF ARIZONA
LITCHFIELD PARK	VALLEY NATIONAL BANK
LOWELL	1ST NATIONAL BANK OF ARIZONA
MC NARY	1ST NATIONAL BANK OF ARIZONA
MESA	1ST NATIONAL BANK OF ARIZONA
MESA	THE ARIZONA BANK
MESA	VALLEY NATIONAL BANK
MIAMI	VALLEY NATIONAL BANK
MORENCI	VALLEY NATIONAL BANK
NOGALES	VALLEY NATIONAL BANK
PAGE	1ST NATIONAL BANK OF ARIZONA
PARKER	1ST NATIONAL BANK OF ARIZONA
PAYSON	VALLEY NATIONAL BANK
PEORIA	THE ARIZONA BANK
PHOENIX	1ST NATIONAL BANK OF ARIZONA
PHOENIX	THE ARIZONA BANK
PHOENIX	VALLEY NATIONAL BANK
PRESCOTT	1ST NATIONAL BANK OF ARIZONA
PRESCOTT	VALLEY NATIONAL BANK
SAFFORD	1ST NATIONAL BANK OF ARIZONA
SAFFORD	VALLEY NATIONAL BANK
SAN MANUEL	VALLEY NATIONAL BANK
SCOTTSDALE	1ST NATIONAL BANK OF ARIZONA
SCOTTSDALE	THE ARIZONA BANK
SCOTTSDALE	VALLEY NATIONAL BANK
SEDONA	1ST NATIONAL BANK OF ARIZONA
SHOW LOW	VALLEY NATIONAL BANK
SIERRA VISTA	1ST NATIONAL BANK OF ARIZONA
SOMERTON	1ST NATIONAL BANK OF ARIZONA
SOUTH TUCSON	VALLEY NATIONAL BANK
SPRINGERVILLE	1ST NATIONAL BANK OF ARIZONA
ST JOHNS	VALLEY NATIONAL BANK
SUN CITY	1ST NATIONAL BANK OF ARIZONA
SUPERIOR	VALLEY NATIONAL BANK
TEMPE	1ST NATIONAL BANK OF ARIZONA
TEMPE	THE ARIZONA BANK
TEMPE	VALLEY NATIONAL BANK
TOLLESON	VALLEY NATIONAL BANK
TOMBSTONE	THE ARIZONA BANK
TUCSON	BANK OF TUCSON
TUCSON	1ST NATIONAL BANK OF ARIZONA
TUCSON	THE ARIZONA BANK
TUCSON	UNION BANK
TUCSON	VALLEY NATIONAL BANK
WARREN	1ST NATIONAL BANK OF ARIZONA
WELLTON	1ST NATIONAL BANK OF ARIZONA
WICKENBURG	VALLEY NATIONAL BANK
WILLCOX	VALLEY NATIONAL BANK
WILLIAMS	1ST NATIONAL BANK OF ARIZONA
WILLIAMS AFB	VALLEY NATIONAL BANK
WINSLOW	VALLEY NATIONAL BANK
YOUNGTOWN S C	VALLEY NATIONAL BANK
YUMA	BANK OF YUMA
YUMA	1ST NATIONAL BANK OF ARIZONA
YUMA	THE ARIZONA BANK
YUMA	VALLEY NATIONAL BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

ARKANSAS

ARKADELPHIA	CITIZENS NATIONAL BANK
BATESVILLE	CITIZENS BANK
BATESVILLE	FIRST NATIONAL BANK
BLYTHEVILLE	FARMERS BANK AND TRUST CO
CAMDEN	FIRST NATL BANK OF CAMDEN
CHERRY VALLEY	BANK OF CHERRY VALLEY
CROSSETT	FIRST NATL BANK OF CROSSETT
DE WITT	DE WITT BANK + TRUST CO
DE WITT	FIRST NATIONAL BANK
EL DORADO	EXCHANGE BANK AND TRUST CO
EL DORADO	FIRST NATIONAL BANK
ELKINS	BANK OF ELKINS
EUDORA	THE EUDORA BANK
FAYETTEVILLE	FIRST NATIONAL BANK
FAYETTEVILLE	MCILROY BANK
FORREST CITY	1ST NATL BANK OF E ARKANSAS
FORT SMITH	CITY NATIONAL BANK
FORT SMITH	FIRST NATIONAL BANK
FORT SMITH	MERCHANTS NATIONAL BANK
HARRISBURG	BANK OF HARRISBURG
HARRISON	SECURITY BANK
HELENA	PHILLIPS NATIONAL BANK
HICKORY RIDGE	CROSS COUNTY BANK
HOT SPRINGS	ARKANSAS BK AND TR CO
HOT SPRINGS	ARKANSAS FIRST NATL BANK
JACKSONVILLE	FIRST JACKSONVILLE BANK
JACKSONVILLE	JACKSONVILLE STATE BANK
JONESBORO	CITIZENS BANK OF JONESBORO
JONESBORO	MERCANTILE BANK
LAKE VILLAGE	BANK OF LAKE VILLAGE
LITTLE ROCK	FIRST NATIONAL BANK
LITTLE ROCK	THE COMMERCIAL NATIONAL BANK
LITTLE ROCK	UNION NATIONAL BANK
LITTLE ROCK	WORTHEN BANK AND TRUST CO
MAGNOLIA	FIRST NATL BANK OF MAGNOLIA
MARKED TREE	MARKED TREE BANK
NEWPORT	MERCHANTS AND PLANTERS BANK
N LITTLE ROCK	AMERICAN NATL BANK
OSCEOLA	FIRST NATIONAL BANK
PARAGOULD	FIRST NATIONAL BANK
PARAGOULD	NATIONAL BANK OF COMMERCE
PARAGOULD	THE SECURITY BANK + TRUST CO
RECTOR	BANK OF RECTOR
ROGERS	FIRST NATIONAL BANK
RUSSELLVILLE	PEOPLES BANK + TRUST CO
SEARCY	SEARCY BANK
SILOAM SPRINGS	BRATT WASSON BANK
SPRINGDALE	FIRST NATIONAL BANK
STUTTGART	THE PEOPLES NATIONAL BANK
TEXARKANA	COMMERCIAL NATL BK OF TEX
TEXARKANA	STATE NATIONAL BANK
TYRONZA	TYRONZA BANK
WALNUT RIDGE	CITIZENS NATIONAL BANK
WARREN	WARREN BANK
WEST MEMPHIS	BANK OF WEST MEMPHIS
WYNNE	CROSS COUNTY BANK
WYNNE	FIRST NATIONAL BANK
YELLVILLE	BANK OF YELLVILLE

CALIFORNIA

ALAMEDA	BANK OF AMERICA
ALAMEDA	WELLS FARGO BANK
ALAMO	BANK OF AMERICA
ALBANY	BANK OF AMERICA
ALHAMBRA	BANK OF AMERICA
ALTADENA	BANK OF AMERICA
ALTURAS	BANK OF AMERICA
ANAHEIM	BANK OF AMERICA
ANDERSON	BANK OF AMERICA
ANGELS CAMP	BANK OF AMERICA
ANTIOCH	BANK OF AMERICA
ANTIOCH	WELLS FARGO BANK
ARBUCKLE	BANK OF AMERICA
ARCADIA	BANK OF AMERICA
ARCADIA	U S NATL BANK OF SAN DIEGO
ARCATA	BANK OF AMERICA
ARLINGTON	BANK OF AMERICA
ARROYA GRANDE	BANK OF AMERICA
ARVIN	BANK OF AMERICA
ATASCADERO	BANK OF AMERICA
ATWATER	BANK OF AMERICA
AUBURN	BANK OF AMERICA
AUBURN	THE BANK OF CALIFORNIA
AVENAL	BANK OF AMERICA
AZUSA	BANK OF AMERICA
BAKERSFIELD	BANK OF AMERICA
BALBOA	BANK OF AMERICA
BALDWIN PARK	BANK OF AMERICA
BANNING	BANK OF AMERICA
BARSTOW	BANK OF AMERICA
BELL	BANK OF AMERICA
BELLFLOWER	BANK OF AMERICA
BELMONT	BANK OF AMERICA
BELMONT	WELLS FARGO BANK
BENICIA	BANK OF AMERICA
BERKELEY	BANK OF AMERICA
BERKELEY	THE BANK OF CALIFORNIA
BERKELEY	WELLS FARGO BANK
BEVERLY HILLS	BANK OF AMERICA
BIG BEAR LAKE	THE BANK OF CALIFORNIA
BIGGS	BANK OF AMERICA
BIJOU	BANK OF AMERICA
BISHOP	BANK OF AMERICA
BLOOMINGTON	BANK OF AMERICA
BRAWLEY	BANK OF AMERICA
BREA	BANK OF AMERICA
BRENTWOOD	BANK OF AMERICA
BRIDGEPORT	BANK OF AMERICA
BUENA PARK	BANK OF AMERICA
BUENA PARK	U S NATL BANK OF SAN DIEGO
BURBANK	BANK OF AMERICA
BURLINGAME	BANK OF AMERICA
BURLINGAME	THE BANK OF CALIFORNIA
BURLINGAME	WELLS FARGO BANK
CALEXICO	BANK OF AMERICA
CALIPATRIA	BANK OF AMERICA
CALISTOGA	BANK OF AMERICA
CAMARILLO	BANK OF AMERICA
CAMBRIA	BANK OF AMERICA
CAMBRIAN PARK	BANK OF AMERICA
CAMPBELL	BANK OF AMERICA
CAMPBELL	WELLS FARGO BANK
CAMP PENDLETON	BANK OF AMERICA
CANOGA PARK	BANK OF AMERICA
CARMEL	BANK OF AMERICA
CARMEL	WELLS FARGO BANK
CARMEL VALLEY	BANK OF AMERICA
CARMICHAEL	BANK OF AMERICA
CASTLE AFB	BANK OF AMERICA
CASTRO VALLEY	BANK OF AMERICA
CASTROVILLE	WELLS FARGO BANK
CEDARVILLE	BANK OF AMERICA
CHATSWORTH	BANK OF AMERICA
CHESTER	BANK OF AMERICA
CHICO	BANK OF AMERICA
CHINA LAKE	BANK OF AMERICA
CHINO	BANK OF AMERICA
CHOWCHILLA	BANK OF AMERICA
CHULA VISTA	BANK OF AMERICA
CHULA VISTA	1ST NATL BANK OF SAN DIEGO
CHULA VISTA	U S NATL BANK OF SAN DIEGO
CITRUS HEIGHTS	BANK OF AMERICA
CITY OF INDUSTR	BANK OF AMERICA
CLAREMONT	BANK OF AMERICA
CLEARLAKE HIGHLA	BANK OF AMERICA
CLOVERDALE	BANK OF AMERICA
CLOVIS	BANK OF AMERICA
COALINGA	BANK OF AMERICA
COLFAX	BANK OF AMERICA
COLMA	BANK OF AMERICA
COLTON	BANK OF AMERICA
COLTON	THE BANK OF CALIFORNIA
COLUSA	BANK OF AMERICA
COMPTON	BANK OF AMERICA
CONCORD	BANK OF AMERICA
CONCORD	WELLS FARGO BANK
CORNING	BANK OF AMERICA
CORONA	BANK OF AMERICA
CORONA DELMAR	BANK OF AMERICA
CORONADO	BANK OF AMERICA
CORONADO	1ST NATL BANK OF SAN DIEGO
CORTE MADERA	BANK OF AMERICA
COSTA MESA	BANK OF AMERICA
COSTA MESA	U S NATL BANK OF SAN DIEGO
COTATI	EXCHANGE BANK
COVINA	BANK OF AMERICA
CRESCENT CITY	BANK OF AMERICA
CRESTLINE	THE BANK OF CALIFORNIA
CUCAMONGA	BANK OF AMERICA
CULVER CITY	BANK OF AMERICA
DALY CITY	BANK OF AMERICA
DANVILLE	BANK OF AMERICA
DANVILLE	THE BANK OF CALIFORNIA
DAVIS	BANK OF AMERICA
DAVIS	THE BANK OF CALIFORNIA
DEL MAR	1ST NATL BK OF SAN DIEGO
DEL REY	BANK OF AMERICA
DELANO	BANK OF AMERICA
DESERT HOT SPGS	BANK OF AMERICA
DINUBA	BANK OF AMERICA
DIXON	BANK OF AMERICA
DOS PALOS	BANK OF AMERICA
DOWNEY	BANK OF AMERICA
DUARTE	BANK OF AMERICA
DUNSMUIR	BANK OF AMERICA
EDWARDS AFB	BANK OF AMERICA
EL CAJON	BANK OF AMERICA
EL CAJON	1ST NATL BANK OF SAN DIEGO
EL CENTRO	BANK OF AMERICA
EL CERRITO	BANK OF AMERICA

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

EL MONTE	BANK OF AMERICA
EL MONTE	U S NATL BANK OF SAN DIEGO
EL SEGUNDO	BANK OF AMERICA
EL SOBRANTE	BANK OF AMERICA
ELK GROVE	BANK OF AMERICA
EMERYVILLE	BANK OF AMERICA
EMERYVILLE	WELLS FARGO BANK
ENCINITAS	BANK OF AMERICA
ENCINITAS	1ST NATL BANK OF SAN DIEGO
ENCINO	BANK OF AMERICA
ESCONDIDO	BANK OF AMERICA
ESCONDIDO	1ST NATL BANK OF SAN DIEGO
EUREKA	BANK OF AMERICA
EXETER	BANK OF AMERICA
FAIRFAX	BANK OF AMERICA
FAIRFIELD	BANK OF AMERICA
FAIRFIELD	WELLS FARGO BANK
FAIR OAKS	BANK OF AMERICA
FALL RIVER MILL	BANK OF AMERICA
FALLBROOK	BANK OF AMERICA
FALLBROOK	BANK OF FALLBROOK
FERNDALE	BANK OF AMERICA
FILLMORE	BANK OF AMERICA
FIREBAUGH	BANK OF AMERICA
FOLSOM	BANK OF AMERICA
FONTANA	BANK OF AMERICA
FORT BRAGG	BANK OF AMERICA
FORT ORD	BANK OF AMERICA
FORTUNA	BANK OF AMERICA
FOUNTAIN VALLEY	BANK OF AMERICA
FOWLER	BANK OF AMERICA
FREMONT	BANK OF AMERICA
FREMONT	THE BANK OF CALIFORNIA
FREMONT	WELLS FARGO BANK
FRESNO	BANK OF AMERICA
FULLERTON	BANK OF AMERICA
FULLERTON	U S NATL BANK OF SAN DIEGO
GARBERVILLE	BANK OF AMERICA
GARDEN GROVE	BANK OF AMERICA
GARDENA	BANK OF AMERICA
GEYSERVILLE	BANK OF AMERICA
GILROY	BANK OF AMERICA
GILROY	WELLS FARGO BANK
GLENDALE	BANK OF AMERICA
GLENDORA	BANK OF AMERICA
GOLETA	BANK OF AMERICA
GONZALES	BANK OF AMERICA
GONZALES	WELLS FARGO BANK
GRANADA HILLS	BANK OF AMERICA
GRASS VALLEY	BANK OF AMERICA
GREENFIELD	WELLS FARGO BANK
GRIDLEY	BANK OF AMERICA
GRIDLEY	WELLS FARGO BANK
GUSTINE	BANK OF AMERICA
HALF MOON BAY	BANK OF AMERICA
HAMILTON AFB	BANK OF AMERICA
HANFORD	BANK OF AMERICA
HAWAIIAN GARDEN	BANK OF AMERICA
HAWTHORNE	BANK OF AMERICA
HAYWARD	BANK OF AMERICA
HAYWARD	THE BANK OF CALIFORNIA
HAYWARD	WELLS FARGO BANK
HEALDSBURG	BANK OF AMERICA
HERLONG	BANK OF AMERICA
HERMOSA BEACH	BANK OF AMERICA
HESPERIA	BANK OF AMERICA
HIGHLAND	BANK OF AMERICA
HILMAR	BANK OF AMERICA
HOLLISTER	BANK OF AMERICA
HOLLYWOOD	BANK OF AMERICA
HOLTVILLE	FIRST NATL BANK OF HOLTVILLE
HUNTERS POINT	BANK OF AMERICA
HUNTINGTON BCH	BANK OF AMERICA
HUNTINGTON PARK	BANK OF AMERICA
IMPERIAL BEACH	BANK OF AMERICA
INDIO	BANK OF AMERICA
INGLEWOOD	BANK OF AMERICA
IONE	BANK OF AMERICA
ISLETON	BANK OF AMERICA
JACKSON	BANK OF AMERICA
KELSEYVILLE	BANK OF AMERICA
KERMAN	BANK OF AMERICA
KERN CITY	BANK OF AMERICA
KING CITY	BANK OF AMERICA
KING CITY	WELLS FARGO BANK
KINGSBURG	BANK OF AMERICA
KNIGHTS LANDING	BANK OF AMERICA
LA CANADA	BANK OF AMERICA
LA CRESCENTA	BANK OF AMERICA
LA HABRA	BANK OF AMERICA
LA JOLLA	BANK OF AMERICA
LA JOLLA	1ST NATL BANK OF SAN DIEGO
LA JOLLA	U S NATL BANK OF SAN DIEGO
LA MESA	BANK OF AMERICA
LA MESA	1ST NATL BANK OF SAN DIEGO
LA MESA	U S NATL BANK OF SAN DIEGO
LA MIRADA	BANK OF AMERICA
LA PUENTE	BANK OF AMERICA
LAFAYETTE	BANK OF AMERICA
LAGUNA BEACH	BANK OF AMERICA
LAKE ARROWHEAD	BANK OF AMERICA
LAKEPORT	BANK OF AMERICA
LAKEWOOD	BANK OF AMERICA
LANCASTER	BANK OF AMERICA
LARKSPUR	BANK OF AMERICA
LEMON GROVE	BANK OF AMERICA
LEMON GROVE	1ST NATL BANK OF SAN DIEGO
LEMON GROVE	U S NATL BANK OF SAN DIEGO
LEMOORE	BANK OF AMERICA
LINCOLN	BANK OF AMERICA
LINDSAY	BANK OF AMERICA
LIVE OAK	BANK OF AMERICA
LIVERMORE	BANK OF AMERICA
LIVERMORE	WELLS FARGO BANK
LIVINGSTON	BANK OF AMERICA
LODI	BANK OF AMERICA
LOMITA	BANK OF AMERICA
LOMPOC	BANK OF AMERICA
LONE PINE	BANK OF AMERICA
LONG BEACH	BANK OF AMERICA
LONG BEACH	THE BANK OF CALIFORNIA
LONG BEACH	U S NATL BANK OF SAN DIEGO
LOOMIS	BANK OF AMERICA
LOS ALAMITOS	BANK OF AMERICA
LOS ALTOS	BANK OF AMERICA
LOS ANGELES	BANK OF AMERICA
LOS ANGELES	THE BANK OF CALIFORNIA
LOS BANOS	BANK OF AMERICA
LOS BANOS	WELLS FARGO BANK
LOS GATOS	BANK OF AMERICA
LOS GATOS	WELLS FARGO BANK
LOWER LAKE	BANK OF AMERICA
LOYALTON	BANK OF AMERICA
LYNWOOD	BANK OF AMERICA
MADERA	BANK OF AMERICA
MALIBU	BANK OF AMERICA
MANHATTAN BEACH	BANK OF AMERICA
MANHATTAN BEACH	SOUTH BAY BANK
MANTECA	BANK OF AMERICA
MARE ISLAND	BANK OF AMERICA
MARIPOSA	BANK OF AMERICA
MARKLEEVILLE	BANK OF AMERICA
MARTINEZ	BANK OF AMERICA
MARTINEZ	THE BANK OF CALIFORNIA
MARTINEZ	WELLS FARGO BANK
MARYSVILLE	BANK OF AMERICA
MARYSVILLE	WELLS FARGO BANK
MATHER AFB	BANK OF AMERICA
MC CLOUD	BANK OF AMERICA
MC KINLEYVILLE	BANK OF AMERICA
MCLELLAN AFB	BANK OF AMERICA
MENDOCINO	BANK OF AMERICA
MENLO PARK	BANK OF AMERICA
MENLO PARK	THE BANK OF CALIFORNIA
MENLO PARK	WELLS FARGO BANK
MERCED	BANK OF AMERICA
MERCED	WELLS FARGO BANK
MILL VALLEY	BANK OF AMERICA
MILL VALLEY	WELLS FARGO BANK
MILLBRAE	BANK OF AMERICA
MILPITAS	BANK OF AMERICA
MODESTO	BANK OF AMERICA
MODESTO	THE BANK OF CALIFORNIA
MODESTO	WELLS FARGO BANK
MOFFETT FIELD	BANK OF AMERICA
MOJAVE	BANK OF AMERICA
MONROVIA	BANK OF AMERICA
MONROVIA	U S NATL BANK OF SAN DIEGO
MONTEBELLO	BANK OF AMERICA
MONTEREY	BANK OF AMERICA
MONTEREY	THE BANK OF CALIFORNIA
MONTEREY	WELLS FARGO BANK
MONTEREY PARK	BANK OF AMERICA
MONTROSE	BANK OF AMERICA
MORGAN HILL	BANK OF AMERICA
MORGAN HILL	WELLS FARGO BANK
MORRO BAY	BANK OF AMERICA
MOUNTAIN VIEW	BANK OF AMERICA
MOUNTAIN VIEW	WELLS FARGO BANK
NAPA	BANK OF AMERICA
NAPA	WELLS FARGO BANK
NATIONAL CITY	BANK OF AMERICA
NATIONAL CITY	1ST NATL BANK OF SAN DIEGO
NATIONAL CITY	U S NATL BANK OF SAN DIEGO
NEEDLES	BANK OF AMERICA
NEVADA CITY	BANK OF AMERICA
NEW CASTLE	BANK OF AMERICA
NEWHALL	BANK OF AMERICA
NEWPORT BEACH	BANK OF AMERICA
NORTH HIGHLANDS	BANK OF AMERICA
NORTH HOLLYWOOD	BANK OF AMERICA
NORTHRIDGE	BANK OF AMERICA
N SACRAMENTO	BANK OF AMERICA
N SACRAMENTO	WELLS FARGO BANK
NORWALK	BANK OF AMERICA

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

OAKDALE	BANK OF AMERICA
OAKLAND	BANK OF AMERICA
OAKLAND	THE BANK OF CALIFORNIA
OAKLAND	WELLS FARGO BANK
OCEAN BEACH	BANK OF AMERICA
OCEAN PARK	BANK OF AMERICA
OCEANSIDE	BANK OF AMERICA
OCEANSIDE	1ST NATL BANK OF SAN DIEGO
OILDALE	BANK OF AMERICA
OJAI	BANK OF AMERICA
OLIVE	BANK OF AMERICA
ONTARIO	BANK OF AMERICA
ORANGE	BANK OF AMERICA
ORANGE	THE FIRST NATIONAL BANK
ORANGE	U S NATL BANK OF SAN DIEGO
ORANGEVALE	BANK OF AMERICA
ORINDA	WELLS FARGO BANK
ORLAND	BANK OF AMERICA
OROVILLE	BANK OF AMERICA
OXNARD	BANK OF AMERICA
PACIFIC GROVE	BANK OF AMERICA
PACIFIC PALISAD	BANK OF AMERICA
PACIFICA	BANK OF AMERICA
PALM DESERT	BANK OF AMERICA
PALM SPRINGS	BANK OF AMERICA
PALMDALE	BANK OF AMERICA
PALO ALTO	BANK OF AMERICA
PALO ALTO	THE BANK OF CALIFORNIA
PALO ALTO	WELLS FARGO BANK
PANORAMA CITY	BANK OF AMERICA
PARADISE	BANK OF AMERICA
PARAMOUNT	BANK OF AMERICA
PASADENA	BANK OF AMERICA
PASADENA	U S NATL BANK OF SAN DIEGO
PASO ROBLES	BANK OF AMERICA
PATTERSON	WELLS FARGO BANK
PEARBLOSSOM	BANK OF AMERICA
PESCADERO	BANK OF AMERICA
PETALUMA	BANK OF AMERICA
PETALUMA	WELLS FARGO BANK
PIRU	BANK OF AMERICA
PISMO BEACH	BANK OF AMERICA
PITTSBURG	BANK OF AMERICA
PITTSBURG	WELLS FARGO BANK
PLACENTIA	BANK OF AMERICA
PLACERVILLE	BANK OF AMERICA
PLAYA DEL REY	BANK OF AMERICA
PLEASANT HILL	BANK OF AMERICA
PLEASANT HILL	MOUNT DIABLO FIRST NATL BANK
PLEASANT HILL	THE BANK OF CALIFORNIA
PLEASANTON	BANK OF AMERICA
POINT ARENA	BANK OF AMERICA
POINT MUGU	BANK OF AMERICA
POINT REYES STA	BANK OF AMERICA
POMONA	BANK OF AMERICA
PORT HUENEME	BANK OF AMERICA
PORTERVILLE	BANK OF AMERICA
PORTOLA	BANK OF AMERICA
QUINCY	BANK OF AMERICA
RAMONA	BANK OF AMERICA
RANCHO CORDOVA	BANK OF AMERICA
RED BLUFF	BANK OF AMERICA
REDDING	BANK OF AMERICA
REDLANDS	BANK OF AMERICA
REDLAND	THE BANK OF CALIFORNIA
REDONDO BEACH	BANK OF AMERICA
REDWOOD CITY	BANK OF AMERICA
REDWOOD CITY	WELLS FARGO BANK
REEDLEY	BANK OF AMERICA
RESEDA	BANK OF AMERICA
RIALTO	BANK OF AMERICA
RIALTO	THE BANK OF CALIFORNIA
RICHMOND	BANK OF AMERICA
RICHMOND	WELLS FARGO BANK
RIDGECREST	BANK OF AMERICA
RIO LINDA	BANK OF AMERICA
RIO VISTA	BANK OF AMERICA
RIPON	BANK OF AMERICA
RIVERBANK	THE BANK OF CALIFORNIA
RIVERSIDE	BANK OF AMERICA
ROSEVILLE	BANK OF AMERICA
SACRAMENTO	BANK OF AMERICA
SACRAMENTO	THE BANK OF CALIFORNIA
SACRAMENTO	WELLS FARGO BANK
ST HELENA	BANK OF AMERICA
SALINAS	BANK OF AMERICA
SALINAS	WELLS FARGO BANK
SAN ANSELMO	BANK OF AMERICA
SAN ANSELMO	WELLS FARGO BANK
SAN BERNARDINO	BANK OF AMERICA
SAN BERNARDINO	THE BANK OF CALIFORNIA
SAN BRUNO	BANK OF AMERICA
SAN BRUNO	WELLS FARGO BANK
SAN CARLOS	BANK OF AMERICA
SAN CARLOS	THE BANK OF CALIFORNIA
SAN CARLOS	WELLS FARGO BANK
SAN CLEMENTE	BANK OF AMERICA
SAN DIEGO	BANK OF AMERICA
SAN DIEGO	CITY BANK OF SAN DIEGO
SAN DIEGO	1ST NATL BANK OF SAN DIEGO
SAN DIEGO	HOME FEDERAL S+L ASSOC
SAN DIEGO	SAN DIEGO TR + SAVINGS BANK
SAN DIEGO	UNITED STATES NATL BANK
SAN DIMAS	BANK OF AMERICA
SAN FERNANDO	BANK OF AMERICA
SAN FRANCISCO	BANK OF AMERICA
SAN FRANCISCO	THE BANK OF CALIFORNIA
SAN FRANCISCO	WELLS FARGO BANK
SAN GABRIEL	BANK OF AMERICA
SAN JOSE	BANK OF AMERICA
SAN JOSE	THE BANK OF CALIFORNIA
SAN JOSE	WELLS FARGO BANK
SAN JUAN BAUTI	BANK OF AMERICA
SAN LEANDRO	BANK OF AMERICA
SAN LEANDRO	THE BANK OF CALIFORNIA
SAN LEANDRO	WELLS FARGO BANK
SAN LUIS OBISP	BANK OF AMERICA
SAN MATEO	BANK OF AMERICA
SAN MATEO	THE BANK OF CALIFORNIA
SAN MATEO	WELLS FARGO BANK
SAN PEDRO	BANK OF AMERICA
SAN RAFAEL	BANK OF AMERICA
SAN RAFAEL	WELLS FARGO BANK
SANGER	BANK OF AMERICA
SANTA ANA	BANK OF AMERICA
SANTA ANA	U S NATL BANK OF SAN DIEGO
SANTA BARBARA	BANK OF AMERICA
SANTA CLARA	BANK OF AMERICA
SANTA CLARA	WELLS FARGO BANK
SANTA CRUZ	BANK OF AMERICA
SANTA CRUZ	WELLS FARGO BANK
SANTA FE SPGS	BANK OF AMERICA
SANTA MARIA	BANK OF AMERICA
SANTA MONICA	BANK OF AMERICA
SANTA PAULA	BANK OF AMERICA
SANTA PAULA	CITIZENS STATE BANK
SANTA ROSA	BANK OF AMERICA
SANTA ROSA	EXCHANGE BANK
SANTA ROSA	THE BANK OF CALIFORNIA
SANTA ROSA	WELLS FARGO BANK
SARATOGA	BANK OF AMERICA
SAUSALITO	BANK OF AMERICA
SAUSALITO	WELLS FARGO BANK
SEAL BEACH	BANK OF AMERICA
SEASIDE	BANK OF AMERICA
SEBASTOPOL	BANK OF AMERICA
SELMA	BANK OF AMERICA
SEPULVEDA	BANK OF AMERICA
SHAFTER	BANK OF AMERICA
SHERMAN OAKS	BANK OF AMERICA
SOLANA BEACH	BANK OF AMERICA
SOLEDAD	BANK OF AMERICA
SONOMA	BANK OF AMERICA
SONOMA	WELLS FARGO BANK
SONORA	BANK OF AMERICA
SOUTH GATE	BANK OF AMERICA
SOUTH PASADENA	BANK OF AMERICA
S SAN FRANCISCO	BANK OF AMERICA
S SAN FRANCISCO	WELLS FARGO BANK
SO SAN GABRIEL	BANK OF AMERICA
SPRING VALLEY	BANK OF AMERICA
STANFORD	BANK OF AMERICA
STANTON	BANK OF AMERICA
STOCKTON	BANK OF AMERICA
STOCKTON	WELLS FARGO BANK
STUDIO CITY	BANK OF AMERICA
SUISUN CITY	BANK OF AMERICA
SUN VALLEY	BANK OF AMERICA
SUNLAND	BANK OF AMERICA
SUNNYVALE	BANK OF AMERICA
SUNNYVALE	WELLS FARGO BANK
SUNSET BEACH	BANK OF AMERICA
SUSANVILLE	BANK OF AMERICA
SUTTER CREEK	BANK OF AMERICA
SYLMAR	BANK OF AMERICA
TAFT	BANK OF AMERICA
TAHOE CITY	BANK OF AMERICA
TAHOE CITY	THE BANK OF CALIFORNIA
TARZANA	BANK OF AMERICA
TEMPLE CITY	BANK OF AMERICA
THOUSAND OAKS	BANK OF AMERICA
TIPTON	BANK OF AMERICA
TOMALES	BANK OF AMERICA
TORRANCE	BANK OF AMERICA
TRACY	BANK OF AMERICA
TRACY	WELLS FARGO BANK
TRAVIS AFB	BANK OF AMERICA
TREASURE ISLAND	BANK OF AMERICA
TRUCKEE	BANK OF AMERICA
TUJUNGA	BANK OF AMERICA
TULARE	BANK OF AMERICA
TULELAKE	BANK OF AMERICA
TURLOCK	BANK OF AMERICA
TUSTIN	BANK OF AMERICA
UKIAH	BANK OF AMERICA
UNIVERSAL CITY	BANK OF AMERICA

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

UPLAND	BANK OF AMERICA
UPLAND	THE FIRST NATL BK OF UPLAND
VACAVILLE	BANK OF AMERICA
VALLEJO	BANK OF AMERICA
VALLEY FORD	BANK OF AMERICA
VAN NUYS	BANK OF AMERICA
VENICE	BANK OF AMERICA
VENTURA	BANK OF AMERICA
VERNON	BANK OF AMERICA
VICTORVILLE	BANK OF AMERICA
VISALIA	BANK OF AMERICA
WALNUT CREEK	BANK OF AMERICA
WALNUT CREEK	WELLS FARGO BANK
WASCO	BANK OF AMERICA
WATSONVILLE	BANK OF AMERICA
WATSONVILLE	THE BANK OF CALIFORNIA
WEAVERVILLE	BANK OF AMERICA
WEST COVINA	BANK OF AMERICA
W LOS ANGELES	BANK OF AMERICA
WESTMINSTER	BANK OF AMERICA
W SACRAMENTO	BANK OF AMERICA
WESTWOOD VILLAG	BANK OF AMERICA
WHEATLAND	BANK OF AMERICA
WHITTIER	BANK OF AMERICA
WILLIAMS	BANK OF AMERICA
WILLITS	BANK OF AMERICA
WILLOWS	BANK OF AMERICA
WILMINGTON	BANK OF AMERICA
WINTERS	BANK OF AMERICA
WOODLAKE	BANK OF AMERICA
WOODLAND	BANK OF AMERICA
WOODLAND	WELLS FARGO BANK
WOODLAND HILLS	BANK OF AMERICA
YORBA LINDA	BANK OF AMERICA
YREKA	BANK OF AMERICA
YUBA CITY	BANK OF AMERICA
YUBA CITY	WELLS FARGO BANK
YUCAIPA	BANK OF AMERICA

COLORADO

AKRON	CITIZENS NATIONAL BANK
ALAMOSA	ALAMOSA NATIONAL BANK
ARVADA	THE FIRST NATIONAL BANK
BERTHOUD	BERTHOUD NATIONAL BANK
CANON CITY	THE FREMONT COUNTY NATL BK
CEDAREDGE	THE FIRST NATIONAL BANK
COLORADO SPGS	THE COLORADO SPRINGS NATL BK
CORTEZ	CITIZENS STATE BANK
CORTEZ	FIRST NATIONAL BANK
CRAIG	MOFFAT COUNTY STATE BANK
DELTA	THE COLORADO BK AND TR CO
DENVER	BANK OF DENVER
DENVER	BOULEVARD NATIONAL BANK
DENVER	THE CENTRAL BK AND TR CO
DENVER	COLORADO FEDERAL S+L ASSOC
DURANGO	BURNS NATIONAL BANK
DURANGO	FIRST NATIONAL BANK
EVERGREEN	EVERGREEN STATE BANK
FLEMING	FIRST NATIONAL BANK
FORT COLLINS	THE FIRST NATIONAL BANK
FORT COLLINS	THE POUDRE VALLEY NATL BANK
FORT MORGAN	FARMERS STATE BANK
GLENWOOD SPRING	FIRST NATIONAL BANK
GOLDEN	FIRST NATIONAL BK IN GOLDEN
GRAND JUNCTION	FIRST NATIONAL BANK
GRAND JUNCTION	UNITED STATES BANK
GREELEY	CACHE NATIONAL BANK
GREELEY	THE GREELEY NATIONAL BANK
GREELEY	WELD CITY BANK
GUNNISON	FIRST NATIONAL BANK
GUNNISON	THE GUNNISON BK AND TR CO
HEREFORD	HEREFORD STATE BANK
HOTCHKISS	THE FIRST STATE BANK
IDAHO SPRINGS	FIRST STATE BANK
LA JUNTA	THE COLORADO BK AND TR CO
LAKEWOOD	FIRST WESTLAND NATL BANK
LAKEWOOD	JEFFERSON COUNTY BANK
LITTLETON	VALLEY NATIONAL BANK
LOVELAND	FIRST NATL BANK IN LOVELAND
MEEKER	FIRST NATL BANK OF MEEKER
MONTROSE	FIRST NATIONAL BANK
PAONIA	THE FIRST NATIONAL BANK
PUEBLO	ARKANSAS VALLEY BANK
PUEBLO	1ST NATIONAL BANK OF PUEBLO
RIFLE	FIRST NATIONAL BANK
ROCKY FORD	ROCKY FORD NATIONAL BANK
SPRINGFIELD	FIRST NATIONAL BANK
STERLING	COMMERCIAL SAVINGS BANK
STERLING	THE SECURITY STATE BANK
STRATTON	FIRST NATIONAL BANK
YUMA	FARMERS STATE BANK OF YUMA

CONNECTICUT

ANSONIA	CONNECTICUT NATIONAL BANK
ANSONIA	UNION AND NEW HAVEN TRUST CO
AVON	SIMSBURY BK AND TR COMPANY
BERLIN	NEW BRITAIN TRUST COMPANY
BETHEL	CONNECTICUT NATIONAL BANK
BETHEL	FAIRFIELD COUNTY TRUST CO
BLOOMFIELD	CONNECTICUT BK AND TR CO
BRIDGEPORT	CITY TRUST COMPANY
BRIDGEPORT	CONNECTICUT NATIONAL BANK
BRISTOL	UNITED BANK AND TRUST CO
BROAD BROOK	UNITED BANK AND TRUST CO
BROOKFIELD	CONNECTICUT NATIONAL BANK
CANAAN	THE CANAAN NATIONAL BANK
CHESHIRE	HOME NATL BK AND TR CO
CHESHIRE	WATERBURY NATL BANK
COLCHESTER	HARTFORD NATL BK AND TR CO
DANBURY	CITY TRUST COMPANY
DANBURY	CONNECTICUT NATIONAL BANK
DANBURY	FAIRFIELD COUNTY TRUST CO
DANIELSON	CONNECTICUT BK AND TR CO
DARIEN	FAIRFIELD COUNTY TRUST CO
DERBY	BIRMINGHAM NATL BANK
DEVON	FIRST NEW HAVEN NATL BK
EAST HADDAM	NATL BK OF NEW ENGLAND
EAST HAMPTON	CONNECTICUT BK AND TR CO
EAST HARTFORD	CONNECTICUT BK AND TR CO
EAST HARTFORD	HARTFORD NATL BK AND TR CO
EAST HAVEN	FIRST NEW HAVEN NATL BK
ELMWOOD	HARTFORD NATL BK AND TR CO
ESSEX	HARTFORD NATL BK AND TR CO
ESSEX	UNITED BANK AND TRUST CO
FAIRFIELD	CITY TRUST COMPANY
FAIRFIELD	CONNECTICUT NATIONAL BANK
FALLS VILLAGE	NATIONAL IRON BANK
FARMINGTON	HARTFORD NATL BK AND TR CO
FORESTVILLE	UNITED BANK AND TRUST CO
GEORGETOWN	FAIRFIELD COUNTY TRUST CO
GLASTONBURY	GLASTONBURY BK AND TR CO
GLENVILLE	FAIRFIELD COUNTY TRUST CO
GRANBY	SIMSBURY BANK AND TRUST CO
GREENWICH	FAIRFIELD COUNTY TRUST CO
GROTON	CONNECTICUT BK AND TR CO
GROTON	HARTFORD NATL BK AND TR CO
HAMDEN	FIRST NEW HAVEN NATL BK
HAMDEN	UNION AND NEW HAVEN TRUST CO
HARTFORD	CONNECTICUT BK AND TR CO
HARTFORD	HARTFORD NATL BK AND TR CO
HARTFORD	UNITED BANK AND TRUST CO
KENSINGTON	NEW BRITAIN NATIONAL BANK
LAKEVILLE	SALISBURY BANK AND TRUST CO
LITCHFIELD	FIRST NATIONAL BANK
MANCHESTER	CONNECTICUT BK AND TR CO
MANCHESTER	HARTFORD NATL BK AND TR CO
MERIDEN	CONNECTICUT BK AND TR CO
MERIDEN	HOME NATL BANK AND TRUST CO
MERIDEN	PURITAN BK AND TRUST CO
MIDDLEBURY	WATERBURY NATIONAL BANK
MIDDLETOWN	CONNECTICUT BK AND TR CO
MIDDLETOWN	HARTFORD NATL BK AND TR CO
MILFORD	CONNECTICUT NATIONAL BANK
MILFORD	FIRST NEW HAVEN NATL BANK
MONROE	CONNECTICUT NATIONAL BANK
MOOSUP	CONNECTICUT BK AND TR CO
MYSTIC	HARTFORD NATL BK AND TR CO
NAUGATUCK	COLONIAL BANK AND TRUST CO
NEW BRITAIN	NEW BRITAIN NATL BANK
NEW BRITAIN	NEW BRITAIN TRUST CO
NEW CANAAN	FAIRFIELD COUNTY TRUST CO
NEW FAIRFIELD	CONNECTICUT NATIONAL BANK
NEW HARTFORD	UNITED BANK AND TRUST CO
NEW HAVEN	FIRST NEW HAVEN NATL BANK
NEW HAVEN	SECOND NATL BK OF NEW HAVEN
NEW HAVEN	TRADESMENS NATIONAL BANK
NEW HAVEN	UNION AND NEW HAVEN TRUST CO
NEW LONDON	HARTFORD NATL BK AND TR CO
NEWINGTON	CONNECTICUT BK AND TR CO
NEWTOWN	CONNECTICUT NATIONAL BANK
NEWTOWN	FAIRFIELD COUNTY TRUST CO
NIANTIC	HARTFORD NATL BK AND TR CO
NOROTON HEIGHTS	FAIRFIELD COUNTY TRUST CO
N GROSVNR DALE	HARTFORD NATL BK AND TR CO
NORTH HAVEN	SECOND NATL BK OF NEW HAVEN
NORTH HAVEN	UNION + NEW HAVEN TRUST CO
NORWALK	CONNECTICUT NATIONAL BANK
NORWALK	FAIRFIELD COUNTY TRUST CO
NORWICH	CONNECTICUT BK AND TR CO
NORWICH	HARTFORD NATL BK AND TR CO
NORWICHTOWN	CONNECTICUT BK AND TR CO
OLD GREENWICH	FAIRFIELD COUNTY TRUST CO
OLD LYME	UNITED BANK AND TRUST CO
OLD SAYBROOK	HARTFORD NATL BK AND TR CO
ORANGE	CONNECTICUT NATIONAL BANK
PLANTSVILLE	SOUTHINGTON BK AND TR CO
PORTLAND	UNITED BANK AND TRUST CO
PUTNAM	CITIZENS NATL BANK OF PUTNAM

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

PUTNAM	UNITED BANK AND TRUST CO
RIDGEFIELD	FAIRFIELD COUNTY TRUST CO
RIVERSIDE	FAIRFIELD COUNTY TRUST CO
ROCKVILLE	CONNECTICUT BK AND TR CO
SHELTON	CONNECTICUT NATIONAL BANK
SIMSBURY	SIMSBURY BK AND TR CO
SOMERS	CONNECTICUT BK + TR CO
SOUTH NORWALK	CITY TRUST COMPANY
SOUTH NORWALK	CONNECTICUT NATIONAL BANK
SOUTHINGTON	SOUTHINGTON BK AND TRUST
SPRINGDALE	STAMFORD FIDELITY BK AND TR
STAFFORD SPGS	CONNECTICUT BK AND TR CO
STAMFORD	FAIRFIELD COUNTY TRUST CO
STAMFORD	STAMFORD FIDELITY BK AND TR
STONINGTON	HARTFORD NATL BK AND TR CO
STRATFORD	CONNECTICUT NATIONAL BANK
SUFFIELD	1ST NATL BANK OF SUFFIELD
TERRYVILLE	TERRYVILLE TRUST COMPANY
THOMASTON	COLONIAL BANK AND TRUST CO
THOMPSONVILLE	CONNECTICUT BK AND TR CO
TORRINGTON	BROOKS BANK AND TRUST CO
TORRINGTON	HARTFORD NATL BK AND TR CO
TRUMBULL	CONNECTICUT NATIONAL BANK
WALLINGFORD	CONNECTICUT BK AND TR CO
WALLINGFORD	UNION AND NEW HAVEN TRUST CO
WATERBURY	COLONIAL BANK AND TRUST CO
WATERBURY	CONNECTICUT NATIONAL BANK
WATERBURY	WATERBURY NATIONAL BANK
WATERTOWN	COLONIAL BANK AND TRUST CO
WEST HARTFORD	CONNECTICUT BK AND TR CO
WEST HARTFORD	HARTFORD NATL BK AND TR CO
WEST HARTFORD	UNITED BANK AND TRUST CO
WEST HAVEN	FIRST NEW HAVEN NATL BANK
WEST HAVEN	SECOND NATIONAL BANK
WEST NORWALK	CONNECTICUT NATIONAL BANK
WESTON	WESTPORT BK AND TR COMPANY
WESTPORT	CONNECTICUT NATIONAL BANK
WESTPORT	WESTPORT BK AND TR CO
WETHERSFIELD	CONNECTICUT BK AND TR CO
WETHERSFIELD	HARTFORD NATL BK AND TR CO
WILLIMANTIC	CONNECTICUT BK AND TR CO
WILLIMANTIC	WILLIMANTIC TRUST COMPANY
WILTON	FAIRFIELD COUNTY TRUST CO
WINDSOR	HARTFORD NATL BK AND TR CO
WINDSOR LOCKS	1ST NATL BK OF WINDSOR LOCKS
WINSTED	CONNECTICUT BK AND TR CO
WOLCOTT	COLONIAL BANK AND TRUST CO
WOODBURY	COLONIAL BANK AND TRUST CO

DISTRICT OF COLUMBIA

WASHINGTON	DISTRICT OF COLUMBIA NATL BK
WASHINGTON	THE FIRST NATIONAL BANK
WASHINGTON	UNION TRUST COMPANY

DELAWARE

GREENWOOD	GREENWOOD TRUST CO

FLORIDA

BARTOW	CITRUS AND CHEMICAL BANK
BOCA RATON	1ST BK + TR CO OF BOCA RATON
BRANFORD	BRANFORD STATE BANK
BRANDON	BRANDON STATE BANK
CAPE CANAVERAL	FIRST NATIONAL BANK
CLEARWATER	BANK OF CLEARWATER
CLEARWATER	CITY NATIONAL BANK
CLEARWATER	1ST NATL BK OF CLEARWATER
CORAL GABLES	UNIVERSITY NATIONAL BANK
CRESCENT CITY	PEOPLES BANK
CRESTVIEW	GULF FEDERAL S + L ASSN
DELRAY BEACH	FIRST NATIONAL BANK
DUNEDIN	CALADESI NATIONAL BANK
DUNEDIN	FIRST NATIONAL BANK
EUSTIS	FIRST NATL BANK + TRUST CO
FORT LAUDERDALE	AMERICAN NATIONAL BANK + TR
FORT MYERS	THE FIRST NATIONAL BANK
FORT WALTON	BANK OF FORT WALTON
GAINESVILLE	CITIZENS BANK
GAINESVILLE	UNIVERSITY CITY BANK
HAINES CITY	STATE BANK OF HAINES CITY
HOLLYWOOD	FIRST NATIONAL BANK
JACKSONVILLE	AMERICAN NATIONAL BANK
JACKSONVILLE	ATLANTIC NATIONAL BANK
JACKSONVILLE	FLORIDA NATIONAL BANK
JACKSONVILLE	SOUTHSIDE ATLANTIC BANK
JACKSONVILLE	STATE BANK
JACKSONVILLE	THE BARNETT NATIONAL BANK
KEY WEST	FLORIDA FIRST NATIONAL BANK
LAKE CITY	THE FIRST NATIONAL BANK
LAKELAND	PEOPLES BANK
LAKE PLACID	FIRST NATL BK OF LAKE PLACID
LARGO	BANK OF SEMINOLE
LEHIGH ACRES	CITIZENS BANK OF LEHIGH ACRE
LUTZ	FIRST STATE BANK OF LUTZ
MARIANNA	CITIZENS STATE BANK
MELBOURNE	NATIONAL BANK OF MELBOURNE
MIAMI	BOULEVARD NATIONAL BANK
MIAMI	CITIZENS NATL BK OF MIAMI
MIAMI	CITY NATIONAL BANK
MIAMI	FLORIDA NATL BK + TR CO
MIAMI	RIVERSIDE BANK
MULBERRY	BANK OF MULBERRY
NEW PORT RICHEY	FIRST NATIONAL BANK
NEW SMYRNA	BANK OF NEW SMYRNA
NICEVILLE	OKALOOSA NATIONAL BANK
OCALA	COMMERCIAL BANK AND TRUST CO
OCOEE	BANK OF WEST ORANGE
OKEECHOBEE	OKEECHOREE COUNTY BANK
ORLANDO	COLONIAL BANK OF ORLANDO
ORLANDO	THE FIRST NATIONAL BANK
PAHOKEE	BANK OF PAHOKEE
PALATKA	PALATKA ATLANTIC NATL BANK
PALMETTO	BANK OF PALMETTO
PENSACOLA	FIRST BANK AND TRUST CO
PERRINE	PERRINE-CUTLER RIDGE BANK
PINELLAS PARK	FIRST PARK BANK
PLANT CITY	FIRST NATL BK IN PLANT CITY
PLANT CITY	THE HILLSBORO BANK
PUNTA GORDA	FIRST NATIONAL BANK
QUINCY	CITIZENS BANK AND TRUST CO
QUINCY	1ST FED S+L ASSOC OF GADSDEN
RIVIERA BEACH	FIRST MARINE BANK
ST AUGUSTINE	EXCHANGE BANK
ST AUGUSTINE	ST AUGUSTINE NATIONAL BANK
ST PETERSBURG	FIRST COMMERCIAL BANK
ST PETERSBURG	FLORIDA NATIONAL BANK
ST PETERSBURG	NATL BK OF SAINT PETERSBURG
SANFORD	FLORIDA STATE BANK
SANFORD	UNITED STATE BANK
SARASOTA	CITIZENS BANK + TRUST CO
SARASOTA	SARASOTA BANK AND TRUST CO
SATELLITE BEACH	FIRST NATIONAL BANK
SEBRING	TROPICAL STATE BANK
STUART	PEOPLES BANK OF STUART
TALLAHASSEE	PEOPLES BANK
TALLAHASSEE	TALLAHASSEE BANK AND TR CO
TALLAHASSEE	THE LEWIS STATE BANK
TAMPA	CAPITAL NATL BANK OF TAMPA
TAMPA	EXCHANGE NATIONAL BANK
TAMPA	MARINE BANK + TRUST CO
TAMPA	NORTHSIDE BANK OF TAMPA
TAMPA	PENINSULA STATE BANK
TAMPA	THE BROADWAY NATIONAL BANK
TAMPA	THE FIRST NATIONAL BANK
TAMPA	THE NATL BANK OF TAMPA
TITUSVILLE	CITIZENS BANK
UMATILLA	UMATILLA STATE BANK
VALPARAISO	THE VALPARAISO STATE BANK
VENICE	VENICE NOKOMIS BANK
WARRINGTON	WARRINGTON BANK
WAUCHULA	WAUCHULA STATE BANK
WINTER HAVEN	EXCHANGE NATIONAL BANK
WINTER HAVEN	RIDGE FEDERAL S + L ASSOC
WINTER PARK	COMMERCIAL BANK
WINTER PARK	FIRST NATIONAL BANK
ZEPHYRHILLS	BANK OF ZEPHYRHILLS

GEORGIA

ATHENS	CITIZENS + SOUTHERN NATL BK
ATHENS	FIRST AMERICAN BK AND TR CO
ATLANTA	AMERICAN BANK OF ATLANTA
ATLANTA	BANK OF GEORGIA
ATLANTA	CITIZENS + SOUTHERN NATL BK
ATLANTA	STANDARD FEDERAL S + L ASSN
ATLANTA	THE FIRST NATIONAL BANK
ATLANTA	TRUST COMPANY OF GEORGIA
AUGUSTA	CITIZENS + SOUTHERN NATL BK
AVONDALE ESTATE	CITIZENS+SOUTHERN DEKALB BK
BAINBRIDGE	CITIZENS BANK + TRUST CO
BRUNSWICK	AMERICAN NATIONAL BANK
BRUNSWICK	FIRST NATIONAL BANK
CALHOUN	THE CALHOUN NATIONAL BANK
CEDARTOWN	LIBERTY NATIONAL BANK
COCHRAN	COOK BANKING CO
COLUMBUS	FOURTH NATIONAL BANK
DECATUR	CITIZENS + SOUTHERN EMORY BK
DECATUR	FIRST NATL BANK OF ATLANTA
DOUGLAS	THE FARMERS BANK
DUBLIN	CITIZENS + SOUTHERN BANK
EASTMAN	BANK OF EASTMAN
EAST POINT	CITIZENS + SOUTHERN BANK
FORT VALLEY	BANK OF FORT VALLEY
FORT VALLEY	THE CITIZENS BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

JESUP	AMER NATL BK OF BRUNSWICK
LA GRANGE	CITIZENS + SOUTHERN BANK
MACON	CITIZENS + SOUTHERN NATL BK
MACON	1ST NATL BK AND TR CO
MILLEDGEVILLE	EXCHANGE BANK
NEWNAN	CITIZENS+SOUTHERN NEWNAN BK
PELHAM	FARMERS BANK OF PELHAM
PELHAM	PELHAM BANKING COMPANY
ROME	ROME BANK + TRUST CO
ROSWELL	ROSWELL BANK
SAVANNAH	CITIZENS + SOUTHERN NATL BK
SAVANNAH	SAVANNAH BK AND TR COMPANY
THOMASTON	CITIZENS AND SOUTHERN BANK
VALDOSTA	CITIZENS + SOUTHERN NATL BK
WARNER ROBINS	CITIZENS STATE BANK
WEST POINT	FIRST NATIONAL BANK

HAWAII

AIEA	FIRST NATL BK OF HAWAII
EWA BEACH	FIRST NATL BK OF HAWAII
HANAPEPE	FIRST NATL BK OF HAWAII
HICKHAM A F B	FIRST NATL BK OF HAWAII
HILO	FIRST NATL BK OF HAWAII
HONOLULU	CITY BANK
HONOLULU	FIRST NATL BK OF HAWAII
HONOLULU	HAWAII NATIONAL BANK
HONOLULU	LIBERTY BANK
KAHILUI	FIRST NATL BK OF HAWAII
KAHUKU	FIRST NATL BK OF HAWAII
KANOOHE	FIRST NATL BK OF HAWAII
KAPAA	FIRST NATL BK OF HAWAII
KEALAKEKUA	FIRST NATL BK OF HAWAII
KOLOA	FIRST NATL BK OF HAWAII
LANAI CITY	FIRST NATL BK OF HAWAII
LIHUE	FIRST NATL BK OF HAWAII
PAIA	FIRST NATL BK OF HAWAII
SCHOFIELD BKS	FIRST NATL BK OF HAWAII
WAHIAWA	FIRST NATL BK OF HAWAII
WAIALUA	FIRST NATL BK OF HAWAII
WAILUKU	FIRST NATL BK OF HAWAII
WAIMEA	FIRST NATL BK OF HAWAII
WAIPAHU	FIRST NATL BK OF HAWAII

IDAHO

ABERDEEN	FIRST SECURITY BANK
ALAMEDA	FIRST SECURITY BANK
AMERICAN FALLS	FIRST SECURITY BANK
BLACKFOOT	FIRST SECURITY BANK
BLACKFOOT	IDAHO BANK AND TRUST CO
BOISE	FIRST SECURITY BANK
BOISE	IDAHO FIRST NATIONAL BANK
BUHL	IDAHO FIRST NATIONAL BANK
BURLEY	IDAHO BANK AND TRUST CO
CALDWELL	IDAHO FIRST NATIONAL BANK
CALDWELL	FIRST SECURITY BANK
CHUBBUCK	IDAHO BANK AND TRUST CO
COEUR D ALENE	FIRST SECURITY BANK
COEUR D ALENE	IDAHO FIRST NATIONAL BANK
COTTONWOOD	IDAHO FIRST NATIONAL BANK
COUNCIL	IDAHO FIRST NATIONAL BANK
CRAIGMONT	FIRST SECURITY BANK
CULDESAC	FIRST SECURITY BANK
EAGLE	IDAHO FIRST NATIONAL BANK
EMMETT	FIRST SECURITY BANK
GENESEE	FIRST SECURITY BANK
GOODING	FIRST SECURITY BANK
GRANGEVILLE	FIRST SECURITY BANK
HAILEY	FIRST SECURITY BANK
HOMEDALE	IDAHO FIRST NATIONAL BANK
IDAHO FALLS	FIRST SECURITY BANK
IDAHO FALLS	IDAHO FIRST NATIONAL BANK
JEROME	FIRST SECURITY BANK
KAMIAH	FIRST SECURITY BANK
KELLOGG	IDAHO FIRST NATIONAL BANK
KELLOGG	FIRST SECURITY BANK
KENDRICK	FIRST SECURITY BANK
KETCHUM	FIRST SECURITY BANK
LEWISTON	FIRST SECURITY BANK
LEWISTON	IDAHO FIRST NATIONAL BANK
MACKAY	IDAHO FIRST NATIONAL BANK
MARSING	IDAHO FIRST NATIONAL BANK
MC CALL	IDAHO FIRST NATIONAL BANK
MERIDIAN	IDAHO FIRST NATIONAL BANK
MONTPELIER	FIRST SECURITY BANK
MOSCOW	FIRST SECURITY BANK
MOSCOW	IDAHO FIRST NATIONAL BANK
MOUNTAIN HOME	FIRST SECURITY BANK
MOUNTAIN HOME	IDAHO FIRST NATIONAL BANK
NAMPA	FIRST SECURITY BANK
NAMPA	IDAHO FIRST NATIONAL BANK
NEZPERCE	IDAHO FIRST NATIONAL BANK
OROFINO	IDAHO FIRST NATIONAL BANK
PARMA	IDAHO FIRST NATIONAL BANK
PAUL	IDAHO BANK AND TRUST CO
PAYETTE	FIRST SECURITY BANK
PAYETTE	IDAHO FIRST NATIONAL BANK
POCATELLO	FIRST SECURITY BANK
POCATELLO	IDAHO BANK AND TRUST CO
POCATELLO	POCATELLO NATIONAL BANK
POTLATCH	IDAHO FIRST NATIONAL BANK
PRESTON	FIRST SECURITY BANK
PRIEST RIVER	IDAHO FIRST NATIONAL BANK
REXBURG	FIRST SECURITY BANK
RIGBY	IDAHO FIRST NATIONAL BANK
RUPERT	FIRST SECURITY BANK
RUPERT	IDAHO FIRST NATIONAL BANK
ST ANTHONY	FIRST SECURITY BANK
SALMON	IDAHO FIRST NATIONAL BANK
ST MARIES	FIRST SECURITY BANK
SANDPOINT	IDAHO FIRST NATIONAL BANK
SHELLEY	IDAHO FIRST NATIONAL BANK
SHOSHONE	FIRST SECURITY BANK
TWIN FALLS	FIRST SECURITY BANK
WALLACE	IDAHO FIRST NATIONAL BANK
WEISER	FIRST SECURITY BANK
WEISER	IDAHO FIRST NATIONAL BANK
WENDELL	IDAHO FIRST NATIONAL BANK

ILLINOIS

ABINGDON	ABINGDON BANK AND TRUST CO
ALLENDALE	FIRST NATIONAL BANK
ALTON	FIRST NATIONAL BK + TR CO
AMBOY	FIRST NATIONAL BANK
ANNAWAN	STATE BANK OF ANNAWAN
ARTHUR	STATE BANK OF ARTHUR
ASHLAND	STATE BANK OF ASHLAND
ASTORIA	FARMERS STATE BANK
ATKINSON	ATKINSON TRUST + SAVINGS BK
AURORA	AURORA NATIONAL BANK
AURORA	FIRST AMERICAN BANK
AURORA	MERCHANTS NATIONAL BANK
AURORA	OLD SECOND NATL BANK
AVA	FIRST NATIONAL BANK
BARRINGTON	1ST NATL BANK AND TRUST CO
BELLEVILLE	BELLEVILLE NATL SAVINGS BK
BELLEVILLE	ST CLAIR NATIONAL BANK
BENTON	BENTON COMMUNITY BANK
BLOOMINGTON	AMERICAN STATE BANK
BLOOMINGTON	MC LEAN COUNTY BANK
BLOOMINGTON	PEOPLES BANK OF BLOOMINGTON
BREESE	STATE BANK OF BREESE
BRIDGEPORT	FIRST NATIONAL BANK
CAHOKIA	BANK OF CAHOKIA
CANTON	CANTON STATE BANK
CARLINVILLE	CARLINVILLE NATIONAL BANK
CARLINVILLE	FARMERS AND MERCHANTS NAT BK
CARTHAGE	FIRST NATIONAL BANK
CARY	CARY STATE BANK
CENTRALIA	CITY NATIONAL BANK
CENTRALIA	THE OLD NATIONAL BANK
CHAMPAIGN	BANK OF ILLINOIS
CHAMPAIGN	COMMERCIAL BANK
CHAMPAIGN	FIRST NATIONAL BANK
CHARLESTON	CHARLESTON NATIONAL BANK
CHARLESTON	COLES COUNTY NATIONAL BANK
CHICAGO	AMER NATL BANK AND TRUST CO
CHICAGO	BEVERLY BANK
CHICAGO	LASALLE NATIONAL BANK
CHICAGO	NORTHERN TRUST COMPANY
CHICAGO	NORTHWEST NATIONAL BANK
CHICAGO	PULLMAN BANK AND TRUST CO
CHICAGO	SEARS BK AND TR COMPANY
CHICAGO	STANDARD BANK AND TRUST
CHICAGO	TALMAN FED S + L ASSOC
CHICAGO HEIGHTS	FIRST NATL BNK CHICAGO HGHTS
CLARENDON HILLS	BANK OF CLARENDON HILLS
COULTERVILLE	THE FIRST NATIONAL BANK
DANVILLE	FIRST NATIONAL BANK
DECATUR	MILLIKIN NATIONAL BANK
DECATUR	NORTHTOWN BANK OF DECATUR
DEERFIELD	DEERFIELD STATE BANK
DEERFIELD	FIRST NATIONAL BANK
DEKALB	DEKALB TRUST + SAVINGS BANK
DEKALB	FIRST NATIONAL BANK
DELAVAN	TAZEWELL COUNTY NATL BANK
DES PLAINES	FIRST NATIONAL BANK
DIXON	CITY NATIONAL BANK
DIXON	DIXON NATIONAL BANK
DOWNERS GROVE	CITIZENS NATIONAL BANK
DOWNERS GROVE	DOWNERS GROVE NATIONAL BK
EAST MOLINE	STATE BANK OF EAST MOLINE
EAST ST LOUIS	BANK OF EDGEMONT
EDWARDSVILLE	EDWARDSVILLE NATL BK + TR CO
ELDORADO	C P BURNETT + SONS BANKERS
ELGIN	ELGIN NATIONAL BANK
ELGIN	FIRST NATIONAL BANK OF ELGIN

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

ELGIN	UNION NATL BANK AND TRUST CO
EMDEN	FARMERS STATE BANK
EVANSTON	STATE BANK AND TRUST CO
FAIRBURY	NATIONAL BANK OF FAIRBURY
FAIRFIELD	FAIRFIELD NATIONAL BANK
FORREST	FIRST STATE BANK OF FORREST
FREEBURG	FIRST NATIONAL BANK
FREEPORT	FIRST NATL BANK OF FREEPORT
FREEPORT	STATE BANK OF FREEPORT
GERMAN VALLEY	GERMAN AMERICAN STATE BANK
GIBSON CITY	FIRST NATIONAL BANK
GLENCOE	GLENCOE NATIONAL BANK
GRANITE CITY	GRANITE CITY TR + SAVINGS BK
GREENVILLE	BRADFORD NATL BK GREENVILLE
HARRISBURG	HARRISBURG NATL BANK
HARVARD	HARVARD STATE BANK
HAVANA	HAVANA NATIONAL BANK
HERRIN	BANK OF HERRIN
HERRIN	HERRIN SECURITY BANK
HIGHLAND	FARMERS AND MERCHANTS BANK
HIGHLAND	1ST NATL BANK OF HIGHLAND
HIGHLAND PARK	THE FIRST NATIONAL BANK
HINCKLEY	HINCKLEY STATE BANK
HINSDALE	FIRST NATL BK OF HINSDALE
HOMEWOOD	BANK OF HOMEWOOD
JACKSONVILLE	FARMERS STATE BK AND TR CO
JERSEYVILLE	JERSEY STATE BANK
JOLIET	FIRST NATIONAL BANK
JOLIET	LOUIS JOLIET BANK
KAMPSVILLE	BANK OF KAMPSVILLE
KANKAKEE	CITY NATIONAL BANK
KEWANEE	PEOPLES NATIONAL BANK
LAKE FOREST	FIRST NATIONAL BANK
LAKE VILLA	LAKE VILLA TR AND SAVINGS BK
LANSING	BANK OF LANSING
LEXINGTON	PEOPLES BANK
LIBERTYVILLE	1ST LAKE COUNTY NATL BANK
LOMBARD	STATE BANK OF LOMBARD
MACKINAW	THE FIRST NATIONAL BANK
MACOMB	CITIZENS NATIONAL BANK
MACOMB	THE UNION NATL BANK
MARSEILLES	UNION NATIONAL BANK
MAYWOOD	FIRST NATIONAL BK OF MAYWOOD
MCHENRY	MCHENRY STATE BANK
MENDOTA	NATIONAL BANK OF MENDOTA
METROPOLIS	NATIONAL STATE BANK
MINONK	MINONK STATE BANK
MOLINE	FIRST NATIONAL BK OF MOLINE
MOLINE	MOLINE NATIONAL BANK
MOLINE	SOUTHEAST NATIONAL BANK
MONMOUTH	COMMUNITY NATIONAL BANK
MONMOUTH	MONMOUTH TR AND SAVINGS BK
MONMOUTH	NATIONAL BANK
MONMOUTH	SECOND NATIONAL BANK
MORRIS	GRUNDY COUNTY NATIONAL BANK
MT CARMEL	BANK OF MT CARMEL
MT CARMEL	SECURITY BANK AND TRUST CO
MT CARROLL	MT CARROLL NATIONAL BANK
MT PROSPECT	FIRST NATIONAL BANK
MT PROSPECT	MT PROSPECT STATE BANK
MT VERNON	BANK OF ILLINOIS
NAPERVILLE	BANK OF NAPERVILLE
NEW BERLIN	WARREN BOYNTON STATE BANK
NORMAL	FIRST NATIONAL BANK
NORMAL	THE NORMAL STATE BANK
NORRIS CITY	NORRIS CITY STATE BANK
NORTH CHICAGO	NATIONAL BANK
OAK BROOK	BANK OF OAK BROOK
OAKLAND	OAKLAND NATIONAL BANK
O FALLON	FIRST NATIONAL BANK
OGLESBY	FIRST NATIONAL BANK
OQUAWKA	BANK OF OQUAWKA
ORLAND PARK	ORLAND STATE BANK
PALATINE	FIRST STATE BANK OF PALATINE
PALATINE	PALATINE NATIONAL BANK
PALOS HEIGHTS	PALOS STATE BANK
PANA	FIRST NATIONAL BANK OF PANA
PARK RIDGE	CITIZENS BANK + TRUST CO
PEKIN	HERGET NATIONAL BANK
PEORIA	COMMERCIAL NATIONAL BANK
PEORIA	PROSPECT NATIONAL BANK
PEORIA	UNIVERSITY NATIONAL BANK
PEOTONE	PEOTONE STATE BANK
PETERSBURG	FIRST NATIONAL BANK
PINCKNEYVILLE	MURPHY WALL ST BK AND TR CO
PIPER CITY	STATE BANK
PLYMOUTH	COMMUNITY STATE BANK
PONTIAC	BANK OF PONTIAC
PRINCETON	FIRST STATE BK OF PRINCETON
RIVERDALE	RIVERDALE BANK
ROBERTS	ROBERTS STATE BANK
ROBINSON	CRAWFORD COUNTY STATE BANK
ROCHELLE	ROCHELLE STATE BANK
ROCK CITY	ROCK CITY BANK
ROCK FALLS	ROCK FALLS NATIONAL BANK
ROCKFORD	ALPINE STATE BANK
ROCKFORD	AMERICAN NATIONAL BANK
ROCKFORD	FIRST NATIONAL BK AND TR CO
ROCKFORD	ILL NATL BANK AND TRUST CO
ROLLING MEADOWS	BANK OF ROLLING MEADOWS
ROSEVILLE	ROSEVILLE STATE BANK
ROUND LAKE	FIRST STATE BANK
ST CHARLES	ST CHARLES NATIONAL BANK
ST CHARLES	STATE BANK OF ST CHARLES
SANDWICH	THE SANDWICH STATE BANK
SAVANNA	THE NATIONAL BANK
SHANNEETOWN	FIRST NATIONAL BANK
SOMONAUK	FARMERS STATE BANK
SOUTH HOLLAND	SO HOLLAND TR AND SAVINGS BK
SPRINGFIELD	CAPITOL BK OF SPRINGFIELD
SPRINGFIELD	FIRST NATIONAL BANK
SPRINGFIELD	SPRINGFIELD MARINE BANK
STAUNTON	FIRST NATIONAL BANK
STERLING	CENTRAL NATIONAL BANK
STERLING	THE NATIONAL BANK
TAYLORVILLE	FIRST TRUST AND SAVINGS BANK
URBANA	BUSEY FIRST NATL BANK
VANDALIA	1ST NATL BANK OF VANDALIA
VILLA PARK	VILLA PARK TR AND SAVINGS BK
VIRDEN	FARMERS AND MERCHANTS ST BK
VIRGINIA	PETEFISH SKILES + CO BANK
WATSEKA	FIRST TRUST AND SAVINGS BANK
WATSEKA	WATSEKA FIRST NATIONAL BANK
WAUKEGAN	LITTLE FORT BK AND TR CO
WEST FRANKFORT	THE BANK OF WEST FRANKFORT
WHEATON	GARY WHEATON BANK
WHEATON	WHEATON NATIONAL BANK
WHEELING	WHEELING TR AND SAVINGS BANK
WILLIAMSVILLE	WILLIAMSVILLE STATE BANK
WINNETKA	WINNETKA TR AND SAVINGS BK
WOOD RIVER	FIRST NATIONAL BANK
WOODSTOCK	STATE BANK OF WOODSTOCK

INDIANA

AKRON	AKRON EXCHANGE STATE BANK
ALBANY	ALBANY STATE BK AND TR CO
ALBION	ALBION NATIONAL BANK
ALEXANDRIA	ALEXANDRIA BANKING COMPANY
ANDERSON	ANDERSON BANKING CO
ANGOLA	ANGOLA STATE BANK
ANGOLA	FIRST NATIONAL BK OF ANGOLA
ARCADIA	HAMILTON COUNTY BANK
ARLINGTON	ARLINGTON STATE BANK
AUBURN	AUBURN STATE BANK
AUBURN	THE CITY NATIONAL BANK
AURORA	FIRST NATIONAL BANK
AVON	THE DANVILLE STATE BANK
BAINBRIDGE	ROACHDALE BANK + TRUST CO
BATESVILLE	BATESVILLE STATE BANK
BEDFORD	BEDFORD NATIONAL BANK
BEDFORD	CITIZENS NATL BK OF BEDFORD
BEECH GROVE	MERCHANTS NATL BK AND TR CO
BERNE	FIRST BANK OF BERNE
BLOOMFIELD	BLOOMFIELD STATE BANK
BLOOMINGTON	BLOOMINGTON NATIONAL BANK
BLOOMINGTON	CITIZENS FIRST NATIONAL BANK
BLUFFTON	FARMERS AND MERCHANTS BANK
BLUFFTON	OLD FIRST NATIONAL BANK
BOONVILLE	PEOPLES TRUST AND SAVINGS BK
BOSWELL	FARMERS AND MERCHANTS BANK
BOURBON	FIRST STATE BANK
BRAZIL	BRAZIL TRUST COMPANY
BRAZIL	THE RIDDELL NATIONAL BANK
BREMEN	BREMEN STATE BANK
BRISTOL	FIRST NATL BK OF ELKHART
BROOK	COMMUNITY STATE BANK
BROOKLYN	CITIZENS BANK
BROOKVILLE	FRANKLIN COUNTY NATL BANK
BROWNSBURG	BROWNSBURG STATE BANK
BUNKER HILL	WABASH VALLEY BK AND TR CO
BUNKER HILL AFB	PERU TRUST CO
CAMBRIDGE CITY	WAYNE TRUST COMPANY
CAMDEN	CAMDEN STATE BANK
CARLISLE	SULLIVAN STATE BANK
CEDAR LAKE	1ST NATL BANK OF CEDAR LAKE
CENTERVILLE	2ND NATL BANK OF RICHMOND
CHALMERS	BANK OF REYNOLDS
CHARLESTOWN	FIRST BANK OF CHARLESTOWN
CHESTERFIELD	ANDERSON BANKING CO
CICERO	HAMILTON COUNTY BANK
CLARKSBURG	UNION TRUST COMPANY
CLARKSVILLE	CITIZENS TRUST CO
CLAYPOOL	FIRST NATL BANK OF WARSAW
CLAYTON	THE DANVILLE STATE BANK
COLFAX	CLINTON COUNTY BK AND TR CO
COLUMBIA CITY	FARMERS LOAN AND TRUST CO
COLUMBUS	IRWIN UNION BK AND TR CO
COMMISKEY	UNION BANK AND TRUST CO
CONNERSVILLE	CENTRAL STATE BANK
CONNERSVILLE	FAYETTE BANK AND TRUST CO
CORYDON	CORYDON STATE BANK
CORYDON	OLD CAPITAL BK AND TR CO

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

COVINGTON	FOUNTAIN TRUST COMPANY
CRANE	FIRST NATL BANK OF ODON
CRAWFORDSVILLE	ELSTON BANK AND TRUST CO
CRAWFORDSVILLE	1ST NATL BANK AND TRUST CO
CROMWELL	CROMWELL STATE BANK
CUMBERLAND	AMERICAN FLETCHER NATL BANK
CYNTHIANA	CYNTHIANA STATE BANK
DANVILLE	THE DANVILLE STATE BANK
DANVILLE	FIRST NATIONAL BANK
DE MOTTE	DE MOTTE STATE BANK
DECATUR	FIRST STATE BANK
DENVER	WABASH VALLEY BK AND TR CO
DUNKIRK	1ST STATE BANK OF DUNKIRK
DUNLAP	1ST NATL BANK OF ELKHART
DYER	GARY NATIONAL BANK
EAST CHICAGO	1ST NATL BK OF EAST CHICAGO
EATON	MERCHANTS NATL BK OF MUNCIE
EDWARDSPORT	SECURITY BANK AND TRUST CO
ELKHART	FIRST NATL BK OF ELKHART
ELKHART	FIRST OLD STATE BANK
ELKHART	ST JOSEPH VALLEY BANK
ELNORA	1ST NATL BANK OF ODON
ENGLISH	ENGLISH STATE BANK
ETNA GREEN	ETNA BANK
EVANSVILLE	CITIZENS NATIONAL BANK
EVANSVILLE	LAMASCO BANK
EVANSVILLE	NATIONAL CITY BANK
EVANSVILLE	OLD NATIONAL BANK
FAIRLAND	FAIRLAND NATIONAL BANK
FORTVILLE	1ST NATL BANK OF FORTVILLE
FORT WAYNE	ANTHONY WAYNE BANK
FORT WAYNE	FORT WAYNE NATIONAL BANK
FORT WAYNE	LINCOLN NATL BK AND TR CO
FOWLER	FOWLER STATE BANK
FRANCESVILLE	PEOPLES STATE BANK
FRANKFORT	CLINTON COUNTY BK AND TR CO
FRANKFORT	FARMERS BANK
FRANKLIN	FARMERS TRUST CO
FRANKLIN	UNION BANK AND TRUST CO
FRANKTON	ANDERSON BANKING COMPANY
FREELANDVILLE	SECURITY BANK AND TRUST CO
FREMONT	THE FIRST NATL BK OF FREMONT
GALVESTON	TWELVE MILE STATE BANK
GARRETT	THE GARRETT STATE BANK
GARY	GARY NATIONAL BANK
GAS CITY	TWIN CITY STATE BANK
GASTON	GASTON BANKING COMPANY
GENEVA	BANK OF GENEVA
GEORGETOWN	UNION NATL BK OF NEW ALBANY
GLENWOOD	RUSH CO NATL BK OF RUSHVILLE
GOSHEN	FIRST NATIONAL BANK
GOSHEN	SALEM BANK + TRUST CO
GOSPORT	OWEN COUNTY STATE BANK
GRABILL	GRABILL BANK
GREENCASTLE	CENTRAL NATIONAL BANK
GREENCASTLE	1ST CITIZENS BK AND TR CO
GREENCASTLE	GREENCASTLE S + L ASSN
GREENFIELD	GREENFIELD BANKING CO
GREENFIELD	HANCOCK COUNTY BANK
GREENSBURG	DECATUR COUNTY NATL BANK
GREENSBURG	UNION TRUST COMPANY
GREENS FORK	2ND NATL BANK OF RICHMOND
GRIFFITH	GARY NATIONAL BANK
HAGERSTOWN	2ND NATL BANK OF RICHMOND
HAMLET	HAMLET STATE BANK
HAMMOND	HOOSIER STATE BK OF INDIANA
HAMMOND	MERCANTILE NATIONAL BANK
HANNA	FIRST MER NATL BK OF MICH CY
HANOVER	FIRST NATL BANK OF MADISON
HANOVER	MADISON BANK AND TRUST CO
HARDINSBURG	STATE BANK OF SALEM
HARTFORD CITY	CITIZENS STATE BANK
HAZLETON	GIBSON COUNTY BANK
HEBRON	CITIZENS BANK
HOBART	GARY NATIONAL BANK
HOBBS	UNION STATE BANK
HOLTON	NAPOLEON STATE BANK
HOPE	IRWIN UNION BK AND TR CO
HOWE	STATE BANK OF LIMA
INDIANAPOLIS	AMERICAN FLETCHER NATL BANK
INDIANAPOLIS	INDIANA NATIONAL BANK
INDIANAPOLIS	MERCHANTS NATL BK AND TR CO
INDIANAPOLIS	PEOPLES BANK AND TRUST CO
JEFFERSONVILLE	CITIZENS TRUST CO
JEFFERSONVILLE	CLARK COUNTY STATE BANK
JONESBORO	TWIN CITY STATE BANK
KEMPTON	UNION STATE BANK
KENDALLVILLE	CAMPBELL AND FETTER BANK
KENDALLVILLE	KENDALLVILLE BK AND TRUST CO
KENTLAND	KENTLAND BANK
KINGMAN	FOUNTAIN TRUST COMPANY
KIRKLIN	FARMERS BANK FRANKFORT IND
KNIGHTSTOWN	FIRST NATIONAL BANK
KNOX	FARMERS BANK AND TRUST CO
KOKOMO	UNION BANK AND TRUST CO
KOUTS	KOUTS STATE BANK
LA CROSSE	CITIZENS BK OF MICHIGAN CITY
LA GRANGE	FARMERS STATE BANK
LA PORTE	1ST NATL BANK AND TRUST CO
LAFAYETTE	LAFAYETTE LOAN AND TRUST CO
LAFAYETTE	LAFAYETTE NATIONAL BANK
LAFAYETTE	PURDUE NATIONAL BANK
LAKEVILLE	CENTRAL STATE BANK
LAWRENCE	AMERICAN FLETCHER NATL BANK
LAWRENCEBURG	PEOPLES NATIONAL BANK
LEBANON	BOONE COUNTY STATE BANK
LEESBURG	PEOPLES STATE BANK
LEWISVILLE	CITIZENS ST BK OF NEW CASTLE
LIBERTY	UNION COUNTY NATIONAL BANK
LINDEN	LINDEN STATE BANK
LINTON	CITIZENS NATIONAL BANK
LOGANSPORT	NATIONAL BANK
LOOGOOTEE	UNION BANK
LOSANTVILLE	FARMERS STATE BANK
MADISON	FIRST NATIONAL BANK
MADISON	MADISON BANK + TRUST CO
MANILLA	RUSHVILLE NATIONAL BANK
MARION	FIRST NATIONAL BANK
MARTINSVILLE	FIRST NATIONAL BANK
MARTINSVILLE	INDIANA BANK AND TRUST CO
MEDARYVILLE	1ST UNION BANK AND TRUST CO
MENTONE	FARMERS STATE BANK
MERRILLVILLE	GARY NATIONAL BANK
MICHIGAN CITY	CITIZENS BANK
MICHIGAN CITY	FIRST MERCHANTS NATIONAL BK
MICHIGAN CITY	FIRST STATE BANK OF PORTER
MICHIGANTOWN	FARMERS BANK FRANKFORT IND
MILFORD	FIRST NATL BANK OF WARSAW
MILLERSBURG	SALEM BANK AND TRUST CO
MILLTOWN	FIRST NATIONAL BANK
MILROY	RUSHVILLE NATIONAL BANK
MITCHELL	BANK OF MITCHELL
MONROVIA	CITIZENS BANK
MONTEREY	FIRST NATIONAL BANK
MONTEZUMA	PARKE STATE BANK
MONTGOMERY	FIRST NATL BANK OF ODON
MONTICELLO	FIRST NATIONAL BANK
MONTICELLO	STATE AND SAVINGS BANK
MOORES HILL	PEOPLES NATIONAL BANK
MOORESVILLE	CITIZENS BANK
MT SUMMIT	CITIZENS ST BK OF NEW CASTLE
MT VERNON	PEOPLES BANK AND TRUST CO
MULBERRY	FARMERS BANK
MUNCIE	AMER NATL BANK AND TRUST CO
MUNCIE	INDUSTRIAL TR AND SAVINGS BK
MUNCIE	MERCHANTS NATL BK OF MUNCIE
NAPOLEON	NAPOLEON STATE BANK
NAPPANEE	STATE BANK
NASHVILLE	NASHVILLE STATE BANK
NEW ALBANY	FLOYD COUNTY BANK
NEW ALBANY	UNION NATIONAL BANK
NEW AUGUSTA	INDIANA NATIONAL BANK
NEWBERRY	BLOOMFIELD STATE BANK
NEW CASTLE	CITIZENS STATE BANK
NEW CASTLE	FIRST NATIONAL BANK
NEW HAVEN	LINCOLN NATL BK + TR CO
NEW PALESTINE	NEW PALESTINE BANK
NEW PARIS	SALEM BANK AND TRUST CO
NOBLESVILLE	AMERICAN NATIONAL BANK
NORTH JUDSON	AMERICAN STATE BANK
NO MANCHESTER	IND LAWRENCE BK AND TR CO
NORTH SALEM	NORTH SALEM STATE BANK
NORTH VERNON	FIRST NATIONAL BANK
NORTH VERNON	UNION BANK AND TRUST CO
OAKLANDON	AMERICAN FLETCHER NATL BANK
OAKTOWN	SECURITY BANK AND TRUST CO
ODON	FIRST NATIONAL BK OF ODON
OSGOOD	RIPLEY COUNTY BANK
OSSIAN	OSSIAN STATE BANK
OTTERBEIN	STATE BANK OF OXFORD
OXFORD	STATE BANK
PARAGON	INDIANA BANK AND TRUST CO
PEKIN	CITIZENS BANK
PERU	PERU TRUST COMPANY
PERU	WABASH VALLEY BK AND TR CO
PLAINFIELD	1ST NATL BK + TR CO
PLAINFIELD	HENDRICKS CO BK AND TR CO
PORTER	FIRST STATE BANK OF PORTER
PORTLAND	CITIZENS BANK
PORTLAND	PEOPLES BANK
PORTLAND	FIRST NATIONAL BANK
POSEYVILLE	FARMERS BANK AND TRUST CO
PRINCETON	GIBSON COUNTY BANK
PRINCETON	THE FARMERS NATIONAL BANK
REMINGTON	FARMERS NATIONAL BANK
RENSSELAER	FARMERS AND MERCHANTS NATL
REYNOLDS	BANK OF REYNOLDS
RICHMOND	FIRST NATIONAL BANK
RICHMOND	SECOND NATIONAL BANK
RISING SUN	RISING SUN STATE BANK
ROACHDALE	ROACHDALE BK AND TR CO
ROANN	STATE EXCHANGE BANK
ROCKVILLE	PARKE STATE BANK
ROCKVILLE	ROCKVILLE NATIONAL BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

ROLLING PRAIRIE	CITIZENS BK OF MICHIGAN CITY
ROSELAND	1ST BK AND TR CO OF SO BEND
ROSSVILLE	CLINTON COUNTY BK AND TR CO
ROYAL CENTER	COMMUNITY STATE BANK
RUSHVILLE	RUSH COUNTY NATIONAL BANK
RUSHVILLE	RUSHVILLE NATIONAL BANK
RUSSELLVILLE	STATE BANK OF RUSSELLVILLE
ST PAUL	STATE BANK OF WALDRON
SALEM	FARMERS CITIZENS BANK
SALEM	STATE BANK
SAN PIERRE	SAN PIERRE STATE BANK
SCHERERVILLE	HOOSIER STATE BANK OF IND
SCIRCLEVILLE	CLINTON COUNTY BK AND TR CO
SCOTTSBURG	SCOTT COUNTY STATE BANK
SELLERSBURG	SELLERSBURG STATE BANK
SHARPSVILLE	UNION STATE BANK
SHELBYVILLE	FARMERS NATIONAL BANK
SHIPSHEWANA	SHIPSHEWANA STATE BANK
SHOALS	MARTIN COUNTY BANK
SOUTHPORT	AMERICAN FLETCHER NATL BANK
SOUTH BEND	FIRST BANK + TRUST CO
SOUTH BEND	NATIONAL BANK AND TRUST CO
SPEEDWAY	AMERICAN FLETCHER NATL BANK
SPEEDWAY	FIRST BANK AND TRUST CO
SPEEDWAY	MERCHANTS NATL BK AND TR CO
SPENCER	OWEN COUNTY STATE BANK
SPICELAND	CITIZENS ST BK OF NEW CASTLE
SULLIVAN	SULLIVAN STATE BANK
SYRACUSE	STATE BANK OF SYRACUSE
TELL CITY	TELL CITY NATIONAL BANK
TERRE HAUTE	MERCHANTS NATL BANK
TERRE HAUTE	TERRE HAUTE FIRST NATL BANK
THORNTOWN	HOME NATIONAL BANK
TIPTON	CITIZENS NATIONAL BANK
TIPTON	FARMERS LOAN AND TRUST CO
TRAFALGAR	UNION BANK AND TRUST COMPANY
TWELVE MILE	TWELVE MILE STATE BANK
UNION CITY	UNION TRUST COMPANY
UPLAND	UPLAND BANK
VALPARAISO	FARMERS STATE BANK
VEEDERSBURG	VEEDERSBURG STATE BANK
VINCENNES	AMERICAN NATIONAL BANK
VINCENNES	SECURITY BANK AND TRUST CO
WABASH	FIRST NATIONAL BANK
WADESVILLE	FARMERS BANK AND TRUST CO
WAKARUSA	EXCHANGE STATE BANK
WALDRON	THE STATE BANK OF WALDRON
WALKERTON	FARMERS STATE BANK OF WYATT
WANAMAKER	AMERICAN FLETCHER NATL BANK
WANATAH	MERCHANTS NATL BK MICH CITY
WARREN	EXCHANGE BANK
WARSAW	FIRST NATL BANK OF WARSAW
WARSAW	LAKE CITY BANK
WASHINGTON	CITIZENS BANK AND TRUST CO
WASHINGTON	PEOPLES NATL BK AND TR CO
WASHINGTON	STATE BANK
WASHINGTON	WASHINGTON NATIONAL BANK
WAVELAND	ELSTON BANK AND TRUST CO
WAYNETOWN	ELSTON BANK AND TRUST CO
WESTFIELD	UNION STATE BANK
W LAFAYETTE	LAFAYETTE NATIONAL BANK
W LAFAYETTE	PURDUE NATL BK OF LAFAYETTE
WESTPORT	UNION TRUST COMPANY
W TERRE HAUTE	TERRE HAUTE FIRST NATL BANK
WESTVILLE	CITIZENS BK OF MICHIGAN CITY
WHITELAND	FARMERS TRUST COMPANY
WINAMAC	1ST UNION BANK AND TRUST CO
WINDFALL	UNION STATE BANK
WINGATE	1ST NATL BK OF CRAWFORDSVILL
WOODBURN	FORT WAYNE NATIONAL BANK
WYATT	FARMERS STATE BANK OF WYATT
YOUNGSTOWN	CITIZENS TRUST COMPANY
ZIONSVILLE	FARMERS STATE BANK

IOWA

ADEL	DALLAS COUNTY STATE BANK
AGENCY	UNION BANK AND TRUST CO
ALBERT CITY	ALBERT CITY SAVINGS BANK
ALGONA	SECURITY STATE BANK
AMES	UNION STORY TR + SAVINGS BK
ARCADIA	CARROLL COUNTY STATE BANK
AUDUBON	FIRST STATE BANK
AURELIA	FIRST TR + SAVINGS BANK
AURORA	DELWEIN STATE BANK
BAGLEY	PERRY STATE BANK
BELMOND	FIRST STATE BANK
BLOOMFIELD	DAVIS COUNTY SAVINGS BANK
BOYDEN	FARMERS SAVINGS BANK
BREDA	BREDA SAVINGS BANK
BURLINGTON	BURLINGTON BANK AND TRUST CO
BURLINGTON	FARMERS AND MERCHANTS BANK
CALLENDER	SOMERS SAVINGS BANK
CARROLL	CARROLL COUNTY STATE BANK
CARSON	COUNCIL BLUFFS SAVINGS BANK
CEDAR RAPIDS	CITY NATIONAL BANK
CHARLES CITY	COMM TRUST AND SAVINGS BANK
CHARLES CITY	FIRST SECURITY BK AND TRUST
CHELSEA	CHELSEA SAVINGS BANK
CHEROKEE	STEELE STATE BANK
CLARINDA	PAGE COUNTY STATE BANK
CLARION	THE FIRST NATIONAL BANK
CLARION	WRIGHT COUNTY STATE BANK
CLARKSVILLE	IOWA STATE BANK
CLEAR LAKE	COMMUNITY NATIONAL BANK
CLINTON	CITY NATL BANK OF CLINTON
CLUTIER	CLUTIER STATE BANK
COGGON	LINN COUNTY STATE BANK
COIN	PAGE COUNTY STATE BANK
CORN RAPIDS	IOWA SAVINGS BANK
CORALVILLE	CORALVILLE BANK AND TRUST CO
COUNCIL BLUFFS	FIRST NATIONAL BANK
COUNCIL BLUFFS	COUNCIL BLUFFS SAVINGS BANK
CRESCO	CRESCO UNION SAVINGS BANK
DALLAS CENTER	BRENTON STATE BANK
DANBURY	FARMERS SAVINGS BANK
DAVENPORT	FIRST NATIONAL BANK
DECORAH	DECORAH STATE BANK
DELHI	DELHI SAVINGS BANK
DENISON	FIRST NATIONAL BANK
DENVER	DENVER SAVINGS BANK
DES MOINES	BANKERS TRUST COMPANY
DES MOINES	CENTRAL NATL BK AND TR CO
DES MOINES	FIRST FEDERAL STATE BANK
DES MOINES	IOWA DES MOINES NATL BANK
DES MOINES	NATIONAL BANK OF DES MOINES
DES MOINES	NORTHWEST DES MOINES NATL BK
DES MOINES	SO DES MOINES NATIONAL BANK
DES MOINES	UNITED FEDERAL S+L ASSOC
DES MOINES	VALLEY BANK AND TRUST CO
DINSDALE	LINCOLN SAVINGS BANK
DOUGHERTY	SHEFFIELD SAVINGS BANK
DUBUQUE	AMERICAN TR AND SAVINGS BANK
DUBUQUE	FIRST NATIONAL BANK
DUNKERTON	PEOPLES BANK AND TRUST CO
DYERSVILLE	DYERSVILLE NATIONAL BANK
EAGLE GROVE	EAGLE GROVE STATE BANK
EAGLE GROVE	SECURITY SAVINGS BANK
ELDORA	HARDIN COUNTY SAVINGS BK
ELKADER	CENTRAL STATE BANK
ELLIOTT	HOUGHTON STATE BANK
EMMETSBURG	IOWA TRUST AND SAVINGS BANK
EMMETSBURG	PALO ALTO COUNTY STATE BANK
EVANSVILLE	FARMERS STATE BANK
EVERLY	EVERLY STATE BANK
EXIRA	EXCHANGE STATE BANK
FAIRFIELD	FIRST NATIONAL BANK
FAYETTE	STATE BANK
FOREST CITY	FOREST CITY BK AND TRUST CO
FORT DODGE	FIRST NATIONAL BANK
FORT DODGE	UNION TR AND SAVINGS BANK
FORT MADISON	FORT MADISON SAVINGS BANK
GARNAVILLO	GARNAVILLO SAVINGS BANK
GARWIN	FARMERS SAVINGS BANK
GEORGE	GEORGE STATE BANK
GILBERT	UNION STORY TR + SAVINGS BK
GILMORE CITY	HUMBOLDT TRUST + SAVINGS BK
GRANGER	BRENTON STATE BANK
GRIMES	BANKERS TRUST CO
GRINNELL	GRINNELL STATE BANK
GRINNELL	POWESHIEK COUNTY NATL BANK
GRUNDY CENTER	FARMERS SAVINGS BANK
GUTHRIE CENTER	GUTHRIE COUNTY STATE BANK
GUTTENBERG	SECURITY STATE BANK
HAMPTON	FIRST NATIONAL BANK
HANSELL	SHEFFIELD SAVINGS BANK
HARLAN	HARLAN NATIONAL BANK
HARLAN	SHELBY COUNTY STATE BANK
HARTWICK	HARTWICK STATE BANK
HAWARDEN	FIRST NATIONAL BANK
HILLS	HILLS BANK AND TRUST CO
HUDSON	HUDSON STATE BANK
HUMBOLDT	HUMBOLDT TR AND SAVINGS BK
HUMESTON	THE CITIZENS STATE BANK
INDEPENDENCE	SECURITY STATE BANK
INDIANOLA	PEOPLES TRUST + SAVINGS BANK
INDIANOLA	WARREN CTY BK AND TR CO
IONIA	FIRST SECURITY BANK + TRUST
IOWA CITY	FIRST NATIONAL BANK
IOWA CITY	IOWA STATE BANK AND TRUST CO
IOWA FALLS	IOWA FALLS STATE BANK
IRETON	SECURITY SAVINGS BANK
JAMAICA	PERRY STATE BANK
JANESVILLE	STATE BANK OF WAVERLY
JEFFERSON	HOME STATE BANK
JEFFERSON	JEFFERSON STATE BANK
JESUP	FARMERS STATE BANK
KALONA	FARMERS SAVINGS BANK
KALONA	KALONA SAVINGS BANK
KEOTA	FARMERS SAVINGS BANK
KESLEY	IOWA STATE BANK
KEYSTONE	KEYSTONE SAVINGS BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

LACONA	PEOPLES TRUST AND SAVINGS BK
LAKE VIEW	FARMERS STATE BANK
LAMONI	STATE BANK
LANSING	KERNDT BROTHERS SAVINGS BANK
LA PORTE CITY	LA PORTE CITY STATE BANK
LARCHWOOD	SECURITY SAVINGS BANK
LE MARS	FIRST NATIONAL BANK
LE MARS	LE MARS SAVINGS BANK
LINCOLN	LINCOLN SAVINGS BANK
LIVERNE	SECURITY STATE BANK
MALCOM	GRINNELL STATE BANK
MAPLETON	MAPLETON TR AND SAVINGS BK
MARBLE ROCK	FIRST SECURITY BK + TRUST
MARCUS	FARMERS STATE BANK
MARION	FARMERS STATE BANK
MARSHALLTOWN	COMMERCIAL STATE BANK
MARSHALLTOWN	SECURITY SAVINGS BANK
MASON CITY	FIRST NATIONAL BANK
MAURICE	NORTHWESTERN STATE BANK
MILES	MILES SAVINGS BANK
MILO	PEOPLES TRUST + SAVINGS BANK
MONONA	UNION STATE BANK
MONTICELLO	MONTICELLO STATE BANK
MOULTON	DAVIS COUNTY SAVINGS BANK
MOUNT PLEASANT	HENRY COUNTY SAVINGS BANK
MOUNT PLEASANT	MT PLEASANT BK AND TR CO
MOUNT VERNON	MT VERNON BANK AND TRUST CO
MUSCATINE	MUSCATINE BANK AND TRUST CO
NEVADA	NEVADA NATIONAL BANK
NEW HAMPTON	SECURITY STATE BANK
NEW SHARON	TAINTOR SAVINGS BANK
NEWTON	JASPER COUNTY SAVINGS BANK
NEWTON	THE NEWTON NATIONAL BANK
OELWEIN	FIRST NATIONAL BANK
OELWEIN	OELWEIN STATE BANK
ORANGE CITY	NORTHWESTERN STATE BANK
OSKALOOSA	IOWA TRUST + SAVINGS BANK
OSKALOOSA	MAHASKA STATE BANK
OSSIAN	OSSIAN STATE BANK
OTTUMWA	FIRST NATIONAL BANK
OTTUMWA	SOUTH OTTUMWA SAVINGS BANK
OTTUMWA	UNION BK + TRUST CO
PALMER	PALMER STATE BANK
PATON	COMMUNITY STATE BANK
PELLA	PELLA NATIONAL BANK
PERRY	FIRST NATIONAL BANK OF PERRY
PERRY	PERRY STATE BANK
POLK CITY	POLK CITY SAVINGS BANK
POMEROY	POMEROY STATE BANK
POSTVILLE	CITIZENS STATE BANK
POSTVILLE	POSTVILLE STATE BANK
PRINCETON	FARMERS SAVINGS BANK
RADCLIFFE	SECURITY STATE BANK
RED OAK	HOUGHTON STATE BANK
REINBECK	LINCOLN SAVINGS BANK
RICEVILLE	FIRST NATIONAL BANK
ROCK RAPIDS	LYON COUNTY STATE BANK
ROCKWELL CITY	NATIONAL BANK
ROWAN	WRIGHT COUNTY STATE BANK
RUTHVEN	RUTHVEN STATE BANK
SAC CITY	SAC CITY STATE BANK
SCHALLER	STATE BANK OF SCHALLER
SCHLESWIG	FARMERS STATE BANK
SHEFFIELD	SHEFFIELD SAVINGS BANK
SIBLEY	SIBLEY STATE BANK
SIBLEY	THE FIRST NATIONAL BANK
SIOUX CENTER	THE FIRST NATIONAL BANK
SIOUX CITY	FIRST NATIONAL BANK
SIOUX CITY	SECURITY NATIONAL BANK
SIOUX CITY	TOY NATIONAL BANK
SOLON	SOLON STATE BANK
SOMERS	SOMERS SAVINGS BANK
SPENCER	CLAY COUNTY NATIONAL BANK
SPENCER	FARMERS TRUST AND SAVINGS BK
SPRAGUEVILLE	FARMERS SAVINGS BANK
STANTON	SECURITY STATE BANK
STATE CENTER	CENTRAL STATE BANK
STORM LAKE	CITIZENS FIRST NATIONAL BANK
STORM LAKE	COMM TRUST AND SAVINGS BANK
STORM LAKE	SECURITY TR AND SAVINGS BK
SUMNER	FIRST NATIONAL BANK
TAINTOR	TAINTOR SAVINGS BANK
THOR	HUMBOLDT TRUST + SAVINGS BK
TRIPOLI	AMERICAN SAVINGS BANK
VILLISCA	NODAWAY VALLEY NATL BANK
VINING	CLUTIER STATE BANK
WALL LAKE	WALL LAKE SAVINGS BANK
WASHINGTON	THE NATL BANK OF WASHINGTON
WATERLOO	NATL BANK OF WATERLOO
WATERLOO	PEOPLES BK + TRUST CO
WAYLAND	WAYLAND STATE BANK
WAUKEE	BRENTON STATE BANK
WAUKON	WAUKON STATE BANK
WAVERLY	FIRST NATIONAL BANK
WAVERLY	STATE BANK OF WAVERLY
WEBSTER CITY	FIRST STATE BANK
WEBSTER CITY	THE FARMERS NATIONAL BANK
WEST BRANCH	FIRST STATE BANK
WEST UNION	FIRST NATIONAL BANK
WINTHROP	PEOPLES STATE BANK
WOODWARD	BRENTON STATE BANK

KANSAS

ABILENE	THE ABILENE NATIONAL BANK
ABILENE	THE CITIZENS BANK
ABILENE	THE FARMERS NATIONAL BANK
ABILENE	FIRST WESTERN STATE BANK
ADMIRE	ADMIRE STATE BANK
AGRA	FARMERS NATIONAL BANK
ALBERT	FARMERS STATE BANK
ALDEN	ALDEN STATE BANK
ALEXANDER	ALEXANDER STATE BANK
ALICEVILLE	FARMERS STATE BANK
ALMA	FIRST NATIONAL BANK
ALMENA	FIRST STATE BANK
ALTA VISTA	ALTA VISTA STATE BANK
BARNES	STATE EXCHANGE BANK
BAXTER SPRINGS	AMERICAN NATIONAL BANK
BAXTER SPRINGS	THE BAXTER STATE BANK
BAZINE	BAZINE STATE BANK
BEATTIE	FIRST NATIONAL BANK
BELLE PLAINE	VALLEY STATE BANK
BELLEVILLE	FIRST NATIONAL BANK
BELLEVILLE	PEOPLES NATIONAL BANK
BELOIT	FIRST NATIONAL BANK
BELOIT	GUARANTY STATE BANK
BENDENA	BENDENA STATE BANK
BENNINGTON	BENNINGTON STATE BANK
BENTLEY	STATE BANK OF BENTLEY
BENTON	BENTON STATE BANK
BERN	STATE BANK OF BERN
BEVERLY	BEVERLY STATE BANK
BIRD CITY	SECURITY STATE BANK
BISON	BISON STATE BANK
BLUE MOUND	FARMERS STATE BANK
BLUE RAPIDS	STATE BANK OF BLUE RAPIDS
BOGUE	FARMERS STATE BANK
BONNER SPRINGS	COMMERCIAL STATE BANK
BREMEN	BREMEN STATE BANK
BRONSON	BANK OF BRONSON
BUCKLIN	BUCKLIN STATE BANK
BUCKLIN	FARMERS STATE BANK
BUHLER	BUHLER STATE BANK
BURDEN	STATE BANK OF BURDEN
BURDETT	BURDETT STATE BANK
BURLINGAME	THE FIRST STATE BANK
BURLINGTON	PEOPLES NATIONAL BANK
BURNS	BURNS STATE BANK
BURR	BURR OAK STATE BANK
BURRTON	STATE BANK OF BURRTON
BUSH CITY	BUSH CITY STATE BANK
BUSHTON	BUSHTON STATE BANK
CALDWELL	CALDWELL STATE BANK
CALDWELL	THE STOCK EXCHANGE BANK
CANEY	CANEY VALLEY NATIONAL BANK
CANTON	FARMERS STATE BANK
CANTON	STATE BANK OF CANTON
CAWKER CITY	FARMERS AND MERCHANTS ST BK
CEDAR POINT	CEDAR POINT STATE BANK
CEDAR VALE	CEDAR VALE NATIONAL BANK
CENTERVILLE	CENTERVILLE STATE BANK
CENTRALIA	FIRST NATIONAL BANK
CHANUTE	BANK OF COMMERCE
CHANUTE	FIRST NATIONAL BANK
AUGUSTA	THE PRAIRIE STATE BANK
AXTELL	STATE BANK OF AXTELL
BAILEYVILLE	BAILEYVILLE STATE BANK
BALDWIN	BALDWIN STATE BANK
BARNARD	FIRST NATIONAL BANK
ALTAMONT	LABETTE COUNTY STATE BANK
AMERICUS	AMERICUS STATE BANK
ANDOVER	ANDOVER STATE BANK
ANTHONY	CITIZENS NATIONAL BANK
ARCADIA	HOME STATE BANK
ARGONIA	FARMERS AND MERCHANTS ST BK
ARKANSAS CITY	HOME NATL BANK
ARKANSAS CITY	THE UNION STATE BANK
ARLINGTON	CITIZENS STATE BANK
ARMA	FIRST STATE BANK
ASHERVILLE	FARMERS STATE BANK
ASHLAND	CITIZENS STATE BANK
ASHLAND	STOCKGROWERS STATE BANK
ASSARIA	ASSARIA STATE BANK
ATCHISON	CITY NATIONAL BANK
ATCHISON	EXCHANGE NATIONAL BANK
ATLANTA	CITIZENS STATE BANK
ATTICA	FIRST NATIONAL BANK
ATWOOD	FARMERS NATIONAL BANK
ATWOOD	STATE BANK OF ATWOOD
AUBURN	SECURITY STATE BANK
AUGUSTA	AUGUSTA STATE BANK
CHAPMAN	CHAPMAN STATE BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

CHASE	CHASE STATE BANK
CHENEY	CITIZENS STATE BANK
CHERRYVALE	PEOPLES STATE BANK
CHETOPA	CHETOPA STATE BANK
CIMARRON	FIRST NATIONAL BANK
CIRCLEVILLE	FARMERS STATE BANK
CLAY CENTER	PEOPLES NATIONAL BANK
CLAY CENTER	UNION STATE BANK
CLEARWATER	HOME STATE BANK
CLIFTON	FIRST NATIONAL BANK
CLYDE	ELK STATE BANK
CLYDE	EXCHANGE NATIONAL BANK
COATS	COATS STATE BANK
COFFEYVILLE	CONDON NATIONAL BANK
COFFEYVILLE	FIRST NATIONAL BANK
COLBY	FARMERS AND MERCHANTS ST BK
COLBY	THOMAS COUNTY NATL BANK
COLDWATER	COLDWATER NATIONAL BANK
COLDWATER	THE PEOPLES STATE BANK
COLLYER	FIRST NATIONAL BANK
COLUMBUS	COLUMBUS STATE BANK
COLUMBUS	FIRST NATIONAL BANK
COLWICH	STATE BANK OF COLWICH
CONCORDIA	CLOUD COUNTY BANK
CONCORDIA	FIRST NATL BANK
CONCORDIA	THE FIDELITY STATE BANK
CONWAY SPRINGS	FIRST NATIONAL BANK
CONWAY SPRINGS	STATE BANK OF CONWAY SPRINGS
CORNING	FARMERS STATE BANK
COTTONWOOD FALL	EXCHANGE NATIONAL BANK
COUNCIL GROVE	COUNCIL GROVE NATIONAL BANK
COUNCIL GROVE	FARMERS AND DROVERS BANK
COURTLAND	SWEDISH AMERICAN STATE BANK
CUNNINGHAM	FIRST NATIONAL BANK
DELPHOS	STATE BANK OF DELPHOS
DENTON	BANK OF DENTON
DERBY	FARMERS AND MERCHANTS ST BK
DE SOTO	DE SOTO STATE BANK
DEXTER	FARMERS AND MERCHANTS ST BK
DIGHTON	FIRST NATIONAL BANK
DODGE CITY	FIDELITY STATE BANK
DODGE CITY	FIRST NATIONAL BANK
DOUGLASS	EXCHANGE STATE BANK
DOWNS	DOWNS NATIONAL BANK
DOWNS	STATE BANK OF DOWNS
DURHAM	DURHAM STATE BANK
DWIGHT	FARMERS STATE BANK
EASTON	EASTON STATE BANK
EDNA	FIRST STATE BANK
EDWARDSVILLE	EDWARDSVILLE STATE BANK
EFFINGHAM	FARMERS AND MERCHANTS ST BK
EL DORADO	CITIZENS STATE BANK
EL DORADO	EL DORADO NATIONAL BANK
EL DORADO	WALNUT VALLEY STATE BANK
ELK CITY	FIRST NATIONAL BANK
ELKHART	FIRST STATE BANK
ELLINWOOD	PEOPLES STATE BANK
ELLIS	ELLIS STATE BANK
ELLSWORTH	CITIZENS STATE BANK
ELMDALE	PEOPLES EXCHANGE BANK
EMPORIA	CITIZENS NATIONAL BANK
EMPORIA	EMPORIA STATE BANK
EMPORIA	THE LYON COUNTY STATE BANK
ENTERPRISE	DICKINSON COUNTY BANK
ERIE	HOME STATE BANK
ESBON	STATE BANK OF ESBON
ESKRIDGE	ESKRIDGE STATE BANK
EUDORA	KAW VALLEY STATE BANK
EUREKA	CITIZENS NATIONAL BANK
EUREKA	HOME NATIONAL BANK
EVEREST	UNION STATE BANK
FAIRVIEW	FARMERS STATE BANK
FALL RIVER	FALL RIVER STATE BANK
FALUN	FALUN STATE BANK
FLORENCE	THE FLORENCE STATE BANK
FORMOSO	FIRST NATIONAL BANK
FT LEAVENWORTH	ARMY NATIONAL BANK
FT SCOTT	CITY STATE BANK
FT SCOTT	SECURITY STATE BANK
FT SCOTT	THE CITIZENS NATIONAL BANK
FOWLER	FOWLER STATE BANK
FRANKFORT	FIRST NATIONAL BANK
FREDONIA	FIRST NATIONAL BANK
FREDONIA	STATE BANK OF FREDONIA
FREEPORT	FREEPORT STATE BANK
FRONTENAC	MINERS STATE BANK
GALENA	THE CITIZENS STATE BANK
GALVA	FARMERS STATE BANK
GARDEN CITY	FIDELITY STATE BANK
GARDEN CITY	GARDEN NATIONAL BANK
GARDNER	FARMERS BANK
GARNETT	GARNETT STATE SAVINGS BANK
GAYLORD	FIRST NATIONAL BANK
GENESEO	CITIZENS STATE BANK
GIRARD	FIRST NATIONAL BANK
GIRARD	GIRARD NATIONAL BANK
GLASCO	FIRST NATIONAL BANK
GLEN ELDER	TRADERS STATE BANK
GOFF	FIRST NATIONAL BANK
GOODLAND	FIRST NATIONAL BANK
GOODLAND	GOODLAND STATE BANK
GORHAM	GORHAM STATE BANK
GRAINFIELD	CITIZENS STATE BANK
GREAT BEND	AMERICAN STATE BANK
GREAT BEND	FIRST NATIONAL BANK
GREAT BEND	SECURITY STATE BANK
GREELEY	BANK OF GREELEY
GREENLEAF	CITIZENS NATIONAL BANK
GREENSBURG	GREENSBURG STATE BANK
GRIDLEY	CITIZENS STATE BANK
GRINNELL	PEOPLES STATE BANK
GYPSUM	GYPSUM VALLEY NATIONAL BANK
HALSTEAD	THE HALSTEAD BANK
HAMILTON	FIRST NATIONAL BANK
HANSTON	HANSTON STATE BANK
HARPER	FIRST NATIONAL BANK
HARTFORD	HARTFORD STATE BANK
HARVEYVILLE	FIRST NATIONAL BANK
HAVEN	HAVEN STATE BANK
HAVENSVILLE	HAVENSVILLE STATE BANK
HAVILAND	HAVILAND STATE BANK
HAYS	FARMERS STATE BANK
HAYS	FIRST NATIONAL BANK
HAYS	HAYS NATIONAL BANK
HAYSVILLE	HAYSVILLE STATE BANK
HEALY	FIRST STATE BANK
HEPLER	HEPLER STATE BANK
HERINGTON	BANK OF HERINGTON
HERINGTON	FIRST NATIONAL BANK
HERNDON	STATE BANK OF HERNDON
HESSTON	HESSTON STATE BANK
HIAWATHA	CITIZENS STATE BANK
HIAWATHA	MORRILL AND JAMES BANK
HIGHLAND	FARMERS STATE BANK
HILL CITY	CONSOLIDATED STATE BANK
HILL CITY	FARMERS AND MERCHANTS BANK
HILLSBORO	FIRST NATIONAL BANK
HOISINGTON	FIRST NATL BANK IN HOISINGTO
HOLTON	DENISON STATE BANK
HOLTON	KANSAS STATE BANK
HOLYROOD	BANK OF HOLYROOD
HOPE	FIRST NATIONAL BANK
HORTON	BANK OF HORTON
HOWARD	FIRST NATIONAL BANK
HOWARD	HOWARD NATIONAL BANK
HOXIE	FIRST NATIONAL BANK
HOXIE	HOXIE STATE BANK
HUDSON	HUDSON STATE BANK
HUGOTON	CITIZENS STATE BANK
HUMBOLDT	HUMBOLDT NATIONAL BANK
HUNTER	FARMERS STATE BANK
HUTCHINSON	CENTRAL STATE BANK
HUTCHINSON	FIRST NATIONAL BANK
HUTCHINSON	HUTCHINSON NATL BK AND TR CO
INDEPENDENCE	CITIZENS NATIONAL BANK
INDEPENDENCE	INDEPENDENCE STATE BANK
INGALLS	FARMERS STATE BANK
INMAN	BANK OF INMAN
IOLA	ALLEN COUNTY STATE BANK
IOLA	IOLA STATE BANK
IUKA	IUKA STATE BANK
JAMESTOWN	JAMESTOWN STATE BANK
JENNINGS	FIRST STATE BANK OF JENNINGS
JETMORE	FARMERS STATE BANK
JEWELL	CITIZENS STATE BANK
JOHNSON	JOHNSON STATE BANK
JUNCTION CITY	CENTRAL NATIONAL BANK
JUNCTION CITY	FIRST NATIONAL BANK
KANAPOLIS	KANAPOLIS STATE BANK
KANSAS CITY	BROTHERHOOD STATE BANK
KANSAS CITY	COMMERCIAL NONAL BANK
KANSAS CITY	DOUGLAS STATE BANK
KANSAS CITY	EXCHANGE STATE BANK
KANSAS CITY	FIDELITY STATE BANK
KANSAS CITY	FIRST STATE BANK
KANSAS CITY	GUARANTY STATE BANK
KANSAS CITY	KAW VALLEY STATE BANK
KANSAS CITY	QUINDARO STATE BANK
KANSAS CITY	ROSEDALE STATE BANK
KANSAS CITY	SECURITY NATIONAL BANK
KANSAS CITY	THE HOME STATE BANK
KANSAS CITY	TOWER STATE BANK
KANSAS CITY	TWIN CITY STATE BANK
KANSAS CITY	VICTORY STATE BANK
KANSAS CITY	WESTGATE STATE BANK
KANSAS CITY	THE WYANDOTTE COUNTY ST BK
KENSINGTON	FIRST NATIONAL BANK
KINCAID	BANK OF KINCAID
KINGMAN	FIRST NATIONAL BANK
KINGMAN	STATE BANK OF KINGMAN
KINSLEY	THE KINSLEY BANK
KIOWA	THE FIRST STATE BANK
LA CROSSE	FARMERS AND MERCHANTS ST BK
LA CROSSE	HOME STATE BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

LA CYGNE	LINN COUNTY BANK
LAKIN	KEARNEY COUNTY BANK
LANCASTER	STATE BANK OF LANCASTER
LARNED	FIRST NATIONAL BANK
LARNED	FIRST STATE BANK
LAWRENCE	CAPITOL FEDERAL S+L ASSOC
LAWRENCE	DOUGLAS COUNTY STATE BANK
LAWRENCE	FIRST NATIONAL BANK
LAWRENCE	LAWRENCE NATIONAL BANK
LEAVENWORTH	FIRST NATIONAL BANK
LEAVENWORTH	LEAVENWORTH NATIONAL BANK
LEAVENWORTH	MANUFACTURERS STATE BANK
LEBANON	FIRST NATIONAL BANK
LEBO	THE STATE BANK OF LEBO
LENEXA	FARMERS STATE BANK
LENORA	EXCHANGE BANK OF LENORA
LEONA	FARMERS BANK OF LEONA
LEONARDVILLE	LEONARDVILLE STATE BANK
LEOTI	FIRST STATE BANK
LE RAY	FIRST NATIONAL BANK
LIBERAL	CITIZENS STATE BANK
LIBERAL	FIRST NATIONAL BANK
LIBERAL	PEOPLES NATIONAL BANK
LINCOLN	FARMERS NATIONAL BANK
LINCOLN	SALINE VALLEY BANK
LINCOLNVILLE	PILSEN STATE BANK
LINDSBORG	FARMERS STATE BANK
LITTLE RIVER	HOME STATE BANK
LOGAN	FIRST NATIONAL BANK
LONG ISLAND	COMMERCIAL STATE BANK
LONGTON	HOME STATE BANK
LORRAINE	LORRAINE STATE BANK
LOUISBURG	BANK OF LOUISBURG
LOUISBURG	FIRST NATIONAL BANK
LUCAS	FARMERS STATE BANK
LUDELL	FARMERS STATE BANK
LURAY	PEOPLES STATE BANK
LYNDON	LYNDON STATE BANK
LYONS	THE CHANDLER NATIONAL BANK
LYONS	LYONS STATE BANK
MACKSVILLE	FARMERS AND MERCHANTS ST BK
MACKSVILLE	MACKSVILLE STATE BANK
MADISON	FIRST NATIONAL BANK
MANHATTAN	CITIZENS STATE BANK
MANHATTAN	FIRST NATIONAL BANK
MANHATTAN	UNION NATIONAL BANK
MANKATO	FIRST NATIONAL BANK
MANKATO	STATE EXCHANGE BANK
MAPLE HILL	STOCKGROWERS STATE BANK
MARION	FARMERS AND DROVERS NATL BK
MARION	MARION NATIONAL BANK
MARQUETTE	FARMERS STATE BANK
MARQUETTE	MARQUETTE STATE BANK
MARYSVILLE	CITIZENS STATE BANK
MARYSVILLE	EXCH BK OF SCHMIDT + KOESTER
MAYFIELD	MAYFIELD STATE BANK
MC CRACKEN	CITIZENS STATE BANK
MC CUNE	MC CUNE STATE BANK
MC DONALD	PEOPLES STATE BANK
MC LOUTH	BANK OF MC LOUTH
MC PHERSON	HOME STATE BANK
MC PHERSON	MC PHERSON AND CITIZENS BK
MC PHERSON	PEOPLES STATE BANK
MEADE	FIRST NATIONAL BANK
MERIDEN	STATE BANK OF MERIDEN
MILTONVALE	CITIZENS STATE BANK
MINNEAPOLIS	CITIZENS NATIONAL BANK
MINNEAPOLIS	THE OTTAWA COUNTY BANK
MINNEOLA	PEOPLES STATE BANK
MISSION	CAPITOL FEDERAL S+L ASSOC
MISSION	CENTENNIAL STATE BANK
MISSION	MISSION STATE BANK
MISSION	ROELAND PARK STATE BANK
MODOC	MODOC STATE BANK
MOLINE	EXCHANGE STATE BANK
MONTEZUMA	MONTEZUMA STATE BANK
MORLAND	CITIZENS STATE BANK
MORRILL	MORRILL STATE BANK
MOUND CITY	FARMERS AND MERCHANTS BANK
MOUNDRIDGE	CITIZENS STATE BANK
MT HOPE	FIRST NATIONAL BANK
MULLINSVILLE	FIRST STATE BANK
MULVANE	MULVANE STATE BANK
MUNDEN	MUNDEN STATE BANK
MURDOCK	MURDOCK STATE BANK
NATOMA	FIRST NATIONAL BANK
NEKOMA	NEKOMA STATE BANK
NEODESHA	FIRST NATIONAL BANK
NESS CITY	FIRST STATE BANK
NEWTON	FIRST NATL BANK IN NEWTON
NEWTON	MIDLAND NATIONAL BANK
NEWTON	THE KANSAS STATE BANK
NICKERSON	NICKERSON STATE BANK
NORCATUR	CITIZENS STATE BANK
NORTON	FIRST NATIONAL BANK
NORTON	FIRST STATE BANK
NORTONVILLE	FIRST NATIONAL BANK
NORWICH	FARMERS STATE BANK
OAKLEY	THE FARMERS STATE BANK
OBERLIN	FARMERS NATIONAL BANK
OFFERLE	FARMERS STATE BANK
OKETO	OKETO STATE BANK
OLATHE	FIRST NATIONAL BANK
OLATHE	PATRONS COOPERATIVE BANK
OLPE	OLPE STATE BANK
OLSBURG	UNION STATE BANK
ONAGA	FIRST NATIONAL BANK
OSAGE	CITIZENS STATE BANK
OSAWATOMIE	AMERICAN STATE BANK
OSAWATOMIE	FIRST NATIONAL BANK
OSBORNE	FARMERS NATIONAL BANK
OSBORNE	FIRST STATE BANK
OSKALOOSA	STATE BANK OF OSKALOOSA
OSWEGO	AMERICAN STATE BANK
OSWEGO	FIRST NATIONAL BANK
OTIS	OTIS STATE BANK
OTTAWA	FIRST NATIONAL BANK
OTTAWA	PEOPLES NATIONAL BANK
OTTAWA	THE KANSAS STATE BANK
OVERBROOK	FIRST NATIONAL BANK
OVERBROOK	KANSAS STATE BANK
OVERLAND PARK	METCALF STATE BANK
OVERLAND PARK	RANCHMART STATE BANK
OVERLAND PARK	THE OVERLAND PARK STATE BANK
OXFORD	OXFORD BANK
PALCO	FIRST NATIONAL BANK
PALMER	BANK OF PALMER
PAOLA	CITIZENS STATE BANK
PAOLA	MIAMI CITY NATIONAL BANK
PARKER	PARKER STATE BANK
PARSONS	FIRST NATIONAL BANK
PARSONS	PARSONS COMMERCIAL BANK
PARSONS	THE STATE BANK OF PARSONS
PAULINE	FIRST NATL BANK OF TOPEKA
PEABODY	PEABODY STATE BANK
PERRY	THE BANK OF PERRY
PERU	PERU STATE BANK
PHILLIPSBURG	FIRST NATIONAL BANK
PIQUA	PIQUA STATE BANK
PITTSBURG	THE FIRST STATE BANK
PITTSBURG	NATIONAL BANK OF PITTSBURG
PLAINS	PLAINS STATE BANK
PLAINVILLE	PLAINVILLE STATE BANK
PLEASANTON	BANK OF PLEASANTON
PLEASANTON	FIRST STATE BANK
PLEVNA	STATE BANK OF PLEVNA
POMONA	CITIZENS STATE BANK
POTWIN	POTWIN STATE BANK
PRAIRIE VILLAGE	JOHNSON COUNTY NATIONAL BANK
PRAIRIE VILLAGE	KANSAS STATE BANK
PRAIRIE VILLAGE	SOUTHGATE STATE BANK
PRATT	FIRST NATIONAL BANK IN PRATT
PRATT	THE PEOPLES BANK
PRESCOTT	PRESCOTT STATE BANK
PRETTY PRAIRIE	STATE BANK OF PRETTY PRAIRIE
PROTECTION	FARMERS STATE BANK
QUINTER	FIRST NATIONAL BANK
RAMONA	RAMONA STATE BANK
RANDALL	RANDALL NATIONAL BANK
RANSOM	FARMERS STATE BANK
RANSOM	FIRST STATE BANK
RAYMOND	RAYMOND STATE BANK
READING	READING STATE BANK
REXFORD	REXFORD STATE BANK
RICHLAND	CAPITAL CITY STATE BANK
RICHMOND	PEOPLES STATE BANK
RILEY	RILEY STATE BANK
ROBINSON	BANK OF ROBINSON
ROSE HILL	ROSE HILL STATE BANK
ROSSVILLE	PEOPLES STATE BANK
ROXBURY	THE ROXBURY STATE BANK
RUSSELL	HOME STATE BANK
RUSSELL	RUSSELL STATE BANK
SABETHA	FARMERS STATE BANK
ST FRANCIS	CHEYENNE COUNTY STATE BANK
ST FRANCIS	CITIZENS STATE BANK
ST JOHN	FIRST NATIONAL BANK
ST JOHN	ST JOHN NATIONAL BANK
ST MARYS	ST MARYS STATE BANK
ST PAUL	EXCHANGE STATE BANK
SALINA	FIRST NATL BK AND TR CO
SALINA	FIRST STATE BANK
SALINA	PLANTERS STATE BANK
SALINA	THE NATIONAL BANK OF AMERICA
SATANTA	STATE BANK OF SATANTA
SCANDIA	SCANDIA STATE BANK
SCOTT CITY	FIRST NATIONAL BANK
SCOTT CITY	SECURITY STATE BANK
SEDAN	FIRST NATIONAL BANK
SEDAN	SEDAN STATE BANK
SEDGWICK	SEDGWICK STATE BANK
SELDEN	FARMERS STATE BANK
SENECA	CITIZENS STATE BANK
SEVENY	SEVENY STATE BANK
SHARON SPRINGS	PEOPLES STATE BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

SHAWNEE	SHAWNEE STATE SAVINGS BANK
SHAWNEE MISSION	CAPITOL FEDERAL S+L ASSOC
SILVER LAKE	SILVER LAKE STATE BANK
SIMPSON	SIMPSON STATE BANK
SMITH CENTER	FIRST NATIONAL BANK
SMITH CENTER	SMITH COUNTY STATE BANK
SOLOMON	SOLOMON NATIONAL BANK
SO HUTCHINSON	FARMERS AND MERCHANTS ST BK
SPEARVILLE	FIRST NATIONAL BANK
SPEARVILLE	FORD COUNTY STATE BANK
SPRING HILL	STATE BANK OF SPRING HILL
STAFFORD	FARMERS NATIONAL BANK
STANLEY	STATE BANK OF STANLEY
STARK	STARK STATE BANK
STERLING	FARMERS STATE BANK
STERLING	FIRST NATIONAL BANK
STOCKTON	THE STOCKTON NATIONAL BANK
STRAWN	STRAWN STATE BANK
STRONG	STRONG CITY STATE BANK
STUTTGART	FARMERS STATE BANK
SURLETTE	HASKELL COUNTY STATE BANK
SUMMERFIELD	FIRST NATIONAL BANK
SYLVAN GROVE	THE SYLVAN STATE BANK
SYLVIA	SYLVIA STATE BANK
SYRACUSE	FIRST NATIONAL BANK
SYRACUSE	VALLEY STATE BANK
TALMAGE	TALMAGE STATE BANK
TAMPA	TAMPA STATE BANK
TESCOTT	BANK OF TESCOTT
THAYER	FIRST NATIONAL BANK
TIMKEN	TIMKEN STATE BANK
TIPTON	TIPTON STATE BANK
TONGANOXIE	FIRST STATE BANK
TOPEKA	CAPITAL CITY STATE BANK
TOPEKA	CAPITOL FEDERAL S+L ASSOC
TOPEKA	COMMERCE STATE BANK
TOPEKA	FIDELITY STATE BANK
TOPEKA	FIRST NATIONAL BANK
TOPEKA	HIGHLAND PARK STATE BANK
TOPEKA	KAW VALLEY CITIZENS STATE BK
TOPEKA	MERCHANTS NATIONAL BANK
TOPEKA	SOUTHWEST STATE BANK
TOPEKA	STATE SAVINGS BANK
TOPEKA	TOPEKA STATE BANK
TORONTO	FIRST NATIONAL BANK
TOWANDA	TOWANDA STATE BANK
TRIBUNE	FIRST NATIONAL BANK
TROY	FIRST NATIONAL BANK
TROY	TROY STATE BANK
TURNER	TURNER STATE BANK
TURON	TURON STATE BANK
ULYSSES	THE GRANT COUNTY STATE BANK
UNIONTOWN	UNION STATE BANK
UTICA	CITIZENS STATE BANK
VALLEY CENTER	ARKANSAS VALLEY STATE BANK
VALLEY FALLS	CITIZENS STATE BANK
VALLEY FALLS	KENDALL STATE BANK
VERMILLION	VERMILLION STATE BANK
VICTORIA	FARMERS NATIONAL BANK
VIOLA	CITIZENS STATE BANK
WAKEFIELD	FARMERS AND MERCHANTS ST BK
WAKESNEY	TREGO WAKESNEY STATE BANK
WALNUT	FARMERS STATE BANK
WALTON	WALTON STATE BANK
WAMEGO	FIRST NATIONAL BANK
WAMEGO	KAW VALLEY ST + SAVINGS BK
WASHINGTON	FIRST NATIONAL BANK
WATHENA	FARMERS STATE BANK
WAVERLY	FIRST NATIONAL BANK
WEIR	CITIZENS BANK
WELLINGTON	FIRST NATIONAL BANK
WELLINGTON	NATIONAL BANK OF COMMERCE
WELLSVILLE	WELLSVILLE BANK
WESTMORELAND	FARMERS STATE BANK
WESTPHALIA	STATE BANK OF WESTPHALIA
WETMORE	FIRST NATIONAL BANK
WHITE CITY	FIRST NATIONAL BANK
WHITE CLOUD	FIRST STATE BANK
WHITEWATER	BANK OF WHITEWATER
WHITING	STATE BANK OF WHITING
WICHITA	BOULEVARD STATE BANK
WICHITA	CENTRAL STATE BANK
WICHITA	EAST SIDE NATIONAL BANK
WICHITA	FIRST NATIONAL BANK
WICHITA	FOURTH NATIONAL BANK
WICHITA	KANSAS STATE BK OF WICHITA
WICHITA	NATIONAL BANK OF WICHITA
WICHITA	SENECA NATIONAL BANK
WICHITA	SOUTHWEST NATIONAL BANK
WICHITA	STOCKYARDS NATIONAL BANK
WICHITA	UNION NATIONAL BANK
WICHITA	WICHITA STATE BANK
WILMORE	WILMORE STATE BANK
WILSON	WILSON STATE BANK
WINFIELD	FIRST NATIONAL BANK
WINFIELD	THE STATE BANK
WINONA	FARMERS STATE BANK
WOODBINE	CITIZENS STATE BANK
WOODSTON	ROCKS COUNTY STATE BANK
YATES CENTER	STATE EXCHANGE BANK
YODER	FARMERS STATE BANK

KENTUCKY

ASHLAND	THIRD NATIONAL BANK
BARBOURVILLE	AMERICAN FIDELITY BANK
BARBOURVILLE	UNION NATIONAL BANK
BEAVER DAM	BEAVER DAM DEPOSIT BANK
BENTON	BANK OF MARSHALL COUNTY
BRANDENBURG	FARMERS DEPOSIT BANK
BROOKSVILLE	FIRST NATIONAL BANK
BURNSIDE	FIRST AND FARMERS NATL BANK
CAMPBELLSVILLE	TAYLOR COUNTY BANK
CLINTON	CLINTON BANK
CRESTWOOD	CRESTWOOD STATE BANK
EARLINGTON	PEOPLES BANK AND TRUST CO
FLEMINGSBURG	FARMERS DEPOSIT BANK
FORT KNOX	FORT KNOX NATIONAL BANK
FRANKFORT	STATE NATIONAL BANK
FULTON	CITY NATIONAL BANK
GLASGOW	CITIZENS BANK AND TRUST CO
GRAYSON	COMMERCIAL BANK OF GRAYSON
GREENUP	FIRST AND PEOPLES BANK
HARLAN	BANK OF HARLAN
HAZARD	CITIZENS STATE BANK
IRVINE	UNION BANK + TRUST COMPANY
JEFFERSONTOWN	CIT FIDELITY BK AND TR CO
KEVIL	KEVIL BANK
LAGRANGE	BANK OF OLDHAM COUNTY
LEXINGTON	1ST SECURITY NATL BK AND TR
LONE OAK	CITIZENS BANK + TRUST CO
LOUISVILLE	CITIZENS FIDELITY BK + TR CO
LOUISVILLE	FIRST NATIONAL LINCOLN BANK
LOUISVILLE	LIBERTY NATL BANK + TRUST CO
LOUISVILLE	LOUISVILLE TRUST COMPANY
LOUISVILLE	STOCK YARDS BANK
MADISONVILLE	PEOPLES BK AND TR COMPANY
MARION	THE PEOPLES BANK
MAYFIELD	LIBERTY SAVINGS BANK
MAYSVILLE	BANK OF MAYSVILLE
MIDWAY	UNITED BANK AND TRUST CO
MURRAY	BANK OF MURRAY
MURRAY	PEOPLES BANK OF MURRAY
NEWPORT	WEST SIDE SAVINGS BANK
NICHOLASVILLE	FIRST NATIONAL BANK
OWENSBORO	CENTRAL TRUST COMPANY
OWENSBORO	OWENSBORO NATIONAL BANK
PADUCAH	CITIZENS BANK AND TRUST CO
PADUCAH	PEOPLES FIRST NATL BK AND TR
PADUCAH	THE PADUCAH BANK
PAINTSVILLE	CITIZENS NATIONAL BANK
PEWEE VALLEY	BANK OF OLDHAM COUNTY
PIKEVILLE	PIKEVILLE NATL BK AND TR CO
PLEASURE RIDGE	CIT FIDELITY BK AND TR CO
PLEASUREVILLE	DEPOSIT BK OF PLEASUREVILLE
PROSPECT	CRESTWOOD STATE BANK
SHIVELY	BANK OF ST HELENS
SHIVELY	FIRST NATL LINCOLN BANK
SLAUGHTERS	PEOPLES BANK AND TRUST CO
SOMERSET	FIRST AND FARMERS NATL BK
VERSAILLES	UNITED BANK AND TRUST CO
VERSAILLES	WOODFORD BANK + TRUST CO
WHITESVILLE	OWENSBORO NATIONAL BANK
WHITLEY CITY	BANK OF MC CREARY COUNTY
WILLIAMSBURG	BANK OF WILLIAMSBURG
WINCHESTER	WINCHESTER BANK

LOUISIANA

ABBEVILLE	BANK OF ABBEVILLE AND TR CO
ABBEVILLE	FIRST NATIONAL BANK
BAKER	LOUISIANA NATIONAL BANK
BATON ROUGE	AMERICAN BANK AND TRUST
BATON ROUGE	CITY NATIONAL BANK
BATON ROUGE	LOUISIANA NATIONAL BANK
BOGALUSA	WASHINGTON BANK + TRUST CO
BOSSIER CITY	NATL BANK OF BOSSIER CITY
BUNKIE	AVOYELLES TR AND SAVINGS BK
BUNKIE	BUNKIE BANK AND TRUST CO
CROWLEY	BANK OF COMMERCE AND TR CO
CROWLEY	LOUISIANA BANK AND TRUST
CUT OFF	CITIZENS BANK AND TRUST CO
EUNICE	ST LANDRY BK AND TR CO
GRETNA	FIRST NATIONAL BANK
IOTA	BANK OF COMMERCE AND TR CO
JENA	BANK OF JENA
JENNINGS	JEFF DAVIS BANK AND TRUST CO
KAPLAN	KAPLAN STATE BANK
KAPLAN	VERMILLION BK AND TR COMPANY
LAFAYETTE	FIRST NATIONAL BANK
LAFAYETTE	GUARANTY BANK AND TRUST CO

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

LAKE CHARLES	FIRST NATIONAL BANK
LAKE CHARLES	GULF NATIONAL BANK
LAKE PROVIDENCE	LAKE PROVIDENCE BANK
LEESVILLE	MERCHANTS AND FARMERS BANK
LEESVILLE	VERNON BANK
MAPLEWOOD	GULF NATIONAL BANK
MARKSVILLE	THE UNION BANK
MAURICE	BANK OF ABBEVILLE AND TR CO
METAIRIE	FIRST NATIONAL BANK
MONROE	CENTRAL SAVINGS BK AND TRUST
MONROE	OUACHITA NATIONAL BANK
NEW ORLEANS	NATIONAL AMERICAN BANK
NEW ORLEANS	NATL BANK OF COMMERCE
NEW ORLEANS	NATL BK OF COMMERCE JEFF PAR
NEW ORLEANS	WHITNEY NATIONAL BANK
NEW ROADS	BANK OF NEW ROADS
NEW ROADS	GUARANTY BANK AND TRUST CO
NEWELLTON	TENSAS STATE BANK
OPELOUSAS	ST LANDRY BK AND TR COMPANY
RAYNE	BANK OF COMMERCE AND TR CO
SHREVEPORT	COMMERCIAL NATIONAL BANK
SLIDELL	BANK OF SLIDELL
THIBODAUX	CITIZENS BANK AND TRUST CO
WESTLAKE	GULF NATIONAL BANK
WEST MONROE	CENTRAL SAVINGS BK AND TR
WESTWEGO	FIRST NATIONAL BANK

MAINE

AUBURN	CASCO BANK + TRUST CO
AUBURN	FIRST MANUF NATIONAL BANK
AUGUSTA	FIRST NATIONAL GRANITE BANK
BANGOR	EASTERN TR + BANKING CO
BAR HARBOR	FIRST NATL BK OF BAR HARBOR
BETHEL	CASCO BANK + TRUST CO
BRIDGTON	CASCO BANK + TRUST CO
BRUNSWICK	CASCO BANK + TRUST CO
BUCKFIELD	CASCO BANK + TRUST CO
CARIBOU	NORTHERN NATIONAL BANK
EASTON	NORTHERN NATIONAL BANK
FALMOUTH	CASCO BANK + TRUST CO
FORT FAIRFIELD	NORTHERN NATIONAL BANK
FORT KENT	NORTHERN NATIONAL BANK
FRYEBURG	CASCO BANK + TRUST CO
GRAY	CASCO BANK + TRUST CO
KITTERY	CASCO BANK + TRUST CO
LEWISTON	CASCO BANK + TRUST CO
LEWISTON	FIRST MANUF NATIONAL BANK
LIMERICK	CASCO BANK + TRUST CO
LIMESTONE	NORTHERN NATIONAL BANK
LORING AFB	NORTHERN NATIONAL BANK
MACHIAS	EASTERN TR + BANKING CO
MADAWASKA	NORTHERN NATIONAL BANK
MARS HILL	NORTHERN NATIONAL BANK
NEW AUBURN	CASCO BANK + TRUST CO
OLD TOWN	EASTERN TR + BANKING CO
PORTLAND	CASCO BANK + TRUST CO
PRESQUE ISLE	NORTHERN NATIONAL BANK
RUMFORD	CASCO BANK + TRUST CO
SOUTH PARIS	CASCO BANK + TRUST CO
SOUTH PORTLAND	CASCO BANK + TRUST CO
SW HARBOR	FIRST NATL BK OF BAR HARBOR
VAN BUREN	NORTHERN NATIONAL BANK
WEST BUXTON	CASCO BANK + TRUST CO

MARYLAND

ABERDEEN	EQUITABLE TRUST COMPANY
ABERDEEN	FIRST NATL BK OF HARFORD CO
ANNAPOLIS	ANNAPOLIS BANKING + TR CO
ANNAPOLIS	MARYLAND NATIONAL BANK
ARBUTUS	EQUITABLE TRUST COMPANY
BALTIMORE	EQUITABLE TRUST COMPANY
BALTIMORE	FIRST NATIONAL BANK
BALTIMORE	MARYLAND NATIONAL BANK
BALTIMORE	PROVIDENT SAVINGS BANK
BALTIMORE	UNION TRUST CO OF MD
BEL AIR	FIRST NATL BK OF HARFORD CO
BELCAMP	UNION TRUST CO OF MD
BELTSVILLE	CITIZENS NATL BANK AT LAUREL
BELTSVILLE	SUBURBAN TRUST CO
BETHESDA	BANK OF BETHESDA
BETHESDA	MARYLAND NATIONAL BANK
BETHESDA	SUBURBAN TRUST CO
BOWIE	BELAIR NATIONAL BANK
BOWIE	SUBURBAN TRUST CO
BROOKLYN	EQUITABLE TRUST COMPANY
BROOKLYN	UNION TRUST CO OF MD
BROOKLYN PARK	PROVIDENT SAVINGS BANK
BRUNSWICK	FARMERS + MECHANICS NATL BK
BURTONSVILLE	CITIZENS NATL BK AT LAUREL
CAMBRIDGE	MARYLAND NATIONAL BANK
CAMBRIDGE	UNION TRUST CO OF MD
CAPITOL HEIGHTS	SUBURBAN TRUST CO
CATONSVILLE	EQUITABLE TRUST COMPANY
CATONSVILLE	UNION TRUST CO OF MD
CENTREVILLE	CENTREVILLE NATIONALBANK
CHESTERTOWN	MARYLAND NATIONAL BANK
CHESTERTOWN	PEOPLES BANK OF CHESTERTOWN
CHEVY CHASE	SUBURBAN TRUST CO
CLARKSVILLE	CENTRAL BANK OF HOWARD CO
CLEAR SPRING	MARYLAND NATIONAL BANK
COCKEYSVILLE	MARYLAND NATIONAL BANK
COLLEGE PARK	SUBURBAN TRUST CO
CORAL HILLS	SUBURBAN TRUST CO
CRESAPTOWN	1ST-2ND NATL BK AND TR CO
CUMBERLAND	1ST 2ND NATL BK AND TR CO
DARLINGTON	EQUITABLE TRUST COMPANY
DENTON	DENTON NATIONAL BANK
DENTON	PEOPLES BANK OF MARYLAND
DRUMCASTLE	UNION TRUST CO OF MD
DUNDALK	EQUITABLE TRUST COMPANY
DUNDALK	PROVIDENT SAVINGS BANK
DUNDALK	UNION TRUST CO OF MD
EASTON	MARYLAND NATIONAL BANK
EASTON	UNION TRUST CO OF MD
EASTOVER	MARYLAND NATIONAL BANK
EASTOVER	SUBURBAN TRUST CO
EASTPOINT	MARYLAND NATIONAL BANK
EASTPOINT	PROVIDENT SAVINGS BANK
E RIVERDALE	SUBURBAN TRUST CO
EDGEWOOD	FIRST NATL BK OF HARFORD CO
EMMITSBURG	FARMERS + MECHANICS NATL BK
ESSEX	EQUITABLE TRUST COMPANY
ESSEX	MARYLAND NATIONAL BANK
ESSEX	UNION TRUST CO OF MD
FEDERALSBURG	MARYLAND NATIONAL BANK
FOREST HEIGHTS	SUBURBAN TRUST CO
FORESTVILLE	SUBURBAN TRUST CO
FORT WETHICK	FARMERS + MECHANICS NATL BK
FORT MEADE	CITIZENS NATL BK AT LAUREL
FREDERICK	FARMERS + MECHANICS NATL BK
FRIENDSVILLE	FIRST NATL BK OF OAKLAND
FROSTBURG	FROSTBURG NATIONAL BANK
FROSTBURG	THE FIDELITY BANK
GAITHERSBURG	SUBURBAN TRUST CO
GERMANTOWN	SUBURBAN TRUST CO
GLEN BURNIE	EQUITABLE TRUST COMPANY
GLEN BURNIE	MARYLAND NATIONAL BANK
GLEN BURNIE	PROVIDENT SAVINGS BANK
GLEN BURNIE	UNION TRUST CO OF MD
GLYNDON	UNION TRUST CO OF MD
GRANTSVILLE	FIRST NATL BK OF OAKLAND
GREENBELT	SUBURBAN TRUST CO
HAGERSTOWN	MARYLAND NATIONAL BANK
HANCOCK	THE HANCOCK BANK
HILLCREST HTS	SUBURBAN TRUST CO
HILLSBORO	UNION TRUST CO OF MD
HURLOCK	MARYLAND NATIONAL BANK
HYATTSVILLE	SUBURBAN TRUST CO
INDIAN HEAD	MARYLAND NATIONAL BANK
JOPPATOWNE	EQUITABLE TRUST COMPANY
KINGSVILLE	UNION TRUST CO OF MD
LANGLEY PARK	SUBURBAN TRUST CO
LANHAM	MARYLAND NATIONAL BANK
LANHAM	SUBURBAN TRUST CO
LA PLATA	MARYLAND NATIONAL BANK
LAUREL	CITIZENS NATIONAL BANK
LAUREL	EQUITABLE TRUST COMPANY
LEONARDTOWN	FIRST NATL BK OF ST MARYS
LEONARDTOWN	MARYLAND NATIONAL BANK
LEXINGTON PARK	FIRST NATL BK OF ST MARYS
LIBERTYTOWN	FARMERS + MECHANICS NATL BK
LINTHICUM HTS	MARYLAND NATIONAL BANK
LONG MEADOW	MARYLAND NATIONAL BANK
MANCHESTER	CARROLL COUNTY BANK
MCHENRY	FIRST NATL BK OF OAKLAND
MECHANICSVILLE	MARYLAND NATIONAL BANK
MERRITT PARK	UNION TRUST CO OF MD
MIDDLE RIVER	MARYLAND NATIONAL BANK
MIDDLETOWN	MIDDLETOWN SAVINGS BANK
MILFORD MILL	UNION TRUST CO OF MD
MT AIRY	FARMERS + MECHANICS NATL BK
MT RAINIER	SUBURBAN TRUST CO
OAKLAND	FIRST NATIONAL BANK
OVERLEA	UNION TRUST CO OF MD
OWINGS MILLS	EQUITABLE TRUST COMPANY
OWINGS	MARYLAND NATIONAL BANK
PASADENA	EQUITABLE TRUST COMPANY
PERRY HALL	MARYLAND NATIONAL BANK
PERRY HALL	UNION TRUST CO OF MD
PIKESVILLE	MARYLAND NATIONAL BANK
POCOMOKE CITY	MARYLAND NATIONAL BANK
PR FREDERICK	MARYLAND NATIONAL BANK
RANDALLSTOWN	EQUITABLE TRUST COMPANY
RANDALLSTOWN	MARYLAND NATIONAL BANK
REISTERSTOWN	UNION TRUST CO OF MD
REISTERSTOWN CT	UNION TRUST CO OF MD
RINGGLY	PEOPLES BANK OF MARYLAND
RIVIERA BEACH	MARYLAND NATIONAL BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

ROCKVILLE	MARYLAND NATIONAL BANK
ROCKVILLE	SUBURBAN TRUST CO
ROLLING ROAD	UNION TRUST CO OF MD
ST MICHAELS	MARYLAND NATIONAL BANK
SALISBURY	MARYLAND NATIONAL BANK
SALISBURY	UNION TRUST CO OF MD
SATYR	EQUITABLE TRUST COMPANY
SEABROOK	EQUITABLE TRUST COMPANY
SEAT PLEASANT	SUBURBAN TRUST CO
SHADY SIDE	MARYLAND NATIONAL BANK
SHARPTOWN	MARYLAND NATIONAL BANK
SILVER SPRING	MARYLAND NATIONAL BANK
SILVER SPRING	SUBURBAN TRUST CO
SNOW HILL	MARYLAND NATIONAL BANK
SOLOMONS	MARYLAND NATIONAL BANK
SPARROWS POINT	EQUITABLE TRUST COMPANY
SPARROWS POINT	PROVIDENT SAVINGS BANK
SUITLAND	SUBURBAN TRUST CO
TAKOMA PARK	SUBURBAN TRUST CO
TILGHMAN	MARYLAND NATIONAL BANK
TIMONIUM	UNION TRUST CO OF MD
TOWSON	EQUITABLE TRUST COMPANY
TOWSON	MARYLAND NATIONAL BANK
TRAPPE	UNION TRUST CO OF MD
UNION BRIDGE	FARMERS + MECHANICS NATL BK
UNION MILLS	WESTMINSTER TRUST CO
UPPER MARLBORO	MARYLAND NATIONAL BANK
UPPER MARLBORO	SUBURBAN TRUST CO
VIENNA	MARYLAND NATIONAL BANK
WALKERSVILLE	FARMERS + MECHANICS NATL BK
W HYATTSVILLE	SUBURBAN TRUST CO
WESTMINSTER	CARROLL COUNTY BANK
WESTMINSTER	WESTMINSTER TRUST COMPANY
WHEATON	SUBURBAN TRUST CO
WHITE OAK	MARYLAND NATIONAL BANK
WHITE OAK	SUBURBAN TRUST CO
WOODLAWN	EQUITABLE TRUST COMPANY
WOODLAWN	MARYLAND NATIONAL BANK
WOODMOOR	MARYLAND NATIONAL BANK
WOODMOOR	SUBURBAN TRUST CO

MASSACHUSETTS

ADAMS	BERKSHIRE BANK + TRUST CO
ASHLAND	FRAMINGHAM TRUST CO
BOSTON	FIRST NATIONAL BANK
BOSTON	OLD COLONY TRUST COMPANY
CAMBRIDGE	CAMBRIDGE TRUST COMPANY
FRAMINGHAM	FRAMINGHAM TRUST CO
GRT BARRINGTON	BERKSHIRE BANK + TRUST CO
HAVERHILL	FIRST BANK + TRUST CO
HOLLISTON	FRAMINGHAM TRUST CO
HOPKINTON	FRAMINGHAM TRUST CO
MILFORD	MILFORD NATL BK AND TR CO
NORTH ADAMS	BERKSHIRE BANK + TRUST CO
OAK BLUFFS	MARTHAS VINEYARD NATL BK
PITTSFIELD	BERKSHIRE BANK + TRUST CO
SAXONVILLE	FRAMINGHAM TRUST CO
SHERBORN	FRAMINGHAM TRUST CO
STOCKBRIDGE	BERKSHIRE BANK + TRUST CO
SUDBURY	FRAMINGHAM TRUST CO
VINEYARD HAVEN	MARTHAS VINEYARD NATL BANK
WELLESLEY	WELLESLEY NATIONAL BANK
WELLESLEY HILLS	WELLESLEY NATIONAL BANK

MICHIGAN

ADDISON	THE COMMERCIAL SAVINGS BANK
ADRIAN	ADRIAN STATE SAVINGS BANK
ADRIAN	THE COMMERCIAL SAVINGS BANK
ALBION	CITY BANK AND TRUST CO
ALLENDALE	FIRST MICHIGAN BK + TRST CO
ALMA	BANK OF ALMA
ANN ARBOR	ANN ARBOR BANK
AUGUSTA	INDUSTRIAL ST BK KALAMAZOO
BATTLE CREEK	MICHIGAN NATIONAL BANK
BELDING	FIRST SECURITY BANK
BELLEVILLE	*NATIONAL BANK OF DETROIT
BIG RAPIDS	CITIZENS STATE BANK
BLOOMFIELD VILL	*NATIONAL BANK OF DETROIT
BOYNE CITY	STATE BANK OF EAST JORDAN
BRONSON	PEOPLES STATE BANK
BURR OAK	FIRST NATL BK OF BURR OAK
BYRON	GENESEE MERCH BK + TRUST CO
CENTREVILLE	FIRST NAT BK+TR CO KALAMAZOO
CHARLOTTE	MICHIGAN NATIONAL BANK
CLARE	CITIZENS BANK AND TRUST CO
COLDWATER	BRANCH COUNTY BANK
COLDWATER	SOUTHERN MICHIGAN NATL BANK
COMSTOCK	INDUSTRIAL ST BK KALAMAZOO
DEARBORN TWNSHP	*NATIONAL BANK OF DETROIT
DETROIT	*NATIONAL BANK OF DETROIT
DRYDEN	FIRST NATIONAL BANK
EAST JORDAN	STATE BANK OF EAST JORDAN
EAST LANSING	EAST LANSING STATE BANK
ESCANABA	STATE BANK OF ESCANABA
ESCANABA	THE ESCANABA NATIONAL BANK
FARMINGTON	*NATIONAL BANK OF DETROIT
FLAT ROCK	PEOPLES BANK
FLINT	GENESEE MERCH BK + TR CO
FLINT	MICHIGAN NATIONAL BANK
FLUSHING	GENESEE MERCH BK + TR CO
FREMONT	THE OLD STATE BK OF FREMONT
GALESBURG	FIRST NATL BK+TR OF KALAMAZO
GARDEN CITY	*NATIONAL BANK OF DETROIT
GIBRALTAR	PEOPLES BANK
GOBLES	1ST NATL BK+TR OF KALAMAZOO
GRAND HAVEN	PEOPLES BANK AND TRUST CO
GRAND RAPIDS	MICHIGAN NATIONAL BANK
GRAND RAPIDS	OLD KENT BK AND TRUST CO
GRAND RAPIDS	UNION BANK AND TRUST CO
GREENVILLE	COMMERCIAL ST SAVINGS BANK
GROSSE POINT	*NATIONAL BANK OF DETROIT
HAMILTON	FIRST MICHIGAN BK AND TR CO
HARPER WOODS	*NATIONAL BANK OF DETROIT
HOLLAND	FIRST NATIONAL BANK
HOLT	AMERICAN BANK AND TRUST CO
HUNTINGTON WOOD	*NATIONAL BANK OF DETROIT
IMLAY	IMLAY CITY STATE BANK
INKSTER	*NATIONAL BANK OF DETROIT
IONIA	FIRST SECURITY BANK
IRONWOOD	NATIONAL METALS BANK
JACKSON	CITY BANK AND TRUST COMPANY
KALAMAZOO	AMERICAN NATL BK + TR CO
KALAMAZOO	FIRST NATIONAL BK + TR CO
KALAMAZOO	INDUSTRIAL STATE BANK
LANSING	AMERICAN BANK AND TRUST CO
LANSING	MICHIGAN NATIONAL BANK
LAPEER	FIRST NATIONAL BANK
LATHRUP VILLAGE	*NATIONAL BANK OF DETROIT
LIVONIA	*NATIONAL BANK OF DETROIT
MANISTIQUE	FIRST NATIONAL BANK
MARLETTE	STATE BANK OF SANDUSKY
MARSHALL	MICHIGAN NATIONAL BANK
MECOSTA	CITIZENS STATE BANK
MIDDLEVILLE	FARMERS STATE BANK
MIO	ROSCOMMON STATE BANK
MUNISING	FIRST NATL BANK OF ALGER CO
NOVI	*NATIONAL BANK OF DETROIT
OKEMOS	EAST LANSING STATE BANK
ORTONVILLE	GENESEE MERCH BK + TR CO
OSCODA	OSCODA STATE SAVINGS BANK
OTSEGO	FIRST NATL BK+TR OF KALAMAZO
OWOSSO	OWOSSO SAVINGS BANK
PARCHMENT	FIRST NAT BK+TR CO KALAMAZOO
PARMA	CITY BANK AND TRUST CO
PAWPAW	FIRST NATL BK+TR CO KALAMAZO
PECK	STATE BANK OF SANDUSKY
PETOSKEY	FIRST STATE BANK
PLYMOUTH	*NATIONAL BANK OF DETROIT
PORTAGE	INDUSTRL ST BK OF KALAMAZOO
PORT HURON	MICHIGAN NATIONAL BANK
PORTLAND	MAYNARD ALLEN STATE BANK
QUINCY	FIRST NATIONAL BANK
READING	BRANCH COUNTY BANK
RICHLAND	AMERICAN NATL BK AND TR CO
RIVERVIEW	PEOPLES BANK
ROCHESTER	*NATIONAL BANK OF DETROIT
ROCKWOOD	PEOPLES BANK
ROSCOMMON	ROSCOMMON STATE BANK
ROSEBUSH	CITIZENS STATE BANK
SAGINAW	MICHIGAN NATIONAL BANK
SANDUSKY	STATE BANK
SARANAC	FIRST SECURITY BANK
SAUGATUCK	FRUIT GROWERS STATE BANK
SEBEWAING	FARMERS AND MERCHANTS ST BK
SOUTHFIELD	*NATIONAL BANK OF DETROIT
SPRING LAKE	THE PEOPLES BK + TR CO
STERLING TOWNSH	*NATIONAL BANK OF DETROIT
STOCKBRIDGE	STOCKBRIDGE STATE BANK
SWARTZ CREEK	GENESEE MERCH BK + TR CO
TRENTON	PEOPLES BANK
TRENTON	TRENTON STATE BANK
TRUFANT	COMMERCIAL ST SAVINGS BANK
UTICA	*NATIONAL BANK OF DETROIT
VANDERCOOK LAKE	CITY BANK + TRUST CO
VERNON	GENESEE MERCH BK + TR CO
VICKSBURG	1ST NATL BK+TR OF KALAMAZOO
WARREN	*NATIONAL BANK OF DETROIT
WAYNE	*NATIONAL BANK OF DETROIT
WESTPHALIA	MAYNARD ALLEN STATE BANK
WYANDOTTE	NATIONAL BANK OF WYANDOTTE
YPSILANTI	NATL BANK OF YPSILANTI
ZEELAND	FIRST MICHIGAN BK + TR CO

* MEMO

THE NATIONAL BANK OF DETROIT WILL GRANT

LOANS ONLY TO STUDENTS WHOSE SCHOLASTIC

RATING IS GOOD OR EXCELLENT.

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

MINNESOTA

ADA	ADA NATIONAL BANK
ADAMS	FARMERS STATE BANK OF ADAMS
AITKIN	SECURITY STATE BANK
ALBANY	STEARNS COUNTY STATE BANK
ALBERT LEA	FREEBORN NATIONAL BANK
ALBERT LEA	SECURITY ST BK OF ALBERT LEA
ALBERT LEA	THE FIRST NATIONAL BANK
ALEXANDRIA	ALEXANDRIA STATE BANK
ALEXANDRIA	FIRST FARMERS NATIONAL BANK
ALMELUND	FARMERS STATE BANK
ALTURA	ALTURA STATE BANK
ANOKA	FIRST NATIONAL BANK
ANOKA	STATE BANK
APPLETON	FARMERS AND MERCHANTS ST BK
APPLETON	NORTHWESTERN STATE BANK
ASHBY	FIRST STATE BANK
AUSTIN	AUSTIN STATE BANK
AUSTIN	FIRST NATIONAL BANK
AUSTIN	STERLING STATE BANK
BABBITT	FIRST STATE BANK
BAGLEY	THE FIRST NATIONAL BANK
BALATON	FARMERS AND MERCHANTS ST BK
BARNESVILLE	FIRST NATIONAL BANK
BARNUM	STATE BANK OF BARNUM
BAUDETTE	1ST NATL BANK OF BAUDETTE
BAYPORT	FIRST STATE BANK OF BAYPORT
BEAVER CREEK	BEAVER CREEK STATE BANK
BELGRADE	NORTH AMERICAN STATE BANK
BELLE PLAINE	STATE BANK OF BELLE PLAINE
BELVIEW	BELVIEW STATE BANK
BEMIDJI	FIRST NATIONAL BANK
BEMIDJI	NORTHERN NATIONAL BANK
BEMIDJI	SECURITY STATE BANK
BENSON	FIRST STATE BANK OF BENSON
BENSON	SWIFT COUNTY BANK
BIG LAKE	CITIZENS STATE BANK
BIRD ISLAND	STATE BANK OF BIRD ISLAND
BLACKDUCK	BLACKDUCK STATE BANK
BLUE EARTH	FIRST NATIONAL BANK
BOVEY	FIRST NATL BANK OF BOVEY
BRAINERD	CITIZENS STATE BANK
BRAINERD	FIRST NATIONAL BANK
BRANDON	CITIZENS ST BK OF BRANDON
BRECKENRIDGE	FIRST NATIONAL BANK
BROWERVILLE	LEE STATE BANK
BUFFALO	BUFFALO NATIONAL BANK
BUFFALO	THE OAKLEY NATIONAL BANK
BYRON	STATE BANK OF BYRON
CALEDONIA	CALEDONIA STATE BANK
CALEDONIA	SPRAGUE STATE BANK
CALUMET	CALUMET STATE BANK
CAMBRIDGE	PEOPLES STATE BANK
CASTLE ROCK	FIRST STATE BANK
CHANDLER	STATE BANK
CHATFIELD	ROOT RIVER STATE BANK
CLARA CITY	CITIZENS STATE BANK
CLEARBROOK	FIRST STATE BANK
CLINTON	CLINTON STATE BANK
CLOQUET	THE FIRST NATIONAL BANK
COLD SPRING	FIRST NATIONAL BANK
COLERAINE	FIRST NATIONAL BANK
COLUMBIA HGTS	COLUMBIA HEIGHTS STATE BK
COOK	FARMERS AND MERCHANTS ST BK
COSMOS	FIRST STATE BANK OF COSMOS
COTTONWOOD	EMPIRE STATE BANK
COURTLAND	COURTLAND STATE BANK
CROOKSTON	FIRST NATIONAL BANK
CROOKSTON	POLK COUNTY STATE BANK
CROSBY	FIRST NATIONAL BANK
CURRIE	CURRIE STATE BANK
DANUBE	STATE BANK
DANVERS	STATE BANK
DAWSON	NORTHWESTERN STATE BANK
DEER CREEK	SECURITY STATE BANK
DEER RIVER	THE FIRST NATIONAL BANK
DETROIT LAKES	DETROIT STATE BANK
DETROIT LAKES	FIRST NATIONAL BANK
DILWORTH	CLAY COUNTY STATE BANK
DONNELLY	FARMERS AND MERCHANTS ST BK
DORSET	FARMERS STATE BANK
DULUTH	FIRST AMERICAN NATL BANK
DULUTH	NORTHERN CITY NATL BANK
DULUTH	NORTHWESTERN BK OF COMMERCE
DUNNELL	FIRST NATIONAL BANK
EAST GRAND FORK	CITIZENS STATE BANK
EAST GRAND FORK	FIRST NATIONAL BANK
EDEN VALLEY	STATE BANK OF EDEN VALLEY
EDGERTON	STATE BANK
EITZEN	EITZEN STATE BANK
ELBOW LAKE	1ST NATL BANK OF ELBOW LAKE
ELLSWORTH	ELLSWORTH STATE BANK
ELYSIAN	ELYSIAN STATE BANK
ERSKINE	AMERICAN STATE BANK
EVELETH	FIRST NATIONAL BANK
FAIRFAX	CITIZENS STATE BANK
FAIRFAX	FIRST NATIONAL BANK
FAIRMONT	FIRST NATIONAL BANK
FARIBAULT	SECURITY NATL BK AND TR CO
FARIBAULT	THE STATE BANK OF FARIBAULT
FERGUS FALLS	FIRST NATIONAL BANK
FERTILE	FIRST STATE BANK OF FERTILE
FINLAYSON	FIRST STATE BANK
FOREST LAKE	FOREST LAKE STATE BANK
FRIDLEY	NORTHERN FEDERAL S + L ASSN
FRIDLEY	FRIDLEY STATE BANK
GAYLORD	CITIZENS STATE BANK
GLENCOE	FIRST NATIONAL BANK
GLENVILLE	CITIZENS STATE BANK
GLENWOOD	GLENWOOD STATE BANK
GLENWOOD	POPE COUNTY STATE BANK
GRACEVILLE	FIRST STATE BANK
GRAND RAPIDS	THE FIRST NATIONAL BANK
GRANITE FALLS	GRANITE FALLS BANK
GRANITE FALLS	YELLOW MEDICINE COUNTY BANK
GREEN ISLE	CITIZENS STATE BANK
GROVE CITY	FIRST STATE BANK
HALLOCK	NORTHWESTERN STATE BANK
HALSTAD	RED RIVER STATE BANK
HAMEL	FARMERS STATE BANK
HASTINGS	NORTHWESTERN NATIONAL BANK
HAWLEY	THE FIRST NATIONAL BANK
HAYFIELD	CITIZENS STATE BANK
HECTOR	SECURITY STATE BANK
HENDRUM	NORMAN CO STATE BANK
HENNING	FIRST NATIONAL BANK
HIBBING	FIRST NATIONAL BANK
HIBBING	THE SECURITY STATE BANK
HINCKLEY	FARMERS AND MERCHANTS ST BK
HOKAH	COMMERCIAL STATE BANK
HOWARD LAKE	SECURITY STATE BANK
HUTCHINSON	CITIZENS BANK
HUTCHINSON	FIRST NATIONAL BANK
INTERNATL FALLS	INTERNATIONAL STATE BANK
INTERNATL FALLS	THE FIRST NATIONAL BANK
IVANHOE	FIRST NATIONAL BANK
JANESVILLE	JANESVILLE STATE BANK
KELLIHER	CITIZENS STATE BANK
KENYON	SECURITY STATE BANK
KIMBALL	STATE BANK OF KIMBALL
LAKE BENTON	FARMERS STATE BANK
LAKE CITY	LAKE CITY FEDERAL S + L ASSN
LAKE CITY	LAKE CITY STATE BANK
LAKE PARK	STATE BANK OF LAKE PARK
LANESBORO	LANESBORO STATE BANK
LE ROY	FIRST NATIONAL BANK
LE SUEUR	VALLEY STATE BANK
LEWISTON	SECURITY STATE BANK
LEWISVILLE	MERCHANTS STATE BANK
LITCHFIELD	FIRST STATE BANK
LITCHFIELD	NORTHWESTERN NATL BANK
LITTLE FALLS	THE AMERICAN NATIONAL BANK
LONG PRAIRIE	FIRST NATIONAL BANK
LOWRY	LOWRY STATE BANK
LUVERNE	FIRST NATL BANK OF LUVERNE
LUVERNE	ROCK COUNTY BANK
MABEL	THE FIRST NATIONAL BANK
MADELIA	FARMERS STATE BANK
MADELIA	THE CITIZENS NATIONAL BANK
MADISON	STATE BANK OF MADISON
MADISON	THE KLEIN NATIONAL BANK
MAHNOMEN	FIRST NATIONAL BANK
MANKATO	FIRST NATIONAL BANK
MANKATO	NATL CITIZENS BANK
MAPLE LAKE	SECURITY STATE BANK
MARSHALL	THE FIRST NATIONAL BANK
MARSHALL	WESTERN STATE BANK
MAYNARD	SECURITY STATE BANK
MC GREGOR	STATE BANK OF MC GREGOR
MELROSE	MELROSE STATE BANK
MILACA	FIRST NATIONAL BANK
MINNEAPOLIS	FIDELITY BANK + TRUST CO
MINNEAPOLIS	FIFTH NORTHWESTERN NATL BANK
MINNEAPOLIS	1ST BLOOMINGTON LAKE NATL BK
MINNEAPOLIS	FIRST EDINA NATIONAL BANK
MINNEAPOLIS	1ST MINNEHAHA NATIONAL BANK
MINNEAPOLIS	FIRST NATIONAL BANK
MINNEAPOLIS	FOURTH NORTHWESTERN NATL BK
MINNEAPOLIS	NORTHWESTERN NATIONAL BANK
MINNEAPOLIS	THE MARQUETTE NATIONAL BANK
MINNEAPOLIS	UNIVERSITY NATIONAL BANK
MINNEOTA	FIRST STATE BANK OF MINNEOTA
MINNETONKA	GLEN LAKE STATE BANK
MONTEVIDEO	FIRST NATIONAL BANK
MONTGOMERY	CITIZENS STATE BANK
MOORHEAD	AMERICAN STATE BANK
MOORHEAD	FIRST NATIONAL BANK
MOORHEAD	MOORHEAD STATE BANK
MORA	KANABEC STATE BANK
MORGAN	STATE BANK
MORRIS	CITIZENS BANK
MORRIS	MORRIS STATE BANK
NASHWAUK	AMERICAN NATIONAL BANK
NASHWAUK	FIRST NATIONAL BANK
NEW BRIGHTON	FIRST STATE BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

NEW MARKET	FIRST STATE BANK
NEW PRAGUE	STATE BANK
NEW ULM	CITIZENS STATE BANK
NEW ULM	STATE BANK OF NEW ULM
NEW YORK MILLS	FARMERS AND MERCHANTS ST BK
NEWPORT	FARMERS TERMINAL STATE BANK
NORTH BRANCH	MERCHANTS STATE BANK
NORTH MANKATO	VALLEY NATIONAL BANK
NORTHFIELD	FIRST NATIONAL BANK
NORTHFIELD	NORTHFIELD NATIONAL BANK
NORTHFIELD	NORTHWESTERN STATE BANK
N ST PAUL	NORTHERN FEDERAL S + L ASSN
ODIN	ODIN STATE BANK
ERHARD	ERHARD STATE BANK
OKLEE	SECURITY STATE BANK
OLIVIA	CITIZENS STATE BANK
ONAMIA	FIRST STATE BANK
ORMSBY	ORMSBY STATE BANK
OSAKIS	FIRST NATIONAL BANK
OWATONNA	FIRST NATIONAL BANK
OWATONNA	OAKDALE STATE BANK
OWATONNA	SECURITY BANK AND TRUST CO
PARK RAPIDS	STATE BANK
PARKERS PRAIRIE	FIRST NATIONAL BANK
PELICAN RAPIDS	J P WALLACE STATE BANK
PINE RIVER	PINE RIVER STATE BANK
PIPESTONE	FIRST NATIONAL BANK
PIPESTONE	PIPESTONE NATIONAL BANK
PLAINVIEW	FIRST NATIONAL BANK
PLAINVIEW	PEOPLES STATE BANK
PRINCETON	PRINCETON STATE BANK
RAYMOND	FARMERS STATE BANK
RED LAKE FALLS	RED LAKE COUNTY STATE BANK
RED WING	FIRST NATIONAL BANK
RED WING	GOODHUE COUNTY NATL BANK
REDWOOD FALLS	CITIZENS STATE BANK
RENVILLE	O CONNOR BROTHERS STATE BANK
RICHFIELD	RICHFIELD BANK AND TRUST CO
RICHMOND	STATE BANK OF RICHMOND
ROCHESTER	FIRST NATIONAL BANK
ROCHESTER	NORTHWESTERN NATL BANK
ROCHESTER	OLMSTED COUNTY BK AND TR CO
ROCHESTER	ROCHESTER STATE BANK
ROSEAU	CITIZENS STATE BANK
ROSE CREEK	STATE BANK OF ROSE CREEK
ROTHSAY	FARMERS STATE BANK
RUSHFORD	RUSHFORD STATE BANK
RUTHTON	FARMERS + MERCHANTS STATE BK
ST CHARLES	FIRST NATL BK OF ST CHARLES
ST CLOUD	NORTHWESTERN BK AND TR CO
ST CLOUD	PLAZA PARK STATE BANK
ST CLOUD	ST CLOUD NATIONAL BANK
ST CLOUD	THE FIRST AMERICAN NATL BANK
ST CLOUD	ZAPP NATIONAL BANK
ST JAMES	FIRST NATIONAL BANK
ST JOSEPH	FIRST STATE BANK
ST LOUIS PARK	CITIZENS STATE BANK
ST MARTIN	ST MARTIN NATIONAL BANK
ST MICHAEL	SECURITY STATE BANK
ST PAUL	CAPITAL CITY STATE BANK
ST PAUL	CHEROKEE STATE BANK
ST PAUL	EASTERN HEIGHTS STATE BANK
ST PAUL	FIRST MERCHANTS STATE BANK
ST PAUL	FIRST NATIONAL BK OF ST PAUL
ST PAUL	HILLCREST STATE BANK
ST PAUL	MIDWAY NATL BANK OF ST PAUL
ST PAUL	MINNESOTA STATE BANK
ST PAUL	NORTHERN FEDERAL S + L ASSN
ST PAUL	NORTHWESTERN NATIONAL BANK
ST PAUL	NORTHWESTERN STATE BANK
ST PAUL	ROSEVILLE STATE BANK
ST PAUL	THE AMERICAN NATIONAL BANK
ST PAUL	WESTERN STATE BANK
ST PETER	THE 1ST NATL BANK OF ST PETE
SANTIAGO	SANTIAGO STATE BANK
SAUK CENTRE	FIRST NATIONAL BANK
SAUK RAPIDS	NORTHWESTERN STATE BANK
SHAKOPEE	FIRST NATIONAL BANK
SLAYTON	MURRAY COUNTY STATE BANK
SLEEPY EYE	FIRST NATIONAL BANK
SOUTH ST PAUL	DROVERS STATE BANK
S ST PAUL	SOUTHVIEW STATE BANK
SPRINGFIELD	STATE BANK OF SPRINGFIELD
STARBUCK	FIRST NATIONAL BANK
STEWART	FIRST STATE BANK
STEWARTVILLE	FIRST NATIONAL BANK
STILLWATER	COSMOPOLITAN STATE BANK
SWANVILLE	FIRST STATE BANK
THIEF RIV FALLS	NORTHERN STATE BANK
THIEF RIV FALLS	UNION STATE BANK
TRACY	FARMERS AND MERCHANTS ST BK
TRIMONT	FARMERS STATE BANK
ULEN	NORTHWESTERN STATE BANK
VERGAS	VERGAS STATE BANK
VIRGINIA	FIRST NATIONAL BANK
WABASHA	FIRST STATE BANK
WANAMINGO	SECURITY STATE BANK INC
WARREN	PEOPLES STATE BANK
WASECA	FARMERS NATIONAL BANK
WASECA	FIRST NATIONAL BANK
WATERTOWN	AMERICAN STATE BANK
WATKINS	FARMERS STATE BANK
WATSON	WATSON STATE BANK
WAUBUN	FARMERS STATE BANK
WAYZATA	WAYZATA STATE BANK
WELLS	PEOPLES STATE BANK
WELLS	SECURITY STATE BANK
WHEATON	THE FST ST BK OF WHEATON
WHEATON	STATE BANK OF WHEATON
WHITE BEAR LAKE	FIRST STATE BANK
WILLMAR	BANK OF WILLMAR
WILLMAR	FIRST NATIONAL BANK
WILMONT	FIRST NATIONAL BANK
WINDOM	THE FIRST NATL BK OF WINDOM
WINDOM	WINDOM STATE BANK
WINNEBAGO	FIRST NATIONAL BANK
WINONA	MERCHANTS NATIONAL BANK
WINONA	THE FIRST NATIONAL BANK
WINONA	WINONA NATL AND SAVINGS BANK
WINSTED	CITIZENS STATE BANK
WOOD LAKE	STATE BANK OF WOOD LAKE
WORTHINGTON	FIRST NATIONAL BANK
WORTHINGTON	STATE BANK OF WORTHINGTON

MISSISSIPPI

AMORY	SECURITY BANK OF AMORY
BAY SPRINGS	BAY SPRINGS BANK
BOONEVILLE	PEOPLES BANK AND TRUST CO
BRANDON	RANKIN COUNTY BANK
CANTON	CANTON EXCHANGE BANK
CARTHAGE	CARTHAGE BANK
CLARKSDALE	BANK OF CLARKSDALE
CLARKSDALE	COAHOMA COUNTY BK AND TR CO
CLARKSDALE	FIRST NATIONAL BANK
CLEVELAND	CLEVELAND STATE BANK
CLINTON	BANK OF CLINTON
COLUMBIA	CITIZENS BANK
COLUMBIA	COLUMBIA BANK
CORINTH	NATIONAL BANK OF COMMERCE
CORINTH	THE SECURITY BANK
CRYSTAL SPRINGS	TRUCKERS EXCHANGE BANK
DREW	MERCHANTS AND PLANTERS BANK
ECRU	MERCHANTS AND FARMERS BANK
FLORENCE	CITIZENS BANK
FRIARS POINT	BANK OF CLARKSDALE
FULTON	FULTON BANK
GEORGETOWN	GEORGETOWN BANK
GULFPORT	HANCOCK BANK
GUNTOWN	PEOPLES BANK AND TRUST CO
HATTIESBURG	FIRST NATL BK OF HATTIESBURG
HAZLEHURST	MERCHANTS AND PLANTERS BANK
HEIDELBERG	BAY SPRINGS BANK
JACKSON	CITIZENS BANK
JACKSON	DEP GUARANTY BK AND TR CO
JACKSON	FIRST NATIONAL BANK
JACKSON	JACKSON HINDS BANK
JACKSON	RANKIN COUNTY BANK
JONESTOWN	COAHOMA COUNTY BK AND TR CO
KOSCIUSKO	MERCHANTS AND FARMERS BANK
LAUREL	COMMERCIAL NATL BK AND TR CO
LAUREL	1ST NATIONAL BANK OF LAUREL
LONG BEACH	HANCOCK BANK OF GULFPORT
MANTACHIE	BANK OF TUPELO
MATHISTON	MERCHANTS AND FARMERS BANK
MCCOMB	FIRST NATIONAL BANK
MERIDIAN	CITIZENS NATIONAL BANK
MERIDIAN	1ST NATL BANK IN MERIDIAN
MERIDIAN	MERCHANTS AND FARMERS BANK
MERIGOLD	CLEVELAND STATE BANK
MISSISSIPPI CITY	HANCOCK BANK OF GULFPORT
NATCHEZ	CITY BANK AND TRUST COMPANY
NETTLETON	BANK OF NETTLETON
NEWTON	FIRST NATIONAL BANK
NEWTON	NEWTON COUNTY BANK
OXFORD	BANK OF OXFORD
PASS CHRISTIAN	HANCOCK BANK OF GULFPORT
PELAHATCHIE	RANKIN COUNTY BANK
PETAL	FIRST NATL BK OF HATTIESBURG
PORT GIBSON	MISSISSIPPI SOUTHERN BANK
RIENZI	THE SECURITY BANK
SALTILLO	PEOPLES BANK AND TRUST CO
SHANNON	PEOPLES BANK AND TRUST CO
SHERMAN	BANK OF SHERMAN
SILVER CREEK	SILVER CREEK STATE BANK
STARKVILLE	PEOPLES BANK
STARKVILLE	SECURITY STATE BANK
STURGIS	BANK OF STURGIS
TERRY	JACKSON HINDS BANK
TUPELO	BANK OF TUPELO
TUPELO	FIRST CITIZENS NATIONAL BANK
TUPELO	PEOPLES BANK AND TRUST CO
VICKSBURG	FIRST NATIONAL BANK
VICKSBURG	MERCHANTS NATL BK AND TR CO

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

MISSOURI

ALBANY	GENTRY COUNTY BANK
AVA	CITIZENS BANK OF AVA
BELTON	BANK OF BELTON
BISMARCK	BANK OF BISMARCK
BLAND	BELLE BLAND BANK
BLUE SPRINGS	BLUE SPRINGS BANK
BOLIVAR	FARMERS AND MERCHANTS BANK
BOONVILLE	KEMPER STATE BANK
BOONVILLE	NATIONAL BANK
BOSWORTH	BOSWORTH STATE BANK
BOWLING GREEN	COMMUNITY STATE BANK
BOWLING GREEN	FARMERS BK OF BOWLING GREEN
BRANSON	PEOPLES BANK
BRANSON	SECURITY BANK
BRAYMER	FIRST NATIONAL BANK
BROWNING	CITIZENS SAVINGS BANK
BUFFALO	O BANNON BANKING COMPANY
BUTLER	BUTLER STATE BANK
BUTLER	FIRST NATIONAL BANK
CABOOL	CABOOL STATE BANK
CAINSVILLE	FIRST NATIONAL BANK
CAMDENTON	CAMDEN COUNTY BANK
CAMERON	FARMERS STATE BANK
CAPE GIRARDEAU	CAPE STATE BANK
CAPE GIRARDEAU	FIRST NATIONAL BANK
CARDWELL	CARDWELL STATE BANK
CARTHAGE	BANK OF CARTHAGE
CARUTHERSVILLE	FIRST STATE BANK
CARUTHERSVILLE	THE NATIONAL BANK
CASSVILLE	FIRST NATIONAL BANK
CHARLESTON	FIRST SECURITY STATE BANK
CHILLICOTHE	CHILLICOTHE STATE BANK
CHILLICOTHE	CITIZENS NATIONAL BANK
CLARKSVILLE	CLIFFORD BANKING COMPANY
CLAYTON	ST LOUIS COUNTY NATL BANK
CLINTON	FARMERS BANK OF CLINTON
COLUMBIA	BOONE COUNTY NATIONAL BANK
COLUMBIA	COLUMBIA NATIONAL BANK
COLUMBIA	COLUMBIA SAVINGS BANK
COLUMBIA	EXCHANGE NATIONAL BANK
CREVE COEUR	CREVE COEUR BANK
CUBA	PEOPLES BANK
DEARBORN	FIRST STATE BANK
DEEPWATER	DEEPWATER STATE BANK
DE SOTO	AMERICAN BANK
DEXTER	DEXTER NATIONAL BANK
DONIPHAN	FIRST NATIONAL BANK
ELDON	BANK OF ELDON
ELDON	CITIZENS BANK OF ELDON
EMINENCE	EMINENCE SECURITY BANK
EXCELSIOR SPGS	CLAY COUNTY STATE BANK
FARMINGTON	UNITED BANK OF FARMINGTON
FULTON	CALLAWAY BANK
FULTON	FULTON NATIONAL BANK
GAINESVILLE	BANK OF GAINESVILLE
GLASGOW	GLASGOW SAVINGS BANK
GRANT CITY	CITIZENS BANK OF GRANT CITY
HARRISONVILLE	ALLEN BANKING COMPANY
HARRISONVILLE	CITIZENS NATIONAL BANK
HIGGINSVILLE	BANK OF HIGGINSVILLE
HIGH RIDGE	HIGH RIDGE BANK
HOUSE SPRINGS	BANK OF HOUSE SPRINGS
HUMANSVILLE	HUMANSVILLE BANK
HUME	HUME BANKING COMPANY
INDEPENDENCE	FIRST NATIONAL BANK
JACKSON	CAPE COUNTY SAVINGS BANK
JACKSON	JACKSON EXCHANGE BANK
JEFFERSON CITY	CENTRAL MISSOURI TRUST CO
JENNINGS	NORTH SIDE BANK
JOPLIN	FIRST NATIONAL BANK
JOPLIN	FIRST STATE BANK
KANSAS CITY	BALTIMORE BANK
KANSAS CITY	COLUMBIA NATIONAL BANK
KANSAS CITY	COMMERCE TRUST COMPANY
KANSAS CITY	COUNTRY CLUB BANK
KANSAS CITY	FIRST NATIONAL BANK
KANSAS CITY	PEOPLES BANK
KANSAS CITY	THE SOUTH SIDE BANK
KENNETT	BANK OF KENNETT
KENNETT	COTTON EXCHANGE BANK
KEYTESVILLE	BANK OF KEYTESVILLE
KIRKSVILLE	BANK OF KIRKSVILLE
KIRKSVILLE	NATIONAL BANK
KIRKSVILLE	THE CITIZENS NATIONAL BANK
LABELLE	THE BANK OF LABELLE
LA GRANGE	FARMERS AND MERCHANTS BANK
LEBANON	STATE BANK
LEES SUMMIT	BANK OF LEES SUMMIT
LEES SUMMIT	FARMERS TRUST COMPANY
LIBERTY	FIRST NATIONAL BANK
LIBERTY	NATIONAL COMMERCIAL BANK
LILBOURN	PEOPLES BANK OF LILBOURN
LOUISIANA	MERCANTILE BANK
MACON	MACON ATLANTA STATE BANK
MACON	UNITED BANK OF MACON
MADISON	MADISON BANK
MALDEN	FIRST NATL BANK OF MALDEN
MAPLEWOOD	MAPLEWOOD BANK AND TRUST CO
MARIONVILLE	FIRST STATE BANK
MARYVILLE	CITIZENS STATE BANK
MARYVILLE	NODAWAY VALLEY BANK
MAYSVILLE	FARMERS BANK OF MAYSVILLE
MEMPHIS	BANK OF MEMPHIS
MEXICO	MEXICO SAVINGS BANK
MILAN	FIRST NATIONAL BANK
MOBERLY	CITY BANK AND TRUST COMPANY
MOBERLY	MECHANICS BANK AND TRUST CO
MONETT	GILLIOZ BANK AND TRUST CO
MONTROSE	MONTROSE SAVINGS BANK
MOUND CITY	EXCHANGE BANK
NEOSHO	BANK OF NEOSHO
NEOSHO	FIRST NATIONAL BANK
NEVADA	CITIZENS STATE BANK
NEW LONDON	RALLS COUNTY STATE BANK
NEW MADRID	BANK OF NEW MADRID
NORBORNE	CITIZENS BANK
NO KANSAS CITY	NATIONAL BANK
ORAN	ORAN STATE BANK
OVERLAND	BANK OF OVERLAND
PALMYRA	PALMYRA STATE BANK
PARKVILLE	FARMERS EXCHANGE BANK
PATTONSBURG	FIRST STATE BANK
PINEVILLE	THE MCDONALD COUNTY BANK
PLATTE CITY	WELLS BANK OF PLATTE CITY
PLATTSBURG	FIRST NATIONAL BANK
POPLAR BLUFF	BANK OF POPLAR BLUFF
POPLAR BLUFF	STATE BANK OF POPLAR BLUFF
PORTAGEVILLE	FARMERS BANK
PRINCETON	PRINCETON STATE BANK
RICHLAND	PULASKI COUNTY BANK
ROCK PORT	BANK OF ATCHISON COUNTY
ROGERSVILLE	CITIZENS BANK OF ROGERSVILLE
ROLLA	FIRST STATE BANK
ROTHVILLE	BANK OF ROTHVILLE
ST CLAIR	FARMERS + MERCHANTS BANK
ST JOSEPH	AMERICAN NATIONAL BANK
ST JOSEPH	DROVERS AND MERCHANTS BANK
ST JOSEPH	FIRST NATIONAL BANK
ST JOSEPH	PARK BANK
ST LOUIS	BANK OF CRESTWOOD
ST LOUIS	BANK OF ST LOUIS
ST LOUIS	BOATMENS NATIONAL BANK
ST LOUIS	FIRST NATIONAL BANK
ST LOUIS	MERCANTILE TR CO NATL ASSN
ST LOUIS	TOWER GROVE BK AND TR CO
SALEM	THE FIRST NATIONAL BANK
SCHELL CITY	FARMERS STATE BANK
SEDALIA	SEDALIA BANK AND TRUST CO
SELIGMAN	BANK OF SELIGMAN
SENATH	SENATH STATE BANK
SIKESTON	BANK OF SIKESTON
SIKESTON	PLANTERS BANK
SLATER	STATE BANK OF SLATER
SOUTH ST JOSEPH	FIRST STOCK YARDS BANK
SPRINGFIELD	EMPIRE BANK
SPRINGFIELD	SOUTHERN MISSOURI TRUST CO
SPRINGFIELD	THE CITIZENS BANK
SPRINGFIELD	UNION NATIONAL BANK
STEELVILLE	COMMUNITY BANK
STRAFFORD	GREEN COUNTY BANK
SULLIVAN	BANK OF SULLIVAN
SWEET SPRINGS	CHEMICAL BANK
TARKIO	THE FARMERS AND VALLEY BANK
TARKIO	THE FIRST NATIONAL BANK
TRENTON	TRENTON TRUST COMPANY
UNION	UNITED BANK OF UNION
URBANA	BANK OF URBANA
VANDALIA	VANDALIA STATE BANK
VERSAILLES	MORGAN COUNTY BANK
VERSAILLES	THE BANK OF VERSAILLES
VIENNA	THE MARIES COUNTY BANK
WARRENSBURG	CITIZENS BANK
WASHINGTON	FRANKLIN COUNTY BANK
WAYNESVILLE	WAYNESVILLE SECURITY BANK
WEBSTER GROVE	BIG BEND BANK
WESTON	BANK OF WESTON
WEST PLAINS	FIRST NATIONAL BANK
WILLOW SPRINGS	STATE BANK OF WILLOW SPRINGS
WINDSOR	CITIZENS BANK
WINONA	WINONA SAVINGS BANK

MONTANA

ABSAROKEE	MONTANA NATIONAL BANK
ANACONDA	DALY BANK AND TRUST COMPANY
BAKER	BAKER NATIONAL BANK
BAKER	THE BANK OF BAKER
BELT	BELT VALLEY BANK
BIG SANDY	NORTHERN MONTANA STATE BANK
BILLINGS	BILLINGS STATE BANK
BILLINGS	FIRST NATIONAL BANK
BILLINGS	MIDLAND NATIONAL BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

BILLINGS	SECURITY TR AND SAVINGS BANK
BILLINGS	VALLEY STATE BANK
BOZEMAN	FIRST NATIONAL BANK
BOZEMAN	GALLATIN TR AND SAVINGS BANK
BOZEMAN	SECURITY BANK AND TRUST CO
BUTTE	METALS BANK AND TRUST CO
BUTTE	MINERS NATIONAL BANK
CHESTER	LIBERTY COUNTY BANK
CHINOOK	FIRST STATE BANK
CHINOOK	WESTERN BANK
CIRCLE	FIRST NATIONAL BANK
COLUMBIA FALLS	BANK OF COLUMBIA FALLS
COLUMBUS	THE YELLOWSTONE BANK
CULBERTSON	CULBERTSON STATE BANK
CUT BANK	FIRST NATIONAL BANK
DEER LODGE	DEER LODGE BANK AND TRUST CO
DILLON	STATE BANK AND TRUST CO
DUTTON	DUTTON STATE BANK
EKALAKA	THE FIRST NATIONAL BANK
FAIRVIEW	FAIRVIEW BANK
FORSYTH	FIRST STATE BANK
FORT BENTON	FIRST CHOUTEAU COUNTY BANK
FROID	FIRST STATE BANK OF FROID
FROMBERG	CLARKS FORK NATIONAL BANK
GERALDINE	THE FIRST NATIONAL BANK
GLASGOW	FIRST NATIONAL BANK
GLASGOW	FIRST SECURITY BANK
GLENDIVE	EXCHANGE STATE BANK
GLENDIVE	THE FIRST NATIONAL BANK
GREAT FALLS	CENTRAL BANK OF MONTANA
GREAT FALLS	FIRST NATIONAL BANK
GREAT FALLS	FIRST WESTSIDE NATIONAL BANK
GREAT FALLS	GREAT FALLS NATIONAL BANK
HAMILTON	CITIZENS STATE BANK
HAMILTON	RAVALLI COUNTY BANK
HARDIN	BIG HORN COUNTY STATE BANK
HAVRE	CITIZENS BANK OF MONTANA
HAVRE	FIRST NATIONAL BANK
HELENA	COMMERCE BANK + TRUST CO
HELENA	FIRST NATL BK AND TR CO
HELENA	UNION BANK AND TRUST COMPANY
HINSDALE	FIRST NATIONAL BANK
JORDAN	GARFIELD COUNTY BANK
KALISPELL	THE CONRAD NATIONAL BANK
KALISPELL	VALLEY BANK
LAUREL	YELLOWSTONE BANK
LEWISTOWN	FIRST NATIONAL BANK
LIBBY	FIRST NATIONAL BANK
LIVINGSTON	THE FIRST NATIONAL PARK BANK
MALTA	FIRST STATE BANK
MILES CITY	FIRST NATIONAL BANK
MISSOULA	FIRST NATIONAL BANK
MISSOULA	PEOPLES STATE BANK
MISSOULA	SOUTHSIDE NATIONAL BANK
MISSOULA	WESTERN MONTANA NATL BANK
PHILIPSBURG	FLINT CREEK VALLEY BANK
PLAINS	FIRST NATIONAL BANK
PLENTYWOOD	SECURITY STATE BANK
POLSON	THE SECURITY STATE BANK
POPLAR	THABERS STATE BANK
RED LODGE	FIRST SECURITY BANK
RESERVE	FIRST NATIONAL BANK
RICHEY	FIRST STATE BANK
RONAN	RONAN STATE BANK
ROUNDUP	MINERS AND MERCHANTS BANK
SCOBEY	CITIZENS STATE BANK
SHELBY	FIRST STATE BANK
SIDNEY	RICHLAND NATIONAL BANK
SIDNEY	SIDNEY NATIONAL BANK
STEVENSVILLE	FIRST STATE BANK
SUPERIOR	FIRST ST BANK OF MINERAL CO
TERRY	STATE BANK
THOMPSON FALLS	FIRST STATE BANK
THREE FORKS	SECURITY BANK
WHITEFISH	FIRST NATIONAL BANK
WHITEHALL	WHITEHALL STATE BANK
WIBAUX	FIRST NATIONAL BANK
WOLF POINT	CITIZENS FIRST NATIONAL BANK
WOLF POINT	WESTERN NATIONAL BANK

NEBRASKA

ADAMS	ADAMS STATE BANK
ALLIANCE	GUARDIAN STATE BANK
ARCADIA	ARCADIA STATE BANK
AUBURN	AUBURN STATE BANK
AURORA	FARMERS STATE BANK
BAYARD	FIRST NATIONAL BANK
BEATRICE	FIRST NATL BANK AND TRUST CO
BEAVER CITY	FIRST STATE BANK
BEAVER CROSSING	HOME STATE BANK
BELLEVUE	BANK OF BELLEVUE
BLAIR	BLAIR BANK
BLUE HILL	COMMERCIAL BANK
BROKEN BOW	BROKEN BOW STATE BANK
BRUNING	BRUNING STATE BANK
BURWELL	BANK OF BURWELL
BUTTE	BUTTE STATE BANK
CAMBRIDGE	FIRST NATIONAL BANK
CARLETON	CITIZENS STATE BANK
CHADRON	FIRST NATIONAL BANK
CLARKS	BANK OF CLARKS
CLARKSON	CLARKSON BANK
CLAY CENTER	THE COMMERCIAL STATE BANK
COLUMBUS	CITIZENS BANK AND TRUST CO
COLUMBUS	FIRST NATL BANK AND TRUST CO
COZAD	COZAD FIRST NATIONAL BANK
CRETE	CRETE STATE BANK
CRETE	THE CITY NATIONAL BANK
CURTIS	CURTIS STATE BANK
DALTON	DALTON STATE BANK
DAVID CITY	FIRST NATIONAL BANK
DAYKIN	JEFFERSON COUNTY BANK
EDISON	FARMERS AND MERCHANTS BANK
ELM CREEK	ELM CREEK STATE BANK
EWING	FARMERS STATE BANK
EXETER	FIRST NATIONAL BANK
FAIRBURY	FAIRBURY STATE BANK
FALLS CITY	RICHARDSON COUNTY BANK
FREMONT	FIRST NATIONAL BANK
FREMONT	FIRST STATE BANK
FREMONT	FREMONT NATIONAL BANK
FULLERTON	FULLERTON NATIONAL BANK
GENOA	GENOA NATIONAL BANK
GRAND ISLAND	COMMERCIAL NATIONAL BK + TR
GRAND ISLAND	FIRST NATIONAL BANK
GRANT	FARMERS NATIONAL BANK
GREELEY	CITY NATIONAL BK OF GREELEY
GRETNA	GRETNA STATE BANK
HASTINGS	CITY NATIONAL BANK
HASTINGS	FIRST NATIONAL BANK
HAY SPRINGS	FIRST NATIONAL BANK
HEBRON	THAYER COUNTY BANK
HEMINGFORD	BANK OF HEMINGFORD
HILDRETH	STATE BANK OF HILDRETH
HOLDREGE	FIRST SECURITY BANK
HUMBOLDT	HOME STATE BANK
KEARNEY	FIRST NATIONAL BANK
KENESAW	ADAMS COUNTY BANK
LAUREL	SECURITY NATIONAL BANK
LEXINGTON	FARMERS STATE BANK
LEXINGTON	LEXINGTON STATE BANK
LINCOLN	FIRST NATL BANK AND TR CO
LINCOLN	GATEWAY BANK
LINCOLN	HAVELOCK NATIONAL BANK
LINCOLN	NATIONAL BANK OF COMMERCE
LINCOLN	UNION BANK AND TRUST COMPANY
LISCO	LISCO STATE BANK
LOOMIS	FIRST STATE BANK
MARTELL	MARTELL STATE BANK
MAYWOOD	FARMERS STATE BANK
MC COOK	MC COOK NATIONAL BANK
MILFORD	FARMERS AND MERCHANTS BANK
MINDEN	FIRST NATIONAL BANK
NEHAWKA	THE NEHAWKA BANK
NEWMAN GROVE	FIRST NATIONAL BANK
NORTH PLATTE	MC DONALD STATE BANK
NORTH PLATTE	NORTH PLATTE STATE BANK
NORTH PLATTE	THE FIRST NATIONAL BANK
OAKLAND	FARMERS AND MERCHANTS NATL
OGALLALA	FIRST NATIONAL BANK
OGALLALA	KEITH COUNTY BANK
OMAHA	CENTER BANK
OMAHA	DOUGLAS COUNTY BANK
OMAHA	FIRST NATL BANK OF OMAHA
OMAHA	FIRST WEST SIDE BANK
OMAHA	OMAHA NATIONAL BANK
OMAHA	PACKERS NATIONAL BANK
OMAHA	SOUTH OMAHA BANK
OMAHA	SOUTHWEST BANK OF OMAHA
OMAHA	STOCK YARDS NATL BK SO OMAHA
OMAHA	UNITED STATES NATL BANK
O NEILL	FIRST NATIONAL BANK
O NEILL	O NEILL NATIONAL BANK
PALMER	STATE BANK
PAPILLION	CLARKE BANK
PAWNEE CITY	FARMERS STATE BANK
PLATTSMOUTH	PLATTSMOUTH STATE BANK
RAVENNA	THE RAVENNA BANK
ST PAUL	CITIZENS NATIONAL BANK
ST PAUL	ST PAUL NATIONAL BANK
SCHUYLER	FARMERS AND MERCHANTS BANK
SCOTTSBLUFF	FIRST STATE BANK
SCOTTSBLUFF	SCOTTSBLUFF NATIONAL BANK
SEWARD	CATTLE NATIONAL BANK
SEWARD	JONES NATIONAL BANK
SIDNEY	AMERICAN NATIONAL BANK
SIDNEY	SIDNEY NATIONAL BANK
SO SIOUX CITY	DAKOTA COUNTY STATE BANK
STEINAUER	BANK OF STEINAUER
STRATTON	COMMERCIAL BANK
STUART	TRI COUNTY BANK
SUPERIOR	FARMERS STATE BANK
SYRACUSE	FIRST NATIONAL BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

TECUMSEH	JOHNSON COUNTY BANK
TEKAMAH	BURT COUNTY STATE BANK
WACO	FARMERS AND TRADERS BANK
WALTHILL	FIRST NATIONAL BANK
WAUSA	COMMERCIAL STATE BANK
WAVERLY	LANCASTER COUNTY BANK
WAYNE	FIRST NATIONAL BANK
WEEPING WATER	NEBRASKA STATE BANK
WILBER	SALINE STATE BANK
WILCOX	FIRST NATIONAL BANK
WYMORE	WYMORE NATIONAL BANK
YORK	FIRST NATIONAL BANK

NEVADA

CARSON CITY	1ST NATL BANK OF NEVADA
ELKO	1ST NATL BANK OF NEVADA
EUREKA	1ST NATL BANK OF NEVADA
FALLON	1ST NATL BANK OF NEVADA
LAS VEGAS	1ST NATL BANK OF NEVADA
LOVELOCK	1ST NATL BANK OF NEVADA
MINDEN	1ST NATL BANK OF NEVADA
NELLIS AFB	1ST NATL BANK OF NEVADA
N LAS VEGAS	1ST NATL BANK OF NEVADA
RENO	1ST NATL BANK OF NEVADA
SPARKS	1ST NATL BANK OF NEVADA
STEAD AFB	1ST NATL BANK OF NEVADA
TONOPAH	1ST NATL BANK OF NEVADA
WELLS	1ST NATL BANK OF NEVADA
WINNEMUCCA	1ST NATL BANK OF NEVADA
YERINGTON	1ST NATL BANK OF NEVADA

NEW HAMPSHIRE

BERLIN	BERLIN CITY NATIONAL BANK
CLAREMONT	CLAREMONT NATIONAL BANK
COLEBROOK	FARMERS+TRADERS NATL+SAV BK
DOVER	STRAFFORD NATIONAL BANK
LEBANON	NATIONAL BANK OF LEBANON
MILFORD	SOUHEGAN NATIONAL BANK
NASHUA	NASHUA TRUST COMPANY

NEW JERSEY

BAYONNE	BROADWAY NATIONAL BANK
BRIDGETON	THE CUMBERLAND NATIONAL BANK
CEDARVILLE	MILLVILLE NATIONAL BANK
CHESTER	TRUST CO OF MORRIS COUNTY
DENVILLE	TRUST CO OF MORRIS COUNTY
DOVER	NATIONAL UNION BANK
FLORHAM PARK	TRUST CO OF MORRIS COUNTY
GLEN RIDGE	GLEN RIDGE TRUST COMPANY
HAWTHORNE	PEOPLES BANK OF HAWTHORNE
MADISON	TRUST CO OF MORRIS COUNTY
MILLVILLE	MILLVILLE NATIONAL BANK
MORRIS PLAINS	TRUST CO OF MORRIS COUNTY
MORRISTOWN	TRUST CO OF MORRIS COUNTY
RANDOLPH TWNSHP	NATIONAL UNION BANK
UNION	FIRST STATE BANK OF UNION
WESTFIELD	NATIONAL BANK OF WESTFIELD
WEST TRENTON	EWING BANK + TRUST CO
WHARTON	NATIONAL UNION BANK

NEW MEXICO

ALAMOGORDO	FIRST NATL BK OF ALAMOGORDO
ALAMUGORDO	SECURITY BANK + TRUST CO
ALBUQUERQUE	ALBUQUERQUE FED S + L ASSN
ALBUQUERQUE	ALBUQUERQUE NATIONAL BANK
ALBUQUERQUE	AMERICAN BANK OF COMMERCE
ALBUQUERQUE	FIRST NATIONAL BANK
ARTESIA	FIRST NATIONAL BANK
ARTESIA	PEOPLES STATE BANK
AZTEC	CITIZENS BANK OF FARMINGTON
BLOOMFIELD	CITIZENS BANK OF FARMINGTON
CARLSBAD	CARLSBAD NATIONAL BANK
CARLSBAD	COMMERCE BANK AND TRUST
CHAMA	FIRST NATL BANK OF RIO ARRIB
CLAYTON	FIRST NATL BANK IN CLAYTON
CLOVIS	CLOVIS NATIONAL BANK
CLOVIS	1ST NATL BK OF CURRY COUNTY
DULCE	FIRST NATL BK OF RIO ARRIBA
ESPANOLA	FIRST NATL BK OF RIO ARRIBA
EUNICE	NEW MEXICO BANK AND TRUST CO
FAIRVIEW	FIRST NATL BK OF RIO ARRIBA
FARMINGTON	CITIZENS BANK
GALLUP	MERCHANTS BANK
HOBBS	FIRST NATIONAL BANK
HOBBS	NEW MEXICO BANK AND TRUST CO
JAL	NEW MEXICO BANK AND TRUST CO
LAS CRUCES	FARMERS AND MERCHANTS BANK
LAS CRUCES	1ST NATL BK OF DONA ANA CO
LAS VEGAS	FIRST NATIONAL BANK
LAS VEGAS	THE BANK OF LAS VEGAS
LOGAN	MC FARLAND BROTHERS BANK
LOS ALAMOS	LOS ALAMOS NATIONAL BANK
LOS ALAMOS	FIRST NATIONAL BANK
LOVING	COMMERCE BANK + TRUST
LOVINGTON	NEW MEXICO BANK AND TRUST CO
MELROSE	FIRST NATL BK OF CURRY CNTY
PORTALES	FIRST NATIONAL BANK
PORTALES	PORTALES NATIONAL BANK
ROSWELL	FIRST NATIONAL BANK
ROSWELL	SECURITY NATIONAL BANK
ROY	CITIZENS ST BK OF SPRINGER
SANTA FE	BANK OF SANTA FE
SANTA FE	FIRST NATIONAL BANK
SANTA FE	SANTA FE NATIONAL BANK
SILVER CITY	AMERICAN NATIONAL BANK
SPRINGER	CITIZENS STATE BANK
TAOS	FIRST STATE BANK
TUCUMCARI	FIRST NATIONAL BANK
WAGON MOUND	CITIZENS ST BK OF SPRINGER

NEW YORK

COLONIE	FIRST NATL BANK OF SCOTIA
NEW YORK	CHEMICAL BANK N Y TRUST CO
NISKAYUNA	FIRST NATL BANK OF SCOTIA
OLEAN	THE EXCHANGE NATIONAL BANK
SCOTIA	FIRST NATL BANK OF SCOTIA

NORTH CAROLINA

ARCHDALE	FIRST UNION NATIONAL BANK
ASHEVILLE	FIRST UNION NATIONAL BANK
BELMONT	THE BANK OF BELMONT
BREVARD	FIRST UNION NATIONAL BANK
CANTON	FIRST UNION NATIONAL BANK
CHARLOTTE	BANK OF COMMERCE
CHARLOTTE	FIRST UNION NATIONAL BANK
CHEROKEE	FIRST UNION NATIONAL BANK
CHINA GROVE	FIRST UNION NATIONAL BANK
CLINTON	FIRST UNION NATIONAL BANK
CLYDE	FIRST UNION NATIONAL BANK
DURHAM	FIRST UNION NATIONAL BANK
DURHAM	WACHOVIA BANK AND TRUST CO
FAIR BLUFF	FIRST UNION NATIONAL BANK
FAYETTEVILLE	FIRST UNION NATIONAL BANK
GARLAND	FIRST UNION NATIONAL BANK
GASTONIA	FIRST UNION NATIONAL BANK
GOLDSTON	FIRST UNION NATIONAL BANK
GREENSBORO	FIRST UNION NATIONAL BANK
HENDERSONVILLE	FIRST UNION NATIONAL BANK
HICKORY	THE FIRST NATIONAL BANK
HIGHLANDS	FIRST UNION NATIONAL BANK
HIGH POINT	FIRST UNION NATIONAL BANK
KANNAPOLIS	FIRST UNION NATIONAL BANK
KINGS MOUNTAIN	FIRST UNION NATIONAL BANK
LAURINBURG	STATE BANK
LENOIR	FIRST UNION NATIONAL BANK
LEXINGTON	FIRST UNION NATIONAL BANK
LIBERTY	FIRST UNION NATIONAL BANK
LUMBERTON	FIRST UNION NATIONAL BANK
MARION	FIRST UNION NATIONAL BANK
MAXTON	STATE BANK
NORTH BELMONT	THE BANK OF BELMONT
PARKTON	FIRST UNION NATIONAL BANK
PEMBROKE	FIRST UNION NATIONAL BANK
PILOT MOUNTAIN	FARMERS BANK
PITTSBORO	BANK OF PITTSBORO
RALEIGH	FIRST UNION NATIONAL BANK
RANDLEMAN	FIRST UNION NATIONAL BANK
RED SPRINGS	FIRST UNION NATIONAL BANK
ROANOKE RAPIDS	PLANTERS NATL BK AND TRUST
ROCKWELL	FIRST UNION NATIONAL BANK
ROSMAN	FIRST UNION NATIONAL BANK
ST PAULS	FIRST UNION NATIONAL BANK
SALEMBURG	FIRST UNION NATIONAL BANK
SALISBURY	FIRST UNION NATIONAL BANK
SILER CITY	FIRST UNION NATIONAL BANK
SOUTHERN PINES	CITIZENS BK AND TR CO
STATESVILLE	FIRST UNION NATIONAL BANK
SYLVA	FIRST UNION NATIONAL BANK
WAYNESVILLE	FIRST UNION NATIONAL BANK
WHITNEL	FIRST UNION NATIONAL BANK
WILSON	FIRST UNION NATIONAL BANK
WINSTON SALEM	FIRST UNION NATIONAL BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

NORTH DAKOTA

ANETA	FIRST STATE BANK OF SHARON
ARTHUR	FIRST STATE BANK OF ARTHUR
ASHLEY	MC INTOSH COUNTY BANK
BEACH	FARMERS AND MERCHANTS BANK
BEULAH	BANK OF BEULAH
BISMARCK	DAKOTA NATIONAL BANK
BISMARCK	FIRST NATIONAL BANK
BISMARCK	STATE BK OF BURLEIGH COUNTY
BOTTINEAU	FIRST NATIONAL BANK
BOWBELLS	THE FIRST NATIONAL BANK
BOWMAN	FIRST NATIONAL BANK
BUFFALO	FIRST STATE BANK
BUXTON	FIRST STATE BANK
CANDO	FIRST STATE BANK
CARRINGTON	FIRST NATIONAL BANK
CARRINGTON	FOSTER COUNTY STATE BANK
CARSON	GRANT COUNTY STATE BANK
CASSELTON	CASSELTON STATE BANK
CASSELTON	FIRST STATE BANK
CAVALIER	1ST MERCHANTS AND FARMERS BK
CENTER	SECURITY ST BK OF NEW SALEM
COLUMBUS	COLUMBUS STATE BANK
COOPERSTOWN	SECURITY TRUST COMPANY
CROSBY	FARMERS STATE BANK
DEVILS LAKE	FIRST NATIONAL BANK
DEVILS LAKE	RAMSEY NATIONAL BANK
DICKEY	FARMERS AND MERCHANTS ST BK
DICKINSON	AMERICAN STATE BANK
DICKINSON	FIRST NATIONAL BANK
DICKINSON	LIBERTY NATL BK + TRUST CO
DRAKE	FIRST NATIONAL BANK
DRAYTON	DRAYTON STATE BANK
DUNSEITH	SECURITY STATE BANK
EDMORE	CITIZENS STATE BANK
ELLENDALE	THE FIRST NATIONAL BANK
ENDERLIN	CITIZENS STATE BANK
ENDERLIN	PEOPLES AND ENDERLIN ST BK
FAIRMOUNT	PEOPLES STATE BANK
FARGO	DAKOTA NATIONAL BANK
FARGO	FARGO NATIONAL BANK
FARGO	1ST NATL BANK AND TRUST CO
FARGO	MERCHANTS NATL BK AND TR CO
FESSENDEN	FIRST NATIONAL BANK
FINGAL	FINGAL STATE BANK
FLASHER	GRANT COUNTY STATE BANK
FORDVILLE	WALSH COUNTY BANK
FOREST RIVER	WALSH COUNTY BANK
FREDONIA	KULM STATE BANK
GACKLE	FIRST STATE BANK
GARRISON	GARRISON STATE BANK
GILBY	VALLEY BANK OF GRAND FORKS
GLEN ULLIN	BANK OF GLEN ULLIN
GOLVA	FIRST STATE BANK
GOODRICH	FIRST STATE BANK
GRAFTON	THE GRAFTON NATIONAL BANK
GRAFTON	WALSH COUNTY BANK
GRAND FORKS	COMMUNITY NATIONAL BANK
GRAND FORKS	FIRST NATIONAL BANK
GRAND FORKS	RED RIVER NATIONAL BANK
GRAND FORKS	VALLEY BANK
HALLIDAY	UNION BANK
HANNAFORD	SECURITY ST BANK OF HANNAFOR
HARVEY	FIRST STATE BANK
HARWOOD	HARWOOD STATE BANK
HATTON	FARMERS AND MER NATL BANK
HAZEN	UNION STATE BANK
HEATON	FARMERS STATE BANK
HETTINGER	FIRST NATIONAL BANK
HOOPLE	WALSH COUNTY BANK
HOPE	FIRST STATE BANK
JAMESTOWN	FIRST JAMES RIVER NATL BANK
JAMESTOWN	JAMESTOWN NATIONAL BANK
KENMARE	STATE BANK OF KENMARE
KINDRED	KINDRED STATE BANK
KULM	KULM STATE BANK
LA MOURE	FIRST STATE BANK
LAKOTA	STATE BANK
LANGDON	FIRST BANK OF LANGDON
LANKIN	CITIZENS STATE BANK
LEHR	MC INTOSH COUNTY BANK
LEONARD	CASSELTON STATE BANK
LINTON	FIRST NATIONAL BANK
LISBON	FARMERS STATE BANK
LITCHVILLE	LITCHVILLE STATE BANK
MADDOCK	FARMERS STATE BANK
MAKOTI	PEOPLES STATE BANK
MANDAN	FIRST NATIONAL BANK
MANDAN	MANDAN SECURITY BANK
MAYVILLE	GOOSE RIVER BANK
MCCLUSKY	FIRST NATIONAL BANK
MC VILLE	MC VILLE STATE BANK
MICHIGAN CITY	LAMBS BANK
MILNOR	THE FIRST NATIONAL BANK
MINNEWAUKAN	FARMERS STATE BANK
MINOT	AMERICAN STATE BANK
MINOT	FIRST NATIONAL BANK
MINOT	UNION NATIONAL BANK
MOHALL	CITIZENS STATE BANK
MOTT	COMMERCIAL BANK OF MOTT
NECHE	CITIZENS STATE BANK
NEW ENGLAND	CITIZENS STATE BANK
NEW ROCKFORD	FIRST STATE BANK
NEW SALEM	SECURITY STATE BANK
NORTHWOOD	NORTHWOOD STATE BANK
OAKES	FIRST NATIONAL BANK
PAGE	FIRST STATE BANK OF HOPE
PARK RIVER	FIRST STATE BANK
PARSHALL	PEOPLES STATE BANK
PEMBINA	CITIZENS STATE BANK OF NECHE
PETERSBURG	CITIZENS STATE BANK
PLAZA	PEOPLES STATE BANK
PORTLAND	FIRST AND FARMERS BANK
RAY	CITIZENS STATE BANK
REGENT	FIRST STATE BANK
RICHARDTON	FARMERS STATE BANK
ROBINSON	SECURITY STATE BANK
ROLLA	FIRST BANK OF ROLLA
ST THOMAS	WALSH COUNTY BANK
SCRANTON	FIRST NATL BK OF BOWMAN
SHARON	FIRST STATE BANK
SHELDON	PEOPLES + ENDERLIN STATE BK
SHEYENNE	FARMERS AND MERCHANTS BANK
STANLEY	SCANDIA AMERICAN BANK
STEELE	BANK OF STEELE
STERLING	STATE BANK OF BURLEIGH CO
STRASBURG	STRASBURG STATE BANK
STREETER	STATE BANK OF STREETER
TOWNER	PIONEER STATE BANK
TURTLE LAKE	FARMERS SEC BK OF WASHBURN
UNDERWOOD	FIRST SECURITY BANK
UPHAM	PIONEER STATE BANK
VALLEY CITY	AMERICAN NATIONAL BANK
VALLEY CITY	FIRST NATIONAL BANK
WAHPETON	CITIZENS FIRST NATIONAL BANK
WAHPETON	WAHPETON NATIONAL BANK
WALHALLA	WALHALLA STATE BANK
WASHBURN	FARMERS SECURITY BANK
WATFORD CITY	1ST INTERNATIONAL BANK
WEST FARGO	WEST FARGO STATE BANK
WESTHOPE	PEOPLES STATE BANK
WILLISTON	AMERICAN STATE BANK
WILTON	FIRST STATE BANK
WING	STATE BANK OF BURLEIGH CTY
WISHEK	SECURITY STATE BANK
ZEELAND	MC INTOSH COUNTY BANK

OHIO

ALLIANCE	FIRST NATIONAL CITY BANK
ALLIANCE	MOUNT UNION BANK
ANNA	FARMERS + MERCHANTS BANK CO
ASHLAND	FARMERS BANK OF ASHLAND
BAINBRIDGE	FIRST NATL BANK OF BURTON
BAY VILLAGE	CLEVELAND TRUST CO
BEDFORD	CLEVELAND TRUST CO
BEDFORD HGTS	NATL CITY BANK OF CLEVELAND
BELLEFONTAINE	LOGAN COUNTY BANK
BEREA	CLEVELAND TRUST CO
BEREA	NATL CITY BANK OF CLEVELAND
BEVERLY	CITIZENS BANK COMPANY
BRECKSVILLE	CLEVELAND TRUST CO
BRYAN	CITIZENS NATIONAL BANK
BURTON	FIRST NATL BANK OF BURTON
CAMBRIDGE	GUERNSEY SAVINGS + LOAN ASSN
CANTON	HOME FEDERAL S + L CO
CHAGRIN FALLS	CLEVELAND TRUST CO
CHESTERLAND	FIRST NATL BANK OF BURTON
CLEVELAND	CENTRAL NATIONAL BANK
CLEVELAND	CLEVELAND TRUST CO
CLEVELAND	NATL CITY BANK OF CLEVELAND
CLEVELAND	2ND FEDERAL S+L ASSOC
CLEVELAND HGTS	CLEVELAND TRUST CO
DEFIANCE	STATE BK AND TR CO
DELAWARE	DELAWARE COUNTY BANK
DOVER	THE NATIONAL BANK OF DOVER
E CLEVELAND	CLEVELAND TRUST CO
EUCLID	CLEVELAND TRUST CO
EUCLID	NATL CITY BANK OF CLEVELAND
FAIRVIEW PARK	CLEVELAND TRUST CO
FAIRVIEW PARK	NATL CITY BANK OF CLEVELAND
FAYETTE	FARMERS STATE BANK COMPANY
FREMONT	CROGHAN COLONIAL BANK
GALION	FIRST NATIONAL BANK GALION
GARFIELD HGTS	CLEVELAND TRUST CO
GREEN SPRINGS	CROGHAN COLONIAL BANK
HARTVILLE	FIRST NATIONAL CITY BANK
IRONTON	THE CITIZENS NATIONAL BANK
KENTON	FIRST NATIONAL BANK
LAKEWOOD	CLEVELAND TRUST CO
LIBERTY CENTER	THE LIBERTY STATE SAVINGS BK
LODI	THE MEDINA COUNTY BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

LORAIN	CLEVELAND TRUST CO
LOWELLVILLE	LOWELLVILLE SVGS + BKG CO
LYNDHURST	NATL CITY BANK OF CLEVELAND
MAPLE HEIGHTS	CLEVELAND TRUST CO
MARIETTA	PEOPLES BANKING + TRUST CO
MARIETTA	THE CITIZENS NATIONAL BANK
MARION	THE MARION COUNTY BANK
MAYFIELD HGTS	CLEVELAND TRUST CO
MIDDLEBURG HGTS	CLEVELAND TRUST CO
MIDDLEBURG HGTS	NATL CITY BANK OF CLEVELAND
NEWARK	THE FIRST NATIONAL BANK
NEWARK	THE PARK NATIONAL BANK
NEWCOMERSTOWN	THE NATIONAL BANK OF DOVER
NEW MADISON	FARMERS STATE BANK
NORTH OLMSTED	CLEVELAND TRUST CO
NORTH OLMSTED	NATL CITY BANK OF CLEVELAND
OLMSTED FALLS	NATL CITY BANK OF CLEVELAND
ORRVILLE	THE NATL BANK OF ORRVILLE
PAINESVILLE	CLEVELAND TRUST CO
PARMA	CLEVELAND TRUST CO
PARMA	NATL CITY BANK OF CLEVELAND
PIKETON	FIRST NATIONAL BANK
RICHMOND HGTS	CLEVELAND TRUST CO
ROCKY RIVER	CLEVELAND TRUST CO
ROCKY RIVER	NATL CITY BANK OF CLEVELAND
ROSSFORD	ROSSFORD SAVINGS BANK
SHAKER HEIGHTS	CLEVELAND TRUST CO
SHAKER HEIGHTS	NATL CITY BANK OF CLEVELAND
SOLON	CLEVELAND TRUST CO
SO EUCLID	CLEVELAND TRUST CO
SPRINGFIELD	THE SPRINGFIELD BANK
STEUBENVILLE	UNION SAVINGS BK AND TR CO
TIFFIN	COMMERCIAL NATIONAL BANK
TIFFIN	TIFFIN SAVINGS BANK
TIFFIN	TRI COUNTY NATIONAL BANK
TOLEDO	NATIONAL BANK OF TOLEDO
TORONTO	UNION SAVINGS BK AND TR CO
UNIVERSITY HGTS	CLEVELAND TRUST CO
UNIVERSITY HGTS	NATL CITY BANK OF CLEVELAND
VALLEY CITY	THE MEDINA COUNTY BANK
VAN WERT	THE PEOPLES SAVINGS BANK
WAKEMAN	THE WAKEMAN BANK COMPANY
WAVERLY	FIRST NATIONAL BANK
WEST UNITY	WEST UNITY BANKING COMPANY
WESTERVILLE	CITY NATIONAL BK + TR CO
WILLOUGHBY	CLEVELAND TRUST CO
WOODMERE	NATL CITY BANK OF CLEVELAND
WOOSTER	WAYNE COUNTY NATIONAL BANK
YOUNGSTOWN	DOLLAR SAVINGS + TRUST CO

OKLAHOMA

BARTLESVILLE	FIRST NATIONAL BANK
BEAVER	FIRST NATIONAL BANK
BROKEN ARROW	ARKANSAS VALLEY STATE BANK
CLINTON	FIRST NATIONAL BANK
COYLE	FIRST NATIONAL BANK
DAVIDSON	FIRST STATE BANK
DUNCAN	THE OKLAHOMA NATIONAL BANK
FREDERICK	FIRST NATIONAL BANK
HINTON	FIRST STATE BANK
JAY	THE DELAWARE COUNTY BANK
KETCHUM	THE FIRST STATE BANK
LAWTON	SECURITY BANK AND TRUST CO
MIDWEST CITY	THE FIRST NATIONAL BANK
MORRIS	MORRIS STATE BANK
NORMAN	CITY NATIONAL BANK
OKEENE	STATE GUARANTY BANK
OKLAHOMA CITY	CITY NATL BANK AND TRUST CO
OKLAHOMA CITY	LIBERTY NATL BK AND TR CO
PERRY	THE EXCHANGE BANK
PONCA CITY	FIRST NATL BK + TR CO
PRAGUE	THE FIRST NATIONAL BANK
SAYRE	CITY NATIONAL BANK
SEILING	FIRST NATIONAL BANK
SHAWNEE	FEDERAL NATL BK AND TRUST CO
TAHLEQUAH	FIRST NATIONAL BANK
TAHLEQUAH	LIBERTY STATE BANK
THOMAS	AMERICAN STATE BANK
TULSA	ADMIRAL STATE BANK
TULSA	FARMERS AND MERCHANTS ST BK
TULSA	1ST NATL BANK AND TRUST CO
TULSA	FOURTH NATIONAL BANK
TULSA	NATIONAL BANK OF COMMERCE
TULSA	UTICA SQUARE NATIONAL BANK
WATONGA	WATONGA STATE BANK
WAURIKA	FARMERS NATIONAL BANK
WEATHERFORD	SECURITY STATE BANK
WEWOKA	FIRST NATIONAL BANK

OREGON

ALBANY	CITIZENS BANK OF ALBANY
ALBANY	1ST NATL BANK OF OREGON
ALBANY	U S NATL BANK OF OREGON
AMITY	U S NATL BANK OF OREGON
ASHLAND	1ST NATL BANK OF OREGON
ASHLAND	U S NATL BANK OF OREGON
ASTORIA	1ST NATL BANK OF OREGON
ASTORIA	U S NATL BANK OF OREGON
ATHENA	U S NATL BANK OF OREGON
BAKER	1ST NATL BANK OF OREGON
BAKER	U S NATL BANK OF OREGON
BANKS	U S NATL BANK OF OREGON
BEAVERTON	1ST NATL BANK OF OREGON
BEAVERTON	FIRST STATE BANK OF OREGON
BEAVERTON	U S NATL BANK OF OREGON
BEND	BANK OF CENTRAL OREGON
BEND	1ST NATL BANK OF OREGON
BEND	U S NATL BANK OF OREGON
BROOKINGS	U S NATL BANK OF OREGON
BURNS	U S NATL BANK OF OREGON
CANBY	CANBY UNION BANK
CARLTON	1ST NATL BANK OF OREGON
CENTRAL POINT	1ST NATL BANK OF OREGON
CHILOQUIN	U S NATL BANK OF OREGON
CLOVERDALE	U S NATL BANK OF OREGON
CONDON	1ST NATL BANK OF OREGON
COOS BAY	1ST NATL BANK OF OREGON
COOS BAY	U S NATL BANK OF OREGON
COQUILLE	1ST NATL BANK OF OREGON
COQUILLE	U S NATL BANK OF OREGON
CORVALLIS	CITIZENS BANK OF CORVALLIS
CORVALLIS	1ST NATL BANK OF OREGON
CORVALLIS	U S NATL BANK OF OREGON
COTTAGE GROVE	1ST NATL BANK OF OREGON
COTTAGE GROVE	U S NATL BANK OF OREGON
DAYTON	U S NATL BANK OF OREGON
DRAIN	U S NATL BANK OF OREGON
DUFUR	U S NATL BANK OF OREGON
EAST PORTLAND	1ST NATL BANK OF OREGON
ENTERPRISE	1ST NATL BANK OF OREGON
ESTACADA	FIRST STATE BANK OF OREGON
EUGENE	CITIZENS BANK
EUGENE	1ST NATL BANK OF OREGON
EUGENE	U S NATL BANK OF OREGON
FOREST GROVE	1ST NATL BANK OF OREGON
FOSSIL	1ST NATL BANK OF OREGON
GOLD BEACH	1ST NATL BANK OF OREGON
GRANTS PASS	1ST NATL BANK OF OREGON
GRANTS PASS	U S NATL BANK OF OREGON
GRESHAM	FIRST STATE BANK OF OREGON
GRESHAM	1ST NATL BANK OF OREGON
HALFWAY	U S NATL BANK OF OREGON
HEPPNER	1ST NATL BANK OF OREGON
HERMISTON	INLAND EMPIRE BANK
HERMISTON	U S NATL BANK OF OREGON
HILLSBORO	1ST NATL BANK OF OREGON
HILLSBORO	FIRST STATE BANK OF OREGON
HILLSBORO	U S NATL BANK OF OREGON
HOOD RIVER	1ST NATL BANK OF OREGON
HOOD RIVER	U S NATL BANK OF OREGON
JOSEPH	BANK OF WALLOWA COUNTY
JUNCTION CITY	U S NATL BANK OF OREGON
KLAMATH FALLS	1ST NATL BANK OF OREGON
KLAMATH FALLS	U S NATL BANK OF OREGON
LA GRANDE	1ST NATL BANK OF OREGON
LA GRANDE	U S NATL BANK OF OREGON
LAKEVIEW	1ST NATL BANK OF OREGON
LEBANON	1ST NATL BANK OF OREGON
MADRAS	1ST NATL BANK OF OREGON
MADRAS	U S NATL BANK OF OREGON
MAPLETON	SIUSLAW VALLEY BANK
MC MINNVILLE	FIRST NATIONAL BANK
MC MINNVILLE	U S NATL BANK OF OREGON
MEDFORD	1ST NATL BANK OF OREGON
MEDFORD	OREGON BANK
MEDFORD	U S NATL BANK OF OREGON
MERRILL	1ST NATL BANK OF OREGON
MILLCITY	U S NATL BANK OF OREGON
MILTON FREEWATE	BANK OF COMMERCE
MILTON FREEWATE	OREGON BANK
MILWAUKIE	FIRST STATE BANK OF OREGON
MOLALLA	1ST NATL BANK OF OREGON
MONMOUTH	U S NATL BANK OF OREGON
MONROE	1ST NATL BANK OF OREGON
MORO	1ST NATL BANK OF OREGON
MOUNT ANGEL	U S NATL BANK OF OREGON
MYRTLE CREEK	U S NATL BANK OF OREGON
MYRTLE POINT	SECURITY BANK
NEWBERG	1ST NATL BANK OF OREGON
NEWBERG	U S NATL BANK OF OREGON
NORTH BEND	1ST NATL BANK OF OREGON
NORTH BEND	U S NATL BANK OF OREGON
NYSSA	1ST NATL BANK OF OREGON
OAK GROVE	1ST NATL BANK OF OREGON
OAK GROVE	FIRST STATE BANK OF OREGON

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

OAKRIDGE	1ST NATL BANK OF OREGON
ONTARIO	1ST NATL BANK OF ORGON
ONTARIO	U S NATL BANK OF OREGON
OREGON CITY	1ST NATL BANK OF OREGON
OREGON CITY	U S NATL BANK OF OREGON
PARKROSE	OREGON BANK
PENDLETON	1ST NATL BANK OF OREGON
PENDLETON	OREGON BANK
PENDLETON	U S NATL BANK OF OREGON
PHILOMATH	1ST NATL BANK OF OREGON
PHOENIX	1ST NATL BANK OF OREGON
PILOT ROCK	1ST NATL BANK OF OREGON
PORT ORFORD	1ST NATL BANK OF OREGON
PORTLAND	1ST NATL BANK OF OREGON
PORTLAND	FIRST STATE BANK OF OREGON
PORTLAND	OREGON BANK
PORTLAND	THE BANK OF CALIFORNIA
PORTLAND	U S NATL BANK OF OREGON
PRINEVILLE	1ST NATL BANK OF OREGON
RAINIER	STATE BANK OF RAINIER
REDMOND	BANK OF CENTRAL OREGON
REDMOND	U S NATL BANK OF OREGON
ROSEBURG	U S NATL BANK OF OREGON
ST HELENS	U S NATL BANK OF ORGON
ST PAUL	U S NATL BANK OF OREGON
SALEM	COMMERCIAL BANK
SALEM	1ST NATL BANK OF OREGON
SALEM	U S NATL BANK OF OREGON
SALEM	WESTERN SECURITY BANK
SCIO	1ST NATL BANK OF OREGON
SEASIDE	1ST NATL BANK OF OREGON
SHEDD	BANK OF SHEDD
SHERIDAN	U S NATL BANK OF OREGON
SHERWOOD	U S NATL BANK OF OREGON
SILVERTON	COMMERCIAL BANK OF SALEM
SILVERTON	1ST NATL BANK OF OREGON
SPRINGFIELD	CITIZENS BANK
SPRINGFIELD	1ST NATL BANK OF OREGON
SPRINGFIELD	U S NATL BANK OF OREGON
STAYTON	1ST NATL BANK OF OREGON
SWEET HOME	1ST NATL BANK OF OREGON
THE DALLES	1ST NATL BANK OF OREGON
THE DALLES	OREGON BANK
THE DALLES	U S NATL BANK OF OREGON
TIGARD	1ST NATL BANK OF OREGON
TIGARD	U S NATL BANK OF OREGON
TILLAMOOK	1ST NATL BANK OF OREGON
TILLAMOOK	U S NATL BANK OF OREGON
UNION	1ST NATL BANK OF OREGON
VALE	U S NATL BANK OF OREGON
VERNONIA	U S NATL BANK OF OREGON
WALDPORT	1ST NATL BANK OF OREGON
WARRENTON	U S NATL BANK OF OREGON
WEST LINN	1ST NATL BANK OF OREGON
WEST SLOPE	U S NATL BANK OF OREGON
WHEELER	U S NATL BANK OF OREGON
WOODBURN	BANK OF OREGON
WOODBURN	1ST NATL BANK OF OREGON
YAMHILL	1ST NATL BANK OF OREGON

PENNSYLVANIA

ARINGTON	FIDELITY PHILA TRUST CO
ALBION	FIRST NATIONAL BANK
ALIQUIPPA	WESTERN PENN NATIONAL BANK
ALLENTOWN	FIRST NATL BK OF ALLENTOWN
ALLISON PARK	WESTERN PENN NATIONAL BANK
ALTOONA	FIRST NATIONAL BANK
ANDALUSIA	FIDELITY PHILADELPHIA TR CO
APOLLO	APOLLO TRUST COMPANY
ARCHBALD	FIRST NATL BK OF CARBONDALE
AVONDALE	NATL BANK OF CHESTER COUNTY
BALA CYNWYD	FIDELITY PHILA TRUST CO
BEAVER	WESTERN PENN NATIONAL BANK
BEAVER FALLS	WESTERN PENN NATIONAL BANK
BEAVER SPRINGS	TRI-COUNTY NATIONAL BANK
BEDFORD	HARTLEY NATIONAL BANK
BELLEFONTE	1ST BELLEFONTE BK AND TR CO
BELLE VERNON	WESTERN PENN NATIONAL BANK
BENTLEYVILLE	PEOPLES UNION BK AND TR CO
BETHEL PARK	WESTERN PENN NATIONAL BANK
BIRDSBORO	PEOPLES TRUST CITY BANK
BLAIRS MILLS	TUSCARORA STATE BANK
BLOOMSBURG	BLOOMSBURG BK COLUMBIA TR CO
BLOOMSBURG	FARMERS NATIONAL BANK
BLOOMSBURG	FIRST NATIONAL BANK
BOILING SPRINGS	CUMBERLAND COUNTY NATL BANK
BRADDOCK	WESTERN PENN NATIONAL BANK
BRADFORD	BRADFORD NATIONAL BANK
BRENTWOOD	WESTERN PENN NATIONAL BANK
BRISTOL	FIDELITY PHILA TRUST CO
BROCKWAY	BROCKWAY CITIZENS BANK
BROOKHAVEN	DELAWARE COUNTY NATL BANK
BROOKVILLE	BROOKVILLE BK AND TR CO
BROOKVILLE	DUBOIS DEPOSIT NATIONAL BANK
BROWNSVILLE	GALLATIN NATIONAL BANK
BURNHAM	RUSSELL NATL BK OF LEWISTON
BUSHKILL	FIRST STROUDSBURG NATL BANK
CALIFORNIA	WESTERN PENN NATIONAL BANK
CAMPBELLTOWN	VALLEY TR CO OF PALMYRA
CAMP HILL	CUMBERLAND COUNTY NATL BANK
CAMP HILL	LEMOYNE TRUST CO
CANTON	FIRST NATIONAL BANK
CARBONDALE	FIRST NATL BK OF CARBONDALE
CARBONDALE	NORTHEASTERN PENN NAT BK+TR
CARLISLE	FARMERS TRUST COMPANY
CARMICHAELS	FIRST NATIONAL BANK
CARROLLTON	CAMBRIA COUNTY NATL BANK
CATASAUQUA	1ST NATL BANK OF ALLENTOWN
CHAMBERSBURG	NATL VALLEY BK AND TR CO
CHELTENHAM	FIDELITY-PHILA TRUST CO
CHESTER	DELAWARE COUNTY NATL BANK
CHESTER	FIDELITY PHILA TRUST CO
CHINCHILLA	THIRD NATL BK+TR SCRANTON
CLAIRTON	WESTERN PENN NATIONAL BANK
CLARION	1ST SENECA BANK AND TRUST CO
CLARKS SUMMIT	NORTHEASTERN PENN NATL BK+TR
CLEARFIELD	CLEARFIELD TRUST CO
CLEARFIELD	COUNTY NATIONAL BANK
CLIFTON HEIGHTS	FIDELITY PHILADELPHIA TR CO
CLINTONVILLE	NORTHWEST PENNA BK AND TR CO
CONCORDVILLE	NATL BK OF CHESTER CTY + TR
CONNELLSVILLE	GALLATIN NATIONAL BANK
CORNWALL	1ST NATL BANK OF LEBANON
CORRY	CITIZENS NATIONAL BANK
CORRY	NATIONAL BANK
CRESSON	1ST NATL BK OF EBENSBURG
CROYDON	FIDELITY PHILA TRUST CO
DALLASTOWN	FIRST NATIONAL BANK
DANVILLE	FIRST NATIONAL BANK
DARBY	DELAWARE COUNTY NATL BANK
DAWSON	GALLATIN NATIONAL BANK
DAYTON	PUNXSUTAWNEY NATIONAL BANK
DORMONT	WESTERN PENN NATIONAL BANK
DRAVOSBURG	WESTERN PENN NATIONAL BANK
DRY RUN	NATL VALLEY BK + TR CO
DRY TAVERN	RICES LANDING NATIONAL BANK
DUBOIS	DUBOIS DEPOSIT NATL BANK
DUQUESNE	DUQUESNE CITY BANK
DUQUESNE	PEOPLES UNION BK + TRUST CO
EAST BRADY	NORTHWEST PENNA BK AND TR CO
EAST MCKEESPORT	PEOPLES UNION BK AND TR CO
EAST MCKEESPORT	WESTERN PENN NATIONAL BANK
EASTON	EASTON NATIONAL BK AND TR CO
E SMITHFIELD	FIRST NATIONAL BANK
E STROUDSBURG	EAST STROUDSBURG NATL BANK
EBENSBURG	CAMBRIA COUNTY NATIONAL BANK
ERENSBURG	FIRST NATIONAL BANK
EDINBORO	FIRST NATL BK OF EDINBORO
ELIZABETH	WESTERN PENN NATIONAL BANK
ELIZABETHTOWN	ELIZABETHTOWN TRUST CO
ELLWOOD CITY	FIRST NATL BK OF LAWRENCE CO
EMLENTON	FARMERS NATIONAL BANK
EMLENTON	NORTHWEST PENNA BK AND TR CO
EMMAUS	FIRST NATL BK OF ALLENTOWN
EPHRATA	EPHRATA NATIONAL BANK
ERIE	MARINE NATIONAL BANK OF ERIE
ESSINGTON	DELAWARE COUNTY NATL BANK
EVERETT	THE EVERETT BANK
FAIRLESS HILLS	FIDELITY PHILA TRUST CO
FALLS CREEK	DUBOIS DEPOSIT NATIONAL BANK
FARRELL	FIRST NATL BK OF GREENVILLE
FAYETTE CITY	GALLATIN NATIONAL BANK
FINLEYVILLE	WESTERN PENN NATIONAL BANK
FOREST HILLS	WESTERN PENN NATIONAL BANK
FT LOUDON	NATL VALLEY BK + TR CO
FRACKVILLE	FIRST NATIONAL BANK
FRYBURG	FIRST NATIONAL BANK
GALLITZIN	FIRST NATL BANK OF GALLITZIN
GAP	FULTON NATL BANK-GAP BRANCH
GENESEE	FIRST NATIONAL BANK
GETTYSBURG	ADAMS COUNTY NATIONAL BANK
GETTYSBURG	GETTYSBURG NATIONAL BANK
GREENCASTLE	CITIZENS NATIONAL BANK
GREENSBURG	FIRST NATL BK IN GREENSBURG
GREENTREE	WESTERN PENN NATIONAL BANK
GREENVILLE	FIRST NATIONAL BANK
GREENVILLE	1ST SENECA BANK AND TRUST CO
GROVE CITY	1ST SENECA BANK AND TRUST CO
HANOVER	BANK OF HANOVER
HANOVER	FARMERS BANK AND TRUST CO
HANOVER	PEOPLES NATIONAL BANK
HATFIELD	CONTINENTAL BANK + TRUST CO
HAZLETON	NORTHEASTERN PENN NATL BK+TR
HEGINS	FIRST NATIONAL BANK
HOLLIDAYSBURG	HOLLIDAYSBURG TRUST COMPANY
HOUSTON	WESTERN PENN NATIONAL BANK
HOUTZDALE	HOUTZDALE BANK
HUGHESVILLE	FIRST NATIONAL BANK
HUNTINGDON	1ST GRANGE NATIONAL BANK
HUNTINGDON	UNION NATL BANK AND TRUST CO
INDIANA	FIRST NATL BANK IN INDIANA

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

IRWIN	PEOPLES UNION BK AND TR CO
JACKTOWN	PEOPLES UNION BK AND TR CO
JAMESTOWN	FIRST NATL BK OF GREENVILLE
JEANETTE	PEOPLES UNION BK AND TR CO
JEFFERSON	GALLATIN NATIONAL BANK
JENKINTOWN	INDUSTRIAL VALLEY BK + TR CO
JENNERSTOWN	PEOPLES STATE BANK
JOHNSONBURG	WARREN NATIONAL BANK
JOHNSTOWN	DALE NATIONAL BANK
KARTHAUS	COUNTY NATL BK AT CLEARFIELD
KENNET SQUARE	NATL BANK OF CHESTER COUNTY
KING OF PRUSSIA	CONTINENTAL BANK + TRUST CO
KITTANNING	MERCHANTS NATIONAL BANK
KNOX	NORTHWEST PENNA BK AND TR CO
LANCASTER	CONESTOGA NATIONAL BANK
LANCASTER	LANCASTER CO FARMERS NATL
LANSDALE	CONTINENTAL BANK + TRUST CO
LANSDOWNE	FIDELITY PHILA TRUST CO
LANSFORD	DIME BANK OF LANSFORD
LEBANON	FARMERS TRUST COMPANY
LEBANON	FIRST NATIONAL BANK
LEBANON	LEBANON COUNTY TRUST CO
LEHASTERS	NATL VALLEY BK AND TR CO
LEMOYNE	CUMBERLAND COUNTY NATL BANK
LEMOYNE	LEMOYNE TRUST COMPANY
LEVITTOWN	FIDELITY PHILA TRUST CO
LEWISBURG	LEWISBURG TR AND SAFE DEP CO
LEWISTOWN	LEWISTOWN TRUST COMPANY
LEWISTOWN	MUSSELL NATIONAL BANK
LINESVILLE	MERCH NATL BK + TR CO
LOCK HAVEN	LOCK HAVEN TRUST COMPANY
MADERA	COUNTY NATL BK AT CLEARFIELD
MANSFIELD	FIRST NATIONAL BANK
MARCUS HOOK	FIDELITY PHILADELPHIA TR CO
MARTINSBURG	HOLLIDAYSBURG TRUST COMPANY
MATAMORAS	BANK OF MATAMORAS
MAYFIELD	1ST NATL BK OF CARBONDALE
MCCLURE	TRI-COUNTY NATIONAL BANK
MC CONNELLSBURG	FIRST NATIONAL BANK
MC CONNELLSBURG	FULTON COUNTY NATIONAL BANK
MC KEAN	1ST NATL BANK OF EDINBORO
MC KEESPORT	NATIONAL BANK
MC KEESPORT	PEOPLES UNION BK AND TR CO
MCKEESPORT	WESTERN PENN NATIONAL BANK
MCKEES ROCKS	WESTERN PENN NATIONAL BANK
MEADVILLE	MERCHANTS BANK AND TRUST CO
MEADVILLE	NORTH WEST PENN BK + TR CO
MEDIA	DELAWARE COUNTY NATL BANK
MEYERSDALE	CITIZENS NATIONAL BANK
MIDDLEBURG	SWINEFORD NATIONAL BANK
MIDDLEBURG	TRI COUNTY NATIONAL BANK
MIFFLIN	PEOPLES FARMERS NATL BANK
MIFFLINBURG	MIFFLINBURG BK AND TR CO
MIFFLINTOWN	JUNIATA VALLEY NATL BANK
MILLERSVILLE	CONESTOGA NATL BANK
MILTON	FIRST NATIONAL BANK
MILTON	MILTON BK AND SAFE DEP CO
MOHNTON	AMERICAN BANK AND TRUST CO
MONONGAHELA	WESTERN PENN NATIONAL BANK
MONTGOMERY	FARMERS AND CITIZENS NATL BK
MONTGOMERY	FIRST NATIONAL BANK
MONTOURSVILLE	FIRST NATIONAL BANK
MONTROSE	COUNTY NATIONAL BANK
MOON TOWNSHIP	WESTERN PENN NATIONAL BANK
MOUNT CARMEL	UNION NATIONAL BANK
MOUNT JOY	LANCASTER CO FARMERS NATL BK
MOUNT JOY	UNION NATIONAL MOUNT JOY BK
MOUNT PENN	AMERICAN BK AND TR CO
MOUNT PLEASANT	GALLATIN NATIONAL BANK
MOUNT POCONO	NORTHEASTERN PENN NAT BK+TR
MOUNT UNION	UNION NATL BANK AND TRUST CO
MYERSTOWN	MYERSTOWN BANK AND TRUST CO
NATRONA HEIGHTS	PEOPLES NATL BK OF TARENTUM
NESHANNOCK	FIRST NATL BK OF LAWRENCE CO
NEW ALEXANDRIA	1ST NATL BANK IN GREENSBURG
NEW BETHLEHEM	1ST SENECA BANK AND TRUST CO
NEW BRIGHTON	WESTERN PENN NATIONAL BANK
NEW CASTLE	FIRST NATL BK OF LAWRENCE CO
NEW CUMBERLAND	CUMBERLAND CO NATL BK AND TR
NEW FREEDOM	FIRST NATIONAL BANK
NEW HOPE	THE SOLEBURY NATIONAL BANK
NEW SALEM	GALLATIN NATIONAL BANK
NEW WILMINGTON	FIRST NATL BK OF LAWRENCE CO
NICHOLSON	FIRST NATIONAL BANK
NORRISTOWN	CONTINENTAL BANK + TRUST CO
NORRISTOWN	PEOPLES NATL BK + TR CO
NORTH HILLS	WESTERN PENN NATIONAL BANK
NORTH WALES	CONTINENTAL BANK + TRUST CO
NORTH WARREN	WARREN BANK AND TRUST CO
OIL CITY	1ST SENECA BANK AND TRUST CO
OIL CITY	NORTHWEST PENNA BK AND TR CO
ORRISONIA	COMMUNITY STATE BANK
OSCEOLA MILLS	COUNTY NATL BK AT CLEARFIELD
PALMYRA	VALLEY TRUST CO OF PALMYRA
PECKVILLE	FIRST NATIONAL BANK
PEN ARGYL	PEN ARGYL NATIONAL BANK
PENN HILLS	WESTERN PENN NATIONAL BANK
PENNSBURG	PEOPLES NATL BK AND TR CO
PERRYOPOLIS	GALLATIN NATIONAL BANK
PETERSBURG	FIRST NATIONAL BANK
PHILADELPHIA	CENTRAL-PENN NATL BK OF PHIL
PHILADELPHIA	FIDELITY-PHILADELPHIA TR CO
PHILADELPHIA	PHILADELPHIA NATIONAL BANK
PHILIPSBURG	FIRST NATIONAL BANK
PITTSBURGH	FRANKLIN FED S+L ASSOC
PITTSBURGH	SECOND FEDERAL S + L ASSN
PITTSBURG	WESTERN PENN NATIONAL BANK
POTTSTOWN	CONTINENTAL BANK + TRUST CO
PITTSTON	FIRST NATIONAL BANK
PLEASANT HILLS	WESTERN PENN NATIONAL BANK
PLUMMVILLE	FIRST NATL BANK IN INDIANA
POINT MARION	GALLATIN NATIONAL BANK
PORT ALLEGANY	FIRST NATIONAL BANK
PORTAGE	PORTAGE NATIONAL BANK
POTTSVILLE	AMERICAN BK AND TR CO
PUNXSUTAWNEY	PUNXSUTAWNEY NATIONAL BANK
QUARRYVILLE	LANCASTER CO FARMERS NATL BK
READING	AMERICAN BANK AND TRUST CO
READING	PEOPLES TRUST CITY BANK
READING	READING TRUST CO
REAMSTOWN	AMERICAN BK AND TR CO
REPUBLIC	GALLATIN NATIONAL BANK
RICES LANDING	RICES LANDING NATL BK
RIDLEY PARK	FIDELITY PHILA TRUST CO
RIMERSBURG	1ST SENECA BANK AND TRUST CO
ROBESONIA	ROBESONIA STATE BANK
ROSCOE	WESTERN PENN NATIONAL BANK
SAEGERTOWN	MERCH NATL BK+TR CO
SAXTON	FIRST NATIONAL BANK
SAYRE	FIRST NATIONAL BANK
SCHUYLKILL HAVE	FIRST NATL BANK AND TRUST CO
SCRANTON	GREEN RIDGE BANK
SCRANTON	NORTHEASTERN PENN NAT BK+TR
SCRANTON	THIRD NATL BK AND TR CO
SCRANTON	WEST SIDE BANK
SELINSGROVE	TRI-COUNTY NATL BANK
SHAMOKIN DAM	FIRST NATL BK OF SUNBURY
SHARON	FIRST SENECA BK AND TR CO
SHARON HILL	DELAWARE COUNTY NATL BANK
SHARPSBURG	WESTERN PENN NATIONAL BANK
SHEFFIELD	WARREN NATIONAL BANK
SHENANDOAH	MERCHANTS NATIONAL BANK
SHILLINGTON	PEOPLES TRUST CITY BANK
SHINGLEHOUSE	FIRST NATIONAL BANK
SHIPPENVILLE	1ST SENECA BANK AND TRUST CO
SINKING SPRING	PEOPLES TRUST CITY BANK
SLIGO	1ST SENECA BANK AND TRUST CO
SMITHTON	WESTERN PENN NATIONAL BANK
SOMERSET	COUNTY TRUST COMPANY
SOUDERTON	UNION NATL BANK AND TRUST CO
SOUTH FORK	FIRST NATL BANK IN INDIANA
SPRING CITY	CONTINENTAL BANK + TRUST CO
SPRINGVILLE	COUNTY NATIONAL BANK
STOWE	CONTINENTAL BANK + TRUST CO
STRAUSSTOWN	PEOPLES TRUST CITY BANK
STROUDSBURG	FIRST-STROUDSBURG NATL BK
SUGARGROVE	WARREN BANK AND TRUST CO
SUNBURY	FIRST NATIONAL BANK
SUSQUEHANNA	COUNTY NATIONAL BANK
SYKESVILLE	PUNXSUTAWNEY NATIONAL BANK
TAMAQUA	TAMAQUA NATIONAL BANK
TARENTUM	PEOPLES NATL BK OF TARENTUM
TAYLOR	THIRD NATL BK+TR CO OF SCRAN
TEMPLE	AMERICAN BANK AND TRUST CO
THOMPSON	COUNTY NATIONAL BANK
THOMPSONTOWN	PEOPLES FARMERS NATL BANK
THREE SPRINGS	FIRST NATIONAL BANK
TIDIOUTE	WARREN NATIONAL BANK
TIONESTA	WARREN NATIONAL BANK
TITUSVILLE	SECOND NATIONAL BANK
TITUSVILLE	PENNSYLVANIA BK + TRUST CO
TOWANDA	FIRST NATIONAL BANK
TOWER CITY	TOWER CITY NATIONAL BANK
TROY	FIRST NATIONAL BANK
ULYSSES	GRANGE NATL BK OF POTTER CO
UNIONTOWN	FAYETTE NATL BK AND TR CO
UNIONTOWN	GALLATIN NATIONAL BANK
VANDERGRIFT	PEOPLES UNION BANK AND TR CO
VILLAGE GREEN	DELAWARE COUNTY NATL BANK
WARREN	WARREN BANK AND TRUST CO
WARREN	WARREN NATIONAL BANK
WAYNESBURG	FIRST NATL BANK AND TRUST CO
WAYNESBURG	GALLATIN NATIONAL BANK
WELLSBORO	FIRST NATIONAL BANK
WELLSBORO	TIOGA CO SAVINGS AND TR CO
WERNERSVILLE	PEOPLES TRUST CITY BANK
WEST CHESTER	FIRST NATIONAL BANK
WEST CHESTER	NATL BK OF CHESTER CTY + TR
WEST MIFFLIN	WESTERN PENN NATIONAL BANK
WEST MILTON	WEST MILTON STATE BANK
WEST NEWTON	PEOPLES UNION BK AND TR CO
WEST READING	AMERICAN BK AND TR CO
WHITE OAK	WESTERN PENN NATIONAL BANK
WILKES BARRE	N E PENNA NATL BK AND TR CO
WILLIAMSBURG	HOLLIDAYSBURG TRUST COMPANY

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

WILLIAMSPORT	NORTHERN CENTRAL BANK AND TR
WINDBER	WINDBER BK AND TR CO
WOMELSDORF	PEOPLES TRUST CITY BANK
WOODLYN	FIDELITY PHILADELPHIA TR CO
WYALUSING	PEOPLES STATE BANK
WYOMISSING	PEOPLES TRUST CITY BANK
YORK	FIRST NATIONAL BANK

RHODE ISLAND

HOPE VALLEY	THE WASHINGTON TRUST CO
WESTERLY	THE WASHINGTON TRUST CO

SOUTH CAROLINA

ABBEVILLE	SOUTH CAROLINA NATL BANK
ABBEVILLE	STATE BK + TR COMPANY
AIKEN	FARMERS AND MERCHANTS BANK
AIKEN	SOUTH CAROLINA NATL BANK
AIKEN	STATE BANK + TRUST COMPANY
ANDERSON	CITIZENS + SOUTHERN NATL BK
ANDERSON	FIRST COMMERCIAL NATL BANK
ANDERSON	SOUTH CAROLINA NATL BANK
ANDREWS	ANDREWS BANK AND TRUST CO
BAMBERG	FIRST COMMERCIAL NATL BANK
BAMBERG	SOUTH CAROLINA NATL BANK
BARNWELL	STATE BANK + TRUST COMPANY
BEAUFORT	THE PEOPLES BANK
BELTON	THE BELTON BANK
BELTON	SOUTH CAROLINA NATL BANK
BENNETTSVILLE	FIRST COMMERCIAL NATL BANK
BENNETTSVILLE	SOUTH CAROLINA NATL BANK
BISHOPVILLE	THE PEOPLES BANK
CAMDEN	CITIZENS + SOUTHERN NATL BK
CAMDEN	SOUTH CAROLINA NATL BANK
CAYCE	CITIZENS + SOUTHERN NATL BK
CAYCE	FIRST COMMERCIAL NATL BANK
CAYCE	SOUTH CAROLINA NATL BANK
CHARLESTON	CITIZENS + SOUTHERN NATL BK
CHARLESTON	FIRST COMMERCIAL NATL BANK
CHARLESTON	SOUTH CAROLINA NATL BANK
CHERAW	SOUTH CAROLINA NATL BANK
CLEMSON	FIRST COMMERCIAL NATL BANK
CLINTON	W S BAILEY AND SONS BANKERS
CLOVER	BANK OF CLOVER
CLOVER	FIRST COMMERCIAL NATL BANK
COLUMBIA	CITIZENS + SOUTHERN NATL BK
COLUMBIA	COMMERCIAL BANK AND TRUST CO
COLUMBIA	THE FIRST COMMERCIAL NATL BK
COLUMBIA	SOUTH CAROLINA NATL BANK
COLUMBIA	STATE BANK AND TRUST COMPANY
COWPENS	FIRST COMMERCIAL NATL BANK
DARLINGTON	CITIZENS + SOUTHERN NATL BK
DARLINGTON	FIRST COMMERCIAL NATL BANK
DENMARK	FIRST COMMERCIAL NATL BANK
DENMARK	SOUTH CAROLINA NATL BANK
DILLON	ANDERSON BANK
DILLON	SOUTH CAROLINA NATL BANK
DONALDS	COMMERCIAL BANK
DUE WEST	COMMERCIAL BANK
ELLOREE	BANK OF ELLOREE
FLORENCE	CITIZENS + SOUTHERN NATL BK
FLORENCE	GUARANTY BK AND TR CO
FORT JACKSON	SOUTH CAROLINA NATL BANK
GEORGETOWN	SOUTH CAROLINA NATL BANK
GRANITEVILLE	CITIZENS + SOUTHERN NATL BK
GREAT FALLS	BANK OF GREAT FALLS
GREELEYVILLE	BANK OF GREELEYVILLE
GREENVILLE	CITIZENS + SOUTHERN NATL BK
GREENVILLE	PEOPLES NATIONAL BANK
GREENVILLE	SOUTH CAROLINA NATL BANK
GREENVILLE	SOUTHERN BK + TR COMPANY
GREENWOOD	SOUTH CAROLINA NATL BANK
GREER	CITIZENS + SOUTHERN NATL BK
GREER	FIRST NATIONAL BANK OF GREER
HARLEYVILLE	FIRST NATL BK OF HOLLY HILL
HARTSVILLE	BANK OF HARTSVILLE
HARTSVILLE	PEOPLES BANK
HOLLY HILL	FIRST NATL BK OF HOLLY HILL
HONEA PATH	THE COMMERCIAL BANK
INMAN	CITIZENS + SOUTHERN NATL BK
JOHNSTON	RIDGE BANKING COMPANY
JONESVILLE	FIRST COMMERCIAL NATL BANK
KERSHAW	BANK OF KERSHAW
LAKE VIEW	LAKE BANKING COMPANY
LANDRUM	FIRST COMMERCIAL NATL BANK
LATTA	LATTA BK AND TR CO
LAURENS	THE PALMETTO BANK
LEESVILLE	SOUTH CAROLINA NATL BANK
LORIS	HORRY COUNTY NATIONAL BANK
LYMAN	SOUTH CAROLINA NATL BANK
MANNING	BANK OF CLARENDON
MANNING	NATL BANK OF SO CAROLINA
MOUNT PLEASANT	SOUTH CAROLINA NATL BANK
MULLINS	ANDERSON BROTHERS BANK
MYRTLE BEACH	SOUTH CAROLINA NATL BANK
NEWBERRY	SOUTH CAROLINA NATL BANK
NINETY SIX	STATE BK + TR COMPANY
NO AUGUSTA	CITIZENS + SOUTHERN NATL BK
NO AUGUSTA	SOUTH CAROLINA NATL BANK
NO CHARLESTON	CITIZENS + SOUTHERN NATL BK
NO CHARLESTON	SOUTH CAROLINA NATL BANK
ORANGEBURG	BANK OF ORANGEBURG
ORANGEBURG	FIRST NATL BK IN ORANGEBURG
ORANGEBURG	SOUTHERN NATIONAL BANK
PAGELAND	PEOPLES BK AND TR COMPANY
PICKENS	PICKENS BANK
PICKENS	SOUTH CAROLINA NATL BANK
RIDGE SPRING	RIDGE BANKING COMPANY
ROCK HILL	CITIZENS + SOUTHERN NATL BK
ROCK HILL	SOUTH CAROLINA NATL BANK
ST MATTHEWS	SOUTH CAROLINA NATL BANK
SALUDA	STATE BANK + TRUST COMPANY
SENECA	SOUTH CAROLINA NATL BANK
SPARTANBURG	CITIZENS + SOUTHERN NATL BK
SPARTANBURG	FIRST COMMERCIAL NATL BANK
SPARTANBURG	SOUTH CAROLINA NATL BANK
SPRINGFIELD	SPRINGFIELD STATE BANK
SUMMERVILLE	FIRST NATL BK OF HOLLY HILL
SUMMERVILLE	FIRST COMMERCIAL NATL BANK
SUMTER	CITIZENS + SOUTHERN NATL BK
SUMTER	SOUTH CAROLINA NATL BANK
SUMTER	NATL BANK OF SO CAROLINA
UNION	ARTHUR STATE BANK
UNION	FIRST COMMERCIAL NATL BANK
WALHALLA	BLUE RIDGE BANK
WALTERBORO	BANK OF WALTERBORO
WESTMINSTER	BANK OF WESTMINSTER
WHITMIRE	STATE BANK + TRUST COMPANY
YORK	BANK OF YORK

SOUTH DAKOTA

ABERDEEN	ABERDEEN NATIONAL BANK
ABERDEEN	FARMERS AND MERCHANTS BANK
ABERDEEN	FIRST NATIONAL BANK
ALCESTER	STATE BANK OF ALCESTER
ALPENA	BANK OF ALPENA
ARMOUR	FIRST STATE BANK
BELLE FOURCHE	BANK OF BELLE FOURCHE
BELLE FOURCHE	1ST FEDERAL S+L ASSOC
BELLE FOURCHE	FIRST NATL BANK OF BLACK HIL
BIG STONE CITY	BIG STONE STATE BANK
BONESTEEL	BURKE STATE BANK
BRADLEY	CITIZENS STATE BANK
BRANDON	BRANDON SAVINGS BANK
BRITTON	1ST NATL BANK OF ABERDEEN
BROOKINGS	FIRST NATIONAL BANK
BROOKINGS	NORTHWESTERN NATIONAL BANK
BRYANT	BRYANT STATE BANK
BURKE	BURKE STATE BANK
CANISTOTA	SECURITY STATE BANK
CHAMBERLAIN	NORTHWESTERN NATIONAL BANK
CLARK	CITIZENS STATE BANK
COLOME	CITIZENS BANK OF COLOME
CORSICA	FARMERS AND MERCHANTS BANK
CRESBARD	BANK OF CRESBARD
DEADWOOD	FIRST NATL BK OF BLACK HILLS
DELL RAPIDS	NORTHWESTERN NATIONAL BANK
EAGLE BUTTE	STATE BANK OF EAGLE BUTTE
ELLSWORTH AFB	FIRST NATL BK OF BLACK HILLS
ESTELLINE	FARMERS STATE BANK
FAULKTON	FAULK COUNTY STATE BANK
GARRETSON	FIRST NATIONAL BANK
GARY	GARY STATE BANK
GETTYSBURG	FIRST POTTER COUNTY BANK
GREGORY	NORTHWESTERN NATIONAL BANK
GROTON	1ST NATL BANK OF ABERDEEN
HARRISBURG	SIOUX VALLEY BANK
HAYTI	COMMUNITY STATE BANK
HECLA	1ST NATL BANK OF ABERDEEN
HERREID	CAMPBELL COUNTY BANK
HIGHMORE	FIRST STATE BANK
HILL CITY	RUSHMORE STATE BANK
HITCHCOCK	FARMERS AND MERCHANTS BANK
HOSMER	FARMERS STATE BANK
HOT SPRINGS	AMER NATL BANK OF RAPID CITY
HOT SPRINGS	FIRST NATL BK OF BLACK HILLS
HURON	FARMERS + MERCHANTS BANK
HURON	NATIONAL BANK OF SO DAKOTA
HURON	NORTHWESTERN NATIONAL BANK
IPSWICH	IPSWICH STATE BANK
IRENE	FARMERS STATE BANK
IROQUOIS	FARMERS AND MERCHANTS ST BK
KRANZBURG	FARMERS STATE BANK
LAKE ANDES	ANDES STATE BANK
LAKE ANDES	COMMERCIAL STATE BANK
LAKE PRESTON	COMMUNITY STATE BANK
LEAD	FIRST NATL BK OF BLACK HILLS

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

LEHMON	FIRST NATIONAL BANK
MADISON	NORTHWESTERN NATIONAL BANK
MARION	FARMERS STATE BANK
MCLAUGHLIN	FIRST STATE BANK
MIDLAND	OKATON STATE BANK
MILBANK	1ST NATL BANK OF ABERDEEN
MILLER	FIRST NATIONAL BANK
MILLER	HAND COUNTY STATE BANK
MISSION	FARMERS STATE BANK
MITCHELL	COMMERCIAL TR AND SAVINGS BK
MITCHELL	MITCHELL NATIONAL BANK
MOBRIDGE	1ST NATL BANK OF ABERDEEN
MOBRIDGE	CITIZENS BANK
MURDO	JONES COUNTY STATE BANK
NEW EFFINGTON	BANK OF NEW EFFINGTON
NEWELL	FIRST NATL BK OF BLACK HILLS
NEW UNDERWOOD	FIRST WESTERN BANK
OKATON	OKATON STATE BANK
OLDHAM	AMERICAN STATE BANK
PARKSTON	FARMERS STATE BANK
PHILIP	FIRST NATIONAL BANK
PIERPONT	FIRST STATE BANK
PIERRE	PIERRE NATIONAL BANK
PLATTE	FARMERS AND MERCHANTS BANK
POLLOCK	CAMPBELL COUNTY BANK
PRESHO	FARMERS AND MERCHANTS BANK
RAPID CITY	AMERICAN NATIONAL BANK
RAPID CITY	1ST FEDERAL S+L ASSOC
RAPID CITY	FIRST NATIONAL BANK
RAPID CITY	RUSHMORE STATE BANK
REDFIELD	1ST NATL BANK OF ABERDEEN
REDFIELD	SPINK COUNTY BANK
ROSCOE	FIRST STATE BANK
SALEM	MCCOOK COUNTY NATIONAL BK
SCOTLAND	FARMERS AND MERCHANTS ST BK
SELBY	FIRST NATIONAL BANK
SIOUX FALLS	NATL BANK OF SO DAKOTA
SIOUX FALLS	NORTHWESTERN NATIONAL BANK
SIOUX FALLS	UNION BANK AND TRUST
SIOUX FALLS	VALLEY NATIONAL BANK
SIOUX FALLS	WESTERN STATE BANK
SISSETON	ROBERTS COUNTY NATL BANK
SPEARFISH	1ST FEDERAL S+L ASSOC
SPEARFISH	FIRST NATL BK OF BLACK HILLS
SPEARFISH	SPEARFISH BR BK BELLE FOURCH
SPRINGFIELD	SPRINGFIELD STATE BANK
STURGIS	FIRST NATL BK OF BLACK HILLS
SUMMIT	PEOPLES STATE BANK
VERMILLION	CITIZENS BANK
VERMILLION	NATL BANK OF SO DAKOTA
VIENNA	CITIZENS STATE BANK
VOLGA	FIRST NATIONAL BANK
WAGNER	COMMERCIAL STATE BANK
WALL	FIRST WESTERN BANK
WATERTOWN	FARMERS AND MERCHANTS BANK
WATERTOWN	FIRST CITIZENS NATL BANK
WAURAY	STATE BANK OF WAUBAY
WEBSTER	SECURITY BANK
WESSINGTON SPGS	FARMERS AND MERCHANTS BANK
WHITE RIVER	FARMERS STATE BANK
WILLOW LAKE	CITIZENS STATE BANK
WILMOT	WILMOT STATE BANK
WINNER	FARMERS STATE BANK
WINNER	RANCHERS NATIONAL BANK
WOLSEY	BANK OF ALPENA
WOONSOCKET	SANBORN COUNTY BANK
YANKTON	AMERICAN STATE BANK
YANKTON	FIRST DAKOTA NATIONAL BANK
YANKTON	VALLEY STATE BANK

TENNESSEE

CAMDEN	COMMERCE UNION BANK
CHATTANOOGA	HAMILTON NATIONAL BANK
CLARKSVILLE	FIRST NATIONAL BANK
CLARKSVILLE	FIRST TRUST SAVINGS BANK
CLARKSVILLE	NORTHERN BANK OF TENNESSEE
CLEVELAND	CLEVELAND BK AND TRUST CO
COLUMBIA	COMMERCE UNION BANK
COLUMBIA	MIDDLE TENNESSEE BANK
DYER	BANK OF DYER
ELBRIDGE	BANK OF ELBRIDGE
ELIZARETHTON	CARTER COUNTY BANK
GALLATIN	COMMERCE UNION BANK
JACKSON	NATIONAL BANK OF COMMERCE
JACKSON	FIRST NATIONAL BANK
JOHNSON CITY	HAMILTON NATIONAL BANK
KNOXVILLE	PARK NATIONAL BANK
LAWRENCEBURG	COMMERCE UNION BANK
LEBANON	COMMERCE UNION BANK
MADISON	FIRST AMERICAN NATIONAL BANK
MARYVILLE	BLOUNT NATIONAL BANK
MEMPHIS	1ST NATIONAL BANK OF MEMPHIS
MURFREESBORO	COMMERCE UNION BANK
NASHVILLE	COMMERCE UNION BANK
NASHVILLE	FIRST AMERICAN NATL BANK
NASHVILLE	THIRD NATIONAL BANK
NEWBERN	NEWBERN STATE BANK
NEWPORT	NATIONAL BANK
OLD HICKORY	FIRST AMERICAN NATIONAL BANK
SAVANNAH	CITIZENS BANK
SAVANNAH	THE FIRST NATIONAL BANK
SPARTA	COMMERCE UNION BANK
SPRINGFIELD	COMMERCE UNION BANK
UNION TY	OLD + THIRD NATIONAL BANK
WESTMO LAND	FARMERS AND MERCHANTS BANK
YORKVILLE	BANK OF YORKVILLE

TEXAS

ABILENE	FIRST NATIONAL BANK
ABILENE	FIRST STATE BANK
ABILENE	THE CITIZENS NATIONAL BANK
ALVIN	FIRST NATIONAL BANK OF ALVIN
AMARILLO	AMARILLO NATIONAL BANK
AMARILLO	BANK OF THE SOUTHWEST
ARLINGTON	ARLINGTON STATE BANK
ARLINGTON	FIRST NATIONAL BANK
ATHENS	FIRST NATIONAL BANK
AUSTIN	THE AUSTIN NATIONAL BANK
AUSTIN	CITIZENS NATIONAL BANK
BAY CITY	BAY CITY BANK + TRUST CO
BAYTOWN	CITIZENS NATL BK + TR CO
BEAUMONT	AMERICAN NATIONAL BANK
BEAUMONT	CITIZENS NATIONAL BANK
BEAUMONT	FIRST SECURITY NATIONAL BANK
BEAUMONT	GATEWAY NATIONAL BANK
BIG SPRING	FIRST NATIONAL BANK
BONHAM	BONHAM STATE BANK
BONHAM	FIRST NATL BK OF BONHAM
BORGER	FIRST NATIONAL BANK
BOWIE	FIRST NATIONAL BANK
BRADY	THE BRADY NATIONAL BANK
BRECKENRIDGE	FIRST NATIONAL BANK
BRENHAM	FIRST NATIONAL BANK
BROWNSBORO	FIRST STATE BANK
BROWNWOOD	CITIZENS NATIONAL BANK
BRYAN	FIRST BANK AND TRUST
BRYAN	THE CITY NATIONAL BANK
BURKBURNETT	FIRST NATIONAL BANK
CAMERON	FIRST NATIONAL BANK
CANADIAN	THE FIRST NATL BK OF CANADIA
CHILDRESS	FIRST NATIONAL BANK
CISCO	FIRST NATIONAL BANK OF CISCO
CLARENDON	FARMERS STATE BANK
CLARKSVILLE	RED RIVER NATL BANK
CLAUDE	FIRST NATIONAL BANK
CLIFTON	FARMERS STATE BANK
COLLEGE STATION	UNIVERSITY NATIONAL BANK
COLUMBUS	COLUMBUS STATE BANK
CONROE	FIRST NATIONAL BANK
CORSICANA	FIRST NATIONAL BANK
CORSICANA	THE STATE NATIONAL BANK
DALHART	CITIZENS STATE BANK
DALLAS	CENTRAL BANK AND TRUST CO
DALLAS	COMMERCIAL NATIONAL BANK
DALLAS	FIRST NATIONAL BANK
DALLAS	LAKEWOOD BANK AND TRUST CO
DALLAS	PRESTON STATE BANK
DALLAS	REPUBLIC NATIONAL BANK
DARROUZETT	FIRST NATIONAL BANK
DEKALB	STATE BANK OF DEKALB
DENISON	THE CITIZENS NATL BANK
DENTON	DENTON COUNTY NATIONAL BANK
DENTON	FIRST STATE BANK OF DENTON
DENTON	UNIVERSITY STATE BANK
EAST BERNARD	UNION STATE BANK
EASTLAND	EASTLAND NATIONAL BANK
ELDORADO	THE FIRST NATIONAL BANK
EL PASO	EL PASO NATIONAL BANK
EL PASO	STATE NATIONAL BANK
ELSA	ELSA STATE BK + TR CO
EMORY	FIRST NATIONAL BANK
FLOYDADA	FIRST NATIONAL BANK
FOLLETT	FOLLETT NATIONAL BANK
FORT WORTH	FIRST NATIONAL BANK
FREEPORT	THE FIRST FREEPORT NATL BANK
GATESVILLE	NATIONAL BANK OF GATESVILLE
GREENVILLE	CITIZENS NATIONAL BANK
GREENVILLE	FIRST GREENVILLE NATL BANK
GROESBECK	THE FARMERS STATE BANK
GROVES	FIRST STATE BANK
HALE CENTER	FIRST NATIONAL BANK
HAMILTON	PERRY NATIONAL BANK
HAMLIN	FARMERS AND MERCHANTS N BK
HAPPY	FIRST STATE BANK
HARLINGEN	THE FIRST NATIONAL BANK
HEDLEY	SECURITY STATE BANK
HENDERSON	FIRST NATIONAL BANK
HEREFORD	FIRST NATIONAL BANK
HEREFORD	HEREFORD STATE BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

HICO	FIRST NATIONAL BANK
HOUSTON	BANK OF ALMEDA
HOUSTON	BANK OF S W NATIONAL ASSOC
HUGHES SPRINGS	FIRST NATIONAL BANK
JACKSONVILLE	TEXAS BANK + TRUST CO
KAUFMAN	FARMERS + MERCHANTS NATL BK
KERENS	FIRST STATE BANK OF KERENS
KERMIT	KERMIT STATE BANK
KILLEEN	AMERICAN NATIONAL BANK
KILLEEN	FIRST NATIONAL BANK
LA MARQUE	BANK OF THE MAINLAND
LA PRYOR	THE LA PRYOR STATE BANK
LAREDO	THE LAREDO NATIONAL BANK
LEAGUE CITY	LEAGUE CITY STATE BANK
LEVELLAND	FIRST NATIONAL BANK
LEVELLAND	LEVELLAND STATE BANK
LEWISVILLE	LEWISVILLE NATIONAL BANK
LIVINGSTON	FIRST NATIONAL BANK
LONGVIEW	LONGVIEW NATL BANK
LUFKIN	FIRST STATE BK + TR CO
MALAKOFF	CITIZENS STATE BANK
MARBLE FALLS	HOME STATE BANK
MARLIN	MARLIN NATIONAL BANK
MARSHALL	FIRST NATIONAL BANK
MARSHALL	THE MARSHALL NATIONAL BANK
MART	FIRST NATIONAL BANK
MATADOR	FIRST STATE BANK
MC CAMEY	SECURITY STATE BANK
MC KINNEY	COLLIN COUNTY NATL BANK
MERCEDES	FIRST NATIONAL BANK
MERKEL	FARMERS AND MERCHANTS NATL B
MIDLAND	COMMERCIAL BANK AND TRUST CO
MIDLAND	FIRST NATIONAL BANK
MINEOLA	FIRST NATIONAL BANK
MONAHANS	FIRST STATE BANK
MOUNT PLEASANT	FIRST NATIONAL BANK
MOUNT PLEASNT	GUARANTY BOND STATE BANK
MULESHOE	FIRST NATIONAL BANK
NACOGDOCHES	COMMERCIAL NATIONAL BANK
NACOGDOCHES	FREDONIA STATE BANK
NACOGDOCHES	STONE FORT NATIONAL BANK
NEW BRAUNFELS	THE FIRST NATIONAL BANK
NOCONA	FARMERS + MERCHANTS NATL BK
ODESSA	FIRST NATIONAL BANK
ODESSA	FIRST STATE BANK
OLNEY	FIRST NATL BANK OF OLNEY
ORANGE	ORANGE NATIONAL BANK
PAMPA	CITIZENS BANK + TRUST CO
PECOS	FIRST NATIONAL BANK
PERRYTON	FIRST NATIONAL BANK
PITTSBURG	PITTSBURG NATIONAL BANK
PLAINS	PLAINS STATE BANK
PLAINVIEW	HALE COUNTY STATE BANK
PLAINVIEW	THE CITY NATIONAL BANK
PLEASANTON	FIRST NATIONAL BANK
PORT ARTHUR	THE FIRST NATIONAL BANK
POST	THE FIRST NATIONAL BANK
RALLS	SECURITY STATE BANK
REFUGIO	THE FIRST NATIONAL BANK
RICHARDSON	FIRST BK + TR OF RICHARDSON
ROCHESTER	HOME STATE BANK
ROTAN	FIRST NATIONAL BANK
RULE	THE FARMERS NATIONAL BANK
SAN ANTONIO	AMERICAN STATE BANK
SAN ANTONIO	BROADWAY NATL BK ALAMO HGTS
SAN ANTONIO	FROST NATIONAL BANK
SAN ANTONIO	NORTH HILL NATIONAL BANK
SAN MARCUS	FIRST NATIONAL BANK
SANTA ANNA	SANTA ANNA NATIONAL BANK
SCHULENBURG	FARMERS STATE BANK
SEAGRAVES	FIRST NATIONAL BANK
SEALY	CITIZENS STATE BANK
SEGUIN	SEGUIN STATE BK AND TR CO
SEGUIN	THE FIRST NATIONAL BANK
SEYMOUR	FIRST NATIONAL BANK
SHEPHERD	PEOPLES STATE BANK
SHERMAN	MERCHANTS + PLANTERS NATL BK
SHERMAN	TEXOMA NATIONAL BANK
SNYDER	WEST TEXAS STATE BANK
SONORA	THE FIRST NATIONAL BANK
STEPHENVILLE	THE STEPHENVILLE STATE BANK
STINNETT	FIRST NATIONAL BANK
STRATFORD	FIRST ST BANK OF STRATFORD
STRAWN	FIRST STRAWN NATIONAL BANK
SWEETWATER	NATIONAL BANK OF SWEETWATER
TERRELL	AMERICAN NATIONAL BANK
TEXARKANA	TEXARKANA NATIONAL BANK
TEXAS CITY	MAINLAND BANK AND TRUST CO
TIMPSON	THE COTTON BELT STATE BANK
TRENT	HOME STATE BANK
TULIA	THE FIRST NATIONAL BANK
TYLER	TYLER BANK AND TRUST CO
UNIVERSAL CITY	RANDOLPH FIELD NATIONAL BANK
VAN	FIRST STATE BANK
VAN ALSTYNE	THE FIRST NATIONAL BANK
VERNON	HERRING NATIONAL BANK
WACO	CITIZENS NATIONAL BANK
WACO	FIRST NATIONAL BANK
WACO	WESTVIEW NATIONAL BANK
WEATHERFORD	FIRST NATL BK IN WEATHERFORD
WELLINGTON	CITY ST BANK IN WELLINGTON
WEST	STATE NATIONAL BANK IN WEST
WHITEWRIGHT	FIRST NATIONAL BANK
WICHITA FALLS	CITY NATIONAL BANK
WICHITA FALLS	FIRST WICHITA NATIONAL BANK

UTAH

WOODS CROSS	FARMERS STATE BANK

VERMONT

ALBURG	CHITTENDEN TRUST COMPANY
BARRE	BARRE TRUST COMPANY
BARRE	GRANITE SAVINGS BK + TR CO
BARRE	PEOPLES NATIONAL BANK
BARTON	HOWARD NATIONAL BK AND TR CO
BELLOWS FALLS	BELLOWS FALLS TRUST CO
BELLOWS FALLS	VERMONT BK AND TR CO
BELLOWS FALLS	VERMONT NATIONAL BANK
BENNINGTON	VERMONT BK AND TR CO
BENNINGTON	VERMONT NATIONAL BANK
BETHEL	NATIONAL WHITE RIVER BANK
BRADFORD	BRADFORD NATIONAL BANK
BRANDON	FIRST BRANDON NATIONAL BANK
BRATTLEBORO	VERMONT BK AND TR CO
BRATTLEBORO	VERMONT NATIONAL BANK
BURLINGTON	BURLINGTON SAVINGS BANK
BURLINGTON	CHITTENDEN TRUST CO
BURLINGTON	HOWARD NATL BK AND TR CO
CHELSEA	NATIONAL WHITE RIVER BANK
CHESTER	VERMONT BK AND TR CO
CHESTER	VERMONT NATIONAL BANK
DERBY LINE	NATIONAL BANK OF DERBY LINE
ENOSBURG FALLS	ENOSBURG FALLS NATL BANK
ENOSBURG FALLS	HOWARD NATIONAL BK AND TR CO
ESSEX JUNCTION	HOWARD NATL BK AND TR CO
FAIR HAVEN	FIRST NATIONAL BANK
HARDWICK	HARDWICK TRUST COMPANY
HYDE PARK	LAMOILLE COUNTY BANK
JAMAICA	VERMONT NATIONAL BANK
JEFFERSONVILLE	UNION SAV BK+TR MORRISVILLE
JOHNSON	STERLING TRUST COMPANY
LUDLOW	LUDLOW SAVINGS BK AND TR CO
LYNDONVILLE	LYNDONVILLE SAVINGS BK TR
MANCHESTER CTR	FACTORY POINT NATL BK
MIDDLEBURY	CHITTENDEN TRUST COMPANY
MIDDLEBURY	NATIONAL BANK
MONTPELIER	CHITTENDEN TRUST COMPANY
MONTPELIER	MONTPELIER NATIONAL BANK
MONTPELIER	MONTPELIER SAVINGS BK AND TR
MORRISVILLE	UNION SAVINGS BK AND TR CO
NEWFANE	VERMONT NATIONAL BANK
NEWPORT	CHITTENDEN TRUST COMPANY
NO BENNINGTON	FIRST NATIONAL BANK
NORTH TROY	CHITTENDEN TRUST COMPANY
NORTHFIELD	NORTHFIELD NATIONAL BANK
NORTHFIELD	NORTHFIELD SAVINGS BANK
NORTHFIELD	NORTHFIELD TRUST COMPANY
ORLEANS	HOWARD NATL BK AND TR CO
POULTNEY	PROCTOR TRUST CO
PROCTOR	PROCTOR TRUST CO
PROCTORSVILLE	VERMONT NATIONAL BANK
RANDOLPH	RANDOLPH NATIONAL BANK
RICHFORD	FRANKLIN COUNTY BANK
RICHMOND	HOWARD NATL BK + TR CO
RUTLAND	MARBLE SAVINGS BANK
RUTLAND	RUTLAND COUNTY BANK
RUTLAND	RUTLAND SAVINGS BANK
RUTLAND	VERMONT BK AND TR CO
ST ALBANS	FRANKLIN COUNTY BANK
ST ALBANS	PEOPLES TRUST COMPANY
ST JOHNSBURY	CITIZENS SAVINGS BK AND TR
ST JOHNSBURY	HOWARD NATL BK AND TR CO
SPRINGFIELD	FIRST NATIONAL BANK
SPRINGFIELD	VERMONT NATIONAL BANK
STOWE	LAMOILLE COUNTY BANK
STOWE	UNION SAVINGS BK + TRUST CO
SWANTON	CHITTENDEN TRUST COMPANY
VERGENNES	CHITTENDEN TRUST COMPANY
WAITSFIELD	MONTPELIER SAVINGS BK + TR
WATERBURY	BANK OF WATERBURY
WELLS RIVER	WELLS RIVER SAVINGS BANK
WHITE RIVER JCT	FIRST NATIONAL BANK
WILMINGTON	VERMONT NATIONAL BANK
WINDSOR	VERMONT NATIONAL BANK
WINOOSKI	HOWARD NATL BK + TR CO
WOODSTOCK	VERMONT NATIONAL BANK
WOODSTOCK	WOODSTOCK NATIONAL BANK

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

VIRGINIA

ABBINGTON	VIRGINIA NATIONAL BANK
ALEXANDRIA	MT VERNON NATL BK + TR
ALEXANDRIA	ALEXANDRIA NATIONAL BANK
ALTAVISTA	FIDELITY NATL BK LYNCHBURG
AMHERST	FIDELITY NATL BK LYNCHBURG
ANNANDALE	MT VERNON NATL BK + TRUST
APPOMATTOX	FIDELITY NATL BK LYNCHBURG
AYLETT	SOUTHSIDE BANK
BEDFORD	FIRST NATL EXCHANGE BK OF VA
BLACKSBURG	FIRST NATL EXCHANGE BK OF VA
BOYKINS	VIRGINIA NATIONAL BANK
BRISTOL	FIRST NATL EXCHANGE BK OF VA
BRISTOL	VIRGINIA NATIONAL BANK
BROADWAY	FIRST NATIONAL BANK
BROOKNEAL	FIDELITY NATL BK LYNCHBURG
BROOKVILLE	FIDELITY NATL BK LYNCHBURG
BUENA VISTA	VIRGINIA NATIONAL BANK
CAPRON	VIRGINIA NATIONAL BANK
CHARLOTTESVILLE	NATIONAL BANK + TRUST CO
CHARLOTTESVILLE	VIRGINIA NATIONAL BANK
CHESAPEAKE	VIRGINIA NATIONAL BANK
CHESTER	BANK OF VIRGINIA
COVINGTON	FIRST NATL EXCHANGE BK OF VA
DANVILLE	VIRGINIA NATIONAL BANK
DILWYN	VIRGINIA NATIONAL BANK
DINWIDDIE	BANK OF VIRGINIA
ELKTON	VIRGINIA NATIONAL BANK
FAIRFAX	MT VERNON NATL BK + TR
FAIRFAX	THE NATIONAL BANK OF FAIRFAX
FALLS CHURCH	MT VERNON NATL BK + TR
FARMVILLE	VIRGINIA NATIONAL BANK
FORT LEE	STATE PLANTERS BK COMM + TR
FRANKLIN	VIRGINIA NATIONAL BANK
GAINESVILLE	FIRST STATE BANK
GARDENSVILLE	VIRGINIA NATIONAL BANK
GATES CITY	VIRGINIA NATIONAL BANK
GLADE SPRING	VIRGINIA NATIONAL BANK
GREAT FALLS	VIENNA TRUST COMPANY
GROVETON	MT VERNON NATL BK + TR
HALLWOOD	BANK OF VIRGINIA
HARRISONBURG	FIRST NATIONAL BANK
HARRISONBURG	ROCKINGHAM NATIONAL BANK
HARRISONBURG	VALLEY NATIONAL BANK
HIGHLAND SPGS	BANK OF VIRGINIA
HOPEWELL	STATE PLANTERS BK COMM + TR
HOT SPRINGS	BATH COUNTY NATIONAL BANK
LEBANON	FIRST NATL EXCHANGE BK OF VA
LOUISA	VIRGINIA NATIONAL BANK
LYNCHBURG	FIDELITY NATL BK LYNCHBURG
MADISON HEIGHTS	FIDELITY NATL BK LYNCHBURG
MARION	FIRST NATL EXCHANGE BK OF VA
MARTINSVILLE	VIRGINIA NATIONAL BANK
MCLEAN	MT VERNON NATL BK + TR
MCLEAN	VIENNA TRUST COMPANY
NARROWS	FIRST NATL BANK OF NARROWS
NEWPORT NEWS	BANK OF VIRGINIA
NICKLESVILLE	VIRGINIA NATIONAL BANK
NORFOLK	BANK OF VIRGINIA
NORFOLK	VIRGINIA NATIONAL BANK
ORANGE	VIRGINIA NATIONAL BANK
PETERSBURG	BANK OF VIRGINIA
PETERSBURG	STATE PLANTERS BK COMM + TR
PORTSMOUTH	BANK OF VIRGINIA
RICHLANDS	FIRST NATL EXCHANGE BK OF VA
RICHMOND	BANK OF VIRGINIA
RICHMOND	STATE-PLANTERS BK COMM + TR
ROANOKE	BANK OF VIRGINIA
ROANOKE	FIRST NATL EXCHANGE BK OF VA
RUSTBURG	FIDELITY NATL BK LYNCHBURG
SALEM	FIRST NATL EXCHANGE BK OF VA
SALEM	THE BANK OF SALEM
SANDSTON	BANK OF VIRGINIA
SHENANDOAH	VIRGINIA NATIONAL BANK
SPRINGFIELD	MT VERNON NATL BK + TR
STANDARDSVILLE	VIRGINIA NATIONAL BANK
STAUNTON	VIRGINIA NATIONAL BANK
SUFFOLK	VIRGINIA NATIONAL BANK
TAPPAHANNOCK	SOUTHSIDE BANK
VARINA	BANK OF VIRGINIA
VIENNA	VIENNA TRUST COMPANY
VIRGINIA BEACH	VIRGINIA NATIONAL BANK
WAYNESBORO	VIRGINIA NATIONAL BANK
WEBER CITY	VIRGINIA NATIONAL BANK
WYTHEVILLE	FIRST NATL EXCHANGE BK OF VA

WASHINGTON

ABERDEEN	NATL BK OF COMMERCE SEATTLE
ABERDEEN	SEATTLE FIRST NATL BANK
ALMIRA	NATL BK OF COMMERCE SEATTLE
ANACORTES	PEOPLES NATIONAL BANK
ARLINGTON	SEATTLE FIRST NATL BANK
AUBURN	NATL BK OF COMMERCE SEATTLE
BAINBRIDGE IS	BAINBRIDGE ISLAND BANK
BATTLE GROUND	FIRST INDEPENDENT BANK
BELLEVUE	NATL BK OF COMMERCE SEATTLE
BELLEVUE	PACIFIC NATL BK OF SEATTLE
BELLEVUE	SEATTLE FIRST NATL BANK
BELLINGHAM	NATL BK OF COMMERCE SEATTLE
BELLINGHAM	SEATTLE FIRST NATL BANK
BENTON CITY	OLD NATL BANK OF WASHINGTON
BLAINE	NATL BK OF COMMERCE SEATTLE
BREMERTON	NATL BK OF COMMERCE SEATTLE
BREMERTON	PEOPLES NATIONAL BANK
BREMERTON	SEATTLE FIRST NATL BANK
BREWSTER	NATL BK OF COMMERCE SEATTLE
BURIEN	NATL BK OF COMMERCE SEATTLE
BURIEN	SEATTLE FIRST NATL BANK
BURIEN	SEATTLE TRUST AND SAVINGS BK
BURLINGTON	NATL BK OF COMMERCE SEATTLE
CAMAS	NATL BK OF COMMERCE SEATTLE
CARNATION	SEATTLE FIRST NATL BANK
CENTRALIA	NATL BK OF COMMERCE SEATTLE
CENTRALIA	SEATTLE FIRST NATL BANK
CHELAN	SEATTLE FIRST NATL BANK
CHENEY	SEATTLE FIRST NATL BANK
CHEWELAH	SEATTLE FIRST NATL BANK
CLARKSTON	NATL BK OF COMMERCE SEATTLE
CLE ELUM	SEATTLE FIRST NATL BANK
COLFAX	SEATTLE FIRST NATL BANK
COLFAX	OLD NATL BANK OF WASHINGTON
COLLEGE PLACE	NATL BK OF COMMERCE SEATTLE
COLTON	OLD NATL BANK OF WASHINGTON
COLVILLE	NATL BK OF COMMERCE SEATTLE
COLVILLE	SEATTLE FIRST NATL BANK
CONNELL	SEATTLE FIRST NATL BANK
COULEE CITY	NATL BK OF COMMERCE SEATTLE
COULEE DAM	SEATTLE FIRST NATL BANK
DARRINGTON	SEATTLE FIRST NATL BANK
DAVENPORT	OLD NATL BANK OF WASHINGTON
DAYTON	NATL BK OF COMMERCE SEATTLE
DAYTON	SEATTLE FIRST NATL BANK
DEER PARK	NATL BK OF COMMERCE SEATTLE
DES MOINES	SEATTLE TRUST AND SAVINGS BK
DISHMAN	SEATTLE FIRST NATL BANK
DUVALL	SEATTLE FIRST NATL BANK
EASTGATE	SEATTLE FIRST NATL BANK
EDMONDS	NATL BK OF COMMERCE SEATTLE
ELLENSBURG	NATL BK OF COMMERCE SEATTLE
ELMA	NATL BK OF COMMERCE SEATTLE
ENDICOTT	NATL BK OF COMMERCE SEATTLE
ENUMCLAW	FIRST NATIONAL BANK
EPHRATA	PEOPLES NATIONAL BANK
EVERETT	BANK OF EVERETT
EVERETT	EVERETT TRUST AND SAVINGS BK
EVERETT	PEOPLES NATIONAL BANK
EVERETT	SEATTLE FIRST NATIONAL BANK
EVERSON	NATL BK OF COMMERCE SEATTLE
FEDERAL WAY	PEOPLES NATIONAL BANK
FRIDAY HARBOR	SAN JUAN COUNTY BANK
GARFIELD	STATE NATIONAL BANK
GOLDENDALE	NATL BK OF COMMERCE SEATTLE
GRANDVIEW	GRANDVIEW SECURITY BANK
GRANDVIEW	OLD NATL BANK OF WASHINGTON
GREENACRES	OLD NATL BANK OF WASHINGTON
GRANGER	OLD NATL BANK OF WASHINGTON
HARRINGTON	OLD NATL BANK OF WASHINGTON
HAZEL DELL	FIRST INDEPENDENT BANK
HOQUIAM	PEOPLES NATIONAL BANK
HOUGHTON	SEATTLE FIRST NATL BANK
ILWACO	NATL BK OF COMMERCE SEATTLE
ISSAQUAH	SEATTLE FIRST NATL BANK
KELSO	SEATTLE FIRST NATL BANK
KENNEWICK	NATL BK OF COMMERCE SEATTLE
KENNEWICK	SEATTLE FIRST NATL BANK
KENT	PEOPLES NATIONAL BANK
KIRKLAND	NATL BK OF COMMERCE SEATTLE
KIRKLAND	PEOPLES NATIONAL BANK
KIRKLAND	SEATTLE FIRST NATL BANK
LA CONNER	NATL BK OF COMMERCE SEATTLE
LAKE HILLS	SEATTLE FIRST NATL BANK
LEAVENWORTH	SEATTLE FIRST NATL BANK
LIND	SEATTLE FIRST NATL BANK
LONGVIEW	BANK OF COWLITZ COUNTY
LONGVIEW	NATL BK OF COMMERCE SEATTLE
LONGVIEW	SEATTLE FIRST NATL BANK
LYNDEN	NATL BK OF COMMERCE SEATTLE
LYNDEN	THE PEOPLES STATE BANK
LYNNWOOD	SEATTLE FIRST NATL BANK
MARYSVILLE	SEATTLE FIRST NATL BANK
MEDICAL LAKE	NATL BK OF COMMERCE SEATTLE
MERCER ISLAND	NATL BK OF COMMERCE SEATTLE
MERCER ISLAND	SEATTLE FIRST NATL BANK
MIDWAY	PUGET SOUND NATIONAL BANK
MILLWOOD	SEATTLE FIRST NATL BANK
MONROE	SEATTLE FIRST NATL BANK
MONTESANO	NATL BK OF COMMERCE SEATTLE
MOSES LAKE	PEOPLES NATIONAL BANK
MOSES LAKE	SEATTLE FIRST NATL BANK
MOUNT VERNON	NATL BK OF COMMERCE SEATTLE
MOUNT VERNON	SEATTLE FIRST NATL BANK
NEWPORT	NATL BK OF COMMERCE SEATTLE

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

NORTH BEND	SEATTLE FIRST NATL BANK
N WENATCHEE	SEATTLE FIRST NATL BANK
OAK HARBOR	EVERETT TRUST AND SAVINGS BK
OAKESDALE	SEATTLE FIRST NATL BANK
ODESSA	SEATTLE FIRST NATL BANK
OKANOGAN	SEATTLE FIRST NATL BANK
OLYMPIA	NATL BK OF COMMERCE SEATTLE
OLYMPIA	SEATTLE FIRST NATL BANK
OMAK	SEATTLE FIRST NATL BANK
OPPORTUNITY	SEATTLE FIRST NATL BANK
OTHELLO	PEOPLES NATIONAL BANK
PALOUSE	OLD NATL BANK OF WASHINGTON
PARKLAND	PUGET SOUND NATL BK TACOMA
PASCO	PEOPLES NATIONAL BANK
PASCO	SEATTLE FIRST NATL BANK
POMEROY	NATL BK OF COMMERCE SEATTLE
POMEROY	OLD NATL BANK OF WASHINGTON
PORT ANGELES	FIRST NATIONAL BANK
PORT ORCHARD	KITSAP COUNTY BANK
PORT TOWNSEND	FIRST AMER NATIONAL BANK
PROSSER	OLD NATL BANK OF WASHINGTON
PULLMAN	OLD NATL BANK OF WASHINGTON
PULLMAN	SEATTLE FIRST NATL BANK
PUYALLUP	CITIZENS STATE BANK
PUYALLUP	SEATTLE FIRST NATL BANK
QUINCY	NATL BK OF COMMERCE SEATTLE
RAYMOND	SEATTLE FIRST NATL BANK
REARDAN	OLD NATL BANK OF WASHINGTON
RENTON	NATL BK OF COMMERCE SEATTLE
RENTON	PEOPLES NATIONAL BANK
RENTON	SEATTLE FIRST NATL BANK
RENTON	SEATTLE TRUST AND SAVINGS BK
REPUBLIC	SEATTLE FIRST NATL BANK
RICHLAND	BANK OF RICHLAND
RICHLAND	NATL BK OF COMMERCE SEATTLE
RICHLAND	SEATTLE FIRST NATL BANK
RICHMOND HIGHLA	SEATTLE TRUST AND SAVINGS BK
RIDGEFIELD	FIRST INDEPENDENT BANK
RITZVILLE	NATL BK OF COMMERCE SEATTLE
RITZVILLE	OLD NATL BANK OF WASHINGTON
ROSALIA	OLD NATL BANK OF WASHINGTON
SEATTLE	NATIONAL BANK OF COMMERCE
SEATTLE	PACIFIC NATIONAL BANK
SEATTLE	PEOPLES NATL BK OF WASH
SEATTLE	SEATTLE FIRST NATL BANK
SEATTLE	SEATTLE TRUST AND SAVINGS
SEATTLE	THE BANK OF CALIFORNIA
SEDRO WOOLLEY	NATL BK OF COMMERCE SEATTLE
SEDRO WOOLLEY	SEATTLE FIRST NATL BANK
SHELTON	SEATTLE FIRST NATL BANK
SILVANA	SEATTLE FIRST NATL BANK
SNOHOMISH	SEATTLE FIRST NATL BANK
SNOQUALMIE	SEATTLE FIRST NATL BANK
SOAP LAKE	PEOPLES NATIONAL BANK
SOUTH BEND	SEATTLE FIRST NATL BANK
SPOKANE	FIRST NATIONAL BANK
SPOKANE	OLD NATL BANK OF WASHINGTON
SPOKANE	SEATTLE FIRST NATL BANK
SPRAGUE	OLD NATL BANK OF WASHINGTON
STANWOOD	SEATTLE FIRST NATL BANK
STEVENSON	BANK OF STEVENSON
SULTAN	SEATTLE FIRST NATL BANK
SUMNER	SEATTLE FIRST NATL BANK
SUNNYSIDE	SEATTLE FIRST NATL BANK
SUNNYSIDE	OLD NATL BANK OF WASHINGTON
TACOMA	THE BANK OF CALIFORNIA
TACOMA	NORTH PACIFIC BANK
TACOMA	PUGET SOUND NATL BANK
TEKOA	SEATTLE FIRST NATL BANK
TONASKET	FIRST NATIONAL BANK
TOPPENISH	CENTRAL VALLEY BANK
TOPPENISH	SEATTLE FIRST NATL BANK
TUKWILA	SEATTLE FIRST NATL BANK
TWISP	COMMERCIAL BANK OF TWISP
UNION GAP	SEATTLE FIRST NATL BANK
VANCOUVER	FIRST INDEPENDENT BANK
VANCOUVER	NATL BK OF COMMERCE SEATTLE
VANCOUVER	SEATTLE FIRST NATL BANK
VASHON	PEOPLES NATIONAL BANK
WAITSBURG	NATL BK OF COMMERCE SEATTLE
WALLA WALLA	BAKER BOYER NATIONAL BANK
WALLA WALLA	OLD NATL BANK OF WASHINGTON
WALLA WALLA	SEATTLE FIRST NATL BANK
WAPATO	NATL BK OF COMMERCE SEATTLE
WARDEN	PEOPLES NATIONAL BANK
WATERVILLE	NATL BK OF COMMERCE SEATTLE
WENATCHEE	NATL BK OF COMMERCE SEATTLE
WENATCHEE	SEATTLE FIRST NATL BANK
WESTLAKE	NATL BK OF COMMERCE SEATTLE
WESTPORT	SEATTLE FIRST NATL BANK
WHITE SALMON	NATL BK OF COMMERCE SEATTLE
WOODLAND	BANK OF COWLITZ COUNTY
YACOLT	FIRST STATE BANK
YAKIMA	BANK OF YAKIMA
YAKIMA	NATL BK OF COMMERCE SEATTLE
YAKIMA	SEATTLE FIRST NATL BANK
ZILLAH	NATL BK OF COMMERCE SEATTLE

WEST VIRGINIA

BECKLEY	BECKLEY NATIONAL BANK
BECKLEY	RALEIGH COUNTY BANK
BERKELEY SPGS	CITIZENS NATIONAL BANK
BLUEFIELD	FIRST NATIONAL BANK
BLUEFIELD	FLAT TOP NATL BANK
BUCKHANNON	CENTRAL NATIONAL BANK
CHARLES TOWN	BANK OF CHARLES TOWN
CHARLES TOWN	PEOPLES BANK OF CHARLES TOWN
CHARLESTON	NATIONAL BANK OF COMMERCE
CHARLESTON	THE CHARLESTON NATIONAL BANK
CLARKSBURG	UNION NATIONAL BANK
CLENDENIN	FARMERS + CITIZENS STATE BAN
DAVIS	NATIONAL BANK
DUNBAR	THE BANK OF DUNBAR
EAST RAINELLE	WESTERN GREENBRIER BANK
FAIRMONT	CITY NATIONAL BANK
FAIRMONT	COMMUNITY BANK AND TRUST
FAIRMONT	FIRST NATIONAL BANK
GAULEY BRIDGE	GAULEY NATIONAL BANK
GLENVILLE	KANAWHA UNION BANK
GRANTSVILLE	THE CALHOUN COUNTY BANK
HAMLIN	THE LINCOLN NATIONAL BANK
HINTON	NATIONAL BANK OF SUMMERS
HUNDRED	BANK OF HUNDRED
HUNTINGTON	FIRST HUNTINGTON NATIONAL BK
HUNTINGTON	TWENTIETH STREET BANK
KEYSER	FARMERS AND MERCHANTS BANK
KEYSER	NATIONAL BANK OF KEYSER
LOGAN	LOGAN BANK + TRUST CO
LOGAN	NATIONAL BANK OF LOGAN
MADISON	BOONE NATIONAL BANK
MANNINGTON	FIRST EXCHANGE BANK
MARTINSBURG	OLD NATIONAL BANK
MATEWAN	MATEWAN NATIONAL BANK
MONTGOMERY	MERCHANTS NATIONAL BANK
MONTGOMERY	MONTGOMERY NATIONAL BANK
MORGANTOWN	FARMERS AND MERCHANTS BANK
MORGANTOWN	FIRST NATIONAL BANK
MULLENS	PEOPLES BANK
NEW MARTINSVILL	FIRST NATIONAL BANK
NEW MARTINSVILL	NEW MARTINSVILLE BANK
OAK HILL	MERCHANTS + MINERS NATL BK
PARKERSBURG	PARKERSBURG NATIONAL BANK
PARKERSBURG	UNION TRUST AND DEPOSIT CO
PETERSBURG	GRANT COUNTY BANK
PINEVILLE	THE CASTLE ROCK BANK
POINT PLEASANT	CITIZENS NATIONAL BANK
PRINCETON	MERCER COUNTY BANK
PRINCETON	PRINCETON BK AND TR COMPANY
RANSON	BLAKELEY BANK AND TRUST CO
RAVENSWOOD	JACKSON COUNTY BANK
RIPLEY	BANK OF RIPLEY
RIPLEY	FIRST NATIONAL BANK
ROMNEY	BANK OF ROMNEY
ROMNEY	THE FIRST NATIONAL BANK
RONCEVERTE	RONCEVERTE NATIONAL BANK
ST ALBANS	BANK OF ST ALBANS
SHEPHERDSTOWN	JEFFERSON SECURITY BANK
SHINNSTON	BANK OF SHINNSTON
SO CHARLESTON	FIRST NATIONAL BANK
SUMMERSVILLE	NICHOLAS COUNTY BANK
SUTTON	THE HOME NATIONAL BANK
VIENNA	OHIO VALLEY NATIONAL BANK
WESTON	WESTON NATIONAL BANK
WEST UNION	WEST UNION BANK
WILLIAMSTOWN	WILLIAMSTOWN NATIONAL BANK

WISCONSIN

ALMENA	NORTHWESTERN STATE BANK
AMERY	UNION STATE BANK
APPLETON	APPLETON STATE BANK
APPLETON	FIRST NATIONAL BANK
APPLETON	NORTHERN STATE BANK
APPLETON	OUTAGAMIE COUNTY BANK
ASHLAND	NORTHERN STATE BANK
ASHLAND	THE UNION NATIONAL BANK
BAGLEY	PRAIRIE CITY BANK
BARABOO	BARABOO NATIONAL BANK
BARNEVELD	BARNEVELD STATE BANK
BAYFIELD	WASHBURN STATE BANK
BEAVER DAM	AMERICAN NATIONAL BANK
BELMONT	MOUND CITY BANK
BERLIN	FIRST NATIONAL BANK
BLUE RIVER	BOSCOBEL STATE BANK
BOSCOBEL	BOSCOBEL STATE BANK
BRILL	BRILL STATE BANK
BROOKFIELD	ELM BROOK STATE BANK
BROWN DEER	THE BROWN DEER BANK
BUTTERNUT	NORTHERN STATE BANK
CAMP DOUGLAS	NEW LISBON STATE BANK
CATAWBA	STATE BANK OF PHILLIPS
CEDARBURG	CEDARBURG STATE BANK
CEDAR GROVE	CITIZENS BANK OF SHEBOYGAN

U S A FUNDS LENDING INSTITUTIONS DIRECTORY

CHILTON	THE COMMERCIAL BANK
CHIPPEWA FALLS	NORTHWESTERN STATE BANK
CLINTONVILLE	DAIRYMANS STATE BANK
COLUMBUS	FARMERS + MERCHANTS UNION BK
CORNELL	NORTHWESTERN STATE BANK
CUMBERLAND	NORTHWESTERN STATE BANK
CUSHING	FIRST BANK OF GRANTSBURG
DALE	APPLETON STATE BANK
DELAFIELD	KETTLE MORAINE BANK
DE PERE	STATE BANK OF DE PERE
DORCHESTER	DORCHESTER STATE BANK
DRUMMOND	STATE BANK OF DRUMMOND
EAGLE	KETTLE MORAINE BANK
EAST TROY	STATE BANK OF EAST TROY
EASTMAN	PRAIRIE CITY BANK
EAU CLAIRE	AMERICAN NATL BK AND TR CO
EAU CLAIRE	COMMUNITY STATE BANK
EAU CLAIRE	UNION NATIONAL BANK
EDGERTON	TOBACCO EXCHANGE BANK
FRANKSVILLE	BANK OF FRANKSVILLE
FREMONT	APPLETON STATE BANK
FRIESLAND	FARMERS + MERCHANTS UNION BK
GENESEE DEPOT	KETTLE MORAINE BANK
GILLETT	GILLETT STATE BANK
GLIDDEN	NORTHERN STATE BANK
GRANTSBURG	FIRST BANK OF GRANTSBURG
GREEN BAY	KELLOGG-CITIZENS NATL BANK
GREEN BAY	PREBLE STATE BANK
GREEN BAY	WEST SIDE STATE BANK
GREEN BAY	WISCONSIN STATE BANK
GREENWOOD	FARMERS AND MERCHANTS BANK
HAYWARD	PEOPLES NATIONAL BANK
HORTONVILLE	APPLETON STATE BANK
HUSTLER	NEW LISBON STATE BANK
JANESVILLE	BANK OF JANESVILLE
JANESVILLE	THE FIRST NATIONAL BANK
JANESVILLE	MERCHANTS AND SAVINGS BANK
JEFFERSON	JEFFERSON COUNTY BANK
JEFFERSON	THE FARMERS + MERCHANTS BANK
KAUKAUNA	FARMERS AND MERCHANTS BANK
KENOSHA	FIRST NATL BANK OF KENOSHA
KIMBERLY	KIMBERLY STATE BANK
LA CROSSE	BATAVIAN NATIONAL BANK
LA CROSSE	FIRST NATIONAL BANK
LA CROSSE	STATE BANK OF LA CROSSE
LANCASTER	UNION STATE BANK
LAONA	LAONA STATE BANK
LITTLE CHUTE	BANK OF LITTLE CHUTE
LOGANVILLE	FARMERS AND MERCHANTS BANK
MADISON	BANK OF MADISON
MADISON	COMMERCIAL STATE BANK
MAIDEN ROCK	FIRST NATIONAL BANK
MANAWA	FARMERS STATE BANK
MANITOWOC	FIRST NATIONAL BANK
MANITOWOC	MANITOWOC SAVINGS BANK
MARINETTE	FARMERS AND MERCHANTS BANK
MARKESAN	FARMERS STATE BANK
MASON	NORTHERN STATE BANK
MEDFORD	STATE BANK OF MEDFORD
MELLEN	NORTHERN STATE BANK
MENOMONIE	FIRST NATIONAL BANK
MENOMONIE	KRAFT STATE BANK
MERRILL	CITIZENS AMERICAN BANK
MILWAUKEE	FIRST WISCONSIN NATL BANK
MILWAUKEE	LAYTON PARK STATE BANK
MILWAUKEE	MARSHALL AND ILSLEY BANK
MILWAUKEE	PARK STATE BANK
MILWAUKEE	WEST SIDE BANK
MONDOVI	FIRST NATIONAL BANK
MONROE	COMMERCIAL AND SAVINGS BANK
MOSINEE	MOSINEE COMMERICAL BANK
MUSCODA	BOSCOBEL STATE BANK
NEENAH	FIRST NATIONAL BANK
NEENAH	NATIONAL MANUFACTURERS BANK
NESHKORO	FARMERS EXCHANGE BANK
NEW LISBON	NEW LISBON STATE BANK
NEW LONDON	FIRST STATE BANK
NEW LONDON	NEW LONDON NATIONAL BANK
NO PRAIRIE	KETTLE MORAINE BANK
OCONOMOWOC	BANK OF OCONOMOWOC
OSHKOSH	FIRST NATIONAL BK IN OSHKOSH
PHILLIPS	STATE BANK OF PHILLIPS
PLAIN	FARMERS ST BK OF SPG GREEN
PLATTEVILLE	MOUND CITY BANK
PLATTEVILLE	STATE BANK
PLYMOUTH	CITIZENS BANK OF SHEBOYGAN
PRAIRIE DUCHIEN	PRAIRIE CITY BANK
PRENTICE	STATE BANK OF PHILLIPS
PRINCETON	FARMERS-MERCHANTS NATL BANK
PULASKI	PULASKI STATE BANK
RACINE	FIRST NATL BANK AND TRUST CO
RACINE	NORTH SIDE BANK
RACINE	WEST RACINE BANK
RANDOM LAKE	STATE BANK OF RANDOM LAKE
REEDSBURG	FARMERS AND MERCHANTS BANK
REEDSBURG	REEDSBURG BANK
RHINELANDER	THE FIRST NATIONAL BANK
RHINELANDER	MERCHANTS STATE BANK
RICE LAKE	FIRST NATIONAL BANK
ST CROIX FALLS	FIRST NATIONAL BANK
SARONA	SHELL LAKE STATE BANK
SENECA	PRAIRIE CITY BANK
SHEBOYGAN	CITIZENS BANK OF SHEBOYGAN
SHEBOYGAN FALLS	CITIZENS BANK OF SHEBOYGAN
SHELL LAKE	SHELL LAKE STATE BANK
SHIOCTON	APPLETON STATE BANK
SHOREWOOD	NORTH SHORE STATE BANK
SIREN	FIRST BANK OF GRANTSBURG
SISTER BAY	BANK OF STURGEON BAY
SPENCER	SPENCER STATE BANK
SPRING GREEN	FARMERS ST BK OF SPRING GRN
SPRING VALLEY	BANK OF SPRING VALLEY
STANLEY	FARMERS AND MERCHANTS ST BK
STRATFORD	STRATFORD STATE BANK
STURGEON BAY	BANK OF STURGEON BAY
STURTEVANT	BANK OF FRANKSVILLE
SUPERIOR	1ST NATL BANK OF SUPERIOR
TOMAH	FARMERS AND MERCHANTS BANK
VIROQUA	STATE BANK OF VIROQUA
WALES	KETTLE MORAINE BANK
WARRENS	FARMERS AND MERCHANTS BANK
WASHBURN	WASHBURN STATE BANK
WATERTOWN	MERCHANTS NATIONAL BANK
WATERTOWN	WISCONSIN NATL BANK
WAUKESHA	WAUKESHA STATE BANK
WAUPUN	STATE BANK OF WAUPUN
WAUSAU	FIRST AMERICAN STATE BANK
WAUWATOSA	WAUWATOSA STATE BANK
WEBSTER	FIRST BANK OF GRANTSBURG
WEST ALLIS	MILWAUKEE COUNTY BANK
WHITEHALL	JOHN C MELBY AND CO BANK
WHITEWATER	FIRST CITIZENS STATE BANK
WISCONSIN RAPID	FIRST NATIONAL BANK
WOODMAN	BOSCOBEL STATE BANK
WOODRUFF	WOODRUFF STATE BANK

WYOMING

BUFFALO	THE FIRST NATIONAL BANK
CASPER	FIRST NATIONAL BANK
CASPER	THE WYOMING NATIONAL BANK
CHEYENNE	CHEYENNE NATIONAL BANK
CHEYENNE	FIRST NAT BANK + TRUST CO
CODY	FIRST STATE BANK
CODY	SHOSHONE FIRST NATL BANK
GILLETTE	STOCKMENS BANK
GREYBULL	FIRST NATIONAL BANK
GUERNSEY	OREGON TRAIL BANK
JACKSON	JACKSON STATE BANK
KEMMERER	FIRST NATIONAL BANK
LANDER	LANDER STATE BANK
LARAMIE	BANK OF LARAMIE
POWELL	FIRST NATIONAL BANK
RAWLINS	THE FIRST NATIONAL BANK
RAWLINS	RAWLINS NATIONAL BANK
RIVERTON	AMERICAN NATL BANK
RIVERTON	FIRST NATIONAL BANK
SUNDANCE	SUNDANCE STATE BANK
WHEATLAND	STATE BANK OF WHEATLAND
WORLAND	FIRST NATIONAL BANK
WORLAND	STOCKGROWERS STATE BANK

United
Student Aid
Funds
Incorporated

Supplement

Educational and Lending Institutions Directory

P. O. Box 444
Indianapolis, Indiana 46206
Jan. 25, 1966

This Supplement, together with the October 15, 1965, edition of the USA Funds, Inc., directory gives you the latest available data on new schools and/or lending institutions in our program. A full directory will be issued as of March 31, 1966. For your convenience an up-to-date listing of Educational Institutions participating in our Freshman Program is included.

NEW EDUCATIONAL INSTITUTIONS SINCE OCTOBER 1, 1965

	ALASKA		**OHIO**
ANCHORAGE	ALASKA METHODIST UNIVERSITY	CANTON	MALONE COLLEGE
	CALIFORNIA		**PENNSYLVANIA**
EL CAJON	GROSSMONT COLLEGE	GREEN LANE	NORTHEAST BIBLE INSTITUTE
	COLORADO		**SOUTH DAKOTA**
DENVER	CENTRAL BUSINESS COLLEGE	RAPID CITY	NATL COLLEGE OF BUSINESS
	ILLINOIS		**TENNESSEE**
OAK BROOK	NORTHERN BAPTIST THEOL SEM	MEMPHIS	SOUTHWESTERN AT MEMPHIS
	KANSAS		**WASHINGTON**
ATCHISON	MT ST SCHOLASTICA COLLEGE	OLYMPIA	ST MARTINS COLLEGE
WINFIELD	ST JOHNS COLLEGE		**WEST VIRGINIA**
	MICHIGAN	WEST LIBERTY	WEST LIBERTY STATE COLLEGE
OLIVET	OLIVET COLLEGE		**WISCONSIN**
	NORTH CAROLINA	PLATTEVILLE	WISCONSIN STATE UNIVERSITY
BELMONT	BELMONT ABBEY COLLEGE		

FRESHMAN PROGRAM PARTICIPANTS

	ALABAMA	COLLEGEVILLE	ST JOHNS UNIVERSITY
BIRMINGHAM	SAMFORD UNIVERSITY		**MISSISSIPPI**
MOBILE	MOBILE COLLEGE	JACKSON	BELHAVEN COLLEGE
	ARIZONA		**MISSOURI**
TEMPE	ARIZONA STATE UNIVERSITY	BOLIVAR	SOUTHWEST BAPTIST COLLEGE
	CALIFORNIA	LIBERTY	WILLIAM JEWELL COLLEGE
LOS ANGELES	CALIFORNIA INST OF ARTS		**NEW MEXICO**
ORANGE	CHAPMAN COLLEGE	ALBUQUERQUE	UNIVERSITY OF NEW MEXICO
CLAREMONT	CLAREMONT MENS COLLEGE	SILVER CITY	WESTERN NEW MEXICO UNIV
CLAREMONT	HARVEY MUDD COLLEGE		**NEW YORK**
	COLORADO	ANNANDALE	BARD COLLEGE
DENVER	CENTRAL BUSINESS COLLEGE		**NORTH CAROLINA**
	CONNECTICUT	SALISBURY	LIVINGSTONE COLLEGE
HARTFORD	CONN STATE RESERVE		**NORTH DAKOTA**
	FLORIDA	MINOT	MINOT STATE COLLEGE
ST AUGUSTINE	FLORIDA MEMORIAL COLLEGE	WAHPETON	N D STATE SCHOOL OF SCIENCE
	IDAHO		**PENNSYLVANIA**
NAMPA	NORTHWEST NAZARENE	CHESTER	PENNSYLVANIA MILITARY COLL
	ILLINOIS	NEW WILMINGTON	WESTMINSTER COLLEGE
AURORA	AURORA COLLEGE		**SOUTH CAROLINA**
	INDIANA	CLEMSON	CLEMSON UNIVERSITY
ANDERSON	ANDERSON COLLEGE	HARTSVILLE	COKER COLLEGE
GREENCASTLE	DEPAUW UNIVERSITY	CHARLESTON	COLLEGE OF CHARLESTON
WINONA LAKE	GRACE THEOL SEM AND COLL	ROCK HILL	WINTHROP COLLEGE
HANOVER	HANOVER COLLEGE	SPARTANBURG	WOFFORD COLLEGE
HUNTINGTON	HUNTINGTON COLLEGE		**SOUTH DAKOTA**
INDIANAPOLIS	INDIANA CENTRAL COLLEGE	RAPID CITY	NATL COLLEGE OF BUSINESS
RENSSELAER	ST JOSEPHS COLLEGE		**TENNESSEE**
NOTRE DAME	UNIVERSITY OF NOTRE DAME	MEMPHIS	SOUTHWESTERN AT MEMPHIS
CRAWFORDSVILLE	WABASH COLLEGE	NASHVILLE	VANDERBILT UNIVERSITY
	IOWA		**TEXAS**
LAMONI	GRACELAND COLLEGE	HOUSTON	HOUSTON BAPTIST COLLEGE
DUBUQUE	LORAS COLLEGE	CANYON	WEST TEXAS STATE UNIV
LEMARS	WESTMAR COLLEGE		**VERMONT**
	KANSAS	CASTLETON	CASTLETON STATE COLLEGE
WICHITA	FRIENDS UNIVERSITY	JOHNSON	JOHNSON STATE COLLEGE
ATCHISON	ST BENEDICTS COLLEGE	LYNDON CENTER	LYNDON STATE COLLEGE
LAWRENCE	UNIVERSITY OF KANSAS	RANDOLPH CENTE	VERMONT TECHNICAL COLLEGE
TOPEKA	WASHBURN UNIVERSITY		**VIRGINIA**
	KENTUCKY	HARRISONBURG	EASTERN MENNONITE COLLEGE
LOUISVILLE	KENTUCKY SOUTHERN COLLEGE		**WASHINGTON**
BARBOURVILLE	UNION COLLEGE	SEATTLE	SEATTLE UNIVERSITY
	MINNESOTA		**WEST VIRGINIA**
ST JOSEPH	COLLEGE OF ST BENEDICT	BLUEFIELD	BLUEFIELD STATE COLLEGE
ST PAUL	MACALESTER COLLEGE		**WISCONSIN**
ST CLOUD	ST CLOUD STATE COLLEGE	MILWAUKEE	MILWAUKEE SCH OF ENGINEERING
		PLATTEVILLE	WISCONSIN STATE UNIVERSITY

NEW LENDING INSTITUTIONS SINCE OCTOBER 1, 1965

CAHABA HEIGHTS
CARRVILLE
CENTER POINT
DAPHNE
EAST BREWTON
EAST LAKE
ENSLEY
FAIRHOPE
FIVE POINTS W
FT MCCLELLAN
GADSDEN
GARDENDALE
GREENVILLE
HOMEWOOD
HOMEWOOD
MIDFIELD
MOUNTAIN BROOK
MOUNTAIN BROOK
NEW HOPE
N BIRMINGHAM
ROEBUCK PLAZA
SOUTHSIDE
SPANISH FORT
VESTAVIA HILLS

ALABAMA
EXCHANGE SECURITY BANK
PEOPLES BANK OF CARRVILLE
EXCHANGE SECURITY BANK
1ST NATL BANK OF FAIRHOPE
CITIZENS FARMERS & MERCHANTS
BIRMINGHAM TRUST NATL BANK
BIRMINGHAM TRUST NATL BANK
FIRST NATIONAL BANK
BIRMINGHAM TRUST NATL BANK
1ST NATL BANK OF ANNISTON
STATE NTL BANK OF ALABAMA
BIRMINGHAM TRUST NATL BANK
THE GREENVILLE BANK
BIRMINGHAM TRUST NATL BANK
EXCHANGE SECURITY BANK
BIRMINGHAM TRUST NATL BANK
BIRMINGHAM TRUST NATL BANK
STATE NTL BANK OF ALABAMA
BIRMINGHAM TRUST NATL BANK
BIRMINGHAM TRUST NATL BANK
BIRMINGHAM TRUST NATL BANK
1ST NATL BANK OF FAIRHOPE
BIRMINGHAM TRUST NATL BANK

ANCHORAGE
FAIRBANKS
KENAI
MOUNTAIN VIEW

ALASKA
ALASKA STATE BANK
ALASKA STATE BANK
ALASKA STATE BANK
ALASKA STATE BANK

ALTURAS
ANDERSON
APPLE VALLEY
AUBURN
BIJOU
CARLSBAD
CERES
CHICO
CLOVIS
CORNING
COVELO
CRESCENT CITY
CUULIN
CUPERTINO
DAVIS
DOWNEY
EAST PALO ALTO
EUREKA
FALLBROOK
FORT IRWIN
FRESNO
FRESNO
GRASS VALLEY
HAWTHORNE
HOLLISTER
HUNTINGTON BCH
HURON
IMPERIAL
IMPERIAL BEACH
JACKSON
KINGSBURG
LAFAYETTE
LA VERNE
LOS ALTOS
LOS ANGELES
MANTECA
MILLBRAE
MILPITAS
MISSION HILLS
NEWARK

CALIFORNIA
WELLS FARGO BANK
WELLS FARGO BANK
BANK OF AMERICA
WELLS FARGO BANK
WELLS FARGO BANK
SOUTHWEST BANK
THE BANK OF CALIFORNIA
WELLS FARGO BANK
WELLS FARGO BANK
WELLS FARGO BANK
WELLS FARGO BANK
WELLS FARGO BANK
WELLS FARGO BANK
WELLS FARGO BANK
U S NATL BANK OF SAN DIEGO
WELLS FARGO BANK
WELLS FARGO BANK
SOUTHWEST BANK
BANK OF AMERICA
THE BANK OF CALIFORNIA
WELLS FARGO BANK
WELLS FARGO BANK
1ST NATL BANK OF SAN DIEGO
THE BANK OF CALIFORNIA
U S NATL BANK OF SAN DIEGO
WELLS FARGO BANK
BANK OF AMERICA
1ST NATL BANK OF SAN DIEGO
WELLS FARGO BANK
WELLS FARGO BANK
WELLS FARGO BANK
U S NATL BANK OF SAN DIEGO
WELLS FARGO BANK
U S NATL BANK OF SAN DIEGO
WELLS FARGO BANK
WELLS FARGO BANK
WELLS FARGO BANK
BANK OF AMERICA
WELLS FARGO BANK

ENGLEWOOD
ESTES PARK
MONTE VISTA
PUEBLO

COLORADO
REPUBLIC NATIONAL BANK
THE ESTES PARK BANK
FIDELITY BANK & TRUST
PARK NATIONAL BANK

NEW HAVEN
NORWALK
RICHFIELD

CONNECTICUT
GENERAL BANK & TRUST CO
NORWALK NATIONAL BANK
FAIRFIELD COUNTY TRUST CO

WASHINGTON
WASHINGTON

DISTRICT OF COLUMBIA
CITIZENS BANK OF MARYLAND
SOUTHERN MD BANK & TRUST CO

CORAL GABLES
DADE CITY
DE LAND
FORT MYERS
HIGH SPRINGS
HOMESTEAD
LANTANA
MERRIT ISLAND
ORLANDO
N PALM BEACH
ST AUGUSTINE

FLORIDA
FLORIDA NATIONAL BANK
COMMERCIAL BANK
DE LAND STATE BANK
THE LEE COUNTY BANK
HIGH SPRINGS BANK
FIRST NATIONAL BANK
FIRST STATE BANK
FIRST NATIONAL BANK
CITIZENS NATIONAL BANK
FIRST AMERICAN BANK
THE EXCHANGE BANK

BELLEVILLE
CANTON
COLLINSVILLE
EL PASO
GALESBURG
NAPERVILLE
SKOKIE
SUBLETTE
SUMMIT
WHEATON
WILMINGTON

ILLINOIS
FIRST NATIONAL BANK
COMMUNITY BANK & TRUST CO
STATE BANK OF COLLINSVILLE
EL PASO NATIONAL BANK
THE FARMERS & MECHANICS BK
NAPERVILLE NATIONAL BANK
FIRST NATIONAL BANK
FARMERS STATE BANK
ARGO STATE BANK
HAWTHORNE BANK
FIRST NATIONAL BANK

ANDERSON
CAMBRIDGE CITY
CLINTON
DUBOIS
ECONOMY
FORT BRANCH
FOUNTAIN CITY
HILLSBORO
JASPER
SEYMOUR
TELL CITY
WATERLOO

INDIANA
ANDERSON LOAN ASSOCIATION
PEOPLES STATE BANK
CLINTON STATE BANK
GERMAN AMERICAN BANK
PEOPLES STATE BANK
FARMERS & MERCHANTS NATL BK
PEOPLES STATE BANK
HILLSBORO STATE BANK
GERMAN AMERICAN BANK
SEYMOUR NATIONAL BANK
CITIZENS NATIONAL BANK
CITIZENS STATE BANK

ACKLEY
HAMPTON
MT AYR
OSAGE

IOWA
ACKLEY STATE BANK
HAMPTON STATE BANK
SECURITY STATE BANK
HOME TRUST & SAVINGS BK

BEAVER
LEWIS
PITTSBURG

KANSAS
FARMERS NATIONAL BANK
HOME STATE BANK
CITY NATIONAL BANK

CORBIN
CUMBERLAND
LYNCH
RICHMOND

KENTUCKY
FIRST NATIONAL BANK
GUARANTY DEPOSIT BANK
GUARANTY DEPOSIT BANK
STATE BANK AND TRUST CO

SHREVEPORT

LOUISIANA
LOUISIANA BANK & TRUST CO

ADELPHI
ASPEN HILL
AVONDALE
BALTIMORE
BELTSVILLE
BERLIN
BLADENSBURG
BRANCHVILLE
CAMBRIDGE
CARNEY
DISTRICT HTS
EASTOVER
FORESTVILLE
GREENBELT
HAGERSTOWN
HILLCREST HTS
HYATTSVILLE
OCEAN CITY
POTOMAC
PRINCESS ANNE
REISTERSTOWN
RIVERDALE
SILVER SPRING
TAKOMA PARK
TOWSON
W HYATTSVILLE
WESTMINSTER
WHEATON

MARYLAND
CITIZENS BANK OF MARYLAND
CITIZENS BANK OF MARYLAND
CITIZENS BANK OF MARYLAND
BALTIMORE FEDERAL S & L ASSN
CITIZENS BANK OF MARYLAND
CALVIN B TAYLOR BANKING CO
CITIZENS BANK OF MARYLAND
CITIZENS BANK OF MARYLAND
FARMERS & MERCHANTS NATL BK
BALTIMORE FEDERAL S & L ASSN
CITIZENS BANK OF MARYLAND
CITIZENS BANK OF MARYLAND
CITIZENS BANK OF MARYLAND
CITIZENS BANK OF MARYLAND
FIRST NATIONAL BANK
SOUTHERN MD BANK & TRUST CO
CITIZENS BANK OF MARYLAND
CALVIN B TAYLOR BANKING CO
POTOMAC NATIONAL BANK
BANK OF SOMERSET
BALTIMORE FEDERAL S & L ASSN
CITIZENS BANK OF MARYLAND
CITIZENS BANK OF MARYLAND
CITIZENS BANK OF MARYLAND
BALTIMORE FEDERAL S & L ASSN
CITIZENS BANK OF MARYLAND
BALTIMORE FEDERAL S & L ASSN
CITIZENS BANK OF MARYLAND

HONOR

MICHIGAN
THE HONOR STATE BANK

ALDEN
BRAINERD
DEERWOOD
HAWLEY
KANARANZI
KASSON
KERKHOVEN
KIESTER
LE CENTER
LITTLEFORK
OSLO
PIERZ
SANBORN
SILVER BAY

MINNESOTA
FIRST NATIONAL BANK
BRAINERD NATIONAL BANK
FIRST NATIONAL BANK
STATE BANK OF HAWLEY
FARMERS STATE BANK
KASSON STATE BANK
STATE BANK OF KERKHOVEN
FIRST NATIONAL BANK
FIRST NATIONAL BANK
STATE BANK OF LITTLEFORK
VALLEY STATE BANK
FARMERS & MERCHANTS ST BK
SANBORN STATE BANK
SILVER BAY STATE BANK

LUCEDALE

MISSISSIPPI
BANK OF LUCEDALE

AURORA
BLOOMFIELD
BROOKFIELD
GARDEN CITY
JAMESPORT
LA MONTE
LOUISIANA

MISSOURI
THE AURORA BANK
BANK OF BLOOMFIELD
BROOKFIELD BANKING CO
GARDEN CITY BANK
HOME EXCHANGE BANK
LA MONTE COMMUNITY BANK
BANK OF LOUISIANA

NEW LENDING INSTITUTIONS SINCE OCTOBER 1, 1965

	MONTANA
CONRAD	FARMERS STATE BANK
CONRAD	PONDERA BANK OF MONTANA
GREAT FALLS	FIRST FEDERAL S AND L ASSN
VICTOR	FARMERS STATE BANK
	NEBRASKA
COZAD	COZAD STATE BANK
GOTHENBURG	GOTHENBURG STATE BANK
LEWELLEN	FIRST NATIONAL BANK
MINDEN	MINDEN EXCHANGE NATL BK
OMAHA	COMMERCIAL S & L ASSN
SUPERIOR	SECURITY NATIONAL BANK
	NEW HAMPSHIRE
CONCORD	MECHANICKS NATIONAL BANK
	NEW JERSEY
LIVINGSTON	LIVINGSTON NATIONAL BANK
	NEW MEXICO
ANTHONY	1ST NATL BK OF DONA ANA CTY
DEXTER	1ST NATL BANK OF ROSWELL
HAGERMAN	1ST NATL BANK OF ROSWELL
QUESTA	FIRST STATE BANK
W LAS VEGAS	THE BANK OF LAS VEGAS
	NORTH CAROLINA
ASHEVILLE	THE NORTHWESTERN BANK
BAKERSVILLE	THE NORTHWESTERN BANK
BEULAVILLE	WACCAMAW BANK & TRUST CO
BLACK MOUNTAIN	THE NORTHWESTERN BANK
BLOWING ROCK	THE NORTHWESTERN BANK
BOONE	THE NORTHWESTERN BANK
BOSTIC	THE NORTHWESTERN BANK
BURLINGTON	THE NORTHWESTERN BANK
BURNSVILLE	THE NORTHWESTERN BANK
CAROLEEN	THE NORTHWESTERN BANK
CHADBOURN	WACCAMAW BANK & TRUST CO
CLARKTON	WACCAMAW BANK & TRUST CO
CLEMMONS	THE NORTHWESTERN BANK
CLEVELAND	THE NORTHWESTERN BANK
DANBURY	THE NORTHWESTERN BANK
DOBSON	THE NORTHWESTERN BANK
DREXEL	THE NORTHWESTERN BANK
EAST BEND	THE NORTHWESTERN BANK
ELKIN	THE NORTHWESTERN BANK
FAIRMONT	WACCAMAW BANK & TRUST CO
FLETCHER	THE NORTHWESTERN BANK
FOREST CITY	THE NORTHWESTERN BANK
HAZELWOOD	THE NORTHWESTERN BANK
HENDERSONVILLE	THE NORTHWESTERN BANK
HICKORY	THE NORTHWESTERN BANK
JEFFERSON	THE NORTHWESTERN BANK
JONESVILLE	THE NORTHWESTERN BANK
KENANSVILLE	WACCAMAW BANK & TRUST CO
KING	THE NORTHWESTERN BANK
LUMBERTON	WACCAMAW BANK & TRUST CO
MADISON	THE NORTHWESTERN BANK
MAIDEN	THE NORTHWESTERN BANK
MORGANTON	THE NORTHWESTERN BANK
MOUNT AIRY	THE NORTHWESTERN BANK
NEWTON	THE NORTHWESTERN BANK
OLD FORT	THE NORTHWESTERN BANK
RIEGELWOOD	WACCAMAW BANK & TRUST CO
ROSE HILL	WACCAMAW BANK & TRUST CO
RUTHERFORDTON	THE NORTHWESTERN BANK
SHALLOTTE	WACCAMAW BANK & TRUST CO
SOUTHPORT	WACCAMAW BANK & TRUST CO
SPARTA	THE NORTHWESTERN BANK
SPRUCE PINE	THE NORTHWESTERN BANK
STATESVILLE	THE NORTHWESTERN BANK
STONY POINT	THE NORTHWESTERN BANK
TABOR CITY	WACCAMAW BANK & TRUST CO
TAYLORSVILLE	THE NORTHWESTERN BANK
VALDESE	THE NORTHWESTERN BANK
VIEWMONT	THE NORTHWESTERN BANK
WALKERTOWN	THE NORTHWESTERN BANK
WALNUT COVE	THE NORTHWESTERN BANK
WAYNESVILLE	THE NORTHWESTERN BANK
WEST JEFFERSON	THE NORTHWESTERN BANK
WHITEVILLE	WACCAMAW BANK & TRUST CO
WILKESBORO	THE NORTHWESTERN BANK
WINSTON SALEM	THE NORTHWESTERN BANK
YANCEYVILLE	THE NORTHWESTERN BANK
	NORTH DAKOTA
FORMAN	SARGENT COUNTY BANK
GWINNER	SARGENT COUNTY BANK
PAGE	PAGE STATE BANK
WILLISTON	NORTHWESTERN FED S & L ASSN
	OHIO
CLEVELAND	LINCOLN SAVINGS AND LOAN CO
PIKETON	FIRST NATIONAL BANK
	OREGON
CAVE JUNCTION	BK OF ILLINOIS VALLEY
FLORENCE	LANE COUNTY BANK
ROSEBURG	FIRST NATIONAL BANK
WINSTON	1ST NATL BANK OF ROSEBURG
	PENNSYLVANIA
BLOOMSBURG	MINERS NATIONAL BANK
CHELTENHAM	CHELTENHAM NATIONAL BANK
DOVER	YORK BANK & TRUST CO
ELKINS PARK	CHELTENHAM NATIONAL BANK
FAWN GROVE	YORK BANK & TRUST CO
GLASSPORT	PEOPLES UNION BK & TR CO
GLENSIDE	CHELTENHAM NATIONAL BANK
HATBORO	CHELTENHAM NATIONAL BANK
JOHNSTOWN	UNITED STATES NATL BK
MOUNT WOLF	YORK BANK & TRUST CO
OAK LANE MANOR	CHELTENHAM NATIONAL BANK
PHILADELPHIA	CHELTENHAM NATIONAL BANK
ROCKLEDGE	CHELTENHAM NATIONAL BANK
SHREWSBURY	YORK BANK & TRUST CO
SOMERSET	UNITED STATES NATL BK
WRIGHTSVILLE	YORK BANK & TRUST CO
YORK	YORK BANK & TRUST CO
	SOUTH CAROLINA
KINGSTREE	WILLIAMSBURG STATE BK
NORTH AUGUSTA	N AUGUSTA BANKING CO
	SOUTH DAKOTA
CANTON	FARMERS STATE BANK
HAZEL	COMMUNITY STATE BANK
	TEXAS
BAY CITY	FIRST NATIONAL BANK
BROWNWOOD	FIRST NATIONAL BANK
CALDWELL	FIRST STATE BANK
CENTER	FIRST NATIONAL BANK
DONNA	CITIZENS STATE BANK
EAGLE PASS	FIRST NATIONAL BANK
FT WORTH	HALTOM CITY STATE BK
HASKELL	HASKELL NATIONAL BANK
HEARNE	FIRST STATE BANK
HEARNE	PLANTERS & MERCHANTS ST BK
HONDO	HONDO NATIONAL BANK
HOUSTON	PINEMONT STATE BANK
ITASCA	FIRST NATIONAL BANK
LAMPASAS	FIRST NATIONAL BANK
MARSHALL	PEOPLES STATE BANK
PORTLAND	PORTLAND STATE BANK
RIO GRANDE CIT	FIRST STATE BK & TR CO
SAN ANTONIO	NORTHSIDE STATE BANK
SAN SABA	SAN SABA NATIONAL BANK
TEMPLE	TEXAS NATIONAL BANK
TERRELL	TERRELL STATE BANK
VEGA	FIRST STATE BANK
WILLS POINT	FIRST NATIONAL BANK
	UTAH
OGDEN	CITIZENS NATIONAL BANK
	VIRGINIA
BERRYVILLE	FARMERS & MERCHANTS NATL BK
CLIFTON FORGE	MOUNTAIN VALLEY BANK
CROCKETT	WYTHE COUNTY NATIONAL BANK
DANVILLE	SCHOOLFIELD BANK & TRUST CO
LYNCHBURG	1ST NATL TRUST & SAVINGS BK
PENNINGTON GAP	LEE BANK & TRUST CO
PURCELLVILLE	FIRST NATIONAL BANK
RURAL RETREAT	WYTHE COUNTY NATIONAL BANK
ST CHARLES	LEE BANK & TRUST CO
STAUNTON	THE NATIONAL VALLEY BANK
STRASBURG	MASSANUTTEN BK OF STRASBURG
WINCHESTER	FARMERS & MERCHANTS NATL BK
WYTHEVILLE	WYTHE COUNTY NATIONAL BANK
	WASHINGTON
LYNNWOOD	SECURITY BANK
KENNEWICK	KENNEWICK NATIONAL BANK
SPOKANE	NATL BANK OF WASHINGTON
	WEST VIRGINIA
POINT PLEASANT	PEOPLES BANK
WHEELING	UNION FEDERAL S AND L ASSN
	WISCONSIN
MARINETTE	STEPHENSON NATIONAL BANK
PARDEEVILLE	DAIRYMANS STATE BANK
RANDOLPH	DAIRYMANS STATE BANK
SPARTA	BANK OF SPARTA
THORP	PEOPLES EXCHANGE BANK
VALDERS	VALDERS STATE BANK

Mr. MUIRHEAD. The 20 States that are now in operation have insurance in force of $366 million—almost $367 million—so the banks have already demonstrated that under similar circumstances in dealing with State agencies they are willing to participate. In no instance, Mr. Brademas, have we found that the interest rate paid to the bank is in excess of the interest rate contained in this law.

Mr. HOWE. May I add, Mr. Brademas, I think we recognize the same problem you do here, which is the problem of moving this program from the leadership of the banks to the grassroots level of the banks.

Mr. BRADEMAS. Exactly.

Mr. HOWE. This is a problem, and at this point we can say that we have the assurance of the leadership in making this move, but one of the reasons that we have wanted to include in the total program the continuance in various ways of the NDEA program is to be sure that, whatever the scope of that move, there is a reasonable guarantee that needy students will get loans. This is definitely something that is in a fluid state and depends on the job which the leadership of the banks are able to do.

Mr. BRADEMAS. If I were putting myself in your position—and maybe you are already doing this—I think that I would want to make a very carefully planned effort to communicate the information about this program to the bankers, not only at the ABA level and at the State bankers association level, but at the grassroots level as well.

I don't know if you are doing so, but I would hope that you would. I have just two more questions, Madam Chairman.

The second is analogous to the first and requires some background. The Secretary very appropriately pointed out yesterday the distinction between your original proposal and the new proposal and made clear that much of the adverse reaction we were hearing from colleges and universities was hostility to plan A.

Many colleges and universities really don't know you even have a plan B yet. The Secretary responded yesterday, though I think he said there had not yet developed a consensus among colleges and universities, that representative consultation suggested sympathy for plan B.

My question is this: To what extent are you making a full effort? We were very critical of you yesterday and I still am, but I want to be fair. I would like to know to what extent you are making an effort to get a consensus among, as distinguished from consultation with, colleges and universities on plan B. I have had no letters from any college or university official—perhaps, Madam Chairman, you have—that indicate to me they even know you have a new proposal.

Mr. MUIRHEAD. Mr. Brademas, it seems to me that I must report to you first of all that the new proposal, plan B, that you refer to, was only unveiled a week ago. We have been in contact since that time with such representatives of higher education as the American Council on Education and the College Entrance Examinations Board, and they in turn have cooperated in the usual generous way that they do cooperate by sending out information to their constituents about the new plan.

We do have our own plan afoot to put into the hands of each college president in the Nation, a straightforward statement setting forth the distinction between the first proposal the administration submitted and the new proposal that the administration has now before the Congress, and attempting to explain the rationale for it.

Mr. BRADEMAS. I think that would be very helpful.

I have, Madam Chairman, just one more question which does not touch on any of the testimony here, but I raise it because it is part of the Higher Education Act of 1965, with which I was very much concerned. I wonder, Commissioner, if you could comment on how title V, the teacher fellowship title, has been working to date, problems, how many institutions have applied for funds, and so on.

Mr. HOWE. You are speaking of the experienced teacher fellowships?

This is administered in our office by the Bureau of Elementary and Secondary Education and we had what might be described as overenthusiasm for this title and for these funds in terms of the availability of funds.

These aren't exact figures, but we had approximately a thousand applications from colleges and universities to operate programs for experienced teachers in a variety of subject fields.

Of these approximately a thousand applications, we had sufficient funds to award about 50, so that we had to say "No" to a lot of people.

In making these awards we attempted to follow a good process of sorting out the applications in terms of quality, sorting them out in terms of subject matter coverage, related to the programs of schools, and sorting them out in terms of the kind of institutions and the geographic spread of institutions to which awards would be made. We have now announced these and there are many disappointed people. We have certainly heard from some.

Another figure I might give you is that we were able to award actually 900 fellowships out of 20,000 individual fellowships requested by the varying institutions.

Mr. BRADEMAS. Thank you very much.

Thank you, Madam Chairman.

Mrs. GREEN. Congressman Quie.

Mr. QUIE. Mr. Commissioner, in following through on the questioning of Mr. Brademas, as I understand the insured loan program, the individual student loan is insured, and I get the feeling that you are talking about loan money being guaranteed that goes to the college itself where you say on page 17:

> We recognize that in some cases institutions of higher education may need time to make the necessary legal and other arrangements to secure guaranteed loans from private sources for their college loan funds.

Do you envision that your guaranteed, insured loan program is going to be one where the colleges secure the private money and then run a loan program themselves again?

Mr. HOWE. The guarantees will extend to the student loan, but because of this guarantee the colleges will be able to secure private money at favorable rates.

Is this correct, Peter?

Mr. MUIRHEAD. That is right.

Mr. QUIE. Then a college will make the loan and it will operate——

Mr. HOWE. Under the NDEA, the continuation of the NDEA, the college will make the loan to the student from funds that the college has acquired by one of several processes outlined in the legislation.

Mr. QUIE. In other words, then, we will continue to have two loan programs, but this time it will be two guaranteed loan programs? The one that we passed last year, the one for the individual student, would be guaranteed and now you will have a new guaranteed loan program for the college to run their own loan program?

Mr. HOWE. I think it could be described this way.

Mr. MUIRHEAD. That is quite correct, Mr. Quie, that during this so-called transition period the colleges will have several options in terms of being able to fill their total student loan needs.

They will be asked first of all to see if the funds they need to run the NDEA can be obtained from private sources—banks, insurance companies, or pension funds, and the like.

Mr. QUIE. And if they can, then whenever the students come from a family of less than $15,000 income they will then receive the subsidy on the interest rate?

Mr. HOWE. This is not quite the interpretation.

The loans which are actually made to students by the colleges, the colleges being the lending institutions, will be primarily loans to needy students as under the regular NDEA program.

The $15,000 qualification extends to loans from credit institutions and banks, applied for at the bank by the student.

Mr. QUIE. So there won't be any subsidy of interest then in the money made available to the college by the private lender?

Mr. MUIRHEAD. Yes, there will be. May I return again, and I am not doing a very good job.

Mr. QUIE. I wish you would explain those, how they operate.

Mr. MUIRHEAD. If I may, may we put the guaranteed loan program established by title IV of the Higher Education Act aside for the moment?

Mr. QUIE. OK.

Mr. MUIRHEAD. And talk about the NDEA. That is the proposal which I think we have before you, to continue the NDEA next year during a transition period and to make it possible for the institutions to carry on the NDEA for NDEA students, of course, but to receive the funds from several sources.

First of all, if the funds are available in the private market, then the Federal Government would offer a guarantee to the lender and would pay the interest that the lender would charge to make that loan to the college.

Mr. QUIE. The Federal Government will pay all of the interest?

Mr. MUIRHEAD. The Federal Government would pay in interest to the bank, the difference between what the bank charges and what the student will repay under his NDEA loan.

Mr. QUIE. I see. The 3 percent.

Mr. MUIRHEAD. Yes. Of course, as you know, while the student is in college he pays no interest, so that during that period the Federal Government would cover that interest.

Now, if we could look at it in that way, the authority, if you will, of the guaranteed loan program is being used in part to continue the NDEA. There would be a Federal guarantee and a Federal interest subsidy of money from the private sector, but the money then would

be used by the college in the same way that they have always used their Federal capital contribution under the NDEA.

Mr. QUIE. I understand now and I can surely understand why you got this consensus from some college people then when you lay out a program of that nature because this saves them the cost of collection of the money, doesn't it?

Won't the lending institution be collecting the money?

Mr. HOWE. No, they still have the obligation to collect those NDEA loans as they always have.

Mr. QUIE. What does that cost? What kind of interest rate will a bank be charging? They have to charge a certain amount of interest because they have to collect the money.

Since the college will be collecting the money from what source will they secure it? From the colleges, or will this be really a bonanza for the lending institution?

Mr. MUIRHEAD. It doesn't seem to me that this will be a bonanza for the lending institution. They would charge the type of interest that they would normally charge to make a large loan to an institution. I would expect, Mr. Quie, that it would be less than 6 percent. I don't know how much less. However, if the banks, as they promise to, are going to cooperate in the guaranteed loan program and charge 6 percent to deal with individual student loans, I think it is reasonable to assume that they would charge less interest in making a very large loan to an institution where they don't have the collection responsibility for the individual loans.

Mrs. GREEN. Will you yield?

Mr. QUIE. Yes.

Mrs. GREEN. What effect would the news in the papers this morning, that the commercial banks raised their interest rate from 5 to 5½ percent have on this?

Mr. MUIRHEAD. Mrs. Green, it seems to me what is indicated there would be that the banks would be coming back to the Congress and saying, "When the Higher Education Act was passed this seemed like a reasonable rate of interest," but now the credit market has changed and perhaps they will be seeking an amendment to reflect that change in the credit market.

Mrs. GREEN. But I was really questioning your statement immediately preceding this, that they would lend to the institution, because if I read the newpaper items correctly on the big loans they are going to charge 5½ percent interest.

Mr. QUIE. And people can borrow money just on their own signature, $100,000 on their own signature.

Mr. MUIRHEAD. Mrs. Green, it would seem to me again that on the amount of interest the bank would charge, there would be a number of factors entering into it, depending on the particular institution that was seeking to borrow the money and taking into consideration that there is a Federal guarantee.

I would be inclined to think, and, of course, I am no expert, that this type of loan from a lending institution to a college or university would be a very good, high-credit risk.

Mr. HOWE. Particularly with the Federal guarantee.

Mr. MUIRHEAD. Yes.

Mr. QUIE. What is happening in FHA in interest rates, with the guarantee?

Mr. MUIRHEAD. I don't know the answer to that.

Mr. QUIE. The rates are increasing, though, over what they were before.

Mr. GIBBONS. May a banker get in this conversation?

Mr. QUIE. OK, banker.

Mr. GIBBONS. I am sort of an amateur banker. I borrow.

Mr. QUIE. I will yield to you, Sam. Under any guise you come in.

Mr. GIBBONS. I want to make sure that I understand this and I am having trouble understanding it.

For the purpose of this discussion we put aside last year's guaranteed loan program. We are not talking about that at all.

Secondly, we are talking about plan B, not plan A, to use the jargon of Mr. Brademas.

Mr. MUIRHEAD. Yes.

Mr. GIBBONS. Plan B would work this way, as I understand it. In plan B the institutions would go to the banks or the other private capital sources and say, "We want to borrow so many dollars and here is a Federal guarantee that we will repay the money."

Isn't that the way? Is that they way the operation would work?

Mr. MUIRHEAD. Yes, sir.

Mr. GIBBONS. How much is that guarantee for? Is it for 100 percent of the money that the university borrows?

Mr. MUIRHEAD. Yes, it is. The language in the act says that the Federal Government will guarantee timely repayment.

Mr. GIBBONS. So as between the university and the bank, and we will use the bank—it can be a pension fund or anything else—the bank is getting a 100-percent guarantee that that university is going to repay the money?

Mr. MUIRHEAD. Yes, sir.

Mr. GIBBONS. That is exactly the same process that you go through when you finance the national debt. That is what you are doing. You go to the bank and other people buy bonds, and that is what these guarantees would be in effect, Federal bonds.

Mr. QUIE. And we are talking about a 5½-percent interest rate.

Mr. GIBBONS. No; 4 percent. They are not financing another 5½ percent.

Mr. HALPERIN. Under 5 percent.

Mr. GIBBONS. Under 5 percent, so you are talking about the same type of transaction really. If you trace the funds through, instead of you collecting the funds through the Treasury and being appropriated by the Congress to pass out to the universities, now we would just be passing out guarantees and the universities will go to the private institutions.

Mr. QUIE. If this is true it would be an altogether different story and we probably ought to be financing an awful lot of things that way.

Mr. GIBBONS. This is part of the Great Society that we are just unfolding.

Mr. QUIE. However, wouldn't it be more expensive to the lending institution to be doing this transaction with the college than would be involved in refinancing the national debt?

Mr. MUIRHEAD. It seems to me that it would be just the same. In terms of the present behavior of the colleges and universities under the NDEA it wouldn't make any difference to their operating costs because the same provisions that are now in the NDEA that give them

some help with their administrative costs would prevail in the administration of these moneys just as they would in the direct Federal appropriation.

Mr. QUIE. How long would it take you to find out from some lending institutions what rate of interest they would charge right now if they were——

Mrs. GREEN. We will have the bankers before us.

Mr. QUIE. All right. We will find out from the bankers.

Mr. HALPERIN. Mr. Quie, may I use some words that I think are familiar to you.

When I was trying to understand this in my own mind, as I understand it, under this first option the colleges would continue to make NDEA loans as they have in the past for needy students, but instead of getting a Federal capital contribution from the Commissioner of Education and ultimately from the Treasury they would get commercial credit guaranteed by the Federal Government.

They would have the same amount of money presumably that they would need, but it wouldn't apply against the budget. It would come from the banks.

When we discussed this last week with some bankers and asked them for their reaction it was highly favorable. They said in effect, "What you are talking about is commercial credit, the heart of banking business, and we like that. We give a lump-sum payment to a college with a Federal guarantee in the same way that we give a lump-sum credit to the Treasury with a Federal guarantee."

Mr. GIBBONS. And that is going to set the interest rate, if you will allow me to interrupt here. Whatever the Federal Government is having to pay to finance the national debt is going to be what they will be asking the college to pay with this guaranteed money because from the banker's point of view it is the same type of transaction.

When the auditors come in from the FDIC to check his books they are going to say, "Well, this one has L.B.J.'s signature on it and this one has L.B.J.'s signature on it. They are both of the same value."

Mr. HOWE. Madam Chairman, if I may add a point to the conversation which I don't think has come into it, it is that the NDEA legislation continues until 1968 and the Congress therefore has the opportunity to look at the operation of funding the NDEA arrangement in the fashion here suggested over a period of 2 years to see how this is working.

We have a 2-year period in which to make an adjustment. We are proposing a 1-year solution. We will have the opportunity to look at and to adjust to that experience in the ensuing year with NDEA still in effect, so that I think we do have the chance here to adjust this program as we develop experience with it.

Mr. QUIE. But you take the Congress out of it the second year. Right now when you are going to make the adjustment you have the Congress and the colleges can go to the Congress but the second year, unless the Congress wants to reopen the act, there is nothing to force the Congress to reopen the act.

Mr. MUIRHEAD. In the legislation, Mr. Quie, the language says such sums as may be needed in the subsequent years. We are asking for $150 million in appropriations this year.

Mr. QUIE. You have the authority to phase this thing down in that second year, is that right? You are talking about a 1-year pro-

gram and, as I keep understanding it, this is going to be full funding of NDEA with private money the first year and the second year you envision blending into the title IV type funding of student loans.

Mr. HOWE. We are suggesting the $150 million level of funding for fiscal 1967 based on an estimate that a certain proportion of the need will be picked up by the guaranteed loan program in which students will be going directly to banks.

The total authorization for NDEA is, as I recall, $190 million, and $195 million the following year.

Mr. MUIRHEAD. I think it should be clearly pointed out, Mr. Quie, in the light of your question, that the NDEA as it now stands does run through 1968 with authorizations specified by the Congress and supported by this committee of $190 million for this next year and $195 million for 1968.

We will be returning to the Congress, of course, for a full dress review of the NDEA under ordinary circumstances at the first session of the next Congress.

Mr. BRADEMAS. Will yield for a question at that point?

Mr. QUIE. Yes.

Mr. BRADEMAS. You are asking for $150 million for the transition period. The authorization was $190 million for the current fiscal year and the appropriation was what? Most of it?

Mr. MUIRHEAD. Well, I am very glad you brought that question up, Mr. Brademas, because I think this particular point has been kind of buried in the legislation. The legislation that is now before you will permit the support of the NDEA program at $190 million this next year, but it will permit the support of $190 million using several sources of support, including that from the private sector.

The appropriation as such that is in the legislation before you is $150 million, but the institutions may expand that through the use of other resources to $190 million.

Mr. BRADEMAS. That is what I was concerned about. If they had been using $190 million, you are suggesting $150 million. Where are they going to get the other $40 million?

Mr. MUIRHEAD. Quite hopefully they will get it from the several options that are suggested in the legislation.

Mr. BRADEMAS. Thank you.

Mr. QUIE. You say you consulted with the colleges after they went into a state of shock. Did you have any consultation with them prior to that when you devised your first program?

Also, did you consult with the bankers at all prior to this new concept?

Mr. MUIRHEAD. We did consult with the bankers in the development of plan A that Mr. Brademas has now identified.

Mr. BRADEMAS. This is not medicare we are talking about.

Mr. MUIRHEAD. And then we did consult with the colleges after plan A had been developed.

Mr. QUIE. I want to know what consultation you had with them before plan A.

Mr. MUIRHEAD. We did not have consultation with them before plan A.

Mr. QUIE. And you didn't with the bankers either?

Mr. MUIRHEAD. We did with the bankers. We wanted to learn from them whether or not they could absorb this particular burden

and, as you know, Mrs. Green brought to our attention yesterday a communication from Mr. Walker of the American Bankers Association and he indicated that to take the whole burden of the guaranteed loan program and the NDEA next year would be just too much.

Mr. QUIE. I find this quite interesting in an education bill that you would consult with the bankers and not with the educators before you devised the program.

Let me ask about the revolving fund. Then I think I will have it clearer in my mind what we are talking about here. Is the revolving fund made up of repayments?

Mr. MUIRHEAD. The revolving fund is made up of several things. One is the $150 million in appropriations which we are suggesting to you, and then the repayments that come to the colleges from loans which are now outstanding, and under ordinary circumstances the loan repayments to the colleges go back into their loan fund for reloaning.

The proposal which is before you would ask the colleges to take their portion of the repayment, which is 10 percent, and to return the 90 percent into a revolving fund.

Then there would also be in the revolving fund such proceeds as might come from sales under the participating pool. Let me explain that if I may. I am learning a lot of words, too, that I didn't know about.

Mr. QUIE. It sounds like a milk marketing order now.

Mr. MUIRHEAD. The proposed legislation would provide that the colleges using the NDEA appropriation next year assign student notes to the Federal Government and the new notes, as well as the notes that have been executed prior to this, would be subject to call by the Federal Government and be placed into a participating pool from which the Federal Government through the organization that is colloquially known as Fannie Mae would then get money in the private market.

Insofar as the notes which are assigned to the Federal Government are needed to offset the $150 million which is in the budget, those proceeds would go to the Treasury and insofar as the proceeds from the assigned notes are in excess of that they would go into the revolving fund.

Mr. QUIE. How much would this amount to at the end of the first year? You take the $150 million plus the repayment of the 90 percent Federal share, plus the participating pool. If we could carry that $150 million along, assuming that would be available a year after, and add to that the repayment plus the participating pool, do you have any idea how much it would amount to?

Mr. MUIRHEAD. We have some estimates, Mr. Quie, and they go somewhat like this: That during the first year we expect that a substantial amount of the $150 million which we are asking in appropriations will be needed by the colleges for a number of reasons.

One is that they need to know, and they need to know rather soon, what moneys are available to carry on their loan program for the next college year, and it may take many colleges some time to borrow money from the banks. They may have to get some action from their own boards of trustees. They may have to get some action from their State legislatures, and it may very well be that in a number of

colleges they may have to wait until the second semester before they can execute a loan from the lending agency. We expect that a rather substantial amount of the $150 million would be needed by the colleges who would tell us in effect, "We cannot expeditiously obtain money from the private source at this time and we need the money to carry on our program."

Then during the year, and let us say, Mr. Quie, that perhaps as much as $100 million of that would go out in Federal capital contributions, the revolving fund would receive from repayments, our best estimate for repayments next year, about $34 million. Those are loans that are in repayment status.

I am trying not to make this complex, but I guess I can't avoid it. You will note that the law says that the repayments received by the colleges on and after September 30 will be distributed to the Federal Government and to the colleges.

Our experience with the NDEA indicates that a sizable amount of the repayments from students comes during the period July 1 to September 30.

This is the time when they have in previous years finished college and they go into a repayment status at that particular time, so we are estimating that of the $34 million that will be due in repayments next year, perhaps as much as $15 million of it will be repaid to the colleges prior to the date that is set in the act and that money would revert to the college loan fund. After the date that is proposed for your consideration in the act, that amount of money would go into the revolving fund.

If our estimates are anywhere near correct, there would be about $20 million that would go into the revolving fund.

Now, the third source of revenue for the revolving fund coming from the participating pool. There is now in the colleges somewhat in excess of $400 million in outstanding loan paper held by students who are now in college and that amount of paper would be subject to reassignment, if you will, to the Federal Government.

How much of that the Federal Government would recall in order to finance it through Fannie Mae I don't know, but at least $150 million of it would be recalled to offset the $150 million requested in appropriations.

It is quite possible that it might recall perhaps $200 million of it, which would leave $50 million additional in the revolving fund.

Mr. QUIE. I will yield and ask some more questions later on. I guess I am taking too much time.

Mrs. GREEN. Congressman Gibbons.

Mr. GIBBONS. I might say your plan is so ingenious that you would even get William McChesney Martin and Wright Patman to agree to it at the present time.

It would perhaps have the same effect as what Mr. Martin is trying to do by raising the interest rate because it will call for the private sources of capital to supply a lot more of this money.

On page 2 you make some estimates as to cost and I am not challenging any of your figures, but I wonder if you would supply me with some estimated breakdowns of the items that you include in these costs.

I am trying to get to the bottom of some of the other cost figures, just a memorandum showing how much of what was included, say, for instance, in the $850, the $1,560, and then I can try to figure out, and I am sure Mrs. Green will do the same thing, what items were not included in the cost.

Let me ask you also when we say an annual cost, is this a two-semester cost, or a trimester cost, or four-quarter cost, or a three-quarter cost? What kind of cost is this that we are talking about? Is this a 365-day cost, or a 180-day cost?

Mr. HOWE. I believe this is a September to June cost and therefore what you would normally describe as a two-semester cost.

Mr. GIBBONS. I am simply speaking in terms of averages if you would tell me how long a period of time. If it is a two-semester cost, obviously it would be more if you went the whole year. That was my interest in that particular figure.

There is no great rush on that. I realize you have a lot of things to do.

The other day I asked you for a memorandum about these advisory committees because I have been very worried about the makeup of some of the advisory committees.

Some of us who feel like we represent the new Ivy League rather than the old Ivy League feel sort of left out in this area, and could you inform me, on page 5, how these advisory committees are picked and who are on them?

Mrs. GREEN. Would the gentleman yield?

Mr. GIBBONS. Be glad to.

Mrs. GREEN. I noticed on the one advisory committee that they furnished yesterday that Tampa was represented.

Mr. GIBBONS. They are moving ahead.

Mr. HOWE. We can give you a great deal of information about these advisory committees. If I may say just a word about them, there are a good many of them and we have at the moment some 20 advisory committees in various kinds of status.

Some advise the Commissioner, some the Congress, some the President. I am chairman of 11 of them. It is a very interesting structure.

Mrs. GREEN. Would the gentlemen yield? Are you saying that 20 is the total number of advisory committees in the Office of Education?

Mr. HOWE. In the Office of Education there are 10 statutory committees, and an additional 10 operating under general authority, and there are some others which are not on this list which we have appointed for our own purposes, so that we have a rather elaborate structure of advisory committee activity.

Mr. QUIE. How many do you serve on besides the number you Chair?

Mr. HOWE. The Commissioner is an ex officio member of a good many of these others.

Mr. QUIE. And other departments, too?

Mr. HOWE. Other departments? No, I haven't added those up. There are quite a few of those. This whole structure of advisory committees, it seems to me, has grown without plan. They have been either legislated or placed in being by various interested parties at different times.

I was talking the other day with Dwight Ink, the gentleman who helped us with the reorganization of the U.S. Office of Education, about this advisory committee structure. I am hoping that we can take a rather comprehensive look at this to see whether the advisory committee structure is indeed the best one for really good advisory services in the most efficient fashion to the U.S. Office as a whole.

I think we need a comprehensive look at this.

Mrs. GREEN. Will the gentleman yield?

Mr. GIBBONS. Be glad to.

Mrs. GREEN. Last year my staff did a count of the advisory committees in HEW, and there were 262. If you multiplied it by the other departments and agencies of the Government would you care to hazard a guess as to how many people are advising the advisers?

Mr. HOWE. I have no estimate of this, but I am sure there are a great many committees because I keep discovering new ones of which I am a member.

Mr. QUIE. If you will yield, how many can you attend in one day?

Mr. HOWE. What this kind of structure results in is that a person with major administrative responsibilities finds himself giving token attendance to these committees, necessarily so because of all the other things which necessarily impinge on his time. What I try to do with them is to meet with them for a brief period when they first convene—we have about six or eight of them during March, for example—and then to spend an hour or two with them at the end of what will be usually a day or a 2-day session. But the opportunity to really sit down with them for an extended conversation over a full day's period is almost impossible for a person with major administrative responsibilities in the Government.

Mr. GIBBONS. I was talking to one of your very noted advisers on the national level and he told me he felt that these advisory committees were sometimes being used as a coverup. He said that usually from his sessions with the advisory committees he found that they were asked to approve much more than could be financed so they sort of overexpended the budget and then the staff really finally made the decisions from the overexpenditure.

For instance, if they had $200 million to expend they had to approve $500 million worth of projects and then the staff came back and pulled out from the $500 million the $200 million worth of projects and this is what happened.

Is this what happens in this advisory committee sessions?

Mr. HOWE. I hesitate to generalize about them in that fashion at all because many of these advisory committees are not directly involved in the approval of projects on that basis.

Many of them are groups pulled together to help with general policy guidelines related to major programs rather than to consider in detail applications for grants.

We have another kind of structure which ought to be brought into this conversation, which is the use of what we call panels and panelists. These are somewhat different from statutory or other kinds of general advisory committees. Panels and panelists are made up of people with specific expertise or knowledge in a defined area related to various

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aspects of the grant program. Persons of this sort are used to review applications which are sent to us.

For example, under title III of the Elementary and Secondary Education Act, which is a good example, we generally give a proposal which comes from a local school district three readings by outside panelists who are engaged for the purpose, and who are paid for the purpose, and each of these three readings will result in a report to us which rates that particular proposal, so that we are using a whole variety of persons in the educational community outside of the advisory committee structure for that kind of activity.

Mr. GIBBONS. May I ask the chairman up here a question?

Did you ever go into all the panelists in addition to the advisory committees? Have we ever conducted any study of the panelists?

Mrs. GREEN. No.

Will you yield?

Mr. GIBBONS. I will be glad to.

Mrs. GREEN. I have sat in on a few sessions, a very few, but at the ones I have sat in on it seemed to me that there was serious question about their recommendations and how much they really meant or would mean to either the executive or the congressional side.

A panel came in for 2 days, and I remember in this one case they had dozens and dozens—I think it really went up into the hundreds—of applications to go over.

First, they were limited by the staff work that had already been done. The staff work had screened out a bunch, so this limited their own recommendations and their ability to advise wisely, and then, secondly, just from the sheer amount of work that they were required to do in 2 days it seemed to me that at the best it was a very, very superficial job.

Are those fair questions to raise?

Mr. HOWE. I haven't any comprehensive view of this as yet, but as a generalization I would say that we ought to seek to use these advisory persons for policy guideline kind of activity rather than for detailed review of proposals and we ought to use the panelist kind of person for detailed review of proposals.

Now, there are exceptions to this.

For example, take very large grant programs such as some of the grants that we give under the heading of research. Right now the Research Advisory Council is reviewing in detail grants for research of $200 million. It seems to me that some such dividing line as this is useful. Maybe we ought to increase that amount, as we have brought more money into the program, to a half million—I don't know.

Take large programs such as the award of the National Regional Education Laboratories. I believe that some look at these grant requests in detail by outside advice is very useful, but the kind of detailed review of which you are speaking with great mountains of paper, and a few people trying to contend with them in a short period of time, is I think less than useful; and I think we ought to place more emphasis on responsible staff decisions about those kinds of grants and more emphasis also on guiding that staff decision through the development of good policy guidelines by the advisory committees.

Mrs. GREEN. What is the difference between a panel and an advisory committee?

Mr. HOWE. Well, I suppose these concepts merge into each other, but essentially a panel is a group of expert persons, sometimes operating individually rather than together, making recommendations on specific grants and doing very detailed analytical reading of these requests for grants.

Mrs. GREEN. Aren't your Advisory Committee members such experts?

Mr. HOWE. No. In fact, we have endeavored in appointing advisory committees to include persons who were not necessarily experts, but who are interested or resourceful people.

For example, we try to include on advisory committees persons who will, in a sense, represent the general public. The committee which met on title I of the Higher Education Act just the beginning of this week included on it the mayor of Atlanta.

He would not qualify, perhaps, as an education expert, but as one who is very interesting in the outcome of that legislation and has a good many things to say about it. I just cite this as an example, that we are including persons of this kind in these broad advisory functions.

Mrs. GREEN. Would you yield further?

Mr. GIBBONS. Yes.

Mrs. GREEN. In your statement I notice that the figures are pretty much the same in terms of research grants, that 90 percent goes to 100 institutions and 40 percent still goes to 10 institutions, so it hasn't changed from the time we did a study 3 or 4 years ago. Has your office ever done a real study of the membership on the Advisory Committee, the institution from which that Advisory Committee member would come, and the grants which the parent institution may receive?

It seems to me that if we take a look at these advisory committees there is a tendency to call upon the same people over and over.

Mr. HOWE. Let me say I think we are doing a much better job than we were a year or two ago with the appointment of these people on these advisory committees. A great deal more care is going into their selection. A great deal more care is going into trying to make them broadly representative of different kinds of institutions, and people from different backgrounds and geographical spread.

I doubt very much that any such study would show that advisory groups or panelists are self-serving, so to speak, in their recommendations about grants.

Mrs. GREEN. I know, but I really want to know if you have made any study to see what the facts show.

Mr. HOWE. We could take a look at institutional representation on advisory committees and compare this with grants received by those institutions so represented in terms of U.S. Office grants. I don't know that this would indicate very much, but we could look at something like this. As far as I know we have not done so, to answer your question directly.

Mrs. GREEN. One other question, if the gentleman would yield, on this same subject.

Mr. GIBBONS. Yes.

Mrs. GREEN. What about this art of grantsmanship. This is really a new profession that has grown up in this country, people who spend all of their time and energy responding to the questionnaires that your Department and others send out, and there really is a skill in it,

filling out the forms and all of the redtape. The ones who are experts in this grantsmanship are the ones, it seems to me, that have the best chance of getting the money.

Have you ever looked into this?

Mr. HOWE. We are, of course, concerned about this kind of thing. Again perhaps title III of the Elementary and Secondary Education Act is a good point to take a look at it.

Certainly small local school districts do have less expertise in this sort of thing. They have not had the practice of submitting proposals to foundations as large school districts have had and this is obvious, so that we try to be sensitive to this problem and we try very hard in the staff operations in working on proposals we receive to look for the essence of the proposal, and the capability to perform on it, without giving too much attention to whatever window dressing may accompany it.

I think you have to say, at the same time, in awarding certain kinds of grants that the capacity to explain well what you are going to do and to lay it out clearly is also representative of the capacity to perform, so that this is a problem that any granting agency, ourselves, or a foundation, or the National Institutes of Health, or anybody else, has. But we certainly don't want to be in the position of substituting the polish in the proposal for the merit in a proposal and we try hard to avoid this.

Mr. HATHAWAY. Will the gentleman yield at that point for one question?

Has any effort been made by the Department to simplify the form so that especially the smaller districts without the personnel can make them out a lot easier?

Mr. HOWE. Yes; we are trying hard to do this all the time with this in mind. The nature of applications under title III of the Elementary and Secondary Education Act are somewhat less complex than under certain other kinds of grant programs we have, but we are continually getting feedback from school superintendents and other people actually working on these problems and trying to simplify our operations.

I believe we can carry this further, but we are aware of the problem and we know that we are criticized for it. There are new forms being worked out for title I of the Elementary and Secondary Education Act with an idea of greater simplicity for the person who must fill them out.

Mr. HATHAWAY. Thank you.

Mr. GIBBONS. Under the Higher Education Act with the broad grant of authority we gave you 3 years ago to approve State plans are there any criteria now laid down by you about the factor of space utilization?

Let me say here parenthetically it has been my experience that universities have only very recently come to the problem of facing squarely this space utilization factor.

They would set up a classroom structure in the agricultural part of the campus and a liberal art student could never get in there because there might be something written on the board that couldn't be erased for a whole year or something like that and so we were not, particularly in State university systems, making adequate use of space utilization.

I hesitated to suggest that we write in any space utilization criteria when we were only putting up a third of the money, but have you required any space utilization studies so far with this money that we are putting up?

Mr. HOWE. I would like to ask Peter Muirhead to comment on State plans, but I would say this: The planning authority we are asking for this year—$4 million—reaches in this direction. I couldn't agree with you more that the higher education community has not typically taken a really responsible look at the utilization of space and that a great many institutions have a relatively low percentage of utilization.

College professors are not naturally oriented toward efficient space use.

Mrs. GREEN. Would the gentleman yield there?

Mr. GIBBONS. Be glad to.

Mrs. GREEN. This is a point I wanted to ask about later on, this $7 million appropriation you have asked for. On page 3 of the bill you are requesting $7 million "for the proper and efficient administration of the State plans approved under this title and under part A of title VI.'

Under title VI don't you already have this authority?

Mr. MUIRHEAD. We do have the authority, but no appropriation.

Mrs. GREEN. Why do you need this new authority?

Mr. MUIRHEAD. What we have suggested here, I think, flows from what seems to be emerging as a practice, that in almost every instance the same commission is administering title I of the Higher Education Facilities Act as is going to administer title VI of the Higher Education Act and we felt that the administrative costs should appear one place before you in terms of their administrative activities.

Mrs. GREEN. Then are you asking that this be repealed, or do you want the authorization for a million in title VI to stay in there, too?

Mr. MUIRHEAD. I really don't know how to respond to your question except to say that perhaps we might leave it there until we get some indication from you as to whether or not you approve of the recommendation we have made.

Mrs. GREEN. They ought to be considered at the same time?

Mr. MUIRHEAD. It would seem quite reasonable that we could consider them at the same time. We had not taken the step of striking the other down, but we are coming to you with this proposal to incorporate the administrative costs for both agencies in a single authorization and a single appropriation.

Mrs. GREEN. It is a slightly higher authorization.

Mr. HALPERIN. Mrs. Green, it ought to be pointed out that there is nothing in the President's budget for that $1 million in title VI of the Higher Education Act. It is not being requested.

Mrs. GREEN. Is there for the $7 million?

Mr. HALPERIN. Yes.

Mr. MUIRHEAD. May I return to your question?

Mr. GIBBONS. Yes, about space utilization?

Mr. MUIRHEAD. Yes, about space utilization and the work of the State commissions. As you of course know, Mr. Gibbons, each State commission does submit a State plan which sets forth the criteria by which they will review the proposals and the legislation does set forth a number of factors that must be included in each of the State plans.

I should say, Mr. Gibbons, that your wish to have space utilization included as one of those factors is already included in the legislation. Each State plan that is submitted gives attention to the effective use of space utilization in the institution that is submitting a proposal.

I should also point out, as I am sure you already know, that each State plan does vary, but that there are basic common denominators in every plan. Each plan must give consideration to the increase in enrollment, both in terms of number and percentage, and each State plan must give some measure of how effectively the space is being utilized.

Mr. GIBBONS. Let me ask you then, and let us just take two random examples, are we getting at the same space utilization, say, in Florida that we get in California before we allocate the money?

Mr. MUIRHEAD. We are not getting the same attention paid to space utilization in all of the States because the States, and quite properly so, have some flexibility in determining how much weight they will give to the various factors, depending on what their particular needs are, but each State does give some weight in their State plan and in their 100-point scale to space utilization and it varies from State to State.

Mr. GIBBONS. Do we have any reliable national statistics on space utilization, say, undergraduate facilities?

Mr. MUIRHEAD. Not to my knowledge.

Mr. HOWE. May I say, Mr. Gibbons, that this is a tricky area and this factor of space utilization, plus the factor of faculty-student ratios is very basic to the economics of any institution of higher education, that institutions of education regard these matters as significant for their own decision.

Many t mes their own belief about the nature of education they offer and the quality of it are tied up with these two concerns and efforts for standardization here certainly run counter in many cases to the feelings of institutions about the nature and quality of their service, and, therefore, it is hard to enter into this on an across-the-board basis, but it is certainly a subject I am sympathetic to further exploration on.

Mr. GIBBONS. I certainly don't want to see us at this level try to put any institutions of higher education in lock step and say that, "You will only have so many square feet before we can allocate you any money."

That is not the thrust of my examination. I am really interested, though, in how widely it varies and whether or not we are giving attention to the subject. My questions are more exploratory than they are definitive.

Mr. MUIRHEAD. We intend to give a good deal more attention to it and we are hopeful, as the Commissioner has just pointed out, that the State commissions through the authority that we are asking for them will be giving additional attention to it.

Mr. GIBBONS. I do think though it is necessary for us who appropriate money to make sure that there is the maximum feasible use of the space available and that we just don't keep creating space and so much of it is now not intensively used in many educational institutions that I have visited.

Mr. HOWE. We used the figure of 150 square feet per student in our projections of needs and unmet needs for higher education facilities. This is an arbitrary figure. It used to be 125.

We have raised it to 150. This is a space 12 by 12 approximately, but whether it has any real validity I am not sure.

Mr. GIBBONS. Thank you.

Mrs. GREEN. Congressman Hathaway?

Mr. HATHAWAY. Yes. On this same question of space utilization, are any efforts being made to encourage State commissioners to consider cooperation between universities and not just space utilization within the one university itself? It seems ridiculous to put up a physics laboratory for Harvard and put up another one for Tufts when they are only 10 minutes apart.

Mr. MUIRHEAD. Of course, under title II of the Higher Education Facilities Act we encourage the consortium idea between a combination of colleges and universities or combination of universities in the construction of facilities that might serve one or more of the institutions.

Mr. Halperin is pointing out to me also that under title I of the Higher Education Facilities Act that same factor is encouraged in the criteria that are set up for determining priorities, that institutions are encouraged to more effectively use not only their own facilities, but those of cooperating institutions.

Mr. HATHAWAY. Do you have any figures to show to what extent universities are cooperating?

Mr. MUIRHEAD. We have at the moment, Mr. Hathaway, a survey underway and we expect to have results from that to give us a complete review of cooperative activities between colleges and universities including the cooperative use of facilities.

Mr. HATHAWAY. When do you expect that survey to be completed?

Mr. MUIRHEAD. We would hope to have it ready for the consideration of this committee before the end of this college year.

Mr. HATHAWAY. Thank you.

Do you have any figures to show that the more public money we pour into these universities, the private contributions are falling off, or are they staying the same?

Mr. MUIRHEAD. We have figures to show that the private contributions and also the public contributions for the support of universities are continuing to increase, but not to increase at a sufficiently rapid rate to take care of the gap that we refer to, that this particular legislation is addressed to.

Mr. HATHAWAY. Private contributions are increasing at the same rate as they have been over the past, say, 10 years?

Mr. MUIRHEAD. Yes, and in fact we have some indication to indicate that it is accelerating.

Mr. HATHAWAY. So you don't contemplate any danger that the more public money we put in, the less private money there will be, so individuals will feel after a while that the Federal Government is taking care of colleges so there is not as much need for them to contribute?

Mr. MUIRHEAD. We haven't found any evidence of that yet, but I think we should also be constantly on guard against it. I think one of the things that may prevent that particular circumstance from developing is that the Federal contribution is but one-third, and many times the Federal contribution stimulates private contributions.

Mr. HATHAWAY. For that reason do you think it should stay at one-third, or would you advocate increasing it?

Mr. MUIRHEAD. My own feeling, if I may give a personal opinion on this, would be that as quickly as our national economy will permit

it we should raise the Federal matching to one-half. I offer that as my own opinion because I think, as I am sure this committee agrees, that we should use the Federal resources as much as we can to brake the rising cost of higher education, and all that we can do to do that will be to the benefit of the student.

If we can, and if the economy will permit it, I think it would be a very significant step to raise it to one-half.

Mr. HOWE. Mr. Hathaway, if I may make one comment on your line of questioning here, I think that in the educational community there are groups who are concerned about this question you raised of whether the vigorous entrance of the Federal funds is going to have an effect on the supply of private funds.

One of the groups that has talked with me about this has been the United Negro College Fund, and I think it is extremely important for us to continue to emphasize, particularly in regard to that group, that there is a tremendous need and growing need for private funds over and above what will be done under such legislation as the developing institutions provision we are talking about today.

In fact, I would predict that the impact of that money in developing institutions will be to put those institutions in a position to attract larger amounts of private funds and to need larger amounts of private funds.

They will begin to reach plateaus from which they can aspire to levels of faculty salaries and levels of quality they haven't even thought about and that therefore it is important to keep this consideration always before us.

Mr. HATHAWAY. They will be graduating people who will become more affluent and will be able to contribute more, too.

Mr. HOWE. Perhaps.

Mr. HATHAWAY. We hope so.

Mr. QUIE. Will the gentleman yield?

Mr. HATHAWAY. Yes.

Mr. QUIE. It seems like you must have a philosophy in reverse of that since you are going to cut back on Federal land-grant colleges in affecting Negroes directly, and this is the only Federal grant for operating costs such as professor salaries, and you are really taking a cut at them there.

Mr. HOWE. Let me say, first of all, that under title III we are, of course, moving from $5 to $30 million and this is a considerable increase. There will be some less funding available to Negro land-grant colleges, as to other land-grant colleges, under the proposed appropriation structure for fiscal 1967.

On the other hand, what we have here is a picture in which the Federal Government is trying to move vigorously into broad programs of support affecting all institutions and to pull away some from smaller highly focused programs of support for a few institutions, so that I think the philosophy that is expressed here is in the long-run interest of these institutions.

Mr. QUIE. Are you going to make up the loss of money and then some from the developing institutions title for those 16 Negro land-grant colleges?

Mr. HOWE. I don't think that you would assign a makeup strictly in the area of the developing institutions category, but the amounts of money for which those institutions will become eligible under the

vigor of the whole Federal program for higher education will be—I haven't added them up, but three or four times anything they would have expected under the land-grant provisions.

It is quite true, of course, that these funds are in different categories and that there are going to be some problems for some of these institutions because of the categorization of the funds.

Mrs. GREEN. Will the gentleman yield?

Mr. HATHAWAY. Certainly.

Mrs. GREEN. You mentioned as part of the justification, that you had increased the developing institutions program from $5 to $30 million, but in your recommendation you have actually reduced the autho ization from $55 to $30 million.

If I understand it correctly, you are recommending a cut in the authorization for land-grant colleges and you are recommending a reduction in authorization for the developing institutions program. Is that correct?

Mr. HOWE. I would like to check a fact here. Is there an authorization for 1966?

Mr. HALPERIN. Mrs. Green is correct, the fiscal year 1966 authorization for title III is $55 million. There is no authorization for fiscal 1967.

Mrs. GREEN. It would be reduced then rather than increased?

Mr. HOWE. The actual money to be expended is being considerably increased. Admittedly, the operation of title III has come in late this year. How you would figure a proportion here I really don't know.

Mrs. GREEN. If the gentleman would yield further on the same point——

Mr. HATHAWAY. Yes.

Mrs. GREEN (continuing). Yesterday I had asked one other thing on this, the justification for the reduction in funds for land-grant colleges.

Do you have that prepared so we could put it in the record at this point?

Mr. HOWE. We will prepare this for you. We haven't had a chance to get it together. I have here only the amounts which the different land-grant institutions are receiving in this year's funds, but we will prepare this for you and make an estimate, if we may, of allocations under such things as title III.

It would have to be an estimate because at this point we really don't know the answer of how these funds will be distributed under title III.

The program is just going into operation. Perhaps we could give some representative kind of estimate.

(The information follows:)

REPORT ON THE STATUS OF TITLE III OF P.L. 89-329 (STRENGTHENING DEVELOPING INSTITUTIONS)

As of April 15, 1966 (the deadline for accepting applications), 309 institutions of higher education had submitted proposals for participating in the program. Included among the proposals were 283 cooperative arrangement proposals involving 700 institutions and requests for 1.003 National Teaching Fellowships. Public Community Colleges submitted 66 proposals. The total request for funds was far in excess of the $55 million authorization for fiscal year 1966. Institutions in 46 States, Guam, and Puerto Rico submitted applications.

On May 13 and 14, the proposals will be evaluated, the eligibility of applicants will be determined, and the consistency of the proposals with the regulations promulgated by the Office of Education will be ascertained.

EFFECT OF REDUCTION IN LAND-GRANT COLLEGE ASSISTANCE

The annual appropriation of $11,950,000 under the Bankhead-Jones Act, in conjunction with the permanent appropriation of $2,550,000 authorized by the Second Morrill Act, is used by the 68 land-grant colleges and universities to support instruction in "agriculture, the mechanic arts, the English language and the various branches of mathematical, physical, natural, and economic science, with special reference to their applications in the industries of life and to the facilities for such instruction." About 94 percent of the funds each year are used for salaries of instructors, and the remaining 6 percent supports instructional facilities.

Termination of the annual appropriation is proposed in 1967. While these funds will not be replaced on a dollar-for-dollar basis by specific authorizations, requested expansion of programs under other laws, such as the Higher Education Act of 1965 and the Higher Education Facilities Act of 1963, will more than compensate this decrease.

The Higher Education Act will provide $20 million in 1967, a 100 percent increase over 1966, for community service and continuing education programs in higher education institutions to assist in the solution of community problems. An amount of $25 million would be available for basic, supplementary, and special purpose grants for college library assistance in 1967, in addition to a supplemental request of $10 million for basic grants in 1966. Also proposed, for training of persons in the information sciences, are $1 million for 1966 and $3.75 million for 1967. Developing institutions would receive $30 million for grants to strengthen their faculties and curricula and for national teaching fellowships, an increase of $25 million over the current year. For the improvement of undergraduate instruction, $14.5 million will be used for acquisition of equipment and minor remodeling, and institutes for training of persons in the use of educational media will be initiated in 1967 at a cost of $2.5 million. Teaching fellowships totalling $37.5 million, and $5 million in grants for strengthening teacher education programs represent a 113 percent increase over 1966. The National Teacher Corps will also be a prime instrument for strengthening teacher preparation programs in colleges and universities.

The National Defense Education Act would also provide expanded support to higher education institutions in the areas of graduate programs, advanced training in modern foreign language and area studies, and institutes in certain critical areas. Moreover, increased appropriations under Educational Improvement for the Handicapped and the various research programs will make an impact on higher educational assistance.

In the area of facilities, construction grants under Higher Education Facilities Construction are proposed to continue at the 1966 level, but a $200 million construction loan authorization is requested, an increase of 82 percent over the 1966 appropriation of $110 million, and legislation will be proposed to make available an additional $100 million through the formation of a participation pool.

Although none of these programs earmarks funds for a specific institution, the land-grant colleges should be able to participate in 1967 at least at a level commensurate with that realized from the two land-grant appropriations in 1966. In addition, other public and private institutions will benefit from these programs. What appears to be a loss to the land-grant colleges is actually a gain for all of higher education.

Question. Your budget proposes elimination of the $12 million program of further endowment for the land-grant colleges. Can you give us your reasons for eliminating this traditional source of assistance to these institutions?

Answer. With enactment of the Higher Education Facilities Act of 1963 and the Higher Education Act of 1965, substantial financial assistance is now available to all institutions of higher education in our Nation.

I have before me a complete listing of grants and loans made to the land-grant colleges and universities under the Higher Education Facilities Act in Fiscal Year 1965. A total of about $34 million was granted under Title I (assistance for undergraduate grants) and $14 million under Title II (graduate grants). Loans in the amount of $8 million were made under Title III. These institutions will undoubtedly continue to receive substantial assistance in the current fiscal year.

Under the Higher Education Act of 1965, these same schools are also eligible for assistance under Title II (college library assistance) and under Title VI, for

certain types of equipment. These land-grant colleges in need of financial help to raise their academic quality, may make application for assistance under Title III (aid to developing institutes) of this new Act.

Land-grant colleges participating in the Higher Education Facilities Act of 1968, fiscal year 1965

Institution	Type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
Alabama:					
Auburn University	Modern foreign language	$173,057			$3,668,362
Alaska:					
University of Alaska	Foreign language lab	17,396			61,165
Do	Science	116,651			3,555,604
Arizona:					
University of Arizona	Multidiscipline	800,761			2,726,248
Connecticut:					
University of Connecticut	Academic building	520,836			2,033,427
Do	Social Sciences		$375,000		1,125,000
Do	Physics	340,521			3,444,853
Delaware:					
University of Delaware	Science	136,214			408,641
Do	Science, Metallurgy	281,347			2,210,451
Florida:					
University of Florida	Library	582,131			2,238,965
Do	International Studies		400,000		1,200,000
Do	Engineering		357,145		4,824,116
Do	do		314,940		1,518,484
Do	do		458,227		1,374,682
Georgia:					
University of Georgia	Math	998,993			2,996,980
Do	Graduate studies		740,903		5,561,944
Hawaii:					
University of Hawaii	Modern language	649,095			1,997,000
Do	Library		1,088,000		3,451,000
Maui Community College	Academic building	238,400			598,000
Illinois:					
University of Illinois	Library	1,000,000			3,666,725
Do	do	1,000,000			4,990,000
Indiana:					
Purdue University	Math, science	427,235			1,281,704
Do	New campus buildings	1,120,000			2,800,000
Do	Engineering	251,100			753,300
Kansas:					
Kansas State University	Chemistry	422,240			1,226,720
Do	Engineering	103,192			309,575
Do	Biological sciences	482,632			1,900,389
Kentucky:					
University of Kentucky	Academic	508,755			2,675,621
Louisiana:					
Louisiana State University.	Science classroom	347,179			1,150,241
Do	do	765,374			1,913,435
Maine:					
University of Maine	Modern language and science.	175,000			1,175,000
Maryland:					
University of Maryland	Chemistry, math	1,000,000			3,552,300
Do	Animal science		441,000		1,674,686
Massachusetts:					
University of Massachusetts.	Academic	402,711			4,115,203
Do	Physical science		2,404,653		11,722,032
Michigan:					
Michigan State University	Forestry conservation	750,000			3,663,225
Minnesota:					
University of Minnesota	Library	1,000,000	2,066,666		5,046,885
Do	do	466,329			1,398,988
Do	Science	315,333			946,000
Mississippi:					
Mississippi State University.	Engineering	125,000			375,000
Do	Library, classroom	287,500			862,500
Do	Science, classroom	212,500			637,500
Do	Science	12,500			37,500
Missouri:					
University of Missouri	do		306,506		2,130,000
Do	Library, ceramic	750,000			2,250,000
Do	Ceramics and metallurgical engineering.		342,000		1,092,000
Nevada:					
University of Nevada	Social science		116,011		1,665,404

Land-grant colleges participating in the Higher Education Facilities Act of 1968, fiscal year 1965—Continued

Institution	Type of facility	Title I grant amount	Title II grant amount	Title III loan amount	Approximate total development cost
New Hampshire:					
University of New Hampshire.	Chemistry	$491,948			$1,533,897
Do	Physics	111,392			483,300
New Jersey:					
Rutgers University	Library		$367,916	$1,103,750	1,103,750
New Mexico:					
New Mexico State University.	do	160,378			1,061,247
North Carolina:					
Agricultural & Technical College of North Carolina.	Science	266,630			1,151,630
North Dakota:					
North Dakota State University of Agriculture & Applied Science.	Lecture hall	32,410			340,311
Ohio:					
Ohio State University	Engineering	619,074			2,100,900
Do	Chemistry		427,933		1,310,000
Oklahoma:					
Oklahoma State University.	Laboratories and library	275,000			900,000
Do	Business, education		357,885		1,582,000
Do	Laboratories	99,050			297,150
Do	Laboratories and research.	80,894			2,281,315
Do	Library, air-conditioning.	27,251			310,969
Oregon:					
Oregon State University	Multidiscipline	214,970			836,886
Pennsylvania:					
Pennsylvania State University.	Social sciences		1,212,499		3,688,583
Do	Library	669,910			2,430,192
Do	Library and study	257,096			1,043,178
Do	Laboratories and library	473,967			1,184,917
Do	Classrooms	225,100			765,100
Do	Laboratories and classrooms.	168,460			420,150
Do	Laboratories and study	275,947			704,668
Do	Academic	211,685			1,480,565
Rhode Island:					
University of Rhode Island.	Library		125,000		375,000
South Carolina:					
Clemson University	do		509,170		3,115,023
Tennessee:					
University of Tennessee	Library	403,234		730,000	1,516,168
Do	Science			2,602,000	3,469,607
Texas:					
Texas A & M University	Biological sciences		394,579		2,437,705
West Virginia:					
Potomac State College of West Virginia University.	Classrooms	533,332			1,333,330
Wisconsin:					
University of Wisconsin	Academic	610,677			1,865,954
Do	Classrooms	219,330			1,604,561
Do	do	1,014,820	363,000		9,850,000
Do	Library	475,766			3,857,563
Do	Statistics, computer		68,500		1,521,440
Do	History		331,660		9,851,300
Do	Chemistry		269,016		6,760,000
Wyoming:					
University of Wyoming	Multidiscipline	342,632			4,891,000
Do	Biological sciences		413,000		3,307,000
Puerto Rico:					
University of Puerto Rico	Academic	616,857		929,000	2,061,323
Do	Library	1,058,000		1,346,000	3,206,000
Do	Multidiscipline	386,687		1,749,000	3,210,000
Do	Classrooms			901,000	1,202,000
Total		34,302,479	14,251,209	8,257,000	196,469,637

Approved projects for land-grant institutions

	Fiscal year 1965	Approved projects as of Jan. 31, 1966
ALABAMA		
Alabama Agricultural & Mechanical College	$284,960	$346,715
College work-study program	69,261	10,447
NDEA Title II: Student Loans	91,422	241,091
Educational improvement for the handicapped training grants	29,100	
Colleges of agriculture and the mechanic arts	17,140	17,140
Further endowment of colleges of A. & M. arts	78,037	78,037
Auburn University	1,061,516	1,085,395
College work-study program	14,194	19,899
HEFC Title I: Undergraduate Grants	173,057	
HEFC Title II: Graduate Grants		231,520
NDEA Title II: Student Loans	146,765	198,818
NDEW Title IV: Graduate Fellowships	175,800	263,125
NDEA Title V–B: Institutes for Counseling Personnel		56,106
NDEA Title XI: Institute	36,934	30,806
Educational improvement for the handicapped research	47,900	
Equal educational opportunities institutes	276,846	
Colleges of agriculture and the mechanic arts	32,860	32,860
Further endowment of colleges of A. & M. arts	149,610	149,610
Educational television facilities		96,351
Cuban student loans	7,550	6,300
ALASKA		
University of Alaska	630,842	488,28
College work-study program	77,094	40,573
HEFC Title I: Undergraduate Grants	134,074	
NDEA Title II: Student Loans	86	42,173
NDEA Title IV: Graduate Fellowships	31,600	22,800
NDEA Title V–B: Institutes for Counseling Personnel		65,260
NDEA Title XI: Institutes	164,386	92,856
Research and training	17,754	19,246
College of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	155,375	155,375
Cuban student loans	500	
ARIZONA		
University of Arizona	2,448,840	1,692,520
College Work Study Program	232,790	131,154
HEFC Title I: Undergraduate Grants	800,761	
NDEA Title II: Student Loans	308,754	378,987
NDEA Title IV: Graduate Fellowships	362,500	665,425
NDEA Title V–B: Institutes for Counseling Personnel	52,133	57,016
NDEA Title VI: Language Centers	40,000	
NDEA Title VI: Language Fellowships	17,095	
NDEA Title XI: Institutes	153,103	228,987
Educational improvement for the handicapped training grants	172,400	
Research and training	78,353	
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. &M. arts	180,951	180,951
ARKANSAS		
Arkansas Agricultural, Mechanical & Normal College	519,239	499,855
College work-study program	133,320	74,115
NDEA Title II: Student Loans	319,801	359,622
Colleges of agriculture and the mechanic arts	13,635	13,635
Further endowment of colleges of A. & M. arts	52,483	52,483
University of Arkansas	543,411	2,828,315
College work-study program	33,845	
HEFC Title I: Undergraduate Grants		1,000,000
HEFC Title III: Loans		1,100,000
Vocational education research	7,218	
NDEA Title II: Student Loans	160,687	301,593
NDEA Title IV: Graduate Fellowships	88,700	115,975
NDEA Title XI: Institutes	30,721	134,407
Educational improvement for the handicapped training grants	45,900	
Colleges of agriculture and the mechanic arts	36,365	36,365
Further endowment of colleges of A. & M. arts	139,975	139,795

Approved projects for land-grant institutions—Continued

	Fiscal year 1965	Approved projects as of Jan. 31, 1966
CALIFORNIA		
University of California (Berkeley)	$3,737,700	$6,446,466
College work-study program	874,772	398,084
Vocational education research	7,476	107,108
NDEA Title II: Student Loans	856,741	1,549,200
NDEA Title IV: Graduate Fellowships	319,300	2,715,390
NDEA Title VI: Language Centers	175,973	
NDEA Title VI: Language Fellowships	258,535	
NDEA Title VI: Language Research	130,504	
NDEA Title XI: Institutes	122,221	267,920
Research and training	313,670	830,649
Equal educational opportunities institutes	99,428	
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	523,580	523,580
Cuban student loans	5,500	4,535
COLORADO		
Colorado State University	1,015,981	907,453
College work-study program	100,318	74,628
Vocational education research	215,539	
NDEA Title II: Student Loans	269,111	298,694
NDEA Title IV: Graduate Fellowships	91,000	208,100
NDEA Title VII: Educational Media Research	9,976	
NDEA Title XI: Institutes		76,842
Educ. imp. for the handicapped research	88,348	
Research and training		7,500
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	191,689	191,689
CONNECTICUT		
University of Connecticut	2,699,209	1,441,159
College work-study program	487,851	165,301
HEFC Title I: Undergraduate grants	861,357	
HEFC Title II: Graduate grants	375,000	
NDEA Title II: Student loans	388,337	561,450
NDEA Title IV: Graduate fellowships	160,500	276,025
NDEA Title XI: Institutes	48,335	55,298
Educ. imp. for the handicapped training grants	45,200	
Educ. imp. for the handicapped research	21,409	23,959
Research and training	50,960	98,866
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	210,260	210,260
DELAWARE		
Delaware State College	188,587	141,651
College work-study program	86,611	42,491
NDEA Title II: Student loans	59,854	57,038
Colleges of agriculture and the mechanic arts	10,000	10,000
Further endowment of colleges of A. & M. arts	32,122	32,122
University of Delaware	1,000,688	894,659
College work-study program	33,816	19,495
HEFC Title I: Undergraduate grants	417,561	
HEFC Title II: Graduate grants		370,701
NDEA Title II: Student loans	87,807	103,494
NDEA Title IV: Graduate fellowships	135,600	129,300
NDEA Title XI: Institutes	44,657	40,683
Research and training	69,421	59,000
Equal educational opportunities institutes	42,090	
Colleges of agriculture and the mechanic arts	40,000	40,000
Further endowment of colleges of A. & M. arts	128,486	128,486
Cuban student loans	1,250	3,500
FLORIDA		
Florida Agricultural & Mechanical University	227,928	184,179
College work-study program	38,347	17,423
NDEA Title II: Student Loans	90,302	67,477
Colleges of agriculture and the mechanic arts	15,625	15,625
Further endowment of colleges of A. & M. arts	83,654	83,654

Approved projects for land-grant institutions—Continued

	Fiscal year 1965	Approved projects as of Jan. 31, 1966
FLORIDA—continued		
University of Florida	$4,557,820	$2,858,697
College work-study program	136,789	142,545
HEFC Title I: Undergraduate Grants	582,131	----------
HEFC Title II: Graduate Grants	1,530,312	----------
Vocational education research	9,806	----------
NDEA Title II: Student Loans	551,775	718,981
NDEA Title IV: Graduate Fellowships	306,400	719,775
NDEA Title V–B: Institutes for Counseling Personnel	114,690	249,028
NDEA Title VI: Language Centers	79,902	----------
NDEA Title VI: Language Fellowships	105,580	----------
NDEA Title XI: Institutes	227,175	188,787
Educational improvements for the handicapped training grants	53,400	----------
Research and training	102,785	182,438
Equal educational opportunities institutes	273,800	161,500
Colleges of agriculture and the mechanic arts	34,375	34,375
Further endowment of colleges of A. & M. arts	184,039	184,039
Cuban student loans	264,861	277,229
GEORGIA		
Fort Valley State College	246,510	204,033
College work-study program	106,233	50,101
NDEA Title II: Student Loans	49,546	63,201
Colleges of agriculture and the mechanic arts	15,445	15,445
Further endowment of colleges of A. & M. arts	75,286	75,286
University of Georgia	3,456,536	2,408,108
College work-study program	50,332	----------
HEFC Title I: Undergraduate Grants	998,993	----------
HEFC Title II: Graduate Grants	740,903	----------
Vocational education research	9,032	7,340
NDEA Title II: Student Loans	290,165	364,999
NDEA Title IV: Graduate Fellowships	414,900	590,325
NDEA Title V–B: Institutes for Counseling Personnel	139,692	327,755
NDEA Title VII: Educational Media Research	3,231	----------
NDEA Title XI: Institutes	299,107	197,806
Educ. imp. for the handicapped training grants	85,125	----------
Educ. imp. for the handicapped research	77,990	56,340
Research and training	140,814	657,554
Colleges of agriculture and the mechanic arts	34,555	34,555
Further endowment of colleges of A. & M. arts	168,437	168,437
Cuban student loans	3,260	2,997
HAWAII		
University of Hawaii	3,116,505	1,622,816
College work-study program	261,751	190,800
HEFC Title I: Undergraduate Grants	649,095	----------
HEFC Title II: Graduate Grants	1,088,000	----------
NDEA Title II: Student Loans	171,952	183,424
NDEA Title IV: Graduate Fellowships	310,500	422,450
NDEA Title V–B: Institutes for Counseling Personnel	----------	39,633
NDEA Title VI: Language Centers	69,999	----------
NDEA Title VI: Language Fellowships	32,887	----------
NDEA Title VI: Language Research	34,741	9,375
NDEA Title XI: Institutes	230,880	529,344
Educ. imp. for the handicapped training grants	51,060	----------
Research and training	----------	32,750
Foreign language training and area studies	600	----------
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	165,040	165,040
IDAHO		
University of Idaho	808,994	1,259,281
College work-study program	97,831	2,872
HEFC Title I: Undergraduate Grants	----------	657,000
Vocational education research	97,638	6,116
NDEA Title II: Student Loans	151,999	161,877
NDEA Title IV: Graduate Fellowships	59,100	78,550
NDEA Title XI: Institutes	76,269	137,008
Educ. imp. for the handicapped training grants	14,000	----------
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	165,858	165,858
Educational television facilities	96,299	----------

Approved projects for land-grant institutions—Continued

	Fiscal year 1965	Approved projects as of Jan. 31, 1966
ILLINOIS		
University of Illinois	$4,677,572	$2,890,411
College work-study program	130,700	86,441
HEFC Title I: Undergraduate Grants	1,000,000	
Vocational education research	277,400	
NDEA Title II: Student Loans	508,379	643,500
NDEA Title IV: Graduate Fellowships	495,900	1,015,275
NDEA Title V-B: Institutes for Counseling Personnel	109,130	309,315
NDEA Title VI: Language Centers	127,103	7,663
NDEA Title VI: Language Fellowships	53,186	
NDEA Title VI: Language Research	67,694	
NDEA Title VII: Educational Media Research	82,079	
NDEA Title XI: Institutes	279,124	351,736
Educ. imp. for the handicapped training grants	242,000	
Research and training	533,974	14,763
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	389,618	389,618
Educational television facilities	300,000	
Cuban student loans	22,295	22,100
INDIANA		
Purdue University	2,806,174	2,832,151
College work-study program	93,811	25,830
HEFC Title I: Undergraduate Grants	678,335	
NDEA Title II: Student Loans	595,713	760,000
NDEA Title IV: Graduate Fellowships	424,100	985,675
NDEA Title V-B: Institutes for Counseling Personnel	177,772	337,060
NDEA Title VII: Educational Media Research		43,000
NDEA Title XI: Institutes	271,883	312,288
Educ. imp. for the handicapped training grants	28,000	
Research and training	166,654	55,476
Equal educational opportunities institutes	55,384	
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	260,822	260,822
Cuban student loans	3,700	2,000
IOWA		
Iowa State University of Science & Technology	1,175,606	1,249,542
College work-study program	45,732	7,833
Vocational education research	219,509	37,600
NDEA Title II: Student Loans	452,273	599,140
NDEA Title IV: Graduate Fellowships	140,900	339,175
NDEA Title XI: Institutes	49,148	
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	215,544	215,544
Cuban student loans	2,500	250
KANSAS		
Kansas State University of Agriculture & Applied Science	2,187,060	1,097,043
College work-study program	35,154	16,260
HEMC Title I Undergraduate Grants	1,008,064	
Vocational education research	75,660	
NDEA Title II: Student Loans	524,758	607,175
NDEA Title IV: Graduate Fellowships	171,000	221,825
NDEA Title XI: Institutes	120,641	
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	201,783	201,783
KENTUCKY		
Kentucky State College	184,519	244,123
College work-study program	40,439	23,626
NDEA Title II: Student Loans	104,609	181,026
Colleges of agriculture and the mechanic arts	7,250	7,250
Further endowment of colleges of A. & M. arts	32,221	32,221

Approved projects for land-grant institutions—Continued

	Fiscal year 1965	Approved projects as of Jan. 31, 1966
KENTUCKY—continued		
University of Kentucky	$2,206,870	$1,833,193
College work-study program	249,346	84,563
HEMC Title I: Undergraduate Grants	508,755	292,688
Vocational education research	100,129	42,755
NDEA Title II: Student Loans	341,185	450,800
NDEA Title IV: Graduate Fellowships	170,200	298,575
NDEA Title V–B: Institutes for Counseling Personnel	84,321	213,165
NDEA Title XI: Institutes	304,544	191,243
Educational improvement for the handicapped training grants	30,000	----------
Research and training	111,857	----------
Equal educational opportunities institutes	71,790	24,161
Colleges of agriculture and the mechanic arts	42,750	42,750
Further endowment of colleges of A. & M. arts	189,993	189,993
Cuban student loans	2,000	2,500
LOUISIANA		
Louisiana State University and A. & M. College	1,453,933	1,069,100
College work-study program	54,148	54,147
HEFC Title I: Undergraduate Grants	347,179	----------
Vocational education research	52,915	----------
NDEA Title II: Student Loans	306,089	417,686
NDEA Title IV: Graduate Fellowships	193,000	274,700
NDEA Title VI: Language Centers	20,000	----------
NDEA Title XI: Institutes	96,986	----------
Educational improvement for the handicapped training grants	37,400	----------
Equal educational opportunities institutes	----------	17,420
Colleges of agriculture and the mechanic arts	33,070	33,070
Further endowment of colleges of A. & M. arts	150,413	150,413
Cuban student loans	162,733	121,664
Southern University and A. & M. College	437,115	488,052
College work-study program	152,174	118,463
NDEA Title II: Student Loans	191,008	275,656
Colleges of agriculture and the mechanic arts	16,930	16,930
Further endowment of colleges of A. & M. arts	77,003	77,003
MAINE		
University of Maine	1,169,042	943,850
College work-study program	169,486	10,610
HEFC Title I: Undergraduate Grants	175,000	----------
NDEA Title II: Student Loans	297,507	416,700
NDEA Title IV: Graduate Fellowships	79,600	64,325
NDEA Title V–B: Institutes for Counseling Personnel	20,966	42,966
NDEA Title XI: Institutes	199,575	183,121
Research and training	3,870	3,090
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	173,038	173,038
MARYLAND		
University of Maryland	2,693,089	1,124,741
College work-study program	81,945	----------
HEFC Tital I: Undergraduate Grants	1,000,000	----------
HEFC Title II: Graduate Grants	441,000	----------
Vocational education research	----------	48,572
NDEA Title II: Student Loans	399,346	429,564
NDEA Title IV: Graduate Fellowships	207,300	269,900
NDEA Title V–B: Institutes for Counseling Personnel	23,670	48,478
NDEA Title XI: Institutes	125,367	59,580
Educational improvement for the handicapped training grants	84,000	----------
Educational improvement for the handicapped research	25,793	----------
Research and training	----------	16,166
Equal educational opportunities institutes	32,800	----------
Equal educational opportunities contracts	22,397	----------
Colleges of agriculture and the mechanic arts	44,000	44,000
Further endo ment of colleges of A. & M. arts	196,856	196,856
Cuban student loans	8,615	11,625
Maryland State College, University of Maryland	137,021	102,549
College work-study program	49,829	23,427
NDEA Title II: Student Loans	54,348	46,278
Colleges of agriculture and the mechanic arts	6,000	6,000
Further endowment of colleges of A. & M. arts	26,844	26,844

Approved projects for land-grant institutions—Continued

	Fiscal year 1965	Approved projects as of Jan. 31, 1966
MASSACHUSETTS		
Massachusetts Institute of Technology	$2,543,993	$1,348,537
HEFC Title II: Graduate Grants	1,335,333	
Vocational education research	151,719	
NDEA Title II: Student Loans	686,200	850,000
NDEA Title IV: Graduate Fellowships	267,500	411,325
NDEA Title VI: Language Fellowships	8,553	
Research and training	66,265	65,065
Colleges of agriculture and the mechanic arts	3,435	3,435
Further endowment of colleges of A. & M. arts	18,712	18,712
Cuban student loans	6,276	
University of Massachusetts	4,060,213	1,452,382
College work-study program	38,727	14,754
HEFC Title I: Undergraduate Grants	402,711	
HEFC Title II: Graduate Grants	2,404,653	
NDEA Title II: Student Loans	384,293	407,037
NDEA Title IV: Graduate Fellowships	345,100	557,425
NDEA Title VII: Educational Media Research	29,176	
NDEA Title XI: Institutes	112,668	149,410
Educational improvement for the handicapped training grants	22,800	
Research and training	19,856	23,527
Colleges of agriculture and the mechanic arts	46,565	46,565
Further endowment of colleges of A. & M. arts	253,664	253,664
MICHIGAN		
Michigan State University	4,017,749	3,782,312
College work-study program	107,662	51,763
HEFC Title I: Undergraduate Grants	750,000	
HEFC Title II: Graduate Grants		1,000,000
Vocational education research	50,000	35,485
NDEA Title II: Student Loans	906,576	1,130,917
NDEA Title IV: Graduate Fellowships	484,100	716,100
NDEA Title V-B: Institutes for Counseling Personnel	115,021	
NDEA Title VI: Language Centers	113,665	41,480
NDEA Title VI: Language Fellowships	51,349	
NDEA Title VII: Educational Media Research	378,019	147,393
NDEA Title XI: Institutes	258,279	
Educational improvement for the handicapped training grants	174,900	
Educational improvement for the handicapped research	57,558	82,769
Research and training	179,062	184,086
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	335,949	335,949
Cuban student loans	5,609	6,370
MINNESOTA		
University of Minnesota	6,224,649	3,173,097
College work-study program	599,383	5,140
HEFC Title I: Undergraduate Grants	1,000,000	
HEFC Title II: Graduate Grants	2,066,666	300,000
Vocational education research	113,205	
NDEA Title II: Student Loans	978,008	1,373,673
NDEA Title IV: Graduate Fellowships	505,300	962,575
NDEA Title V-B: Institutes for Counseling Personnel	30,665	
NDEA Title VI: Language Centers	30,066	25,000
NDEA Title VI: Language Fellowships	2,543	
NDEA Title VII: Educational Media Research	35,116	
NDEA Title XI: Institutes		225,565
Educational improvement for the handicapped training grants	268,950	
Research and training	313,603	
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	231,144	231,144
MISSISSIPPI		
Alcorn Agricultural & Mechanical College	542,629	491,007
College work-study program	122,103	62,490
NDEA Title II: Student Loans	294,892	302,883
Colleges of agriculture and the mechanic arts	24,950	24,950
Further endowment of colleges of A. & M. arts	100,684	100,684

Approved projects for land-grant institutions—Continued

	Fiscal year 1965	Approved projects as of Jan. 31, 1966
MISSISSIPPI—continued		
Mississippi State University	$1,632,471	$972,274
College work-study program	397,949	167,710
HEFC Title I: Undergraduate Grants	637,500	
NDEA Title II: Student Loans	382,835	561,873
NDEA Title IV: Graduate Fellowships	38,100	73,550
NDEA Title XI: Institutes	36,949	43,003
Educational improvement for the handicapped training grants	13,000	
Colleges of agriculture and the mechanic arts	25,050	25,050
Further endowment of colleges of A. & M. arts	101,088	101,088
MISSOURI		
Lincoln University	151,003	127,963
College work-study program	64,846	37,249
NDEA Title II: Student Loans	67,209	71,766
Colleges of agriculture and the mechanic arts	3,130	3,130
Further endowment of colleges of A. & M. arts	15,818	15,818
University of Missouri	3,851,600	2,097,307
College work-study program	483,906	52,567
HEFC Title I: Undergraduate Grants	1,161,995	
HEFC Title II: Graduate Grants	648,506	
Vocational education research	98,324	
NDEA Title II: Student Loans	618,045	749,616
NDEA Title IV: Graduate Fellowships	594,200	867,900
NDEA Title VII: Educational Media Research	39,249	
NDEA Title XI: Institutes		103,464
Research and training	12,396	
Equal educational opportunities institutes		34,356
Colleges of agriculture and the mechanic arts	46,870	46,870
Further endowment of colleges of A. & M. arts	236,859	236,859
Cuban student loans	1,250	5,675
MONTANA		
Montana State College	726,584	528,770
College work-study program	219,364	1,860
NDEA Title II: Student Loans	167,975	183,672
NDEA Title IV: Graduate Fellowships	114,200	127,200
Research and training	7,597	
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	166,038	166,038
Cuban student loans	1,500	
NEBRASKA		
University of Nebraska	1,866,301	1,312,260
College work-study program	602,819	166,481
Vocational education research	176,679	60,695
NDEA Title II: Student Loans	216,110	294,431
NDEA Title IV: Graduate Fellowships	184,300	347,355
NDEA Title VI: Language Fellowships	2,961	
NDEA Title VII: Educational Media Research	114,717	35,378
NDEA Title XI: Institutes	195,262	87,506
Educational improvement for the handicapped training grants	57,200	
Research and training	76,102	73,048
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	183,546	183,546
Cuban student loans	6,605	13,820
NEVADA		
University of Nevada	793,389	1,120,393
College work-study program	105,672	56,022
HEFC Title I: Undergraduate Grants		529,500
HEFC Title II: Graduate Grants	116,011	
NDEA Title II: Student Loans	100,459	136,249
NDEA Title IV: Graduate Fellowships	78,800	119,700
NDEA Title XI: Institutes	131,454	71,141
Educational improvement for the handicapped training grants	15,000	
Research and training	39,212	
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	156,781	156,781
Cuban student loans		1,000

Approved projects for land-grant institutions—Continued

	Fiscal year 1965	Approved projects as of Jan. 31, 1966
NEW HAMPSHIRE		
University of New Hampshire	$1,261,893	$759,477
College work-study program	77,345	25,050
HEFC Title I: Undergraduate Grants	603,340	
NDEA Title II: Student Loans	149,180	258,012
NDEA Title IV: Graduate Fellowships	104,000	56,625
NDEA Title V–B: Institutes for Counseling Personnel		44,359
NDEA Title XI: Institutes	113,602	150,583
Research and training		10,422
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	164,426	164,426
NEW JERSEY		
Rutgers, the State University	1,917,893	2,251,093
College work-study program	236,485	86,105
HEFC Title II: Graduate grants	367,916	730,126
Vocational education research	70,205	57,149
NDEA Title II: Student Loans	323,285	413,128
NDEA Title IV: Graduate Fellowships	237,800	340,050
NDEA Title V–B: Institutes for Counseling Personnel	20,890	
NDEA Title VI: Language Fellowships	6,038	
NDEA Title XI: Institutes	278,605	244,813
Research and training	32,468	33,021
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	294,201	294,201
Cuban student loans		2,500
NEW MEXICO		
New Mexico State University	659,130	520,220
College work-study program	61,140	38,249
HEFC Title I: Undergraduate Grants	160.378	
NDEA Title II: Student Loans	126,324	141,635
NDEA Title IV: Graduate Fellowships	17,900	50,650
Educational improvement for the handicapped training grants	13,500	
Research and training	55,283	66,081
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	172,605	172,605
Cuban student loans	2,000	1,000
NEW YORK		
Cornell University	1,967,724	2,330,341
College work-study program	24,926	15,514
Vocational education research		180,506
NDEA Title II: Student Loans	455,066	452,488
NDEA Title IV: Graduate Fellowships	365,800	749,025
NDEA Title VI: Language Centers	238,879	23,500
NDEA Title VI: Language Fellowships	120,262	
NDEA Title VI: Language Research	72,603	
NDEA Title VII: Educational Media Research	8,065	
Research and training	80,326	306,771
College of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	548,897	548,897
Cuban student loans	2,900	3,640
NORTH CAROLINA		
Agricultural & Technical College of North Carolina	791,502	545,121
College work-study program	97,877	58,264
HEFC Title I: Undergraduate Grants	266,630	175,870
NDEA Title II: Student Loans	240,068	209,250
NDEA Title XI: Institutes	85,190	
Colleges of agriculture and the mechanic arts	16,500	16,500
Further endowment of colleges of A. & M. arts	85,237	85,237
North Carolina State College of the University of North Carolina	853,023	976,562
College work-study program	119,529	21,308
NDEA Title II: Student Loans	320,279	400,747
NDEA Title IV: Graduate Fellowships	170,400	343,100
Educ. imp. for the handicapped research	27,258	
Colleges of agriculture and the mechanic arts	33,500	33,500
Further endowment of colleges of A. & M. arts	173,057	173,057
Cuban student loans	9,000	4,850

Approved projects for land-grant institutions—Continued

	Fiscal year 1965	Approved projects as of Jan. 31 1966
NORTH DAKOTA		
North Dakota State University	$745,074	$816,068
College work-study program	69,059	62,807
HEFC Title I: Undergraduate Grants	32,410	
NDEA Title II: Student Loans	288,372	373,128
NDEA Title IV: Graduate Fellowships	137,800	165,100
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	165,033	165,033
Cuban student loans	2,400	
OHIO		
Ohio State University	4,315,664	3,276,806
College work-study program	125,837	121,579
HEFC Title I: Undergraduate Grants	619,074	609,750
HEFC Title II: Graduate Grants	427,933	24,971
Vocational education research	864,287	
NDEA Title II: Student Loans	493,444	760,500
NDEA Title IV: Graduate Fellowships	373,500	645,725
NDEA Title V–B: Institutes for Counseling Personnel	30,966	62,022
NDEA Title VI: Language Centers	51,499	
NDEA Title VI: Language Fellowships	27,124	
NDEA Title VII: Educational Media Research	42,879	70,714
NDEA Title XI: Institutes	281,150	217,311
Educational improvement for the handicapped training grants	127,500	
Research and training	418,911	332,024
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	380,710	380,710
Cuban student loans	850	1,500
OKLAHOMA		
Langston University	257,237	207,325
College work-study program	102,559	65,871
NDEA Title II: Student Loans	91,184	115,920
Equal educational opportunities institutes	37,960	
Colleges of agriculture and the mechanic arts	5,000	5,000
Further endowment of colleges of A. & M. arts	20,534	20,534
Oklahoma State University of Agriculture and Applied Science	1,941,213	2,718,479
College work-study program	147,572	
HEFC Title I: Undergraduate Grants	482,195	
Vocational education research	165,658	55,428
NDEA Title II: Student Loans	440,231	526,124
NDEA Title IV: Graduate Fellowships	199,900	1,844,825
NDEA Title V–B: Institutes for Counseling Personnel	51,330	49,098
NDEA Title XI: Institutes	202,220	
Research and training	21,302	12,197
Colleges of agriculture and the mechanic arts	45,000	45,000
Further endowment of colleges of A. & M. arts	184,807	184,807
Cuban student loans	998	1,000
OREGON		
Oregon State University	1,623,964	1,076,225
College work-study program	376,508	
HEFC Title I: Undergraduate Grants	214,970	
Vocational education research	102,531	56,537
NDEA Title II: Student Loans	397,956	448,043
NDEA Title IV: Graduate Fellowships	134,800	269,575
NDEA Title XI: Institutes	155,159	
Research and training		60,030
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	192,040	192,040
PENNSYLVANIA		
Pennsylvania State University	5,989,905	2,506,125
College work-study program	43,324	71,343
HEFC Title I: Undergraduate Grants	2,282,165	
HEFC Title II: Graduate Grants	1,212,499	
Vocational education research	567,086	82,352
NDEA Title II: Student Loans	521,709	759,857
NDEA Title IV: Graduate Fellowships	266,000	746,500
NDEA Title VI: Language Centers	25,000	
NDEA Title VI: Language Fellowships	2,805	
NDEA Title VII: Educational Media Research	119,984	
NDEA Title XI: Institutes	181,426	98,131

Approved projects for land-grant institutions—Continued

	Fiscal year 1965	Approved projects as of Jan. 31, 1966
PENNSYLVANIA—continued		
Pennsylvania State University—Continued		
Educational improvement for the handicapped training grants	$116,000	
Educational improvement for the handicapped research	8,002	$32,006
Research and training	174,856	245,887
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	419,049	419,049
Cuban student loans		1,000
PUERTO RICO		
University of Puerto Rico	8,479,875	1,421,654
College work-study program	330,615	150,660
HEFC Title I: Undergraduate Grants	2,061,544	
HEFC Title II: Graduate Grants		400,600
HEFC Title III: Loans	4,925,000	
NDEA Title II: Student Loans	361,680	337,278
NDEA Title XI: Institutes	312,653	137,945
Educational improvement for the handicapped training grants	28,800	
Research and training	92,737	
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	205,846	205,846
Cuban student loans	111,000	139,325
RHODE ISLAND		
University of Rhode Island	877,273	679,973
College work-study program	6,743	3,278
HEFC Title II: Graduate Grants	125,000	
NDEA Title II: Student Loans	316,844	291,066
NDEA Title IV: Graduate Fellowships	121,500	165,200
NDEA Title V–B: Institutes for Counseling Personnel	14,451	
NDEA Title XI: Institutes	70,806	
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	170,429	170,429
Cuban student loans	1,500	
SOUTH CAROLINA		
Clemson University	842,308	608,294
HEFC Title II: Graduate Grants	509,170	198,835
NDEA Title II: Student Loans	39,227	78,893
NDEA Title IV: Graduate Fellowships	142,900	202,250
NDEA Title XI: Institutes	22,695	
Colleges of agriculture and the mechanic arts	25,000	25,000
Further endowment of colleges of A. & M. arts	103,316	103,316
South Carolina State College	253,380	338,466
College work-study program	10,279	10,279
NDEA Title II: Student Loans	35,807	43,164
NDEA Title V–B: Institutes for Counseling Personnel	40,078	47,096
NDEA Title XI: Institutes	33,650	109,611
Educational improvement for the handicapped tralning grants	5,250	
Colleges of agriculture and the mechanic arts	25,000	25,000
Further endowment of colleges of A. & M. arts	103,316	103,316
SOUTH DAKOTA		
South Dakota State University	583,889	544,102
College work-study program	115,214	37,919
NDEA Title II: Student Loans	237,300	246,808
NDEA Title IV: Graduate Fellowships	14,700	41,600
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	166,175	166,175
Cuban student loans	500	1,600
TENNESSEE		
Tennessee Agricultural and Industrial State University	324,499	448,966
College work-study program	130,134	246,987
NDEA Title II: Student Loans	83,234	112,984
NDEA Title V–B: Institutes for Counseling Personnel	20,708	40,439
Equal educational opportunities institutes	41,867	
Colleges of agriculture and the mechanic arts	8,525	8,525
Further endowment of colleges of A. & M. arts	40,031	40,031

Approved projects for land-grant institutions—Continued

	Fiscal year 1965	Approved projects as of Jan. 31 1966
TENNESSEE—continued		
University of Tennessee	$5,296,412	$1,741,424
College work-study program	235,855	138,216
HEFC Title I: Undergraduate Grants	403,234	
HEFC Title II: Graduate Grants		263,863
HEFC Title III: Loans	3,332,000	
NDEA Title II: Student Loans	335,951	270,607
NDEA Title IV: Graduate Fellowships	300,800	474,450
NDEA Title V–B: Institutes for Counseling Personnel	24,943	58,484
NDEA Title XI: Institutes	134,853	67,717
Educational improvement for the handicapped tralning grants	94,400	
Research and training	14,864	7,430
Equal educational opportunities institutes	182,434	223,852
Colleges of agriculture and the mechanic arts	41,475	41,475
Further endowment of colleges of A. & M. arts	194,755	194,755
Cuban student loans	848	575
TEXAS		
Texas Agricultural and Mechanical University	1,174,696	2,981,179
College work-study program	195,828	19,527
HEFC Title I: Undergraduate Grants		2,418,183
HEFC Title II: Graduate Grants	394,579	
Vocational education research	67,001	
NDEA Title II: Student Loans	14,006	25,340
NDEA Title IV: Graduate Fellowships	110,100	177,900
NDEA Title XI: Institutes	54,803	
Colleges of agriculture and the mechanic arts	39,225	39,225
Further endowment of colleges of A. & M. arts	296,304	296,304
Cuban student loans	2,850	4,700
Prairie View A. & M. College	339,719	442,420
College work-study program	208,983	76,044
HEFC Title I: Undergraduate Grants		184,872
NDEA Title II: Student Loans	38,567	54,307
NDEA Title V–B: Institutes for Counseling Personnel		35,028
Colleges of agriculture and the mechanic arts	10,775	10,775
Further endowment of colleges of A. & M. arts	81,394	81,394
UTAH		
Utah State University	973,218	1,028,661
College work-study program	163,592	41,963
HEFC Title I: Undergraduate Grants		310,364
NDEA Title II: Student Loans	196,641	275,270
NDEA Title IV: Graduate Fellowships	86,300	168,650
NDEA Title XI: Institutes	211,261	
Educational improvement for the handicapped training grants	71,100	
Research and training	23,155	11,245
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	171,169	171,169
VERMONT		
University of Vermont	687,862	917,122
College work-study program	71,593	6,444
HEFC Title II: Graduate Grants		294,741
NDEA Title II: Student Loans	235,693	338,350
NDEA Title IV: Graduate Fellowships	45,700	61,825
NDEA Title XI: Institutes	119,809	
Educational improvement for the handicapped training grants	5,600	
Research and training		5,695
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	159,267	159,267
Cuban student loans	200	800
VIRGINIA		
Virginia Polytechnic Institute	639,505	843,644
College work-study program	22,782	45,562
Vocational education research		48,026
NDEA Title II: Student Loans	195,645	212,107
NDEA Title IV: Graduate Fellowships	222,100	287,500
NDEA Title XI: Institutes		45,328
Research and training		5,728
Colleges of agriculture and the mechanic arts	33,335	33,335
Further endowment of colleges of A. & M. arts	162,868	162,868
Cuban student loans	2,775	3,190

Approved projects for land-grant institutions—Continued

	Fiscal year 1965	Approved projects as of Jan. 31 1966
VIRGINIA—continued		
Virginia State College	$504,580	$813,181
College work-study program	55,766	29,289
NDEA Title II: Student Loans	152,029	429,336
NDEA Title XI: Institutes	159,953	256,469
Educational improvement for the handicapped training grants	21,150	
Research and training	17,595	
Colleges of agriculture and the mechanic arts	16,665	16,665
Further endowment of colleges of A. & M. arts	81,422	81,422
WASHINGTON		
Washington State University	1,429,370	1,362,062
College work-study program	214,349	
Vocational education research	290,290	
NDEA Title II: Student Loans	331,379	428,979
NDEA Title IV: Graduate Fellowships	202,500	279,675
NDEA Title V–B: Institutes for Counseling Personnel	93,000	213,851
NDEA Title XI: Institutes		63,492
Research and training	29,034	19,994
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	217,818	217,818
Educational television facilities		88,253
Cuban student loans	1,000	
WEST VIRGINIA		
West Virginia University	1,009,785	992,754
College work-study program	44,100	22,320
Vocational education research	9,000	
NDEA Title II: Student Loans	337,159	377,059
NDEA Title IV: Graduate Fellowships	139,800	140,575
NDEA Title VI: Language Fellowships	7,661	
NDEA Title XI: Institutes	183,993	193,832
Educational improvement for the handicapped training grants	16,800	
Research and training	27,052	14,748
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	194,220	194,220
WISCONSIN		
University of Wisconsin	8,445,437	5,709,527
College work-study program	1,104,940	311,063
HEFC Title I: Undergraduate Grants	2,320,594	
HEFC Title II: Graduate Grants	1,032,176	1,174,934
Vocational education research	50,741	56,752
NDEA Title II: Student Loans	751,087	1,174,500
NDEA Title IV: Graduate Fellowships	574,100	1,057,150
NDEA Title V–B: Institutes for Counseling Personnel		51,194
NDEA Title VI: Language Centers	217,398	8,236
NDEA Title VI: Language Fellowships	382,942	
NDEA Title VI: Language Research	71,112	49,090
NDEA Title VII: Educational Media Research	104,083	20,000
NDEA Title XI: Institutes	264,460	402,308
Educational improvement for the handicapped training grants	221,200	
Educational improvement for the handicapped research	76,159	
Research and training	975,516	1,104,071
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	243,929	243,929
Cuban student loans	5,000	6,300
WYOMING		
University of Wyoming	1,712,672	717,867
College work-study program	137,868	70,192
HEFC Title I: Undergraduate Grants	342,632	
HEFC Title II: Graduate Grants	413,000	
NDEA Title II: Student Loans	196,326	218,668
NDEA Title IV: Graduate Fellowships	106,800	157,825
NDEA Title V–B: Institutes for Counseling Personnel	110,396	
NDEA Title XI: Institutes	172,205	63,337
Educational improvement for the handicapped training grants	25,600	
Colleges of agriculture and the mechanic arts	50,000	50,000
Further endowment of colleges of A. & M. arts	157,845	157,845
Total	127,982,550	95,165,780

Mr. QUIE. If you would yield, could you put in that same place the total operating cost of each of these institutions so we can compare the Federal funds with their total operating costs?

Mr. HOWE. We will try to give you that. I have a couple of figures here which may be useful, and they are broken down by the predominantly Negro and white land-grant institutions.

We provide about 15 percent of the operating costs of predominantly Negro land-grant colleges for their operating income under the land-grant provisions and we currently provide—this is fiscal 1966—about 6 percent of the operating costs of the predominantly white institutions.

Mrs. GREEN. If we were to get a really fair view of the problems of colleges, and I have no objection to Congressman Quie's request, wouldn't we also need to have the operating costs and the Federal contribution to comparable institutions that are not land-grant institutions?

Mr. HOWE. The reason I am not answering is that I am trying to grasp really what we are trying to reach for here.

A comparison which shows total Federal contribution for varying kinds of institutions in operating costs and the percentage of Federal contribution in those operating costs, land grant and other? Is this what you are saying?

Mrs. GREEN. Yes, before the committee could really decide on whether or not your recommendation for a reduction in land-grant colleges is fair, we would need that information.

Mr. HOWE. I would assume this would also show an estimate of the impact of all Federal programs on these institutions.

Mrs. GREEN. Would you do that at the same time you respond to Mr. Quie's request?

Mr. HOWE. The only qualification I have here, and we will endeavor to do something for you on this, is that this is a complicated thing to handle.

How you handle certain kinds of research funds in this sort of an estimate, I am not sure. Some of these research funds are simply turnover items within the university's or college's budget, but we we will see what we can do with it.

Mrs. GREEN. Thank you.

Mr. HATHAWAY. That is all.

Mrs. GREEN. Let me go back, if I may, to the student loan provision.

I would like to go again to the procedure, and I don't want to talk about the transitional stage. I want to talk about it when you have phased out the NDEA.

Yesterday we discussed this briefly. A student who wants to go into teaching and therefore wants to qualify for the forgiveness feature, if I understand your proposal, would be required to go to the university and receive a certificate that he qualifies for an NDEA loan and then he would take it down to the bank. Is that right?

Mr. MUIRHEAD. Yes, that is right, for the type of situation that you have just described.

In many instances, Mrs. Green, the student who qualifies for NDEA and who wishes to become a teacher would receive his loan in the regular fashion from the college, if they had received a contribution from the appropriation.

Mrs. GREEN. I am not talking about the transitional stage. I am talking about after you had fully gotten into the guaranteed loan.

Mr. MUIRHEAD. I must come back again, Mrs. Green, and say that what we are proposing at this time is a proposal for 1 year.

We are looking for additional experience in this, but you are quite right that in the proposal that is before you this next year a student who goes to his college and is eligible for an NDEA loan, and if there is not an NDEA fund in the college's student loan program, they then can provide him with a certificate to go to the bank and borrow the money under the same terms and carry with him the loan cancellation feature.

Mrs. GREEN. What about the student who is a senior in college or who has finished college before he really decides that he wants to go into teaching. He has done his undergraduate work and then he makes the decision that he wants to teach. He has never received a certificate from his school that he would qualify for NDEA.

Then he goes into teaching. How does he go about getting the forgiveness?

Mr. MUIRHEAD. He would be in the same classification as a senior under the regular NDEA program. Under the regular NDEA program a senior would have to be identified by the college as eligible for NDEA and then when he does become a teacher he is entitled to forgiveness.

Mrs. GREEN. Yes, you are going to have a different setup than you do if the college is making the NDEA loan.

Mr. MUIRHEAD. But this particular student that we are speaking about, however, is an NDEA eligible who has been so identified by the college and he will be treated in just the same way whether he gets the loan from the college or from the bank.

Mrs. GREEN. Yes, but when the colleges were doing it the only thing they had were NDEA loans for which need was the consideration, but now when the bank makes the loan they can make it either to the needy student or they can make it to any student.

Mr. MUIRHEAD. That's right.

Mrs. GREEN. When you had only the one kind there was no question about forgiveness. A student qualified for it because you qualified for the loan.

Mr. MUIRHEAD. Yes.

Mrs. GREEN. One was dependent upon the other. But under this plan you go to the bank and get a loan and you don't automatically qualify for an NDEA.

Now let me go to the student. Let us say he has graduated from college and he has never qualified for an NDEA forgiveness and then he goes into teaching.

How does he establish the fact that he would have qualified for an NDEA loan?

Mr. MUIRHEAD. That student would not have been able to establish his eligibility for forgiveness under any circumstances if he had left the college without an NDEA loan.

Mr. HOWE. I think what you are asking is whether we are going to set up some kind of system of retroactive forgivability that is a permissible way to benefit that student.

Mrs. GREEN. Correct.

Mr. HOWE. I honestly don't know, Mrs. Green, how that student now operates under NDEA.

Mrs. GREEN. He automatically qualifies.

Mr. MUIRHEAD. May I return to your question, Mrs. Green?

The example that you are suggesting here is a student who has borrowed from the bank and has not qualified under NDEA, but has obtained a loan from the bank under the guaranteed loan program.

Mrs. GREEN. He would have qualified on income, but he decided he wanted to go out and be an engineer. He changes his mind later and decides he wants to be a teacher.

Mr. MUIRHEAD. The proposal before you would not extend forgiveness to him.

Let me put it this way.

The only way in which a student getting a loan from a bank can qualify for teacher forgiveness is to be so identified by the college as an NDEA student.

Mr. HOWE. During his college career?

Mr. MUIRHEAD. Yes.

Mr. QUIE. What this means is those who plan to go into teaching, anyway, could be so identified, but these individuals who study to be engineers who have the teaching capability, whom you want to induce to go into teaching, couldn't be qualified, so it seems to me this is throwing money away for people who want to go into teaching, anyway.

Mr. HOWE. It seems to me, Madam Chairman, that this problem can be handled by having the colleges call attention to students generally that, if they are eligible for NDEA type loans, even though they are going to get them from the banks, they should establish this eligibility.

Then if they wish to use it in the interest of forgiveness they may be able to do so, having changed their minds about careers at some subsequent time. It would seem to me this would be a perfectly manageable thing for the colleges to do.

Mrs. GREEN. Don't you think it should be written into the bill as a requirement for the college so that you would protect the student?

Mr. HOWE. Whether it needs to be written into the bill or whether it is simply a device that we ought to make sure is generally understood in the educational community I am not sure, but it seems to me that students would catch on to this very fast and that, seeing possible benefits in forgiveability in the future, anybody who had NDEA qualifications would establish this, so that if he wanted to use it he would have the option while he was in college.

Mr. QUIE. What you suggest, if the gentlelady would yield, is the colleges establish NDEA eligibility with every student in the college.

Mr. HOWE. Only those who were so eligible, of course, not every student in the college.

Mr. QUIE. If the gentlelady will yield further, now because of the limitation of funds and the college determination to fit the loan program in with all of the assistance programs, there is only so much available to the student, but when the students know that they can establish this eligibility if it is at all possible and they can secure a loan from the bank, and the bank will make as large a loan, I imagine, to

them as they desire, this could be a great expansion in the forgiveness cost to the Federal Government.

Mr. MUIRHEAD. You are quite right that it could be, but there is a governor in the legislation that is before you.

The legislation that is before you seeks to maintain the NDEA just about the way it is by saying that there will be available to the colleges next year for NDEA purposes up to $190 million.

Obviously they will get it from several sources, and it is only up to the limit of that $190 million, just as though the NDEA would be continued normally, that the NDEA forgiveness is available.

Mr. QUIE. You are dealing then with an additional institution, the bank, rather than just the college itself, and here is this bank making all these loans.

Mr. HALPERIN. Mr. Quie, on pages 16 and 17 of Mrs. Green's bill before you there is our attempt to deal with the question you raised, beginning on line 16 on page 16 and going through line 11 on page 17.

What in effect these words say, if we have carried out our task well, is to insure that the forgiveness could not be extended to students beyond the $190 million authorization level of fiscal year 1967 and $195 million in fiscal year 1968, or any other level that this subcommittee would subsequently authorize. You couldn't have forgiveness for the entire universe of 6 million students.

It could not go beyond what this committee authorizes for the NDEA itself.

Mr. QUIE. And would the college then make applications for forgiveability?

Mr. HOWE. There would be quotas.

Mr. QUIE. Quotas?

Mr. MUIRHEAD. Yes, the college would be limited, in terms of the NDEA loans that they can approve, to the amount of money that is allocated to them either from the direct appropriation or from borrowing from the private sector, and each college, just as the NDEA operates now, would have its own quota for the NDEA program.

Mrs. GREEN. But isn't that the difficulty? They have a quota, but under the new bill there is no control, and I can see how you could monitor as long as the institutions were doing it, but I really can't see how you are going to monitor if the banks are making the loans and if all students are eligible.

Mr. MUIRHEAD. Part of the quota, Mrs, Green, will be loans that such NDEA students get from the banks. An overall quota for NDEA loans at the colleges, if this legislation meets with your approval, will not exceed $190 million. The colleges will get, from the Office of Education, information as to at what level they can operate their programs next year.

The other problem, as to where the money will come from, we will have to work out individually with the colleges, but they will get a level of support for next year—and they cannot exceed that level of support either through the use of direct appropriations from the Federal Government or borrowing from the banks or sending their students to the banks. They are all part of the college's quota.

Mr. QUIE. Then in handling the college's quota they would have to determine what percentage of this loan that the bank gave they would be willing to forgive, whether they would apply the 15 percent additional amount to it or not?

The college is going to have an altogether different situation, more complicated situation, than when they had control of the loan themselves.

Now in their controlling the loan they decide how much is going to be in NDEA loans, how much is going to be another type loan which doesn't have forgiveness in it. You don't have that control any more if it is handled by the bank.

Mr. MUIRHEAD. It seems to me that the college, when they counsel with the young person as to the loan that he needs for his college education costs, would make that decision first, and then make the decision as to where the loan is going to come from.

Mrs. GREEN. May I interrupt here?

If I understand correctly, you will encourage the banks to make as many loans as they can possibly make to as many students as they can reach as long as they can fit into this adjusted $15,000 income bracket; is that correct?

Mr. MUIRHEAD. Yes, you are quite right.

Mrs. GREEN. Now, if I understand you correctly, you are saying that of all of this amount we will never go beyond $190 million in NDEA loans and from those funds the loans for the people who would be eligible for the forgiveness would have to come; is that correct?

Mr. MUIRHEAD. That is quite correct.

If I may just rephrase it from my understanding, what we are reporting to you, in effect, Madam Chairman, is that in this next year we will have an NDEA program standing separately, if you will, from the guaranteed loan program.

Mrs. GREEN. Is there a State allocation?

Mr. MUIRHEAD. State allocation for the NDEA? No.

Mrs. GREEN. Is there an allocation to the individual institution? How will the student know?

Suppose I am attending Harvard and I get an NDEA loan from the bank; I then go into teaching and it comes time for me to get the forgiveness, you have no State allocation, and you say: "I am sorry, the $190 million is all used up and you just don't get a forgiveness"?

Mr. MUIRHEAD. First of all, the $190 million was the limit under the NDEA, anyway, so that situation we agree upon. But instead of taking the State allocation formula for distributing the $190 million we will review the institutional requests.

I can report to you, Madam Chairman, that the institutions have already submitted their requests for next year, as they normally do this time of year, and we will review those requests in the light of $190 million that will be available from several sources and then make an allocation to the institution after receiving information from them as to where they are going to get the money, from the private sources or from the direct appropriations.

It is only the students then who qualify under the NDEA and under the $190 million authorization that will have the teacher forgiveness, only those students.

Mr. HOWE. Maybe we could focus this on Mrs. Green's Harvard student. He will go to the financial office of his college and receive a piece of paper which makes him eligible for this NDEA forgiveness.

He will get his loan from the bank. He will use this piece of paper to exercise the forgiveness feature if he goes into teaching. The financial office of the college will be keeping track of the paper it has

issued of this kind to students that year, and the college will have an allocation of the total amount it is allowed to issue to students in that year for this purpose.

Is this fair to say?

Mr. MUIRHEAD. That is right.

Mr. QUIE. There is no limitation now on the number of students who can have their loan forgiven?

Mr. HOWE. Not under NDEA as this——

Mr. QUIE. It would be different under this one, because now if 50 percent of the students ask for forgiveness they may be forgiven.

Mr. HOWE. They will still need to meet the NDEA category to come within the amount.

Mr. QUIE. They need to fall within the NDEA category before they get the NDEA loan, but once they get the NDEA loan all of them could go into teaching if they wanted to and get the full amount of forgiveness.

Mr. HOWE. That has always been the case.

Mr. QUIE. But not under your proposal, because the ones who have their NDEA forgiveness eligibility if they choose not to go into teaching won't use it up but the ones that will go into teaching will.

Therefore, you won't know until some time later whether you hit the quota or not.

Mr. HOWE. That has been the case right along. We haven't known. But the experience has developed that approximately 25 percent of them have actually exercised it. Isn't that correct?

Mr. MUIRHEAD. Yes.

Mr. QUIE. Twenty-five percent of the money?

Mr. HOWE. Yes.

Mr. QUIE. Forty-seven to fifty percent of the students?

Mr. MUIRHEAD. Fifty percent of the students have indicated a preference for teaching and about 25 percent actually go into teaching; 25 percent of the money is forgiven.

Mr. GIBBONS. So the $190 million is really a greatest amount that would ever have to be forgiven in the foreseeable future?

Mr. HALPERIN. Again, what those lines say, Mr. Quie, is that the money that would be necessary for loan reimbursement to students, that is to say, loan forgiveness, would come out of the revolving fund just as we now take loan forgiveness out of direct appropriations each year from the Treasury, but we had no desire to expand loan foregiveness so we put the governor in there that will have to be tied back to what in effect this committee authorizes for the NDEA level of program.

Mr. QUIE. Not much of a governor.

Mrs. GREEN. This isn't on the loan program, but let me ask a related question.

Under the bill that we passed last year on the opportunity grant, the size of the grant was limited to one-half of the total student financial assistance provided by the college. The only part that we excluded was the work study.

In your guaranteed loan does this same provision hold? I don't see that it does.

Mr. MUIRHEAD. The provision that you are speaking of, of course, is the matching provision for the opportunity grants, and the institution is required to match the opportunity grant with one-half of other

student financial aid, excluding work study. We would permit the institution under the regulations that are now being prepared for the opportunity grants to use guaranteed loans as part of the matching provision for the opportunity grants.

Mrs. GREEN. But is the half still in effect?

Mr. MUIRHEAD. Oh, yes.

Mrs. GREEN. Is that half of the assistance?

Mr. MUIRHEAD. Yes.

Mrs. GREEN. Where is that in the bill?

Mr. MUIRHEAD. We don't have any change in that. That provision still stands.

Mrs. GREEN. Where is that?

Mr. HALPERIN. It wouldn't be in this bill, Mrs. Green. It would be in last year's act.

Mr. QUIE. Do you bring the reference to forgiveness that was in the language last year of 50 percent and the 15 percent into play? Isn't that what you are asking for?

Mrs. GREEN. Yes.

Mr. QUIE. Right now the guaranteed loans don't have that. You have to have something in this bill that brings them in.

Mr. HALPERIN. You are talking about the 100-percent forgiveness?

Mr. QUIE. Yes.

Mr. MUIRHEAD. You will find, Mr. Quie, that the provision in the bill before you would extend the teaching forgiveness under the same terms, both under the 50-percent forgiveness and under certain circumstances the 100-percent forgiveness; it would extend the same terms to all NDEA students whether they get the loan from the college or from the bank.

Mr. QUIE. Then how does that tie back into the opportunity grants?

Mr. HALPERIN. May I first answer, sir, your question about the 100-percent forgiveness? On page 9 of the bill, beginning on line 1, you see the reference for in effect what we might call 100-percent-loan forgiveness for teachers in the poorer schools of the State.

That forgiveness plus the traditional 50-percent forgiveness is again regulated by the governor on pages 16 and 17, but there hasn't been any suggested change in the matching requirements for the educational opportunity grants in title IV of last year's act.

Mrs. GREEN. Let me pose the question this way. What gives you the authority to bring the guaranteed loan into the computation of the educational opportunity grant?

Mr. MUIRHEAD. We have been able to get an interpretation from our counsel that in meeting the matching requirements set up under the opportunity grant we could use not only an NDEA loan, but a guaranteed loan.

Mrs. GREEN. Mr. Gaul has just referred me to the public law in section 402, subsection 1, "provided such student by such insitution and any assistance provided such student under any scholarship program established by a State or private institution," et cetera.

The bank is not such an institution. It only refers to the college.

Mr. MUIRHEAD. Our interpretation from the counsel has been that under the guaranteed loan program, which in many instances will be operated by a State agency or by an agency of the State, the guaranteed loan program would stand in the same relationship to the matching that you have suggested here as the NDEA loan.

Mr. GAUL. The guaranteed loan program may be operated by a State agency, but this refers to a scholarship program of the State agency and the guaranteed loan program is not a scholarship program.

Mr. MUIRHEAD. Well, I must repeat then that we have the opinion of our counsel on this particular provision and actually it is——

Mr. GAUL. Doesn't this destroy what the Congress was trying to do last year, and that was to put some governor on the size of the educational opportunity grant and gear it to the student's need?

The guaranteed loan is given regardless of need so that any student who wants a large educational opportunity grant might obtain a $1,000 loan and perhaps pick up some private scholarship money at the institution. This, I think, strikes at the heart of the matching requirement, because you are permitting some matching funds which are not related to need.

Mr. MUIRHEAD. First of all, the student has to qualify under a very sharp financial means test for the opportunity grant. He is a needy student by definition before he gets it. In order to carry out the matching principle we have indicated that he can use the matching principle if he borrows either from the college or through the State-operated guaranteed loan program.

In all instances, of course, he remains a very needy student, by definition, before he is even considered for an opportunity grant, so the need factor is clearly considered here and the matching provision is also imbedded.

The alternative, it seems to me, would be to make the matching provision almost inoperative.

Mrs. GREEN. May I suggest on this that the counsel look at the language and see if we need extra language to carry out the congressional intent of last year. Let me turn to one other matter on the loans and then I think maybe we will adjourn and ask the Commissioner to come back.

Have you made any estimate of the cost of the guaranteed loan program?

Mr. MUIRHEAD. Yes, we do have such a proposal to present to you and we have copies.

Mrs. GREEN. Is this in the transitional stage, or when you phase out NDEA entirely?

Mr. MUIRHEAD. What we have done is to attempt to provide for you a comparison between what the costs would be to the Federal Government under the continuation of the NDEA program, and carrying out the same proposal under a guaranteed loan program. We have used as a model here, if I may report to you now, an assumption of one student borrowing $1,000 over an 8-year period and then we have projected that to include 1 million borrowers, either under the NDEA or under the guaranteed loan program, and I would be pleased to have the committee members have this now.

Mrs. GREEN. Maybe we better have time to study this and then ask questions about it.

Mr. GIBBONS. What are we saying?

Mr. MUIRHEAD. What we are saying on balance, Madam Chairman, is that over an 8-year period, based on the assumptions that we have set forth here, it would cost approximately $55 million more to support a student loan program of approximately $1 billion by using the guaranteed loan program than if we were to use the NDEA loan program.

Mrs. GREEN. $55 million more?

Mr. MUIRHEAD. $55 million more, and that, of course, has to be projected against a level of support of a billion dollars.

Mrs. GREEN. Over an 8-year period?

Mr. MUIRHEAD. Over an 8-year period.

Mrs. GREEN. And then if you increase just the figures which you have given us on projected needs, figures to which we referred yesterday, by 1970 we will have 7 million students and 6 million of them would be eligible for the guaranteed loan program.

Eighty-five percent, I think, was the figure that you gave us, so you would multiply this by 6, not counting the impact that the cold war GI bill would have, and I think none of us has really taken a long look at that, so over the next 8 years there certainly is the posibility with 6 times 55 of at least $300 million.

Is that right?

Mr. HOWE. Madam Chairman, I think this should be qualified in a couple of ways. First of all, we don't know what is going to happen to colleges. We expect and we are advised that the bank loan program will be more efficient and that payment back under these loans will be in higher percentages than they have under the present NDEA. That is not taken into consideration in these figures.

These are simply run straight through on a projected basis without allowing for that. If that develops it would make an appreciable dent upon the difference that we have cited here over an 8-year period.

However, there is no way to estimate that, and the year's experience will perhaps help us with that, but that is a major factor in this picture.

Mr. HALPERIN. Another factor is that in the NDEA, of course, we are really asking the colleges to pay out of their own funds a substantial sum of money to administer the program.

Mrs. GREEN. Congress has indicated its willingness though, to look at this and help them pay the administrative costs.

Mr. HALPERIN. But you would have to add something beyond that $55 million difference if you should liberalize the administrative cost payments to the colleges.

Mr. HOWE. Of course, the major point here is that during this 5-year period we would be making loans available to a number of students that none of us has ever contemplated under the NDEA type of program.

At least I haven't heard that we have. This opens the door to very large numbers of students to invest in themselves.

Mrs. GREEN. Doesn't it also open the door for a very large number of students to allow themselves to borrow at no interest when they are in college and 3 percent afterward and pay off family debts on which they are paying more than 3 percent or no interest?

Mr. HOWE. I would assume that, with the rising cost of college education for these families, you could logically say that the money being paid back was money being paid back for college education and not for family debts, because these students must be enrolled in college in order to continue with this privilege.

Mrs. GREEN. I am talking about the interest subsidy.

Mr. HOWE. The interest subsidy is provided because they are fully enrolled in full college programs.

Mrs. GREEN. You are saying then, are you, that a family that could pay off their debts in some other way would really be justified in

having the son or the daughter borrow under the guaranteed loan provision up to $15,000 and have the rest of the taxpayers subsidize the interest to 6 percent when he is in school and 3 percent when he is out?

Is that what you are saying?

Mr. HOWE. I am saying that the impact of college education costs on these middle-income families has become so great that the opportunity is not as available as it should be to those families, particularly with multiple children in college, and that this is a very real need directly related not to other debts of the family, but directly related to the fact that they are going to have one or two or three youngsters going to college where costs are rising.

Mr. RADCLIFFE. At what point do you figure the adjusted family income? Is that at the point the loan is made?

Mr. MUIRHEAD. That is right.

Mr. RADCLIFFE. The repayment conceivably could begin 5 years after that point, isn't that true?

Mr. MUIRHEAD. Yes.

Mr. RADCLIFFE. What happens if the family inherits a fortune in that time and comes under substantial assets?

Mr. MUIRHEAD. That principle has already been established, Mr. Radcliffe, under the NDEA. When the student qualifies for an NDEA loan it is made at the time of his family income when he makes the loan.

If they have the good fortune to fall heir as you indicated to a large amount of money the loan is not withdrawn. We have established that principle, that the time the loan is made will be the governing factor.

I think also, in terms of this guaranteed loan program, and possibly why I for one am having some difficulty explaining it, the guaranteed loan program is accepting an altogether new concept than prevailed under the NDEA.

We are saying under the guaranteed loan program, and this is what the law says, that it would seem to be in the national interest for us to encourage, assist, induce, and subsidize young people to go on with their higher education and without very much regard to financial means, because when you set a limit of $15,000 you are not for any practical purposes setting a financial means test.

In other words, the concept that is imbedded here seems to be that it is good for the Nation and good for individuals for them to get a higher education, and good enough, if you will, for the Government to help subsidize it.

That is what is imbedded in this program.

Mr. QUIE. If the gentleman will yield, on the cost figures you have here, you anticipate that the cost of the forgiveness feature will be the same under the guaranteed loan as you do under the NDEA loan. That is correct.

Mr. HOWE. The forgiveness features do not appear in this.

Mr. QUIE. That is why it didn't appear?

Mr. MUIRHEAD. We did not introduce the forgiveness feature into this study that we have done, Mr. Quie, because we feel that that whole question is a very large policy question that is yet to be resolved.

You will notice that in the bill before you we have not taken any step beyond the present policy. We have said teacher forgiveness

shall stand where it is for NDEA students. No attempt is made in the legislation before you to address yourselves to the larger policy question which you raised so very eloquently yesterday.

Mr. QUIE. But do you agree that your governor you have in the the bill is not going to work as effectively as the present governor, which means that under the NDEA loan just establishing whether a person qualified or not is going to be an altogether different story on the limitations of funds to the institution and there the possibilities of a substantially larger number qualifying and therefore receiving a forgiveness and a greater forgiveness, is very apparent.

Mr. HOWE. Whether what you suggest happens or not depends on how the institutions administer this, and we expect that they are equipped to administer the award of NDEA eligibility to students just as they have done before.

Mr. QUIE. Now they have the limitation of funds and there they won't. Some of them have chosen not even to participate.

Mr. HOWE. They are going to have a limitation of funds, a total limitation nationally and a limitation allocated to institutions by the U.S. Office.

Mr. QUIE. But some of them have even chosen not to participate because they can't pick up their 10 percent.

Mr. MUIRHEAD. Yes.

Mr. QUIE. And now there won't be any such difficulty on their part and the limitation of funds now will only be the revolving fund limitation; right?

Mr. MUIRHEAD. I am trying very hard to share your concern on this, Mr. Quie, but I have difficulty getting my mind wrapped around this, because what we are saying in effect is that the NDEA will stand in place in just about the same way that it has stood and would have stood in place if we didn't have this proposal before you.

The change in the NDEA includes the manner by which it will be supported, direct appropriations, but the number of students that will benefit under the NDEA under the proposal before you is about the same level that it would have been if we had the normal extension of the NDEA.

And the number of students who will get teacher forgiveness under that proposal as far as I can tell is the same number that it would have been normally.

Mr. QUIE. I would say that usually you back up your position with facts and information but now I can only say that it looks like you are backing it up with only wishful thinking.

Mrs. GREEN. May I turn to another subject then and we will pursue this later?

Under title I of the Facilities Act are grants permitted for rented facilities?

Mr. MUIRHEAD. I don't know the answer to that.

Mr. HALPERIN. The 1963 act, Mrs. Green?

Mrs. GREEN. Yes.

The reason I ask is that I understand that you have already set a minimum requirement of 75 years on a rental.

I am advised that this provision would help very small colleges that could not afford the construction costs. They could rent a facility, but if they have to have a lease for 75 years, then this provision becomes of no value at all.

Mr. MUIRHEAD. May I ask the privilege, Madam Chairman, of looking into that and replying for the record?

(The information follows:)

REPLY TO QUESTION ON HEFA PARTICIPATION IN RENTAL OF BUILDINGS

We do not participate in any costs for rental of buildings. Under the program regulations, however, we will participate in construction costs for facilities on leased land if the college has at least a 75 year interest assuring undisturbed use and possession of the site and the facilities. This relatively liberal approach is in fulfillment of the legal requirement for approval, that the application be accompanied by such assurance as to the title to the site as the Commissioner may deem necessary.

Mrs. GREEN. Fine.

And another matter that I would ask the consent of the committee to include in the record at this point, is a survey of fellowships programs.

Mr. HOWE. Madam Chairman, our understanding of the context in which you raised this question was that you wanted a look at this across all the agencies of the Government, and this will take us some time to compile, but we will provide it.

(The information requested follows:)

Federal fellowship programs: Fiscal years 1966 and 1967

Agency and program	Institutional allowance	Student allowance		Number of individual awards		Program costs (in thousands)	
		Stipend	Other allowance	1966	1967	1966	1967
PREDOCTORAL							
Department of Health, Education, and Welfare:							
NDEA graduate fellowships, OE	$2,500	$2,000, $2,200, $2,400 ($400 summer).	$400 for dependents	(1)	(2)	$55,961	$81,957
NDEA language fellowships, OE	Tuition and fees	$2,250 ($450 summer)	$600 for dependents and travel (air tourist rates).	1,400	1,540	5,397	5,940
Teacher fellowships, OE	$2,500	$2,000, $2,200 ($400 summer)	$400 for dependents ($100 summer).	1,456	3,416	7,500	17,500
Handicapped program fellowships, OE.	$2,500	$2,000, $2,400, $2,800	$400 for dependents	2,151	2,720	12,046	15,233
Library fellowships, OE	$2,500	$2,000, $2,200, $2,400	do	94	391	1,000	3,750
Foreign language training grants, OE.				100	170	611	1,039
Community health research fellowships, PHS.[3]	$2,500	$2,400, $2,600, $2,800	$500 for dependents, $0.08 per mile.	20	30	100	150
Community health injury control fellowships, PHS.[3]	$2,500	$2,400, $2,600, $2,800	do	5	14	50	100
Dental fellowships, PHS [3]	$2,500	$2,400, $2,600, $2,800	do		7		50
Water supply and pollution control fellowships, PHS.[3]	$2,500	$2,400, $2,600, $2,800	do	114	102	710	633
NIH predoctoral fellowships, PHS.	$2,500	$2,400, $2,600, $2,800	do	2,009	2,087	11,618	12,159
Air pollution control fellowships, PHS.[3]	Predoctoral, $2,500; supply allowance, $500 for postdoctoral award.	Postbachelor, $3,000; postmaster, $3,600; postdoctoral award starts at $5,000 but can be raised in line with experience.	$360 for dependents, $0.08 per mile.	57	71	378	468
Department of the Interior: Bureau of Commercial Fisheries fellowships.	Average, $1,341. Actual tuition and fees. Additional award of $500 per student for overhead and administration, for university to use as it sees fit.	$3,000	$1,000 (flat rate)	(4)	(4)	200	200
Atomic Energy Commission:							
Laboratory graduate fellowships	Tuition and fees to university while student is at laboratory.	$2,400, $2,600, $2,800	$500 for dependents, $0.06 per mile.	91	111	570	695
Nuclear traineeships	$2,500	$2,400, $2,600, $2,800	do	102	135	600	875
Special fellowships in health physics and advanced health physics.	$2,500	$2,400, $2,600, $2,800	do	80	81	505	523
Special fellowships in industrial hygiene (program being closed out in fiscal year 1966)	$2,500	$2,400, plus $200 for each year of experience, up to 5 years.	do	1		2	
Special fellowships in nuclear science and engineering.	$2,500	$2,400, $2,600, $2,800	$500 for dependents, $0.08 per mile.	205	205	1,274	1,30

See footnotes at end of table, p. 175.

Federal fellowship programs: Fiscal years 1966 and 1967—Continued

Agency and program	Institutional allowance	Student allowance		Number of individual awards		Program costs (in thousands)	
		Stipend	Other allowance	1966	1967	1966	1967
PREDOCTORAL—continued							
National Aeronautics and Space Administration: Training grants for predoctoral students.	Amount is negotiable; for purpose of strengthening graduate education and space-related sciences.	Year, $2,400; plus up to $1,000 for dependency and escalation awarded at discretion of institution; maximum, $3,400.		1,335	[5] 1,000	$25,000	[5] $22,000
National Science Foundation:							
Graduate fellowships	$2,500; foreign institutions receive payment for tuition and fees.	$2,400, $2,600, $2,800	$500 for dependents; $27 a year, average.	2,234	2,244	11,819	11,869
Cooperative graduate fellowships	$2,500	$2,400, $2,600, $2,800	$500 for dependents	300		1,679	
Graduate traineeships	$2,500	$2,400, $2,600, $2,800	$500 for dependents	4,150	5,040	22,348	27,361
Summer fellowships for graduate teaching assistants.	Tuition and fees, $188	$400 to $1,020		870	870	1,000	1,000
POSTDOCTORAL AND CAREER DEVELOPMENT							
Department of Health, Education, and Welfare:							
NDEA language fellowships, OE	[6]	[6]	[6]	25	35	275	375
Teacher fellowships—experienced teachers, OE	$2,500	$4,000	$500 for dependents	898	2,384	7,500	17,500
Library fellowships, OE	$2,500	$4,800		[7]	[7]	[7]	[7]
Library traineeships, OE		$6,000		[7]	[7]	[7]	[7]
Foreign language training, NDEA center faculty, OE.	[8]	[8]	[8]	45	75	540	900
Foreign language training, professors, and high school specialists, OE.	[9]	[9]	[9]	21	35	210	350
National teacher fellowships, OE				30	180	240	1,440
Special fellowships in nursing research, PHS.	[10]	[10]	[10]	75	85	412	462
NIH postdoctoral, PHS	Supply allowance, $500	$5,000, $5,500, $6,000	$500 for dependents, $0.08 per mile.	1,348	1,319	9,858	9,711
NIH special, PHS	do	Varies with education, need, and experience. May include tuition or it may be paid directly to institution.	$0.08 per mile. Dependents' allowance included in stipend.	515	602	6,144	6,437
NIH career development, PHS		[11]	[11]	1,346	1,468	27,510	30,375
NIH international research fellowships, PHS.	$9,000	Included in institution allowance.	$500 for dependents, $0.08 per mile.	130	147	1,200	1,300

National Library of Medicine fellowships, PHS [12]					10		120
Research fellowships, VRA [12]		$5,000 to $5,500	$500 for dependents, $0.08 per mile.	139	159	660	760
Atomic Energy Commission:							
Postdoctoral fellowships		$9,000, plus $1,000 maximum for moving, travel, and other expenses.		22	23	241	250
Special fellowships in industrial medicine.	$2,500	$7,500	$500 for dependents, $0.06 per mile (3 dependents maximum supported).	11	16	116	155
National Aeronautics and Space Administration: International fellowships.[13]	Tuition and fees, $2,500	Paid by foreign sponsor	Travel for fellowee and family	50	(4)	280	310
National Science Foundation:							
Regular fellowships	$1,000 [14]	$5,500; $6,000; special allowance $180.	$500 for dependent; $400 a year, average.	179	179	1,626	1,626
Senior fellowships		Maximum, $15,000; varies with normal salary; special allowance $400.	$1,500 a year, average	90	90	1,089	1,125
Science faculty fellowships	Predoctoral, $2,500; [14] postdoctoral, $1,000.[14]	$2,000 to $15,000 depending on normal salary and other income; special allowance $150.	$150 a year, average	325	325	4,235	4,300
Senior foreign scientist fellowships		Maximum, $1,250; same rate of pay as faculty of similar rank at host school.	$1,600 a year, average	50	50	704	719
Summer fellowships for secondary school teachers.	Tuition and fees, $400	Week, $85	$15 for dependents a week; $100 average.				

[1] 10,494 AY, 2,350 summer.
[2] 15,000 AY, 5,400 summer.
[3] Number of awards and program costs include some postdoctoral and special awards. (See rates below for NIH predoctoral and special.)
[4] Not available.
[5] Preliminary estimates; new awards only.
[6] Based on salary of candidate and university fees. Average cost per grant $11,000 including travel.
[7] Number of awards and program costs included in predoctoral list.
[8] Based on salary of candidate and university fees. Average cost per grant $12,000 including travel.
[9] Based on salary of candidate and university fees. Average cost per grant $10,000 including travel.
[10] All allowances based on need.
[11] Based on salary, up to $25,000.
[12] Number of awards and program costs include predoctoral awards with varying rates.
[13] All foreign students; administered by National Academy of Sciences.
[14] Foreign institutions: $500 or tuition and fees.

Mrs. GREEN. All right. Fine.

Mr. HOWE. We couldn't get it between yesterday and today.

Mrs. GREEN. Thank you very much.

Commissioner Howe, I wondered if we might ask you to come back later on?

Off the record.

(Discussion off the record.)

Mrs. GREEN. Thank you very much and thank you, Mr. Muirhead.

Mr. MUIRHEAD. Thank you for having us.

(Whereupon, at 12:44 p.m., the hearing was adjourned, subject to call.)

HIGHER EDUCATION AMENDMENTS OF 1966

MONDAY, MARCH 14, 1966

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to recess, in room 2257, Rayburn House Office Building, Hon. Edith Green (chairman of the subcommittee) presiding.

Present: Representatives Green, Brademas, Sickles, Gibbons, and Quie.

Also present: William F. Gaul, counsel, and Charles W. Radcliffe, minority counsel for education.

Mrs. GREEN. The subcommittee will come to order for further consideration of H.R. 13174 and H.R. 13237.

This morning we are very pleased to have representatives from the American Council on Education to discuss this particular legislation and make comments and recommendations.

Representing the American Council is John E. King, the president of Kansas State Teachers College. Accompanying him is John Morse, who has been a friend of this committee for many years.

Gentlemen, we welcome both of you and we are most anxious to hear your recommendations.

STATEMENT OF JOHN E. KING, PRESIDENT, KANSAS STATE TEACHERS COLLEGE, EMPORIA, KANS., REPRESENTING AMERICAN COUNCIL ON EDUCATION; ACCOMPANIED BY JOHN MORSE, DIRECTOR OF THE COUNCIL'S COMMISSION ON FEDERAL RELATIONS

Mr. KING. Thank you.

Mr. MORSE. Thank you, Madam Chairman.

Mrs. GREEN. Mr. King, will you proceed as you wish. All the members of the subcommittee have your statement.

Mr. KING. Thank you very much.

Madam Chairman and members of the committee, I am the president of Kansas State Teachers College in Emporia.

This statement has been very carefully prepared. We have consulted with a number of other organizations as well as with members of this commission.

I want to say also that I am a member of the Commission on Federal Relations of the American Council on Education. Mr. Morse is our director.

The American Council, as I think you know, is the principal coordinating agency for higher education in the United States. It

is a voluntary organization. I don't think this is a self-assumed title. We have a membership of 1,149 colleges and universities and 231 educational organizations. About 850 of these member institutions are 4-year colleges or universities, private or public.

We have been requested this morning to speak also in behalf of the Association of American Colleges which subscribes to the position we will take in this testimony.

We have been invited to present the council's views on the various provisions of H.R. 13174 and H.R. 13237, the Higher Education Amendments of 1966.

Title I of the bills under consideration is devoted to that program—facilities construction—to which the council has consistently given top priority among Federal programs designed to assist higher education meet its commitments to the Nation's young people. We simply cannot meet those commitments unless we have facilities in which to teach.

Madam Chairman, once in a while I would like to say something aside from this statement, if I may, and I want to say this: That I am greatly encouraged. This is my first visit to the Rayburn Building and I believe a country that can produce a Rayburn Building is going to be able to produce the facilities that we need in this country for higher education. That is not a part of this testimony.

We are well aware of the long struggle to pass the Higher Education Facilities Act of 1963, and I mean it when I say we are grateful to this subcommittee for its leadership in the successful enactment of this law.

I presume, therefore, that we are discussing here a program about which we as educators and you as legislators are equally enthusiastic. I know that you are legislators. Sometimes I wonder if we are educators. I say that in a general sense. I am not speaking for my colleagues on this point.

Let me say, Mr. Morse, you didn't advise my using that comment and I can see why you didn't.

Mr. MORSE. You are on your own, sir.

Mr. KING. Let me say, first, that the Council supports the proposals contained in part A of title I. These would provide an authorization of $453 million for matching grants for undergraduate facilities, $60 million for matching grants for graduate facilities, and $200 million in loans for both graduate and undergraduate facilities.

In addition, $7 million would be provided to underwrite the expenses of the State commissions and to provide for planning studies of construction needs by both State commissions and individual institutions.

In effect, these proposals would provide for the construction of academic facilities at approximately the same rate that has prevailed during the present year.

It is difficult to come up with a precise figure, but this should result in the completion in perhaps 2 or 4 years, or certainly 3 to 4 years hence, of academic facilities with a value of at least $1.5 billion.

Having indicated that we support these proposals, let me say that it is only the critical nature of the times that leads us to do so. Had we been presenting these views 6 or 8 months ago, it is almost certain that we would have been requesting sharply increased authorizations for all three titles of the Higher Education Facilities Act. We say this for the following reasons:

1. The current rate of construction is not adequate to meet the forseeable demands for enrollment in college at either the undergraduate or graduate level.

2. There are large numbers of institutions for whom the Higher Education Facilities Act is totally inoperative, because they are unable to obtain the required 2 non-Federal dollars to match each Federal dollar.

This is a side point. Incentive is an interesting thing in connection with this point. I wish this program could be on a 50–50 basis. I think it would provide greater incentive, particularly for those institutions which are having to struggle so much to meet the provisions.

Unfortunately, we are not in the position at this time to give precise figures on the need for construction funds. Obviously the best and most efficient sources of such information would be the existing State Commissions. However, unless they are directly charged with this responsibility, the commissions are in no position to furnish the information. Institutions of higher education, which have carefully reasoned and fully documented knowledge of their facilities needs, do not make these needs known to their State commissions. On the contrary, because they know of the limited funds available within their States and because they know that arbitrary limitations have been imposed by State commissions in order to spread the funds among more eligible institutions, each has been inclined to submit only its most urgent proposal, in the hope that by so limiting its request it might gain support for that one proposal. At the same time, institutions with urgent need but with a realistic knowledge of their inability to raise the required matching funds from non-Federal sources have felt it to be an expensive exercise in futility to submit any proposal whatever to their State commissions. It may be that such a State-by-State survey is contemplated in the $7 million authorization for State commissions. If not, we would strongly urge that the Office of Education be charged with the responsibility for making annual surveys through existing State commissions of the facilities needs of higher education, each survey asking for a 5-year projection of such need. In the absence of an Office of Education survey, the American Council on Education will undertake one of its own, but we believe that the resources of the Office of Education and its direct access to the State commissions make that a better medium for the collection of essential data.

The point of this paragraph really is that we think your committee and the Congress would be greatly helped by knowing what the backlog of needs is.

Even without the precise information which such an annual survey would reveal, we can say categorically that construction is not keeping pace with anticipated demand. Virtually every piece of legislation pertaining to higher education encourages a greater percentage of young people to go on to higher education.

The great increase in the national defense student loan program, the inception of the work study program, the enactment of the opportunity grant program, and of the recent GI bill, and indeed the upward bound program in the Office of Economic Opportunity will all have a profound effect upon college enrollments.

We applaud the objectives of all and that is not just a statement that Mr. Morse and I stuck into this. There is a warmth of feeling

among college administrators all up and down this country that I think you should be very happy about on these programs.

We believe they represent efforts to fulfill the commitment of providing higher education for all youngsters who aspire to it and are capable of profiting from it, and I might add, adding to the manpower resources, the strength of this country, and the health of its population.

So if we may look down the road ahead, we are forced to the conclusion that we must come back to you in future years and ask you to give us greater assistance in the building of needed facilities.

This will require much larger authorizations and a sharp increase in the Federal share, so that all institutions may play their part in carrying the load of increased student enrollments.

We have been tempted to ask for these increases this year in spite of our recognition of the pressures on the budget occasioned by Vietnam. We believe we could argue convincingly that because of the timelag between the allocation of funds and the completion of facilities, it is necessary that we expand our efforts this year if we are to meet the demands of 1969 and 1970.

As you know, one of our problems in facilities construction is that, no matter what the emergency we may find ourselves in now, we must think in terms of 2 to 4 years in the future, and it sometimes is hard to do that when there are as many pressures as I know are on you at this time.

We are persuaded, however, that because the construction industry is already so committed that a sharp increase in appropriations might lead not so much to an increase in facilities as to an increase in the cost of facilities.

In summary then, we support the proposals for title I in H.R. 13174 and H.R. 13237 for fiscal 1967. And we express gratification that the bill proposes that authorizations for future years shall be based on "such sums as are needed." This will give us an opportunity to come back to you next year with a clearer picture of needs both for total construction and for the Federal share.

In connection with part B of title I we have only this to say: There can be no question about the need to strengthen our so-called developing institutions, particularly those whose student body is predominantly Negro and is drawn largely from inadequately supported, previously segregated secondary schools—well, it says in our statement in the South, but I just say wherever there have been segregated schools.

A year ago the American Council enthusiastically supported title III of the Higher Education Act; we continue to do so. However, we believe that a good deal of experimentation is required before it can be determined what methods can most effectively be employed to upgrade and strengthen our weaker institutions.

For this reason we believe that the $30 million requested for this title represents a reasonable figure, adequate to support many different approaches to the solution of this problem, but not so large as to encourage false starts, wasteful duplication, and ill-considered programs major in scope.

We turn now to title II of H.R. 13174 and H.R. 13237. There is no question in our minds that the national defense student loan program, which was the creation of the Congress, has been the most significant piece of student aid legislation ever enacted.

In view of the bipartisan support it has enjoyed since its inception in 1958, we have reason to believe that the Congress shares our enthusiasm. We therefore believe that any major changes should be approached with the greatest caution. I just can't make this particular emphasis too strong.

Many voluntary organizations involving higher education people are deeply concerned about the continuation of the NDEA loan program at this time.

At the risk of oversimplifying, we suggest that the basic proposition in the pending bills is to terminate, as quickly as possible—even this year if possible—the NDEA program and to substitute for it a program in which all student loan needs would be met through the commercial lending market.

A year ago the council supported the guarantee loan program contained in Public Law 89–329. We saw it as a means through which students from middle and upper-middle income families might be assisted to meet the increasing costs of higher education. We foresaw at that time that this new program might eventually pick up a share, perhaps a large share, of the loans being made to needy students under NDEA.

We were not, and are not now, opposed to such an evolutionary process. Our colleges are even now engaged in a small loan operation approaching the $1 billion level, and at the current rate of growth this figure could double in the next 4 to 5 years.

Institutions of higher education are not suited for, nor do they wish to be, in the banking business in a major way. So we welcomed the possibility that the banking community might relieve us of some share of the load. To this extent we can support the basic approach embodied in H.R. 13174 and H.R. 13237.

Nevertheless, we must oppose certain specific provisions contained in the bill and ask for a postponement of certain others in order that there may be time for study and the application of experience.

Before there was any thought that the NDEA program might be terminated or phased out, institutions had already indicated to the Office of Education that their need for funds for the Federal share of the NDEA program would be in excess of $200 million in 1966 and 1967.

This was over and above the $750 million that might be loaned by banks under the guarantee program. It is now mid-March. Colleges and universities have made moral commitments to hundreds of thousands of their students and must be in a position in 2 or 3 weeks to assure them of an ability to meet those commitments if the students do their part by maintaining satisfactory records.

An ability to make firm commitments, also within the next 2 or 3 weeks, to prospective freshmen and transfer students is even more essential.

H.R. 13174 and H.R. 13237 propose an authorization of $150 million to tide institutions over until the transfer to the private market can be brought about. The Commissioner of Education would not be permitted to allocate funds from this sum to a participating college until he had found the college unable, for legal or other reasons, to borrow its needed capital from the commercial market.

We suggest that there is not time, this year, for such determinations. We do not know how ready the commercial lending agencies

will be to make such loans; we do know, however, that credit is in increasingly short supply.

We do not know what rate of interest colleges would have to pay on such loans; we do know, however, that banks are already paying 5 to 5½ percent to their depositors for 2- and 3-year money. While it is true that, theoretically, colleges need not be concerned over the interest charged on such loans, since this interest would be subsidized by the Government, we would be most reluctant to support such a proposal if it meant heavy additional expense to the taxpayer.

An added complication in this proposal is that loans made to public institutions by the financial community would not be guaranteed, because of the tax-exempt nature of the income from the loans.

To meet this problem, section 202B of H.R. 13174 and H.R. 13237 provides for the establishment by a university or universities of a kind of separate corporation which might borrow the needed funds and make loans to students and yet not fall under the tax-exempt status of the parent universities. Whether institutions would be likely to set up such separate corporations, or indeed whether they should, we have had no time to study.

As we have suggested, all of these proposals merit the most serious consideration. We are not unconcerned with the impact on the budget of continued large annual appropriations for the NDEA program. We would respectfully urge, however, that if changes are to be adopted, they be delayed until fiscal 1968, so that the Congress, the banking community, and the higher education community may better assess their impact.

I want to reemphasize that area of this testimony. Mr. Quie was a very wonderful speaker in my State just a short time ago, and just in our last legislature have we been able to face the problem of institutional borrowing, that is, of the legality of State institutions borrowing. We do need time on this problem.

In short, we believe that the timetable is such that it is essential, if we are to meet our commitments for the coming academic year, that there be no change this year in the basic NDEA-loan program and that the full $190 million already authorized for fiscal year 1967 be appropriated.

It would be our hope that if this is done, the guarantee program might be sufficiently well launched in a number of States so that it could pick up the difference between what colleges have indicated to be their need and the maximum amount authorized.

Indeed, if guarantee programs develop more rapidly than now seems likely, the colleges might not have to use their total allocations under NDEA and could reduce their requests at the time of second semester allocation of funds.

Turning briefly to other provisions of the bill, we would question very seriously whether students should be encouraged, as provided for in section 201, subsection (c), to refinance their previous loans through the guarantee program.

On the surface, and without any actual experience, we see no particular disadvantage to the student. But we are eager to see the new guarantee program get off the ground. In view of the tight credit situation we believe the banks and other lending agencies will do well if they can make loans to the sizable number of new borrowers who are certain to be turning to them for assistance.

To ask the banks to pick up old paper as well seems unreasonable and to the extent that they did so, we believe they would have to restrict sharply the money that should be available to new borrowers.

We are also opposed at this time to the provisions of section 203 and 206 of the bill. Again at the risk of oversimplification, we view these as signaling the dissolution of what all of us had hoped might be a permanent revolving fund.

In our meetings of the commission we have talked and projected about the time when this revolving fund would be adequate to meet our continuing needs or the continuing needs of the students.

Recognizing that it would always have to be replenished because of the forgiveness features and because of some loss through the death, disability, or inability of some borrowers to repay, we nonetheless have viewed the fund that has been built up through three administrations and that would by next year total over $1 billion as the essential backlog for future loan operations.

If the packaging approach required by title IV of the Higher Education Act of 1965 is to work, student aid officers must be able to make firm commitments of loans. To do this they must have money with which to fulfill their commitments. As we have envisioned the possibility of tying the guarantee program into this aid package, it would have to be a two-stage process.

At stage one, the student aid officer would tell the student that he was eligible for a loan of a given size and this would be certified to a bank of his choice. It would be explained to the student that because of limited NDEA funds he must, out of fairness to other students, try to get his loan from the bank.

But (and this is stage two) he would be assured that if he were unsuccessful at the bank, his loan commitment would be met from the NDEA fund.

We know such a process would work, for it has worked for several years in New York State, the principal of one fund or one process completing and supplementing the other. But it cannot work unless there is a sizable fund for the aid officer to fall back on.

We see this process as the one whereby over a period of years, as banks show evidence of ability and desire to assume a large portion of student lending, the NDEA program can be phased down. We do not see how it can ever be phased out, for there will surely be some students who cannot secure bank loans and some banks which will not be able to lend more than token amounts to students.

We have three very fine cooperative banks in my home community where my college is located, a town of 18,000 people. We have nearly 1,500 loans to deal with. Obviously we would have to look all over the State in a variety of situations to help these students to solve their problems.

If the existing NDEA fund can be retained intact, with repayments from former borrowers available for relending, it is possible that there can be a sharp tapering off of NDEA appropriations. Perhaps in a few years it would be necessary to appropriate only the amount lost from the fund for reasons we have already cited. This will depend entirely on how successful the new and as yet untried guarantee program proves to be.

The chairman of this subcommittee has been quoted as saying in a different context that this is a year to stop, look, and listen. We believe that the quotation is apt for the proposals under consideration.

We reiterate that we are not opposed to the objectives of H.R. 13174 and H.R. 13237.

To the extent that the private market shows that it can carry the load, to that extent colleges and universities will be happy to transfer it. But we do not believe it should be done precipitously. Couldn't we have just said "quickly" there. Our commitments to our present and future students are serious ones, and we dare not gamble with them.

In your letter of invitation to appear this morning, Madam Chairman, you have suggested that our statement contain the views of the council on the drafting of college students and any information which will help to clarify the manpower picture.

We are bringing a brief statement this morning realizing that we do this from a higher education standpoint, a one-dimensional standpoint. I can say that this has been a matter of deep concern to the council for several months. A special committee has worked on this problem and has prepared a report for us.

I repeat that we can at best present a one-dimensional view. On January 18, 1966, we addressed a letter to Mr. Buford Ellington, who was at that time the Director of the Office of Emergency Planning, urging that a high level agencywide group within the Government be established to study this important question.

In order to underline the importance we attached to this study we sent copies of our letter to Mr. McGeorge Bundy and to Assistant Secretary Keppel, who is responsible for the Government-wide coordination of Federal programs involving education.

We fully recognize that the colleges and universities can see only one segment of the total manpower problem, but since we are almost solely responsible for the production of professional manpower, we do have a large stake in any decisions which are made and which affect students.

We can make one generalization. This is that it is questionable whether our system of higher education can in the foreseeable future produce all of the trained specialized professional manpower that will be required if all of the Nation's commitments are to be realized. We face possible shortages in virtually every conceivable field, and obviously there are a lot of fields we haven't thought about that there are going to be shortages in, too. But this thought is not new to this committee nor is it new to higher education. We shall simply do the best we can.

If what we have just said can be accepted, then it follows that the extent to which our military requirements deplete the supply of students going through the educational pipeline and interrupt for 2 or 3 years the achievement of students' goals will determine our ability to meet the Nation's future manpower demand. The extent of the difficulty will be determined by the duration of the emergency.

Acknowledgement of the difficulty in meeting our professional manpower requirements does not alter the fact that we are engaged in a war and that the Armed Forces require men. You know, we have more than 5 million young people in our higher education institutions. We have more than 3 million men, about 3,300,000, something like that?

Mr. MORSE. That sounds about right.

Mr. KING. And you know how many we have in the armed services from a similar age group, almost the same number of men or close to

the same number of men, and the two groups impinge upon each other or compete with each other.

In a discussion of this problem 2 weeks ago, our Commission on Federal Relations speculated that the whole selective service machinery may well be antiquated and in need of revision.

This is sort of a luxury that a commission like ours can engage in once in a while. A whole set of axioms by which it has been successfully operated for almost three decades should perhaps be challenged. But the Commission came to the conclusion that a major overhaul in time of crisis would be unwise.

So the Commission reaffirmed the position the council has taken since October 1965 that we must deal with the situation as it exists. In a series of conferences with General Hershey and the staff of the Selective Service System, we have urged the issuance of guidelines to local boards that could be put into effect if and when it was determined that our military manpower needs are so pressing that some percentage of students must be inducted into the armed services.

Incidentally, I would like to inject one idea, a personal idea, in the statement at this point. I am finding in my section of the country that a tremendous number of young men in college, of college age, are deciding that going into military service at this time is a fine thing to do. It is a particular, specific way that a young man can be more useful than in almost any other way.

Some of us believe that we are going to see a great upsurge of this among college students and that our manpower demands that must be met by selective service will be in good shape within 6 or 8 months.

That is not an official commission point of view or part of the statement, but there is much hope along this line, I think as the seriousness of the Vietnam situation percolates to college youngsters. Are you shocked by that?

Mr. MORSE. No, sir.

Mr. KING. In essence what we recommended is that local boards determine which students should be deferred for future training on the basis of their rank in class or a score on a nationwide test—whichever is higher. We would be glad to submit for the consideration of the subcommittee a statement which we propose to send to all of our member colleges some time this week.

We have copies of that statement with us.

There will undoubtedly be criticism leveled at the proposals we have made. No one who has ever taught or ever, we say here, given grades—I think those of us who ever taught would prefer to say, "assign grades," or "award grades," rather than "given grades," Jack—would argue that there are precise measures either of a student's current achievement or of his potential for contributing later to society. The point of that sentence is that the more some of us have been connected with teaching, the more difficult we realize it is to attach an objective numerical value to the performance of a student and even more difficult to predict his future performance in a situation under stress.

No one who has ever dealt with objective tests would argue that they are precise measures of students' ability. That is quite a sweeping statement. If you give us enough time we could probably locate someone who would argue that these tests are precise measures of student ability.

I think we will change that to read "very few experienced individuals who have dealt with objective tests would argue," and so on. But grades and tests, with all of their inadequacies, are the best measures we have yet been able to devise for assessing both achievement and potential.

Those who are most critical of their use as guidelines to local boards have for years used them themselves to determine admission to college, admission to graduate school, the award of fellowships and other financial aid, admission to professions, and indeed for a variety of other decisions which have helped fulfill or shattered youngsters' dreams of what they wanted to be.

With all their imperfections, therefore, we endorse these measures for selective service purposes with the comment that if someone can suggest better criteria, we will, we say, embrace them wholeheartedly. I would say we would study them carefully over a period and probably with some reserve at first.

The alternative to these criteria is to ask over 4,000 local boards to read transcripts from some 2,000 educational institutions with a myriad of different grading systems and incredible differences in standards and come to unguided decisions on the basis of whatever their hunches tell them.

One other approach could be to determine all inductions and deferments by lot. Superficially, this might seem a fairer approach. But it should be remembered that students are deferred for the health, safety, and welfare of the Nation, because their fully developed talents will be required later.

However inadequate our methods of determining which of our students show the greatest talent may be, they are surely better than the mere luck of the draw.

Madam Chairman, I am grateful—I think every member of the council is grateful to you and the subcommittee for having had this opportunity this morning to present our views.

With Mr. Morse's help I will do my best to attempt to answer questions which you and the members of the committee may wish to direct to us.

Mrs. GREEN. Thank you very, very much, Mr. King.

First, may I ask unanimous consent that the statements to which Mr. King referred in his statement be made a part of the record immediately following his statement.

If there is no objection it is so ordered.

(The statements referred to follow:)

COMMISSION ON FEDERAL RELATIONS—STUDENT DEFERMENT

The current regulations governing student deferement are the following:

1622.25 Class II–S: Registrant Deferred Because of Activity in Study—(a) In Class II–S shall be placed any registrant whose activity in study is found to be necessary to the maintenance of the national health, safety, or interest. (b) The Director of Selective Service, after consultation with such departments and other agencies of the executive branch of the Government as may be appropriate, may promulgate criteria, which shall be advisory only, concerning the placing of registrants in Class II–S.

In recent years the Director has not furnished the criteria permitted in (b) above to local boards. When there is little need to induct men into military service the application of part (a) of this regulation results in the wholesale deferment of all registrants engaged in any sort of educational activity. However, as military needs increase, so do the problems of identifying which students should be deferred. In the absence of the advisory criteria provided in (b), each local board

is on its own, subject only to general ground rules, which in themselves differ substantially, established by the various states. As ta resul, there is considerable inconsistency and confusion throughout the country, and much indecision and uncertainty on the part of college students, their parents, and college administrators.

Since the beginning of the Viet Nam buildup in the summer of 1965, it has seemed increasingly likely that an indeterminate number of students would have to be inducted. If that is the case, the following principles will probably prevail:

1. It is in the national interest to defer (not exempt) as many full time students as possible, irrespective of the field in which they are studying.
2. It is also in the national interest to defer (not exempt) insofar as possible students who complete their baccalaureate programs and are eligible to go on to graduate and professional schools.

Advisory criteria similar to those used during the Korean conflict, making use of rank in class and a score on the recently announced College Qualification Test, are likely soon to be promulgated by Selective Service to the local boards. It is not mandatory that local boards defer students who meet the advisory criteria. Nevertheless, it seems probable that the more complete, prompt, and precise the information furnished the better served will be the interests of students and the local boards.

It is assumed that students in good standing currently enrolled for the 1965–66 school year will be allowed to finish the year. At the close of the year it is expected that there will be a review of the records of those who finished the year, and that, depending on the need for manpower for the armed forces, those with the best potential for further education will be deferred for 1966–67, while those whose records measure up less well will be considered eligible for military service.

It should be understood that it is the responsibility of the individual registrant to keep his local board informed of his status. It is the responsibility of educational institutions to assist the student by furnishing to local boards, at the student's request, the information that will make that status clear. During the Korean period rank in class or test score, whichever was higher, was used as a basis for determining further deferment. We believe that this alternative approach will be reinstituted. In the absence of information on either one, the local board must rely solely on the other; in the absence of both, local boards will have to make their judgments on the basis of whatever information, from whatever sources, they can secure.

Discussions between representatives of higher educational institutions and the Selective Service System indicate that at the request of their students educational institutions will be expected to make the following kinds of reports to local Selective Service boards:

1. A report of acceptance for admission, rendered when the student has been accepted, prior to the opening of the school year.
2. A beginning of the year report, indicating that the student has begun the school year and is satisfactorily pursuing a full-time course of instruction, the college year of the student, the beginning and ending dates of the school year, and the expected date of graduation of the student. (It is understood, of course, that when a student asks the institution to file a status refort, he recognizes the obligation of a college or university to inform the draft board when he is no longer enrolled full-time, is ineligible to continue his course of study, or has graduated.)
3. An end of the year report, showing the scholastic standing of the student for the year with respect to the full-time male students in his class, by the following categories: upper one-fourth, upper one-half, upper two-thirds, upper three-fourths, and lower one-fourth. For graduate and postbaccalaureate professional students, the end of the year report would not show class standing, but only satisfactory or unsatisfactory progress for the year.

Institutions should continue to take seriously their responsibilities in reporting student progress to Selective Service, and should realize that not all students will meet the criteria. In order to justify a claim for deferment on the part of qualified students, the institutions must be equally candid in reporting unsatisfactory progress on the part of others.

A student certified as carrying a "full-time course of instruction" should be understood to be one carrying enough work to qualify himself for graduation in the usual length of time. The commonly employed definitions of "full-time student," although useful in other contexts, are often minimum loads which will not bring a student to his degree on time. Institutions may need to re-study their concepts of the full-time student and length of time normally required by their students for graduation, when reporting student progress to Selective Service. A more useful

concept is the "normal student load" as defined (and underlined) on page 113 of the *Handbook of Data and Definitions* of the American Association of Collegiate Registrars and Admissions Officers. (See Appendix I)

The computation of the college year of the student is more complicated than it looks. A review of the concept of "Student Year Level" as defined on pages 129 and 130 of the *Handbook of Data and Definitions* may be useful in arriving at institutional practice in this area. (See Appendix II)

Class standing may be calculated by the institution in any way it chooses. It may be based on cumulative grades or yearly grades. It may be determined institution-wide, by school within an institution, by department, or in any other way that appears to be useful. However, the number of students certified to be in a particular segment of a class should not exceed the total number of that segment. For example, no more than 50 per cent of the total number of students in a class may be certified as being in the upper half. Ties in class standing must be broken by the institution when several students apparently have the same rank.

Reporting student progress to Selective Service will require extra clerical effort on the part of colleges and universities. But the Selective Service System must have information on which to make its judgments, and in the absence of institutional information students will have to rely on the unguided judgments of thousands of local boards in determining their eligibility for deferment.

The American Association of Collegiate Registrars and Admissions Officers will soon (mid-April) be issuing a manual on the above procedures.

APPENDIX I.—STUDENT, FULL-TIME

One who at the undergraduate level is carrying at least 75 percent of a normal student-hour load. *The normal student-hour load, in turn, is defined by the formula: number of credit hours required for graduation, divided by the number of semesters or terms normally taken for graduation (exclusive of summer sessions).*[1] A full-time graduate student is one whose academic load—in terms of course-work or other required activity (such as a thesis)—is at least 75 percent of that normally recommended for such students. Time spent by teaching fellows should be included only if such teaching is performed as a requirement for a degree. Employment which is not part of the prescribed activity for an advanced degree should *not* be counted as part of the time spent on graduate work.

Twleve hours is commonly accepted as the minimum level of a full-time student.[2]

APPENDIX II.—YEAR LEVEL, STUDENT [3]

The relative position, to the nearest year, in which a student is located in his curriculum.

Curriculums requiring more than a year for completion are commonly organized into yearly segments, each requiring the average full-time student a year to finish (the word *year* refers to the traditional school year lasting from September to June, generally organized into 2 semesters or 3 quarters). Students in the first year of work of a Bachelor's Degree program requiring 4 years for completion are classified as *freshmen*, those in the second year as *sophomores*, those in the third year as *juniors*, and those in the last year of a 4 year program are known as *seniors*.

These yearly concepts are useful statistical classifications. They locate the general position of any student in his curriculum and give valuable information for those who are interested in pipeline studies of manpower in training. However, the increasing complexity and diversity in institutional organization and curricular patterns cause them to be difficult to determine. Contributing to the difficulty are the following:

1. The development of curriculums shorter than and longer than 4 years duration; 2. The adoption of new academic calendars involving terms other than semesters or quarters; 3. The desires of institutions to operate on a year-round basis; 4. The variations in the amount of load carried by students in a given term; 5. The variations in the number of terms per year attended by students.

In place of the older classifications of *freshmen*, *sophomore*, *junior*, and *senior*, the more general concept of *year level* is suggested, expressed in ordinal numbers: *first year*, *second year*, *third year*, *fourth year*, and *fifth year*, and the like. When the total number of years normally required for an average student to complete a curriculum is different from 4, special indication to show this further clarifies the situation.

[1] Italic supplied by ACE Commission on Federal Relations.
[2] *Handbook of Data and Definitions*, AACRAO, pp. 114, 133.
[3] *Handbook of Data and Definitions*. AACRAO, pp. 129, 130.

The *year level* of a particular student must take into account two kinds of calculations. The first relates to the amount of work that the student has completed which is applicable in the particular curriculum in which he is presently working. The second calculation is the number of years that he has been engaged in study. For an average student carrying a normal full-time load these two calculations yield the same *year level*. When these two calculations yield different numbers for a given student, greater consideration should be given to the relative position in which the student finds himself in his total curriculum than to the amount of time it has taken him to reach this point.

It should be noted that *year level* can be computed either ahead from matriculation or backward from graduation. Ingenuity and imagination will indicate the simplest technique.

AMERICAN COUNCIL ON EDUCATION,
Washington, D.C., March 18, 1966.

Hon. EDITH GREEN,
Chairman, Special Subcommittee on Education,
U.S. House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: Enclosed is the statement you asked us to submit for the record in connection with Selective Service procedures.

I am also sending you a copy of Dr. Cartter's paper on "The Supply and Demand of College Teachers." It is not clear to me whether you wanted this for the record or only for your own information. Dr. Cartter tells me that this paper is a preliminary one and that he is working on a new version, which I gather will be less technical.

It was a pleasure to appear before your subcommittee, and we shall look forward to other such occasions.

Sincerely yours,

JOHN F. MORSE,
Director, Commission on Federal Relations.

[Reprinted from the 1965 Social Statistics Section Proceedings of the American Statistical Association]

THE SUPPLY AND DEMAND OF COLLEGE TEACHERS

(By A. M. Cartter, American Council on Education)

Considering the importance of the problem to higher education, and the many hundreds of millions of dollars appropriated by the Federal government for the expansion of graduate education over the last few years, it is rather astonishing that we know so little about the present and probable supply and demand of college teachers. The general consensus today as expressed by several Federal agencies, the National Education Association, and many college and university Presidents and graduate deans, seems to be summed up in the following three propositions: (a) persons trained at the doctoral level are in increasingly short supply; (b) the quality of faculty (as measured by highest degree attained) in the nation's colleges and universities is deteriorating; and (c) the situation will worsen over the coming decade as a consequence of burgeoning undergraduate enrollments. Over the last few years various distinguished educational spokesmen have used such terms as "disastrous shortage", "serious crisis", "the nation standing virtually paralyzed", "frightening figures", "a major national scandal" to describe the supply of college teachers, and have called for "heroic efforts", "crash programs", and new degrees short of the doctorate to stem the tide.

At the risk of flying in the face of commonly held opinion, I wish to argue the reverse of the above propositions; namely that: (a) the "sellers market" in academic personnel is likely to disappear over the coming decade, (b) the quality of faculty in the nation's colleges and universities has improved, not deteriorated, over the last ten years, and (c) the situation is moderately well in hand now, and will improve dramatically in the 1970's. In attempting to support these views the paper will first summarize events of the last ten years, then present a growth model helpful in projecting the supply and demand conditions ahead to 1985.

THE LAST DECADE

The belief that things are getting worse rather than better is largely attributable to the biennial research bulletins issued since 1955 by the National Educa-

tion Association on "Teacher Supply and Demand in Universities, Colleges and Junior Colleges." [1] The first report presented a distribution of total staff by highest degree for 637 reporting institutions in 1953–54. Successive reports, however, have only inquired as to highest degree of *new* teachers. The figures shown in Table I, taken from the various NEA reports, have led some readers to believe that a rapid deterioration in faculty quality was in fact occurring.

A few critics of these reports have noted that it is an improper procedure to compare average and incremental ratios, but no attempt has been made to estimate the magnitude of this distortion. Table II is an attempt to correct this procedure, using additional data from the NEA reports. Columns 1 and 2 are the data used by Maul to obtain the percentages in Table I. In addition, however, the biennial reports give the number of new doctorates each year who "continue in teaching," and thus do not show up in the "new teacher" series.[2] These are shown in column 3 of Table II, and a ratio of new doctorates in teaching to new teachers is computed in column 4. Now a meaningful comparison can be made between the average ratio for 1953–54 and the incremental changes in both the number and degree level of college teachers. This series suggests a slight improvement in the proportion of senior college faculty with the doctorate.

One further factor should be considered which is also favorable to the view that the quality of faculty (as measured by highest degrees attained) has not deteriorated. *A priori* one would assume that teachers with the doctorate are more likely to make a lifetime career out of teaching than those without a doctorate. It would be reasonable to assume that there is a differential net transfer rate for the two groups. A recent Office of Education study, to be published later this year,[3] indicates that for 1962–63 the rate of those leaving college teaching for reasons other than death or retirement was 3.1% for doctorates and 7.1% for nondoctorates. Other data, discussed below, further indicate that the net transfer rate of doctorates into and out of teaching has been approximately zero in recent years—that is, that the in-transfer rate of doctorates from other employment was also about 3%. To illustrate the effect of a difference in the net transfer rate, assume that the rate is zero for Ph.D.'s and a 5% annual net loss for non-doctorates. For the 1963/64 class of new teachers, with an initial ratio of .484, five years later the ratio of doctorates to total continuing teachers would rise to .548. Unfortunately we have only one fragment of data from the COLFACS study to judge by, so this example is suggestive only; presumably the separations rate for non-doctorates is positive but not greater than seven percent.

If the data in Table II and its accompanying speculations, were the entire basis of the thesis that the percentage of college faculty with doctorate has been rising over the last decade, it would rest on a weak reed indeed. But this view is now supported by two new studies. One was recently presented by this author, drawn from data collected quadriennially by the American Council on Education.[4] The findings are summarized in the first two columns of Table III. The other is a soon-to-be published study (COLFACS) by the Office of Education, whose findings are summarized in column 4 of Table III. Whether one views the comparison between total or full-time instructional staff, it seems clear that the percentage of doctorates has been rising for each type of institution. This conclusion is consistent with the N.E.A. data as presented in Table II above, although it is just the opposite of the conclusion which N.E.A. drew from its own material.

FACULTY FORECASTING MODELS

Projections of the demand for college teachers made over the last decade have varied widely, and most have been such poor predictors of actual developments that the basis on which the projections were made needs careful scrutiny. The

[1] The first report in the series had a slightly different title; see "Teacher Supply and Demand in Degree Granting Institutions, 1954–55," *NEA Research Bulletin* XXXIII, 4 (December 1955). The Series has been under the directorship of Ray C. Maul, and the most recent is *NEA Research Report, 1965–R4.*

[2] These data are not precisely comparable, but should be sufficient to illustrate the principle. Maul's data on new teachers is drawn from questionnaires to the colleges hiring new teachers, while his data on the employment of new doctorates is drawn from questionnaires to the graduate schools granting the doctorates.

[3] "Teaching Faculty in Universities and 4-Year Colleges, Spring, 1962" by Dunham, R. E., Wright P. S., and Chandler, N. O. (OE-53022-65). Preliminary data were presented in a paper "Doctorates Among Teaching Faculty" at the annual meeting of the American Educational Research Association, February 11, 1965. This study is commonly referred to as COLFACS.

[4] See "A New Look at the Supply of College Teachers," *The Educational Record,* (Summer 1965), pp. 267–277.

best known model is that developed by Ray Maul in the 1959 NEA report,[5] and now used by the Office of Education.[6] The model consists of three ingredients: (a) an independent projection of future enrollment, (b) an assumed student/staff ratio, and (c) an assumed replacement rate for faculty deaths, retirements and shifts to other employment sectors. In the most recent presentation by the Office of Education the student/staff ratio is estimated to average 14:1 for the next decade,[7] and the replacement rate is assumed to be 6%. The choice of the latter percentage apparently derives from the earlier Maul model.[8] The result of this model when applied to Office of Education enrollment projections is to predict an aggregate need for some 556,000 new college teachers over the next ten years. Assuming constant quality of faculty, the Office of Education predicts a probable "deficit" of more than 120,000 doctorates by 1973/74.[9]

There are a number of aspects of the current OE model which I believe lead to a considerable exaggeration of future faculty needs. First, the projected student/staff ratio (18:1, based on total instructional staff) is lower than the experience of the last decade would indicate. Table IV, using Office of Education data, shows the increment of enrollment and increment in total instructional staff since 1953/54.[10] It has averaged 19.3:1 and there is no clear trend upward or downward. On reflection this does not seem an unusually high marginal ratio for a number of reasons. First, junior colleges, where the average ratio is 20:1 or greater, represent a larger portion of increments in enrollment than they do of the current total (nearly 30% of the annual increases as compared to less than 15% of the total). Second, enrollment in public institutions, where the ratio is moderately high, is expanding more rapidly than in private colleges and universities. Third, much of the expansion is occurring in already existing institutions, and one would expect there to be some manpower economies of scale associated with such growth. Finally, modest changes in technology (language laboratories, educational television, independent study, etc.) presumably work to increase the ratio despite enrollment expansion. A continuing *marginal* ratio of nearly 20:1 would mean that the *average* ratio will rise from 15.3:1 today to 17.3:1 by 1985. The Office of Educational choice of an 18:1 ratio, therefore, appears to overstate the expansion needs by nearly 10%.

A second, and more major, criticism is the use of a 6% replacement rate for faculty, for I believe it overstates replacement needs by a factor of three. The reason for believing that this is such a major error is the following. If one applied this model to the last decade, beginning with 1953/54, then we should have experienced a decline in the percentage of doctorates on teaching faculties from about 40% to 30%; instead, as Table III indicated, it has risen by seven to ten percentage points for four year institutions. As I have indicated in another paper, the actual experience of the last ten years is consistent with a replacement rate of *slightly less than 2%*. Judging by the age distribution of present faculty (1962/63), and applying appropriate mortality rates and estimating retirements, my estimate of the actual replacement rate for the coming decade is shown in Table V.[11]

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[5] "Teacher Supply and Demand . . .", *NEA Research Report 1959–R10*, pp. 50–54. The same model was used also in the 1961 Report, but did not appear in the later reports.

[6] "Projections of Educational Statistics to 1973–74" (OE–10030, 1964), p. 26.

[7] The ratio, in terms of full-time staff equivalents, ranges from a low of 10:1 to a high of 16:1 in somewhat random fashion, but averages 14 for the decade to 1973–74. In terms of total instructional staff at the rank of Instructor or above, the OE projection ranges from 14:1 to 27:1, averaging 18:1. As Table IV indicates, this is lower than the average of the last decade. See "Projections of Educational Statistics . . ." *op. cit.*, pp. 8 and 24.

[8] The choice of the appropriate replacement rate is so critical to the model that it is surprising that no very serious attempts have been made to verify it. A difference of one percentage point makes a difference of about 40,000 teachers over a decade. Various assumptions have been used by different model builders—e.g. 5% by the Fund for the Advancement of Education in *Teachers for Tomorrow* (1955) 5% by Brown in *The Market for College Teachers* (1965), 4% by Berelson in *Graduate Education in the United States* (1960), 3% by Wolozin in "How Serious Is the Faculty Shortage?" *Challenge* (June 1965).

[9] Memoranda on "Estimates of Demand for and Supply of Higher Educational Staff," Higher Education Personnel Staff, Office of Education, October 26, 1964 and January 4, 1965.

[10] Ideally one would like to use full-time equivalents for both measures, but natonal enrollment data is not available on this basis despite the fact that the Higher Education Facilities Bill of 1963 uses a full-time equivalent enrollment formula for the distribution of title I funds.

[11] Bolt, Kolton and Levine have recently published a model for scientific fields which is in close agreement with the above. Their estimate for scientists, based on a review of National Register data for recent years and an assumption that scientists retire et age 65, is:

Death rate	0.009
Retirement	.006
Total	.015

See "Doctoral Feedback into Higher Education," *Science* (May 14, 1965), pp. 918–28. The retirement assumptions in my estimate are that 4% of faculty aged 60–64 voluntarily retire each year, and that from age 65 on teachers on the average retire from teaching one year after mandatory retirement age is reached. This is the equivalent of assuming that one-third retire at the mandatory age, one-third continue (probably at another college) for one year, and one-third for two years. An alternative assumption that 10% of teachers age 60 and above will retire each year would give a current rate of .0098.

A third objection to the OE model is that included in full-time equivalent staff are personnel for administrative services (few of whom, below the level of academic deans, would be expected to have the doctorate), junior instructional staff (who by definition are teaching assistants without the doctorate) and a large number for "research." Since research personnel needs are determined by factors largely independent of the purely educational function, and doctorates are probably not a large fraction of the other two categories, it seems much more appropriate to concentrate just on the needs for teaching faculty. As a corollary, this requires counting only new doctorates who enter teaching as a component of supply, rather than the number who enter higher education in all of its various facets.

So much for the Office of Education forecasts; as a stone-thrower I should at least create my own glass house as a target for others. The starting point is a projection of college enrollments (E) and doctoral degrees (P) to 1985 in Table VI. The enrollment projection is similar to that of the Office of Education through 1974, and assumes that the ratio of undergraduate enrollment to the 18–21 age group rises to .55 by 1985.[12] (It is now approximately .40). The doctoral projection is that of the author, and while it is moderately higher than the most recent Office of Education projection, it is below that of the National Science Foundation.[13] Assuming that the projections turn out to be accurate—I believe they are about as good a guess as can be made—one can then attempt to analyze the staffing implications of such a future growth path.

If we are to assess the quality of instructional staff by highest degree obtained (a rough, but useful measure), we need to know the total size of faculty required and the likely number of teachers who will have the doctoral degree. Given the enrollment projection, the total faculty will expand as follows:

$$(1)\quad F_t = F_{t-1} + f(E_t - E_{t-1})$$

where F is faculty, E enrollment, and f the faculty coefficient (the inverse of the student/staff ratio). As indicated in Table IV, f has averaged .0517 over the last decade, and for the moment I will continue to assume that it remains constant.

Given the present number of doctorates on instructional staffs and the doctoral projection in Table V, the number of doctorates in teaching will grow in the following manner:

TABLE I.—*Percentage of total staff in 1953–54 and new teachers in successive years who had the doctorate*

Total staff in 1953–54 (percent)	40. 5
New teachers in 1953–54	31. 4
New teachers in 1954–55	28. 4
New teachers in 1955–56	26. 7
New teachers in 1956–57	23. 5
New teachers in 1957–58	25. 3
New teachers in 1958–59	23. 8
New teachers in 1959–60	25. 9
New teachers in 1960–61	25. 8
New teachers in 1961–62	27. 3
New teachers in 1962–63	25 4
New teachers in 1963–64	28. 3
New teachers in 1964–65	27. 2

Source: "Teacher Supply and Demand in Universities, Colleges and Junior Colleges", 1963–64 and 1964–65, *NEA Research Report 1965 R–4*, Table 2.

[12] See A. M. Cartter and R. Farrell, "Higher Education in the Last Third of the Century," *The Educational Record* (Spring, 1965), for the development of this and alternative projections of enrollment.

[13] See "Projections of Educational Statistics to 1973/74," *op. cit.*, pp. 12–16 for OE Forecasts, and *Comparisons of Earned Degrees Awarded 1901–62—With Projections to 2000* (NSF–1964), p. 54. The author's "A New Look at the Supply of College Teachers," *The Educational Record* (Summer, 1965) compares these with other doctoral projections. For periods up to ten years ahead P may be taken as an exogenous variable, determined by the level of fellowship support, the capacity of graduate schools, etc. In projecting doctoral degrees, however, I have assumed after 1974 that P_t is a function of $E_t - 7$, the value of the functional coefficient being .0058. From 1964 through 1974 the value of this coefficient is approximately (.0047+.0001t). This model produced reliable estimates of doctorates for years before 1964, and a projection that falls reasonably between the low estimates of the Office of Education and the high estimates of the National Science Foundation. For the 1974–85 period it is very close to Lindsay Harmon's "Reference Series." See "Memorandum on Projected Doctorate Production", National Academy of Sciences (January 29, 1965).

TABLE II.—*Additions to college teaching staff and to doctorates in teaching, 1953–65*

Year	New teachers (1)	New teachers with doctorate (2)	Continuing teachers receiving doctorate (3)	Ratio of new doctorates in teaching to new teacher (4)
Total staff in 1953–54	58,719	23,768	----------	0.405
1953–54	4,232	1,329	[1]	[1]
1954–55	4,694	1,333	822	.460
1955–56	6,337	1,695	856	.403
1956–57	8,308	1,953	1,528	.419
1957–58	9,293	2,354	7,529	.418
1958–59	9,100	2,254	1,825	.448
1959–60	10,221	2,650	1,894	.447
1960–61	11,184	2,886	1,987	.436
1961–62	10,439	2,851	2,115	.476
1962–63	12,186	3,092	2,334	.445
1963–64	13,562	3,833	2,732	.484
1964–65	16,059	4,361	[2] 3,084	[2] .463

[1] Not available.
[2] Estimated.

Source: Col. 1 and 2 from NEA Research Report 1965–R–4. Col. 3 computed from table Y of 1965 report and comparable tables in earlier reports in the series. Col. 4 is col. 2 plus 3 divided by col. 1.

$$(2) \qquad D_t=[1-(c+m+r-a)]D_t+bP_{t-1}$$

where the following new forms are introduced:

a=the accretion, or in-transfer, rate of persons with the doctorate who enter teaching from other employment;
c=the loss, or out-transfer, rate of doctorates leaving teaching for other employment;
m=mortality rate of the present teachers;
r=retirement rate of the present teachers;
b=the percentage of new doctorates who enter teaching; and
P=the number of doctoral degrees awarded.

(Using academic years as periods, the number of new Ph. D.'s entering teaching in year t depends upon doctoral output in year t−1.)

Given the values of the respective coefficients, equations (1) and (2) indicate how total faculty and doctorates in teaching will grow. In order to see the effect of various values for the coefficients, it may be useful to construct a supply and demand equation, as indicated in (3). Here one new coefficient, q, is added, defined as the percentage of new teachers with the doctorate.

$$(3) \qquad bP_t=(c+m+r-a)D_t+qf(E_t-E_{t-1})$$

This equation represents a supply-demand indentity, the left hand term representing the quantity of new doctorates supplied, and the two right hand terms the replacement and expansion demand components.[14] From various studies we can estimate the approximate values of each of these variables for recent years.

b=.50 (the N.E.A. reports indicate an average of about .48 over the decade, closer to .50 for the last four years).
m=.0069 (calculated from the age distribution of faculty in the COLFACS study).
r=.0112 (calculated from COLFACS data, see note 11 above).
a=.0310 (the rate at which doctorates intended to leave higher education, from COLFACS data).
c=.0321 (estimated on the basis of Table V, above, which indicates that the net transfer rate (C–a) has been approximately .0011).
q=.33 (the estimated value over the past decade).
f=.0517 (from Table IV, above).
D=approximately 90,000 to 1963/64.

[14] If one were collecting data from colleges and universities, it would be more appropriate to express the supply-demand identity as follows:

$$(3A) \quad bP_t+aD_t+sD_t=sD_t+(c+m+r)D_t+qf(E_t-E_{t-1})$$

This differs from equation (3) in that aD_t is shifted to the left hand side, since it is technically part of the supply of doctorate-teachers, and a new term sD_t appears on both sides of the equation (s being defined as the percentage of teachers who shift teaching positions from one college to another in any year); when aggregating sD_t cancels out. According to COLFACS data, s=.114 in 1962/63.

The combined factors which go to make up the replacement rate are equal to .0192, as indicated in Table V. These factors are small in magnitude and appear to have been relatively stable in recent years—although (c−a) obviously responds to changes in the relative salary level of academic personnel. The three significant coefficients are b, q, and f. Of these, f has remained relatively constant since 1958 at about .05, and is stable in the sense that it is the result of conscious decisions on the part of college and university administrators in determining the staff/student ratio. The percentage of new teachers hired with the doctorate, q, reflects the aspirations of the institutions, for most institutions equate a high q with excellence and a low q with deterioration of faculty quality. The percentage of doctorates who enter college teaching reflects the aspirations of graduate students for a majority enter graduate school with the intention of entering college teaching.[15] Both b and q are highly variable, depending upon yearly market conditions for new Ph. D.'s.

Using the projections for E and P for the next twenty years, assuming a constant faculty coefficient (f=.0517) and a constant replacement rate (rounded off at [c+m+r−a]=.02), what behavior might we predict for b and q? Column 1 of Table VII gives the predicted values for b if q remains constant—that is, the percentage of new Ph. D.'s who would have to enter college teaching in order to maintain a constant ratio of doctorates in teaching to total faculty. We might call this the "constant faculty quality" model.[16] Over the coming three years the required value of b is higher than we have experienced or can reasonably expect; therefore the quality of faculty is unlikely to be maintained. However, after 1968 b will steadily decline (to a low of less than 12% for the 1980–85 period), and will probably be lower than it has ever been in history.

Alternatively, column 2 of Table VII projects an "absorption" model, assuming that the percentage of new doctorates entering teaching (b) remains constant at 50%, and that all such available doctorates become employed in college teaching. The ratio of new teachers with the doctorate to annual additions to the instructional staff ($q=\Delta D/\Delta F$) dips for the 1965/66–1967/68 period, then steadily rises to new historical highs. Assuming a constant b, by 1977/78 *every* new college teacher would possess the doctorate; after that year the absolute number of non-doctorates would fall rapidly as doctorate-teachers displaced non-doctorates faster than the latter were reaching retirement age. Figure I illustrates dramatically the relationship between the available supply if b remains constant quality. After a temporary deficit in the 1965–68 years, the available supply begins to exceed demand by a rapidly growing amount, sharply altering the market conditions for college teachers.

The "absorption" and "constant quality" versions of the model seem to me to represent the outside limits; actual experience will probably lie somewhere between. Figure II shows the outer boundaries, and illustrates an intermediate case similar to the experience of the last decade discussed in the first section of the paper. In this example it is assumed that the overall ratio of doctorates to faculty continues to rise by one-half of one percentage point each year. The two intermediate lines indicate the values for both b and q (given the projections of E and P) for a steadily rising quality model. In this case q rises to about unity (its logical maximum) and b gradually declines to one-fifth.

[15] I would estimate that half of science students and at least 90% of non-science students would prefer—other things being equal—to enter college teaching. The fact that only about 20% of the former and 75% of the later category do become teachers upon receiving their degrees is attributable to the economically attractive alternatives at the time of graduation. b is therefore assumed to be sensitive to relative salaries in academic and non-academic occupations. In the economist's terms I would assume that b is price (i.e. salary) elastic, and that q is relatively price inelastic.

[16] This might be compared with Brown's "Quality-constant supply" function, which uses different (and I believe unlikely) assumptions.

TABLE III.—*Percentage of doctorates among 4-year college and university faculty*

Type of institution	All instructional staff		Full-time instructional staff	
	1950–51 (ACE) [1] (1)	1962–63 (ACE) [1] (2)	1953–54 (NEA) [2] (3)	1962–63 (OE) [3] (4)
Public universities	36.0	44.9	44.0	58.4
Private universities	37.3	43.8	51.9	59.6
Public colleges	28.2	33.5	30.7	42.6
Private colleges	29.7	35.4	35.2	42.7
All institutions	32.3	39.4	40.5	50.6

SOURCES

[1] A. M. Cartter, "A New Look * * *," op. cit. p. 270.
[2] "Teacher Supply and Demand in Degree Granting Institutions," NEA Research Bulletin XXXIII (December 1955), p. 138.
[3] "Doctorates Among Teaching Faculty," op. cit., table III.

TABLE IV.—*Average and marginal faculty coefficients, 1953–54 to 1963–64*

	E	ΔE	F	ΔF	F/E	$\Delta F/\Delta E$	$\Delta E:\Delta F$
1953–54	2,236		182.0		0.084		
1955–56	2,660	424	197.8	15.8	.076	0.037	26.8:1
1957–58	3,047	387	226.5	28.7	.074	.074	13.5:1
1959–60	3,377	330	244.5	18.0	.072	.055	18.2:1
1961–62	3,861	484	266.6	22.1	.069	.046	21.7:1
1963–64	4,495	634	298.9	32.3	.066	.051	19.6:1
1953–54 to 1963–64		2,259		116.9		.0517	19.3:1

Source: "Projections of Educational Statistics to 1973–74" (OE–10030, 1964), pp. 8 and 24. Faculty considered here are members of the instructional staff at the level of instructor or above. The extremely high and low ratios, for 1955–56 and 1957–58 may result from errors in reporting by institutions.

TABLE V.—*Estimated annual replacement rate for college faculty*

Losses annually due to—	*Percent*
Deaths	0.69
Retirement	1.12
Net transfer to other employment	.11
Total annual losses	1.92

TABLE VI.—*Total college enrollment (E), and doctoral production (P), actual 1953–64, and projected to 1985*

[In thousands]

	E	ΔE	P		E	ΔE	P
1953–54	2,207		9.0	1969–70	6,676	294	21.4
1954–55	2,421	214	8.8	1970–71	6,982	306	23.2
1955–56	2,627	206	8.9	1971–72	7,315	333	26.0
1956–57	2,891	264	8.8	1972–73	7,671	356	28.9
1957–58	3,009	118	8.9	1973–74	8,027	356	31.5
1958–59	3,195	186	9.4	1974–75	8,401	374	33.6
1959–60	3,344	149	9.8	1975–76	8,750	349	35.7
1960–61	3,536	192	10.6	1976–77	9,082	332	37.9
1961–62	3,804	268	11.6	1977–78	9,369	287	40.4
1962–63	4,124	320	12.6	1978–79	9,644	275	43.1
1963–64	4,433	309	14.5	1979–80	9,936	292	46.0
1964–65	4,744	311	15.0	1980–81	10,148	212	47.9
1965–66	5,185	441	16.1	1981–82	10,288	140	49.7
1966–67	5,641	456	16.8	1982–83	10,428	140	51.6
1967–68	6,064	423	18.0	1983–84	10,487	59	53.2
1968–69	6,382	318	19.5	1984–85	10,598	111	54.7

Source: Actual figures from Office of Education data; projections by the author. (See A. M. Cartter and R. Farrell, "Higher Education in the Last Third of the Century," the Educational Record, spring 1965, pp. 119–128.)

TABLE VII.—*Projected percentages of new doctorates entering teaching (b), and new teachers with the doctorate (q), for "constant quality" and "absorption" growth medals: 1965–85*

	Values of—			Values of—	
	b (q=0.33)	q (b=0.50)		b (q=0.33)	q (b=0.50)
1965–66	60	24	1975–76	26	73
1966–67	62	26	1976–77	24	81
1967–68	54	28	1977–78	21	100
1968–69	41	41	1978–79	19	111
1969–70	36	48	1979–80	19	110
1970–71	34	51	1980–81	15	163
1971–72	33	52	1981–82	13	255
1972–73	31	55	1982–83	12	264
1973–74	29	61	1983–84	9	639
1974–75	28	64	1984–85	11	340

NOTE.—Based on assumed continuing values: $i=0.0517$ and $(c+m+r-a)=0.02$.

Figure I

Doctorates Available, and Doctorates Required to Maintain Constant Quality of Faculty at 1963/64 Level

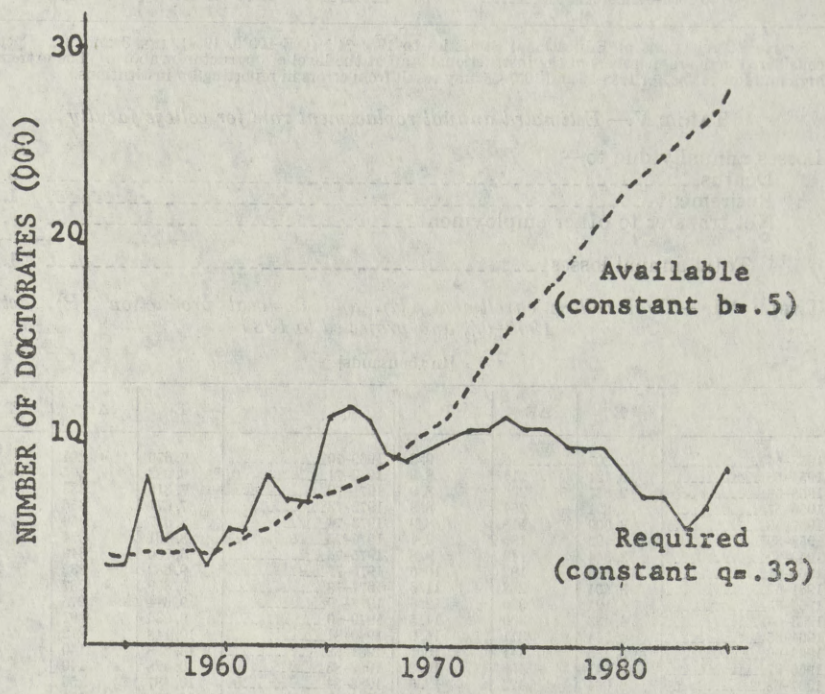
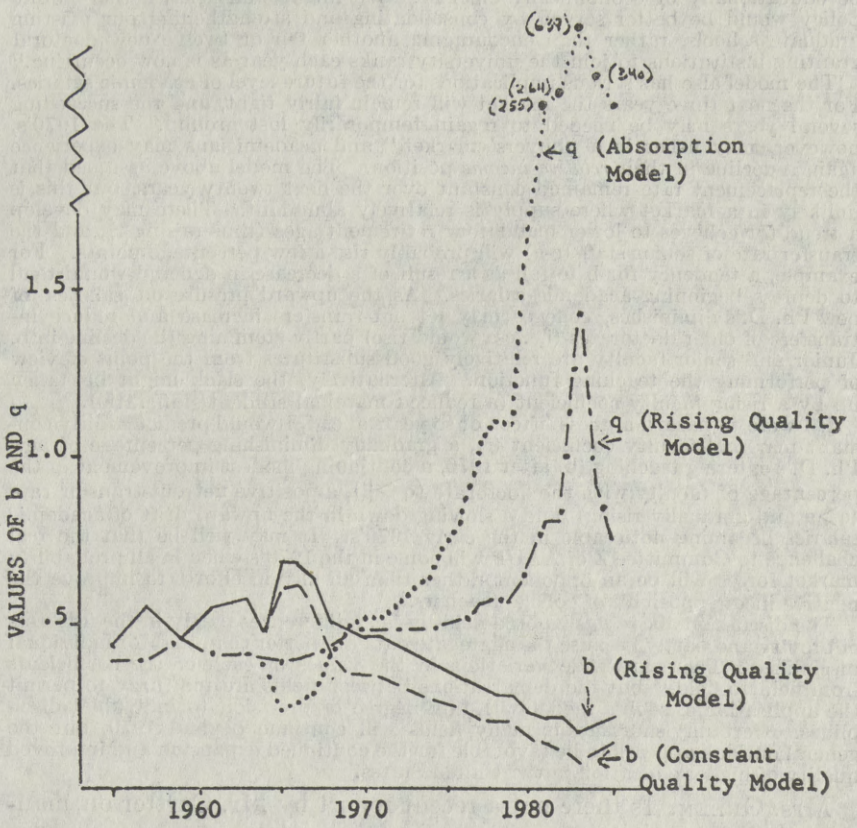


Figure II

Values of b and q for Absorption, Constant Quality, and Rising Quality Models



CONCLUSIONS

The preceding analysis suggests that educators have been much too pessimistic about the adequacy of both the present and future supply of college teachers. We seem to have learned little from the experience of the 1950's when the National Education Association and most public school officials were maintaining that there was a critical shortage of school teachers, only to find by the end of the decade that both the number and quality (as measured by formal preparation) of teachers had been steadily rising. Similarly, the despairing cries about the rapidly deteriorating situation on the college level have now proved to be in error, and the future looks bright beyond the next three to five years.

If the projections of total college enrollment and of doctorates to be awarded are even approximately correct, the sellers' market for college faculty will quickly disappear in the early 1979's. This has many implications for public policy and for the nation's colleges.

Given the time lag between entrance to graduate school and completion of doctorate, it is conceivable that graduate education facilities might be expanded too rapidly by basing decisions on degrees awarded in the recent past. The *present* faculty and facilities, at their current level of utilization, would turn out about 20,000 doctorates a year in a stable system. That is to say, because we are rapidly expanding we occasionally forget that the fifteen thousand doctorates awarded this year reflect the teaching capacity of the graduate schools about 1960. If, as the model suggests, the demand for new doctorates in teaching will stabilize

or even decline after 1968, as a consequence of the declining rate of growth of the total system, then a serious question of public policy may be whether or not it is desirable to encourage many new institutions to enter the doctoral field. Four-fifths of the present nearly 250 universities awarding the Ph. D. are too small to be educationally or economically efficient. We might well ask whether public policy would be better served by consolidating and strengthening our existing graduate schools, rather than encouraging another ten or twelve new doctoral granting institutions to join the university ranks each year as is now occurring.[17]

The model also has serious implications for the future level of academic salaries. For the next three years the market will remain fairly tight, and the succeeding several years may be needed to regain temporarily lost ground. The 1970's, however, may usher in a "buyers' market," and academicians may experience again a decline in their *relative income* position. The model above assumed that the replacement rate remained constant over the next twenty years, but this is unlikely in a market where supply is relatively abundant. There may develop a trend for colleges to lower mandatory retirement ages (thus raising r), and the transfer rate of senior staff (c-a) will probably rise a few percentage points. For example, a tendency for b to fall as a result of a decrease in demand would tend to depress beginning academic salaries. As the upward presure on salaries of new Ph. D.'s diminishes, colleges may let out-transfers increase and reduce in-transfers of older doctorates (i.e. c-a would rise) partly stemming the decline in b. Junior and senior faculty are relatively good substitutes from the point of view of performing the teaching function. Alternatively, the slack might be taken up by a rising faculty coefficient (a reduced marginal student/staff ratio).

If I were to hazard a guess fifteen or so years ahead, I would predict a fairly constant marginal faculty coefficient (f), a gradually diminishing percentage of new Ph. D.'s entering teaching (b) after 1970, a continuing modest improvement in the percentage of faculty with the doctorate ($q > \frac{D}{F}$), a positive net out-transfer rate ($c > a$ and gradually rising), and a slowing down in the upward drift of academic salaries becoming noticeable in the early 1970's. It may well be that the real challenge to Committee Z of AAUP will come in the 1970's when in all probability market forces will be an opponent rather than an ally in efforts to improve the relative income position of college teachers.

The discussion above has ignored field-by-field differences partly in the interests of brevity and partly because the aggregate data are better than that for individual disciplines. There are wide variations in the values of each of the coefficients from field to field,[18] but the demarcations between fields are too fuzzy to permit the application of such a model with any degree of precision to individual disciplines. Certainly shortages in many fields will continue beyond 1970, but the general outlook appears to be favorable for the continued expansion and improved quality of higher education in the United States.

Mrs. GREEN. Is there not a recent report by Mr. Cartter on manpower?

Mr. MORSE. Yes, Madam Chairman. That has to do simply with the employment of Ph. D.'s for teaching purposes in colleges and universities. It isn't a total manpower study at all.

He has found, he believes, that the percentage of Ph. D.'s on college faculties is going up quite rapidly and gives a far happier picture than most of the Office of Education studies have given.

I can, I think, supply the committee a copy of some of Dr. Cartter's findings. I am not sure how formally he has put them together yet.

[17] One quick answer is that government and industry can absorb all the additional doctorates produced. This may turn out to be so, but if it does occur doctorates in non-educational employment will experience an increasing rate of growth. For example, if the educational system followed the path indicated by the constant-quality model, then doctorates entering non-teaching employment would grow from the present level of about 7,500 per year, to 26,000 in 1975 and to 54,000 by 1985. Over the last ten years the total number of employed non-teaching doctorates has grown about 4–5% per year; over the next twenty years it would expand at the rate of about 10% per year.

[18] Take the retirement rate (r) as an example; over the next five to ten years it will probably average from a low of only .47% in Biochemistry to a high of 3.71% in Classics. Judging from the present age distribution of teachers, the combined mortality and retirement rate for the next several years will be about 2.5% in the Humanities, 1.7% in the Biological and Physical Sciences, 1.6% in Engineering, and 1.9% in the Social Sciences.

Mrs. GREEN. First, may I say that this committee dropped hearings on other legislation that was before us because of the urgency of the NDEA student loan provisions, the recommendations of the administration, and certainly your statement, especially on page 6, points up the need for this committee not to delay in taking some action so that the colleges and universities will know what they can do in terms of commitments to the students. You place this on a 2- or 3-week basis.

Mr. KING. Yes, ma'am.

Mrs. GREEN. In other words, you are saying that this legislation really needs to be acted upon within that time?

Mr. KING. Yes, ma'am. This is March. April the 1st is well along in terms of the relationship that student aid advisers have with students on these matters.

The student aid advisers, the deans and the presidents, of course, can say, "We have faith in Congress. We have faith that somehow this problem will be solved," but such a tremendous amount of money is involved and so much planning that I think the timing is very critical, and the consensus of the council was this, too.

Mrs. GREEN. This does place a tremendous responsibility in a matter of 2 or 3 weeks to get it through the House and the Senate and signed by the President.

Mr. GIBBONS. Will the gentlelady yield there?

Mrs. GREEN. Yes.

Mr. GIBBONS. Actually, we do not have to do anything, as I understand it. We already have the money authorized. It is a matter of appropriation. If we took no action the money would be there. The only action we could take that would hurt them would be to take the money away from them. Am I wrong in that?

Mrs. GREEN. No; you are technically and parliamentarily correct, but I am wondering if it still will not leave the colleges and universities in a state of uncertainty as to the action that we might take later in the year.

It seems to me that we are required to take some kind of policy action one way or the other. We can just bury the bill, move to table the legislation, and that, in effect, would be decisive action.

Congressman Brademas.

Mr. BRADEMAS. Thank you, Madam Chairman.

I was going to make a similar observation. If this subcommittee in the next 2 or 3 weeks were to consider the bill and we decide against the bill and voted it down, wouldn't that do the job?

Mrs. GREEN. Yes. What I am saying is that not to do anything would, I think, leave the colleges in a great state of uncertainty.

Mr. QUIE. Will the gentlelady yield?

Mrs. GREEN. Yes.

Mr. QUIE. I would be glad to make a motion now if you would like.

Mrs. GREEN. I am very grateful for the cooperative spirit the gentleman has displayed this morning. We do have other witnesses before the committee to whom we should extend the courtesy of listening.

May I refer to page 2 of your statement in which you refer to the completion of academic facilities, with a value of at least $1½ million.

Mr. Morse, you were with us when we were working on the facilities bill. What was the gap in building needs between 1963 and 1970?

Mr. MORSE. This was prior to the enactment of the Higher Education Facilities Act?

Mrs. GREEN. Yes.

Mr. MORSE. I would have to look up those figures, Mrs. Green. I can't recall them, but there is still, even with the Office of Education figures at the present time and even with the enactment of the Higher Education Facilities Act, a gap foreseeable in 1970.

Mrs. GREEN. I seem to recall the figure of $17½ billion.

Mr. MORSE. This is without any Federal legislation?

Mrs. GREEN. Yes, the total gap.

Mr. MORSE. Without any legislation at all. It was nearly in the 11 figure range. It was certainly in the multibillion dollar area.

Mrs. GREEN. Then this is really a very, very small part of the total need?

Mr. MORSE. It certainly is and the problem, as I hope we made clear in our testimony, is that the State commissions don't really know what the pent-up demand for building funds is because they are not encouraging applications which they know they can't fund and our problem of getting the figures is, that whereas we can get fairly accurate figures from our member colleges, we have no way of determining what new institutions are on the drawing board or what unaccredited institutions may be planning that will enable them to get accredited, so we don't have access to the figures that the State commissions could have if this were their responsibility.

Mrs. GREEN. I appreciate your understanding of the budget problems.

Would it be wise for this committee to consider the full authorization of funds here and cut back some other programs if we have to cut back?

Did you consider this in isolation, or did you consider it in the total package of higher education bills?

Mr. MORSE. Do you want to try that?

Mr. KING. I think you and I will answer this question very much alike, Mr. Morse. We had better. I will try it and you supplement me.

This is one I think I can answer, and we did. We have talked about this a great deal and we have had many discussions. These discussions range from the importance of people to the importance of structures and things like that. We have come to the conclusion I believe that the facilities portion of this bill is tremendously important, that it is very difficult to relate it to something else in terms of something else that is being deleted, and I think we have left our discussion that this is a good beginning; it should be carried through this year at this level and we hope it will be supplemented considerably in the future.

Would you give Mr. Morse just a second now?

Mrs. GREEN. Yes. One clarifying point.

There is a cut in the graduate facilities. Is this the place in the total higher education legislative packet where the cut ought to be made?

Mr. KING. In terms of my thinking, yes, it is. In terms of our commission's thinking, Jack, would you say so?

Mr. MORSE. Perhaps because I have been associated with the commission longer than Mr. King I might say that from 1960 on, the consistent and unaltered position of the council has been that the place where the Federal Government might give the greatest assistance to higher education in meeting the problem of numbers or the opportunity of numbers, as you wish, is in the field of facilities construction.

Second in priority, a close second, would be student aid, and in particular the national defense student loan program, and there is no question I think on the part of any of our members that these are the two top priorities.

I was not aware that there had been a reduction for title II funds. I thought the authorization was for $60 million and the administration request was for $60 million, so that I apparently have been misinformed on this.

Mrs. GREEN. The authorization was $120 million. We doubled it. We doubled the undergraduate and the graduate facilities program.

Mr. MORSE. I beg your pardon. In the amendments to the Higher Education Act of 1965?

Mrs. GREEN. Yes.

Mr. MORSE. The problem that the commission wrestled with 2 weeks ago was the advice we kept receiving from some of our members, particularly along the Great Lakes front, Michigan, for example, is that the construction industry is so committed now that release of much more in the way of college facilities construction might well just send the costs of construction skyrocketing, so this is a dilemma we are in, a positive knowledge of the need for construction, a positive fear of what we might do to the cost of construction.

I might make one other comment because, though it is not before this committee, it is one of almost equal concern. The deficit in college housing unfunded formal applications by June would have been $800 million had it not been for the fact that had HFA, now HUD, shut off receipt of new applications as of January 31.

The present college housing legislation and the authorized lending in that act will mean that no new applications for college housing can be received by HUD prior to July 1967, so we have that problem almost equally great, perhaps in some ways greater than the problem of academic facilities.

Mr. KING. Madam Chairman, may I ask you a brief question?

Were the loans for undergraduates or graduate schools cut from $120 million to $60 million?

Mrs. GREEN. Yes, the authorization was cut to that figure.

Mr. KING. Cut in half?

Mrs. GREEN. It was put back at the former level. We had doubled that last year on testimony that those facilities were desperately needed if we were going to have a wider geographical distribution of graduate facilities.

Mr. KING. I think that is too much of a cut in our times and with the need. My point on the undergraduate as compared with the graduate was I was thinking about all segments of our higher education and I think that is too much of a cut.

I didn't know that this kind of a cut was under consideration.

Mrs. GREEN. Has any group within the Council or the Council itself made a real study of what the possible impact of the cold war GI bill will have (1) on the facilities that will be needed during the next few years, and (2) upon the demand for loans?

I would think it would decrease the loans.

Mr. MORSE. We have studied the latter and puzzled over the former. We have really no way yet of assessing how many youngsters will be going back either to start their education or returning to formal education at a higher level as a result of the GI bill.

We are bewildered to know where to start trying to derive those figures, but we are absolutely convinced that the GI bill will increase enrollment and will positively increase the need for other forms of student aid, since it will provide between $800 and $900 to a single student, as against college costs running about $1,800 a year, in even the public institutions.

There seems no question that this will create additional rather than fewer demands for other forms of assistance, particularly loans.

Mrs. GREEN. Mr. Morse, you have talked so much to this committee on a package deal of student assistance, the work-study program loans, and opportunity grants.

If we were to cut out the student loan program as this bill suggests, and I agree with you that the purpose seems to be to cut it out, what would this do to the student package as far as the institutions are concerned?

Mr. MORSE. As we suggested in the testimony, if you know you have a backlog of funds you can fall back on you can overcommit as every student aid officer does, the amount of money he actually has in the till and make use of this guaranteed loan program to pick up his overcommitments.

It is a calculated risk. You are taking a gamble on the odds and trying to predict what the percentage of the youngsters to whom you make promises of loans can get those loans from a bank, but it can be done.

All institutions commit more scholarship funds and more loan funds and more jobs usually to their new applicants than they actually have. This is something that is necessary to do because of this phenomenon of multiple applications to different colleges, so you can make use of the packaging approach and work the bank loan program in, provided you have enough money in the NDEA fund to fulfill the commitments that you have made to students who are unable to get money from the bank.

It is awkward. It is clumsy, but it can be done. This has been the experience in New York State where the guaranteed loan program has almost the precise terms of the Federal guaranteed loan program.

New York State institutions have used the New York State guaranteed program as a part of the packaging arrangement for their incoming students and particularly for their upper class students.

Mrs. GREEN. You have indicated in your statement that colleges are not really in the business of making loans and that they are becoming concerned about the increased responsibility of doing so if we do not have some other kind of loan program.

Do you think it is a strong feeling on the part of the colleges that they want to get out of the loan business?

Mr. King or Mr. Morse.

Mr. KING. Why don't you react to that and then I will contradict you, probably?

Mr. MORSE. All right. I think I was asked up here primarily to be a stooge for our chief witness.

Mr. KING. No; vice versa.

Mr. MORSE. I think the answer to that is clear, Madam Chairman, that it isn't a matter of the colleges wanting to get out of the loan business. Every single year they have requested more funds, I believe, than the legislation for that year authorized.

Thus, this year they are asking for more money for NDEA than they have ever asked before. This, I think, in itself shows that they recognize the value of the program and are ready to commit their own funds in large amounts in order to keep it going.

I think then it is not quite fair to say that they would be glad to get out of the loan business, but that they would be glad to see the banking community pick up some share and even a large share of the burden as it grows to the extent that the banking community shows it can do so and to the extent that the banking community will make loans to the kinds of kids that NDEA was created for. So, no; I don't think it would be fair to say they want to get out. They would be glad to have somebody share the load.

Mr. KING. May I just add a little bit to this? First of all, many of my colleagues in the smaller colleges, I think, would like to have our students have the experience of making a bank loan or working with the bank, with a private lending agency, but the closer we get to this situation, the more we realize that the social mobility which higher education helps bring about in this country is greatly affected by the ability of students from low-income families to make these loans, whether they can get the loan made or not and whether the terms are such that the student can accept it and how it will be done.

I have found in my school, where not quite half of the students are women, that when we began on this loan business 10 or 12 years ago girls did not want to borrow because they did not want to marry with a reverse dowry.

They were very reluctant to marry with a loan hanging over them. Excuse me, they were not reluctant to marry. They were just reluctant to have a loan and take this into their marriage, but now a change has come about, and I think youngsters from even middle-income families should have free and complete access to this kind of loan money either from a college private source, or college NDEA source, or bank source, or some source in order that they may pick up a little bit of the responsibility themselves for carrying their education forward and feeling a little independence and feel they are helping their families and helping contribute to cultural survival, and these aren't just words with me.

I really think this is great, and the kids have responded beautifully. I sent around a little summary of this loan program at my own institution so that you could see it and if we can't even—excuse me. We agreed in the council that everything we say will be positive.

We must encourage youngsters to believe that it is worthwhile to borrow money to assist their parents or to assist themselves to go through college in this country. This kind of funds must be just as

available as good drinking water if we are going to have a healthy population, and how this will be brought about is in a variety of ways.

As you know, many splendid universities, particularly here in the East, have emphasized loans for many years. I went broke at Cornell. I was able to go right down and borrow money without any questions. They just loaned it to me, and I think this is a good credit risk as far as youngsters are concerned, but there may be a timelag on the extent to which the private financial outfits will be able to help us to this.

Mrs. GREEN. I think perhaps some other time we can get into a philosophical discussion on the reverse dowry and how it affects the young man or young woman and the number of young women who are putting their husbands through college. However, just as a point of interest, don't the facts show more young ladies have borrowed under NDEA than young men?

Mr. KING. I believe so. I was going to comment on this. Some of the finest instances I can think of now are where a girl borrows and is able to finance or partially finance her college education knowing that she will be able to earn money and repay this and that she is personally independent. It is a very good plan.

Mrs. GREEN. Congressman Brademas.

Mr. BRADEMAS. Thank you, Madam Chairman.

Thank you very much, Mr. King and Mr. Morse, for what I think has been an extremely thoughtful and perceptive analysis, especially of the student loan proposal.

I would just like to run rapidly over two or three points to be sure I have them correct in my own mind.

First, I take it you are saying that you support the proposed level of spending for facilities only because of Vietnam and your fear of increased construction costs, and not because there is not a greater need. Is that correct?

Mr. KING. Yes.

Mr. BRADEMAS. Second, I take it you were saying in response to Mrs. Green's questions that you feel that overall the colleges and universities of the country do not wish to see an end to the title II NDEA loan program. Is that correct?

Mr. KING. That is correct.

Mr. BRADEMAS. I have just received this morning a letter from the director of financial aid at the University of Notre Dame which is in my congressional district. I will not read the letter but only indicate that it expresses considerable concern, indeed, is along the lines of your entire statement, about the proposed discontinuance of the NDEA loan program.

Madam Chairman, I would ask unanimous consent that it be placed into the record.

(The letter referred to follows:)

UNIVERSITY OF NOTRE DAME,
Notre Dame, Ind., March 10, 1966.

Hon. JOHN A. BRADEMAS,
House of Representatives,
Washington, D.C.

MY DEAR MR. BRADEMAS: Thank you for your telephone call which was relayed to our Conference on Financial Aid last week. All those present were grateful for the up-to-date information you were able to give us and appreciate your taking the time and trouble at such a busy period. We are enclosing the roster of all present during the Conference and hope they have taken the opportunity to make their views known to you. I also understood that you wish to send them additional information.

I might point out that the Conference held here was the largest in the State. We received many comments indicating the meeting was a success and achieved its purpose. Your participation was certainly a highlight! The other Conferences held in the State did not provide for such detailed material, nor did they have anyone like you to provide in-depth observations. All agreed that your Tel-lecture prompted much discussion, and I should also say that the voice transmission was just as if you were in the auditorium with us. In other words, you went over big!

We are still concerned over the discontinuance of the funding of the National Defense Education Act loan program and wish to point out possible consequences to students at the University of Notre Dame. We anticipate considerable confusion and definite problems for those students residing in States reluctant to establish the new Guarantee Loan Program. We further anticipate that private financial institutions will be unable to carry the entire load without futher time to prepare. Banks frequently have academic restrictions and application fee charges that will restrict the number of students able to participate in the program.

At Notre Dame our projected 1966–67 NDEA Loan Level was to be approximately 500 students to receive around $400,000.00. In order to supply this demand, we requested a Federal contribution of almost $270,000.00 and a University contribution of almost $30,000.00.

These funds would be augmented with collections made from students making repayments. At the present moment, we can rely on only the approximate $100,000.00 which *may* be repaid in time for reloaning. If our normal loan average is maintained, this amount will take care of about 125 students.

The Administration's Bill, presented to Congress on March 1, does not solve the problem. Undoubtedly this abrupt termination of funds will cause disruptive problems. If we are to reach the exceptionally needy student, as identified under the Higher Education Act of 1965, we must have the aid sources available at the institution. We strongly urge that the National Defense Loan Program be maintained, at least for another year, at its present level. New programs will thus have time to be established and money made available from additional sources.

Thank you again for your consideration and I look forward with pleasure to meeting you in the near future.

Very sincerely in Notre Dame,

Brother ROBERT SINNAEVE, C.S.C.,
Director of Financial Aid.

Mr. BRADEMAS. Mr. King, on page 5 of your statement you have, in my judgment, the correct interpretation of the intent of Congress on the purpose of the 1965 guaranteed loan program; namely, to help middle and upper middle income families meet the costs of higher education.

If we move into the program now proposed and put all of the burden on the guaranteed loan program that is now resting on the NDEA loan program, what about the needy student?

Mr. KING. I think it will be very difficult to make sure that the needy student is looked after. I think you put your finger on the particular pinch that concerns us now and I believe we want needy students not just in institutions like mine, but we want them in every institution in this country.

Mr. BRADEMAS. In like fashion, on page 9 of your statement you discuss the problem of students who cannot get bank loans. Wouldn't it be reasonable to assume, even if we were to move to putting most of the emphasis on the guaranteed loan program, that there still will be students in some parts of the United States and in some communities who could profit by a college education and have the ability to do a good job in college, but simply cannot for one reason or another get a bank loan?

We are just leaving them out in the cold under the administration proposal; are we not?

Mr. KING. I cannot say that it is the intent to leave them out. I have great doubt that they can possibly be looked after and I think

we need to be sure, especially during the next year or two, that they would be looked after.

I think we should be completely sure before the NDEA program is phased out or even cut back that such students would be looked after.

Mr. Morse, we had extensive discussions on this. Is that a consensus of our commission?

Mr. MORSE. It certainly is the consensus of the commission. In our discussions with various members of the American Bankers Association they have indicated that they would be prone to give first preference to students with real need, and I believe the representatives of that association are going to testify before this committee later in the week, but, again, without some experience the assurance of an association which obviously cannot determine what individual bank policy will be is a rather thin reed to lean on I think.

I am not questioning the good faith of the statements, but I am questioning the practicality of the operation.

Mr. BRADEMAS. I think your point is very well taken because in that association members run all the way from the Chase Manhattan to a tiny bank in the middle of a thinly populated State.

Just two other points quickly.

I think you draw attention very perceptively, Mr. King, on page 6 of your statement to a very important problem; namely, that the colleges will not have time under the proposed bill to make an effort to get private funds before they turn to the NDEA loan program.

Could you comment on that point a little more fully with respect to our immediate situation in mid-March of 1966?

Mr. KING. Yes.

For one thing, there are widely varying situations among the colleges and universities in different States and whereas with the NDEA program we have pretty much a workable pattern—we have some problems—in many States I think we would have a very serious problem, I don't want to make the wrong kind of statement here because I believe that the banking people will want to help all they can and I think it is a wonderful thing that they wish to help, and over a period of time, within 3 to 5 years, we may see some splendid solutions to this problem. There are some good minds who worked with the council on this problem, outstanding presidents, President Stahr of Indiana, the chairman of our commission, whom we would have liked very much to have here, and it is our consensus that this could be an impossible situation as far as youngsters are concerned, just at a time when we build up a great deal of hope and faith and we are trying to strengthen our population in every way we can.

Mr. BRADEMAS. The last point I refer to, Mr. King, is your statement on I believe page 8 in which you talk about the proposal in the bill, as I understand it, that would suggest that students who now have NDEA loans should refinance them by going to the private banks.

I find that personally under that proposal a little hard to understand if we are trying to encourage banks simply to get going on the 1965 act.

In most communities they haven't even gotten that far yet. Then to try to saddle this new responsibility on them seems to me to be not a reasonable course of action.

Mr. KING. Mr. Morse, would you comment on this? Did you understand that the thinking was that there was a possibility of using the $800 million elsewhere, or is this a different kind of reasoning?

Mr. MORSE. I am not entirely sure, Mr. Brademas, that we understand precisely how this would work, nor indeed why students should seek to refinance their loans, but we are fairly confident and believe we are correctly advised that the American Bankers Association itself feels that it could not possibly pick up previous loans and refinance them and at the same time fulfill the commitments they have already made on the guaranteed program.

I believe there was an official expression of this inability written by the American Bankers Association and introduced into the record by Senator Javits.

Mr. BRADEMAS. Finally, I think your responses have been extremely illuminating on this program. I agree with you, Mr. King, we want to encourage the bankers of the United States to participate and I am concerned lest this new program which has been proposed will frighten them away from helping do the job of financing student loans.

Thank you, Madam Chairman.

Mr. MORSE. Madam Chairman, may I make one added comment in connection with a question that has come up before and now Mr. Brademas brings it up again?

This is the matter of timing and the parliamentary situation, which of course we don't know very much about, but in past years even though the appropriation to fund NDEA came quite late, sometimes barely at the beginning of the school year, nevertheless, this NDEA program had had such a history of funding that I think with the full support of the Appropriations Committee the colleges and universities were making commitments, actual commitments, of funds yet to be appropriated in the faith that these funds would eventually be appropriated and the money would be available.

The problem now is that we can no longer have that confidence that the funds will be appropriated. The actual timing probably is no different this year from what it has been in other years, but the pall of uncertainty has been cast over the whole operation so that it will be much more difficult for student aid officers to say with confidence, "We will be able to give you a loan."

Mrs. GREEN. Before I turn to Mr. Quie, were you consulted at all or was the academic community consulted on this part of the bill?

Mr. MORSE. No.

Mrs. GREEN. Is this the usual procedure?

Mr. MORSE. No, this is the first time in the years that I have been with the American Council that we haven't had full discussion with the Office of Education and the Department of HEW on their legislative plans and have been given an opportunity to consult with them and even make suggestions.

Mrs. GREEN. I must say that I find this procedure very interesting. Evidently neither members of the higher education community or Members of Congress were consulted.

According to the record apparently the only consultation was with the bankers.

Mr. MORSE. We were fully consulted on all of the provisions of the Higher Education Act of 1965 with the exception of the extension of

teaching equipment to institutions of higher education and we were not consulted on that, but that was not a part of the administration proposal.

Mrs. GREEN. Congressman Quie.

Mr. QUIE. Thank you, Madam Chairman.

Dr. King, I am happy to see that you are here. It is good to see you again and I appreciate your statement and especially the added comments you made and corrections as you went along.

You say on page 9:

> We reiterate that we are not opposed to the objectives of H.R. 13174 and H.R. 13237.

Listening to you it seems to me you are opposed because you certainly seem to be opposed to the refinancing that you mention on page 8, and our testimony from the Department indicated it is going to be more expensive to the Federal Government to use the guaranteed loan program with subsidized interest rates than the NDEA alone, so we aren't exactly helping the Vietnamese war situation there.

Also, while you say on page 9 you do not see how we can ever phase out the NDEA loan program, don't you really mean that you don't think that we ought to phase it out, too?

Mr. KING. I suppose, Mr. Quie, there is a little of both points of view in our statement and in the answer that I would give you.

We have said:

> To the extent that the private market shows that it can carry the load, to that extent colleges and universities will be happy to transfer it.

I really mean that. I circulated a little statement around you which shows a profile of our experience with the NDEA program.

You will notice I think at the bottom of that statement our experience with the U.S.A. loan program.

For years I have been trying to find a way to guarantee bank loans so that needy youngsters would be able to get those loans made. We have a splendid bankers association at the State level in our State and they want to work on it.

It doesn't follow, Mr. Quie, because you want to see something done and it should be done, that it can be done. There may be problems in the nature of bank financing that just keep this from being possible.

I don't know, but I would certainly want to be sure that the banks can do this so that it isn't difficult for a deserving youngster who has no credit rating at all to borrow a reasonable amount of money to go to school with, and I have to fall back on our statement again: If the private market shows it can carry this load or if it had shown in the past that it could carry the load, I think that we should be extremely happy to transfer it.

I think then my answer to your question is I would be willing to see us without an NDEA program at all if we can solve this problem for youngsters, and I don't mean to make a tear-jerking statement to you at all.

I see 15 or 20 youngsters a week and a great many of them wouldn't be able to get to a position where they could add to the gross national product in this country if the NDEA loan program were not in operation.

May I ask you, does that answer have the ring of sincerity to it or not?

Mr. QUIE. I think it indicates that you expect to need either an NDEA loan or something that will do the exact work of the NDEA loan and that you have to be involved in it; it can't be left to the banker.

It has to be the educator who recognizes this individual, his capability of pursuing a college career and I doubt that the banker would have that ability under most cases like you would.

Mr. KING. His responsibility is a little different I think in most cases.

Mr. QUIE. Considerable.

Also, you made the statement that authorization for an increased amount of money now for the college academic facilities would increase the cost of construction.

What do you base this on? Was there an increase in costs of construction caused by our doubling of the authorization last year?

Mr. KING. It is a good question.

Mr. MORSE. No, Mr. QUIE, and we have no actual figures that we can give you, but we did hear from member institutions, granted in isolated spots, that all of the construction firms were so committed that in a sense great additions to their construction programs would lead to their bidding against themselves.

We got this particularly from the Detroit area. It may be we are wrong. We are not expert economists and certainly not experts in the field of building construction, but there was genuine concern on the part of a sizable number of our members that the bidding for already authorized construction had consistently been so much greater than the original plans called for that we were in an inflationary period in the building construction industry which might make it wise to hold it at about last year's level rather than to try to step it up.

Mr. QUIE. I also wonder if this is your responsibility to come in with this reasoning. I can see why it is the administration's responsibility, but I am really concerned about this, that you come in here with this kind of testimony in which you seem to be apologists for the administration.

The administration didn't even ask you about it. I think you ought to come in with more emphatic language than you did and the educators will have to sound off in this way.

I feel that the educators have been in asking for Federal money so long that they are virtually getting to be like the industrialists now who are more concerned about their contracts than they are about anything else.

Of course, they are leaving the Republican Party, I recognize, and for that reason we are especially sensitive on it, but they just aren't showing the kind of intellectual integrity that I thought they ought to have, and the last hope of it is the higher education community, and I just have a feeling that you people aren't expressing yourselves emphatically enough because you may lose some Federal money.

What I am concerned about is that you give all these alibis on why you don't need the additional money now because when you came to the end you pointed out quite well, I felt, your reasoning and why we need to continue the training of young men in colleges and universities even though there is a need for them in the military effort.

A 2-year gap here would be harmful to our country and we see the increased enrollment that will be necessary for higher education,

and I don't see how you can take a year and say, "Well, let's stop, look and listen and next year we will give you some ideas on how much money we need for academic facilities construction."

I think we need that knowledge now. I think we have to plan for the future, as you told us so often before in the American Council.

Mr. KING. Would you add another minute? I am sort of a slow burn, Mr. Quie, on something like this. Would you go on on this intellectual integrity business just a little further?

Mr. QUIE. I think I want to get you to burn a little.

Mr. KING. Really, Mr. Quie, you have a point. I would have to agree that perhaps we should have come in here in an ungovernable rage. I could have not only referred to the Rayburn Building. I could have thrown in the Air Force Academy in terms of our ability to do things in grand style in this country but I have so much faith in the people who work in this building and in you, after hearing you in Kansas particularly, in which you bore down on the need for forgiveness.

I think that here we have to be reasonable in this area, the facilities area, and we must bear down tremendously in the NDEA loan area. That is my own reasoning on it. I am not sure that is shared entirely by all the commission members, but I hope that your translation of what we tried to say carries. I am tremendously concerned about this NDEA loan bill.

I am tremendously concerned that the colleges and universities will be carrying their share of what there is to be done in producing manpower for the armed services at this time.

We want to work on this problem. We are concerned about those facilities, but, remember, there is a 2- to 4-year timelag on construction of facilities and I am hoping at this time next year the committee will be thinking about this and we will really be able to get ahead there.

I have to agree with the point that you are making, but watch that intellectual integrity business, because we have it in this country. We have it in this country. We have it on the part of men like yourself. We have it on the part of the chairman of this subcommittee. We have it on the part of little struggling private liberal arts college presidents all over this country. We have it on the part of young jay-bird professors who are determined that neither the administration of the college nor anyone else is going to tell them what to do.

I think we are pretty strong on that and there is no way on earth you could get this kind of testimony out of us except that the people on our commission believe it.

I don't even know anybody in the administration that has any rank at all. I don't think we are thinking in terms of that at all.

Mr. QUIE. I appreciate that statement and I want you to be burned. I want Jack to be burned because I think it is bad that the administration could send a bill up to us on which they hadn't consulted with you first, and I would like to see the higher education community be so strong that neither the administration nor the Congress can propose anything new unless first they have talked with the people in higher education.

I think we have to have this give and take with each other and that is why I want to see those comments on your part. Let me ask you this also. You didn't say anything about the transfer of the forgive-

ness feature of NDEA loans to the guaranteed loan program. How do you feel on that?

Mr. KING. This is a good question and, as you probably know—did you see that little sheet that I sent around to you? A large percentage of my youngsters go into teaching, and you are talking about the forgiveness feature for teachers, are you not?

Mr. QUIE. Yes; that is correct.

Mr. KING. As long as teachers are a low salaried section of our professional manpower who are so much in need and as long as we have the short supply in most of the fields as we do, I presume this is a good thing, but I will say this to you for the record: I look forward to the day when teachers will be just like anyone else in our economy or in our professional picture.

Mr. QUIE. Do you think the feature ought to be expanded to any other profession than teaching?

We have nurses now and we are going to add doctors too. Doctors are in it.

Mr. KING. Yes; I think so. Who are you going to have give this testimony next year, Jack?

Yes, I think that this is a tool that has been used a long time in our country to provide needed manpower. Just recently I read about the high percentage of noncommissioned officers, petty officers, who are shipping over in certain sections of the armed services.

The news story didn't mention the amount of shipping-over pay they are receiving. It is a wonderful program for encouraging these people to ship over. I think they need to ship over and I am delighted to see them receiving some incentive for it.

Mr. QUIE. Do you think there is any group of people who don't need additional numbers? You mentioned that we need additional manpower in about every field. I guess we could leave the farmers out, and I don't know if we need more social workers or not any more after the war on poverty began.

We needed VISTA volunteers and all the other activities for that program.

Mr. KING. This is a good point. Of course, every productive person in our country in a sense has many kinds of incentives and probably should have them, and I can see that there could be a limit to where the people without incentives or without special incentives would be just practically nonexistent.

Mr. QUIE. What does it do to people choosing their occupation if the Federal Government expands its authority in providing this incentive to go into a particular field with the additional incentive to work in the area where now it has poverty-stricken people, the doctors in the rural area.

Do you think it is wise for the Federal Government to be inducing people to go into a particular occupation and practice that occupation or profession in certain parts of the country?

Mr. KING. If we didn't have such a wonderfully free country I think it might be very dangerous. It certainly is better to induce—I am talking now about the old Latin meaning of the word, which means pretty much get out in front of somebody and beckon to him—people in there to tell them or to take computers and decide that they will go into these fields.

We have such wonderfully independent young people in this country and I don't think the situation has gotten out of bounds yet, Mr. Quie.

Mrs. GREEN. Will you yield?

Mr. QUIE. Yes, I will yield.

Mrs. GREEN. You represent a teachers college. How do you make the determination for a student who would receive an NDEA loan and be entitled to a forgiveness?

Mr. KING. His statement and affirmation and clearance with the teacher selection people.

Mrs. GREEN. And what is your figure on economic need?

Mr. KING. You mean the parent's income?

Mrs. GREEN. Yes.

Mr. KING. We have a figure that is lower than the $6,000. It runs about $5,000. We have a judgment of a committee and we do make exceptions.

Mrs. GREEN. In terms of justice and also in terms of problems within the student body, we will say you have student X who comes from a family that has an income below whatever point you have for making the NDEA and forgiveness entitlement, and student Y who is $100 above this. Now, they are both graduating, and they will both be earning the same amount of money when they are finished so their capacity to earn and repay is equal.

What is the basis then for the justification that you give it to one and not the other?

Mr. KING. Madam Chairman, I can't support our position very well on that.

Mrs. GREEN. What does it do to student morale?

Mr. KING. It doesn't help it. In my judgment, in a society like ours where transportation costs and housing costs are so heavy for modest-income families and where we are urging our population to live respectably and live up to their income, where we are encouraging the children to go on to college, we should be very flexible in encouraging youngsters who wish to borrow in order to take some of the burden off of their parents for the cost of their education, and I think you will find that in this country parents still pay a larger percentage of the total cost of higher education than in any modern or Western country.

I think we should have a tremendous loan program available to youngsters, guarded in terms of their shooting this on automobile transportation they don't need and a lot of other things held within bound, but many youngsters in my school who should have loans are unable to get them right now, and I think our profile there would show you that we probably have as many loans out for our size school as you would find in the country.

Have I talked around your question?

Mrs. GREEN. Yes.

Mr. KING. I am sorry.

Mrs. GREEN. You also came to the point.

Mr. KING. I'm sorry.

Mrs. GREEN. No; I think you answered it very well, but added other things, too. If you will yield further——

Mr. QUIE. Yes.

Mrs. GREEN (continuing). For one other question on the 15 percent forgiveness feature. As you know, if a student teaches in an

area where there is a high concentration of disadvantaged children, the total amount of the loan may be forgiven at a rate of 15 percent for each year of teaching in such an area. From the standpoint of educational philosophy or simply good education do you think this is a sound approach?

Mr. KING. I don't know. I will go home and think about that question a lot and talk with my wife about it. I wish I did know. I don't want to stigmatize areas or neighborhoods or people in any way and yet I want to see us encouraging the people to go where they are needed or to not lose by doing this.

Mrs. GREEN. Do you think that the financial incentive is the right kind of encouragement?

Do you think that being forgiven a few more dollars would persuade qualified persons to teach in an area with a high concentration of disadvantaged children?

Mr. KING. Mrs. Green, my own field is rural education. I have worked with primitives. I worked in a CCC camp on Indian reservations. I am a great believer in response to calling or need, and yet in our society a schoolteacher for so many years has had to be drawn from those socioeconomic strata equal to or below the salary level of teachers that I don't know.

I personally would like to attract people in other ways, but I don't want to see them disadvantaged because they are—I won't say suckers—but we will say they care enough to go into these fields.

I want them to be able to afford color television and be able to do things, and this kind of incentive is working, I think.

Mrs. GREEN. Isn't the long-range solution to pay adequate salaries to people who are earning their day's work rather than offer these little enticements and fringe benefits?

Mr. KING. Of course, it is and it may be that some of us believe that the adequate salaries will follow, that they will be sequiturs from this kind of procedure, but I agree with you and I am sorry I can't give you a more helpful answer.

Mr. QUIE. Just in the last comment on this, my own feeling on the forgiveness feature reminds me of the days when they didn't pay adequate salaries to ministers and they gave them the food that was left over at the end of the ladies aid. It kind of salved their conscience a little bit and that seemed to me what we intended to do by giving forgiveness to teachers, but if you expand this to other occupations and professions as well soon you have pretty well corrupted a loan program and it really becomes a grant program, expecially when you get up to 100 percent forgiveness if a teacher works in specific areas.

Do you see anything wrong with the package you have to assist students if your loan programs were strictly loan programs and you had the money and what we now call the educational opportunity grant, the grant to the student?

I ask you this because it seems to me that our interest as the Government and your interest as president of a college is primarily to get every student who has the capability through an institution of higher learning and to learn as much as they can while they are there, and what he does later on ought to be left to him and the forces of society.

Mr. KING. Jack, his question deserves a straight answer from two standpoints, that of the council or the commission and then how I personally feel about it.

How do you think our council and our commission would answer Mr. Quie's question?

Mr. MORSE. This whole question of forgiveness, Mr. Quie, has come up in virtually every commission meeting we have had in the last 3 or 4 years.

There has always been an expression of some discomfort over the whole concept. There has been uncertainty really as to what it was for. Is it designed to lure youngsters into teaching who would not otherwise go into teaching?

If that is the case there is some question as to whether you are going to draw the right kind of person.

Or is it a recognition of inadequacy of compensation in the teaching profession? If it is that, then quite obviously Mrs. Green's question with an implied answer is the accurate one. We have to improve our teaching salaries. We are even more puzzled about the provision for 100 percent forgiveness for teachers that was written in, I believe, over on the Senate side for those who go into poverty areas.

Is it because poverty areas are forced to pay such inadequate salaries that some kind of financial relief must be given? And beyond all of this, is the question which comes up at every commission meeting: Where does it all end and why simply these particular professions?

Aren't there others making equal salaries in equally difficult situations and difficult roles?

Each time the commission says there are too many unanswered questions, but we know we are going to have to get back to this, so at the present time we have no position officially of opposition. We have never had occasion to take a strong stand, or any stand, indeed, in support. We do believe that this is something which eventually has to be answered because we do believe that to the extent forgiveness is extended to other areas it erodes the whole concept of a loan and confuses it with grants, and we believe that in the long run a loan should be a loan, and a job a job, and a scholarship or grant a grant.

That is the official position.

Mrs. GREEN. The point I want to make is if either one of your responses is true—and I think they are, Mr. Morse—if the purpose of the forgiveness is to lure people into the teaching profession, then there is justification, is there not, for luring in the student who comes from a $7,000 family income as well as a student who comes from a $5,000 family income, and if the purpose is to make up for inadequate salaries that we pay teachers, then there is also justification to apply the forgiveness loan at every level of income as well as just the poor people because their remuneration is the same.

Mr. KING. That is right.

Mrs. GREEN. So it just seems to me the premise on which we start on the forgiveness can't be defended unless we say it is to everybody regardless of need.

Mr. QUIE. I would like to also add that nobody has come before us and pointed out that this many people have been brought into the teaching profession because of the forgiveness feature since 1958.

In fact, I challenged Commissioner Howe to come up with that information and he found that it would be impossible to provide.

Mr. MORSE. There is a problem here quite obviously I think for both Mr. King and me of representing where we are officially as opposed to what we might believe personally.

This is an awkward spot occasionally to be in.

Mr. QUIE. Would you want to make any comment?

Mr. KING. Incidentally, I thank you for bringing this up. Having read of some of your contributions and knowing a little about you I expected you to bring this up and I was all prepared to point out to you that you had quite a bit to say in favor of forgiveness when you spoke at the prayer breakfast in Kansas, and so well, just a few weeks ago, but this is a good discussion and I have to say to you that I am concerned about teachers in any way being considered second class or especially subsidized citizens of this country.

I don't want them to be. I am very proud of the teaching profession and of teachers. I hope perhaps some day I can talk to you when this problem is solved better than the solution we have now.

Mr. QUIE. We need some of this conversation. That is why I bring it up now before it is actually resolved, and also I guess there are differences in forgiveness from what we are talking about.

The last question is how do you feel about the cuts in the land-grant college aid?

You are not a land-grant college.

Mr. KING. I hope that Jack will have just a minute to tell about the discussions we have had on this. I think the fact that Mr. Thackrey will have the privilege of appearing before you is perhaps one reason we didn't work in something about this.

Mr. QUIE. I might say, however, that no matter how you cut it, he is going to have to be looked at as a little bit biased and there is no bias on our part.

Mr. KING. Everyone that I can think of in higher education owes a great debt to the land-grant colleges and universities in this country. They are possibly the most distinctive higher education form we have developed. That particular type of Federal support apparently has been working for a hundred years and I think it is a very bad time to consider cutting it. I think it is needed and helpful.

Are you trying to shut me up, Jack? It isn't that these land-grant universities are sacred, like churches or something like that. It is just that their kind of work is something that all of us have looked at and appreciated and they have affected us, and I can't believe that, because the farm population is statistically a smaller percentage of our population, it is less important in any way or that the work they are doing is less important. And personally I hope you will see to it that within reasonable limits this is reinstated.

Mr. QUIE. I thank you, Dr. King, because I am going to try to do what I can, anyway, to see that we continue to have the land-grant colleges.

Mr. KING. Jack can comment briefly on what the council did and said about this. Our minutes carry a reference to the point.

Mr. MORSE. Very briefly, Mr. Quie, although the Land-Grant Association is a member of the council, as are most other educational associations, we have no particular ax to grind for that association. We took this up at our commission meeting 2 weeks ago. The commission was unanimous and very strong in its feeling that this was a dreadful proposal that was going to do damage in two different ways. First of all, it will cut funds from all of the land-grant colleges, but will have particularly dire effects on the predominantly Negro land-grant institutions in the South, where the actual teaching funds will

be cut as much as 25 percent. This cannot be viewed with equanimity in its own right. But beyond this, there was very strong feeling on the part of the commission that if programs which have been supported regularly for decades can be cut almost to zero without any previous notice or consultation, or any opportunity for institutions to find funds from the other sources, then it will be difficult for educational institutions to plan intelligently and be, what we are often referred to as being, partners with the Government in seeking to achieve social objectives. To have the rug pulled out from under one on a program as long established and as well established as this would suggest that any rug can at any time be pulled out from under almost any program.

We don't see how this partnership will work under those circumstances. The commission wanted to make certain that we made it clear we don't necessarily suggest that every program has to go on forever merely because it always has gone on, but that in the termination of important programs there should be some two-way consultation so that we may somehow plan intelligently. And this was the position adopted by the commission.

Mr. QUIE. Let me just make one short statement here, and then I will yield to you, because you have been patient to let me go on this long, Sam. I thank you for it. I think there is one more point, too, that you ought to concern yourself with and that is the proposal to cut the land-grant college aid, which has the least amount of Federal direction to it or categorical approach and the safeguards against categorical type programs that we have had over the years.

I felt that we had acted wisely last year in the amendment to the Academic Facilities Act when we took the categorical approach out of the act. Of course, it is true you can say it is categoric in that it is academic facilities, but not limited to discipline. I understand when a land-grant college receives the money, none of them have made any claim that there were strings attached to that money, and when such a program as that is virtually terminated, I think we ought to concern ourselves with what this means to the direction of the Federal Government's assistance in education. Because we recognize, I think, that the Federal Government is going to assist, at least to this amount, education in the future, and undoubtedly much more than it is right now.

I think it is something that every educator ought to talk to his college and his wife about.

Mr. MORSE. Mr. Quie, it was just my forgetfulness. In the staff paper which was prepared for commission consideration, the fact that this was moving away from the more general type of support or represented the elimination of more general type of support was something which we felt was reversing a direction we had hoped might be taken. This added reason for opposing this cut was adopted by the commission.

Mr. QUIE. Thank you for the time I have taken.

Mrs. GREEN. Congressman Gibbons, did you want to be heard?

Mr. GIBBONS. I will take it up privately. I wanted to ask a question about the land-grant colleges.

Mrs. GREEN. Congressman Sickles?

Mr. SICKLES. Mr. King, just briefly with respect to your comment on page 10, which has to do with the selective service machinery, I appreciate your comments here and on the subsequent page. As

you know, this committee and many of the members are much concerned about the projected manpower needs as they are affected by the selective service machinery as it affects higher education. And I was just curious. My attention really was taken when you made the comment that you thought the whole machinery was antiquated and in need of revision. Hopefully I was waiting for a different direction, but then you said, or at least the commission came to the conclusion, that a major overhaul in time of crisis would be unwise.

I think that perhaps on the next page, when you indicate that you are making suggestions, you feel that you will be comfortable with those suggestions, but it just seems to me as one who has been in public service for a few years that it almost becomes axiomatic that with respect to some problems the only time you can solve them is during times of crisis, because that is when everybody is thinking about them, and if we pass this crisis then we would relax and there wouldn't be as many youngsters involved and nobody would be fussing.

Mr. KING. Your point, I think, is very well made, and it may be that our wording should be modified a little bit here. This is a terribly interesting situation. Here we have nearly 3 million men under arms or in uniform, most of whom are from this college age group. I suppose at least 60 percent of them are. At the same time, we have this terribly large percentage of our population in higher education institutions, more than 3 million. We are putting a great strain on that age group in our population. In many ways the pressure for a boy now to go to college is just about as great—in other words, to follow his career and life interest is just about as great as the pressure for him to go into military service and bear arms for his country.

I am glad that Mr. Morse and others in the council have had these conferences with General Hershey and with his staff. It may be that you are right, that during this crisis period is one of the best times for us to try to reach some solutions. I think what we meant was that we do not want, in representing higher education institutions, to back off in any way from the responsibility of our students to bear arms and to support the selective service procedures, and particularly the right of draft boards at the local level to make these decisions.

Will you comment on this, Jack?

Mr. MORSE. I don't think any further comment is necessary, John. I think this is where we came out.

Mr. KING. I think Mr. Sickles has made a good point. I think this time of crisis is a good time for us to work on the problem.

Mr. SICKLES. With respect to the suggestion of going to a testing system, and then all the comments that I think most of us who have had anything to do with teaching understand with respect to testing, are you in effect offering a solution that you are not really in favor of, but say that is the only one that you can think of at the moment?

Mr. KING. Perhaps Jack should comment on this a little bit. I would like to say to you that there are some things that bother me right now. One is, I think, the responsibility to bear arms is just about the greatest opportunity that a young person has, and I don't want to have a higher education system which stands in the way of this or hampers it as far as young people are concerned.

I also think that a brilliant kid is just as entitled to have this opportunity to bear arms as a—well, I don't want to say anything about

any segment of our population, but we will just say a youngster who isn't so sharp. And it is interesting that in our times the armed services seem to be developing a need for the same kinds of young people who do well in higher education institutions, so it is not an easily solved problem or set of problems. And I don't think we are contradicting ourselves here, Mr. Sickles. I think we are recognizing the complexity of it.

Jack, will you explain quickly how we arrived at the two bases or the suggested set of bases?

Mr. MORSE. The reason for our suggestion of these procedures, Mr. Sickles, was that these procedures have been tested and had been used successfully during the Korean period when we were also in a position where certain youngsters could be allowed to go on with their education and certain ones had to be pulled into the Armed Forces. These procedures which we have recommended were in effect in the Korean period. They were, I might say, rather painfully developed, and leadership for the development was primarily exercised by Dr. Trytten, who, I believe, appeared before this committee. They did work. We saw utter chaos coming about, beginning last fall and extending certainly into the summer, with the local draft boards having no guidelines whatever as to how to handle the problem of student deferment and student induction. So we felt that some order, so that kids could know where they might stand and make their plans accordingly, was the No. 1 priority.

In the discussion of this problem by our commission 2 weeks ago, the kind of axioms that possibly should be challenged would be, for example, this one: In effect, the top draft age at the present time is age 26. We are not experts in the field of military manpower. We wonder whether that is the appropriate limit. At the present time it is leading to some rather odd decisions. Local boards feel that if they do not get a man before he reaches his 26th birthday, they will lose him forever for the armed services. Thus, rather arbitrary decisions are made when he is 25 years and a half, even though he may have only a few months to go to finish up his doctorate, or something like that.

This leads into the question of whether we are talking about deferment or a kind of exemption. These are problems which led us to request a Government-wide, agencywide study of our whole manpower requirements, including, we hope, whether the requirements now in effect for selective service as they are issued by the Pentagon are indeed axioms or whether they are propositions that might well be reconsidered. We don't have the expertise among ourselves alone to come up with rational recommendations.

Mr. SICKLES. Do you feel that as educators it is your responsibility to look at only one sort of one segment of the problem and be concerned with just retaining the best students, which is apparently what you are about to recommend? You would understand there might be social implications to this, and many other implications that you have already referred to. Do you think you should ignore those and just think in terms of keeping the best students in the institutions?

Mr. MORSE. We think that education should be a party to a Government study which had concern on how best we meet our military manpower needs and our professional and civilian manpower needs.

Mr. KING. Mr. Sickles, I was checking with Jack on this this morning. We are saying there are 4,000 local draft boards. There are about 3,000 counties in this country plus Hawaii and Alaska. That figure I think came directly from the general's office, about 4,050 draft boards. I believe they are very much interested in some kind of measurement of what "in good standing" means at a college. And I think the two measures which the registrar's committee recommended to us would help the registrars in certifying the so-called good standing of a student.

I think what most draft boards are concerned about is this student in good standing at the college. This, I think, will be helpful to them. As I understand it, they can still go as high or as low in our strata as they decide to.

Mr. SICKLES. Just one last question, and that is, you stated the Korean system was tested and was successful. What were the criteria you used to determine whether it was successful or not? From an administrative point of view, it worked?

Mr. KING. It had general acceptance on the part of students and faculty at that time, Mr. Sickles. It would be wrong to say that it was accepted as a fair system. I don't know that anything can be accepted as a fair system, but students accepted it as a rational way of determining their own deferment or their own induction; and faculties in our educational institutions accepted it as a logical, rational way to go about making these determinations.

Whether it was successful in deferring the right people, this would be something I couldn't say.

Mr. SICKLES. Thank you very much.

Thank you, Madam Chairman.

Mrs. GREEN. Congressman Gibbons?

Mr. GIBBONS. I know we have had the witnesses here now two hours and a half, and I think most of the germane questions have been asked, so I will just yield the balance of my time.

Mrs. GREEN. In spite of what you just said, I would like to follow up with one question. If I understand you correctly, you said that the greatest opportunity for any young man in this country is to bear arms?

Mr. KING. Unless he is a conscientious objector or physically unfit. I don't mean necessarily to bear arms in any particular war, but I think the responsibility, yes, to bear arms in defense of his country is a great one.

Mrs. GREEN. Then on the proposal which you recommend, why should we deny this great opportunity to the other three-fourths of the college students and limit the opportunity to just the lower fourth?

Mr. KING. I think that is a good question. I don't think we intend to exempt such youngsters from bearing arms. I think we feel that they will be more useful in their bearing arms after having had this deferment. I realize that question is very debatable, and I don't think we know, even after thousands of years of wars, just what is the best age for a person to be in military service. I think this is a great study problem, but in our way of lumping through on these things, I am trying to make a particular point, Madam Chairman. I think most of the college administrators I know are not in favor of their topnotch college students being removed from the responsibility to bear arms.

Mrs. GREEN. The only reason this has been brought up in this subcommittee is because we, at least I, felt that there were grave educational implications in the draft.

Mr. KING. There are.

Mrs. GREEN. There certainly are military implications, but it never seemed to me that the educational community has given this the attention which it really deserves.

Mr. KING. I am answering this without catching Jack's reaction, but I am inclined to think that we may be looking at the problem now with the encouragement of people like yourselves more directly than we have in the past. Remember, we have never had a situation before where we had as large a percentage of the age population in college, of the same type of people whom we need in military service. We have to look at this and we have to be as helpful as we can, and I think the council will work on this problem.

Mrs. GREEN. Thank you very, very much, Mr. King. You have been a delightful witness this morning. Your testimony has been very interesting and very refreshing to this committee.

The subcommittee will not meet Tuesday, March 15, as had been scheduled previously. We had scheduled Dr. Homer Babbidge who represents the Association of State Universities & Land-Grant Colleges. This will be postponed, because of the poverty hearings in which many of us are involved, and the Association will be heard on Wednesday, March 16, along with the American Personnel & Guidance Association, and also the American Association of Junior Colleges. If it is necessary then we will ask permission to go over in the afternoon to continue the hearings.

The subcommittee is adjourned.

(Whereupon, at 12:35 p.m., the committee adjourned to reconvene at 10 a.m. Wednesday, March 16, 1966.)

HIGHER EDUCATION AMENDMENTS OF 1966

WEDNESDAY, MARCH 16, 1966

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION,
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to recess, in room B–374, Rayburn House Office Building, Hon. Edith Green (chairman of the subcommittee) presiding.

Present: Representatives Green, Brademas, Carey, and Hathaway.

Also present: William F. Gaul, counsel, and Charles W. Radcliffe, minority counsel for education.

Mrs. GREEN. The subcommittee will come to order for further consideration of H.R. 13174 and other identical bills.

The first witness this morning is Dr. Winfield Scott, the president of the American Personnel & Guidance Association.

Dr. Scott, on behalf of the committee, may I welcome you this morning. We are most anxious to hear your comments on the proposed legislation that is before this subcommittee.

And if your good friend, Arthur Hitchcock, wants to come with you to the table, we would be very glad to have him.

Dr. Hitchcock, it is always a joy to see you here. I have appreciated your counsel and good advice over a long period of years.

STATEMENT OF DR. C. WINFIELD SCOTT, PRESIDENT, AMERICAN PERSONNEL & GUIDANCE ASSOCIATION, ACCOMPANIED BY DR. ARTHUR HITCHCOCK, EXECUTIVE DIRECTOR, AMERICAN PERSONNEL & GUIDANCE ASSOCIATION, AND DR. CARL McDANIELS, GEORGE WASHINGTON UNIVERSITY

Dr. SCOTT. Thank you, Mrs. Green. We are pleased to be here, and I should like to invite Dr. Carl McDaniels, who is chairman of our Federal relations committee, to join us at the hearing table.

Mrs. GREEN. Dr. McDaniels, we are very glad to have you.

Dr. SCOTT. As I said, we appreciate the invitation to present the association's view on H.R. 13174 and H.R. 13237, the higher education amendments of 1966.

In response to the invitation, we will comment on the several titles of the amendments, but particularly title II.

As this committee knows, the American Personnel & Guidance Association has supported education legislation to improve higher education, and specifically the Higher Education Facilities Act of 1963, and the Higher Education Act of 1965.

We support the forward-reaching legislation for which this committee is so responsible, and we join with the American Council on Education in its view of the facilities authorization in part A of title I.

We recognize, however, that there are fiscal realities that make it unfeasible to go beyond the level that has been set for the present period.

But there is a big backlog of need for facilities, and this backlog will be growing, we anticipate, so in another year we think it should be planned to meet the needs more adequately, in other words, to put more money into facilities.

We support the continuing provisions for loans under section 203 of the National Defense Education Act of 1958. We note that the proposed bill calls for an appropriation of $150 million for the fiscal year ending June 30, 1967.

We strongly urge that the appropriation of $190 million, as originally specified, be made.

Now, our reasons for this are two. There is no evidence that needs of students for financial aid are decreasing. In fact, these needs could not be met with an appropriation of $190 million.

And second, the guarantee loan program in Public Law 89–329 is not yet operative, and students should not be left in the impossible situation of being unable to foresee how they will support their education.

As an association, we have supported for some time a combination of financial aid for students, including scholarships, work-study, and loans.

We have further supported loans that are both of the guaranteed type and of the Government type, as embodied in NDEA.

We feel that students need a variety of financial aid resources.

According to information we have been provided by the U.S. Office of Education, the students who receive loans under NDEA tend to come from families that have incomes under $6,000 each.

Public Law 89–329, with its guaranteed loan program, provides for the middle and upper middle income families that are not being assisted to any great extent under the NDEA loan program.

In brief, the NDEA loan program seems to be meeting the needs of students who need it most, and we have no assurance that the newly proposed program would care for these students as well.

We are also concerned that the conditions for colleges and universities to utilize the loan funds under NDEA are made unnecessarily difficult in requiring the institution to first determine if it can acquire its capital from the commercial market.

We urge that no changes be made in the Higher Education Act of 1965 except those that would improve the facility for borrowing.

The problems inherent in changing the NDEA loan program have been emphasized for our association through telephone calls we have had to the headquarters office from student personnel officers who had become aware that the loan program might be dropped entirely, or might be phased down for next year.

We have also had considerable correspondence. We quote in our longer presentation from a counselor in a Georgia high school who wrote to our office on February 28 as follows:

The President's cuts in budget eliminating NDEA loans for college students has "panicked" some of my former counselees (now in college and borrowing

NDEA funds) and some planning to enroll in college next year. At least two institutions have announced to their student bodies that no money will be available from this source next year. I cannot see cutting out this most worthwhile program in order to begin others of dubious quality and success.

Dr. Carl McDaniels is now on the staff at George Washington University. He was formerly on our staff, and I should like to invite him to make a brief comment now about the possible impact or probable impact of the proposed changes on George Washington University students.

Mrs. GREEN. Dr. McDaniels, we would be delighted to hear from you.

Dr. MCDANIELS. Certainly we would support the comments of Dr. Scott.

I think what is happening is a different emerging situation in higher education all over the country. I think "uncertainty" would be too mild a word to call it, because of what happened in November with a bright, promising piece of legislation.

I think subsequent events have suggested severe cuts in January, and then replacing this with the present bill seems to have undermined to a certain extent the confidence of the higher education financial aid people to really administer this in the best fashion.

All over the country they are faced right now, in March, with decisions on awarding these loan funds for next year.

I think that our institution probably is similar to a good many others in the uncertainty and dilemma that they face in this regard.

I think their interests are in helping students, but they generally do not know at this point exactly where they stand.

I would hope they will find confidence in the outcome of this committee hearing so that they can proceed with this in a good, sound, planning fashion in the years ahead.

I think they are seriously disturbed by the present situation, and the students who are going to suffer by the outcome.

Mrs. GREEN. May I say to you, Dr. McDaniels, that certainly the telegrams and letters and phone calls that I have received would reflect the viewpoints that you have just expressed, and I can understand that their confidence might be undermined.

And as far as I am concerned, there was a moral commitment on the part of the Congress that these funds would be available on that basis, that the administration in the individual college could go ahead and make the commitment to the students.

I for one did not intend to see this commitment violated in any respect, and I am hopeful that the committee will take action in the very, very near future, because I think there is great urgency about this.

Dr. MCDANIELS. There certainly is.

Thank you.

Dr. SCOTT. Thank you.

Dr. Hitchcock, do you have anything to add to what we have been saying about the reactions of student aid officers?

Dr. HITCHCOCK. Well, I perhaps should add that several of the related groups, the Association for Student Loan Officers—I don't know whether they are testifying or not, but they are greatly concerned about this as a group, and have communicated with us their concern.

Mrs. GREEN. I hope, Dr. Hitchcock, that they are expressing this concern to their individual Representatives and Senators also, so that this concern is not limited to the members of this committee.

Dr. HITCHCOCK. I am going to be calling them after this morning's session, and I will check on that point.

Dr. SCOTT. We should like to urge this committee not to support any change in financial aid features of recent legislation until we know better, and this would include the recent legislation, the loan program under NDEA, until we know better what changes, what the effects would have been of new legislation.

Madam Chairman, you invited comments from us on the drafting of college students, and the manpower picture generally, but particularly on guidance and counseling personnel, the supply of such personnel.

The association has not examined the Selective Service System, and therefore it would be inappropriate for me to represent the association as presenting a particular view on this matter.

I can, however, point to several conditions about which guidance and counseling personnel are concerned.

We do recognize that the current military situation is quite different from that existing in World War II. We are faced with a need for a continuing flow of manpower, but not at a rate that would mean that all able-bodied persons between the ages of 18 and 26 would be in military service. The rate of flow is lower than it was in World War II.

Determinations of who shall and who shall not serve are complex and difficult. In our discussions on this problem, we have centered on the concept of the military activity of a person's life being part of his life development.

When a person enters a military term should vary from man to man or woman to woman, as people, and their situations differ.

We urge the proposal expressed before this committee in the testimony of the American Council on Education, that guidelines be issued to local draft boards that would help them in looking more equitably at the men who are of draft age.

The suggested guidelines are based upon the qualifying examination and/or rank in class.

One of our State counselors' associations, the Minnesota Counselors Association, at its annual meeting passed a resolution concerning selective service, and that resolution I think is quite important. It reads as follows:

> Resolved, that the Minnesota Counselors Association urges the Selective Service Board to give thought to the position that equal consideration for draft deferment be given to any student successfully engaged in a formal educational program; that such consideration for deferment not be based on test scores but on movement towards successful completion of the educational experience; that the educational experience or program be defined broadly, not just as college.

I think the most important feature of this is that last provision, which asked that all types of education be recognized as important types, and that college education not be the only type of education for which a person might be deferred.

The other important feature, of course, is that eligibility be successful progress in an educational program, instead of scores and maybe progress.

Now, I should like to turn to human resources in counseling and guidance. There is a shortage, and this shortage has been pointed

out in a number of places. It is pointed out in detail in a document proposed by Dr. Arthur Hitchcock, which is being submitted by our own testimony here.

This I believe is with a part of the report prepared for the Government-University Relations Conference in Washington last June, on just that topic, on the education of counselors through Government-university cooperation.

It is declared in this study that on a conservative basis the production of counselors should be expanded more than threefold immediately, and then doubled again in 1970.

I emphasize that this is proposed as a conservative estimate of needs, and refer you to the document for evidence in support of this conclusion.

Another feature of the situation, or rather an important feature of the situation is that new Federal programs have increased the demand for counselors, and created difficulties in the schools.

For instance, the schools of Minneapolis are desperately short of counselors, and they are having to increase the salaries of counselors in order to compete with other governmental agencies, Federal agencies for one, that are in need of counselors.

The Los Angeles County and City schools report that they need from 2,430 to 3,830 counselors.

This is obviously a large number for a single area.

If society is to provide the best opportunities for children and youth, as well as adults, to live more effective lives, and progress in their education and career, we are going to have to expand drastically the graduation program for counselors.

As I said at the outset, we appreciate this opportunity to put forth the views of the American Personnel and Guidance Association, and again compliment you, Madam Chairman, and the committee, for the great progress that has been made in educational legislation.

I wish to request that one of our divisions, the American College Personnel Association, be permitted to file a statement on the proposed higher educational amendments before the record is closed.

Thank you.

Mrs. GREEN. Thank you very, very much, Dr. Scott.

Dr. Scott, may I begin in reverse order in your testimony, and go to the manpower problem first?

While it is not a part of this legislation, I am sure it is something that this committee must consider this year.

On page 9, you cite the experience of the Minneapolis public schools, the exodus of trained personnel. You say their salaries are raised to $14,000. Does this supply enough?

Dr. SCOTT. I think not. There just are not enough to go around.

Maybe Dr. McDaniels, who heard Dr. Johnson make this statement, can supplement it.

Dr. MCDANIELS. I think this is the case. There just are not enough people to fill the positions that are available, and so the competition increases the salary level, and this makes it very difficult for the school system to introduce very flexible programs of salaries.

I think it grows out of the fact that we are not educating enough people in our graduate schools. The programs at best are very minimal, and we simply don't have enough people to go around and,

therefore, that creates a situation like we have in Minneapolis, and all of the other big cities around the country.

Dr. SCOTT. I might add that we have the Kilmer Job Corps Center in our area, and that it has a counseling program which, in terms of ratio of counselors to counselees, is the best in the State.

This program has attracted some 35 of the better counselors in the State from the schools to the center, and the schools have had to replace them, I should say, with people with lower qualifications, minimal qualifications, in some cases.

Mrs. GREEN. What is the ratio at Kilmer?

Dr. SCOTT. The ratio at Kilmer is about 1 to 60 or 65.

Mrs. GREEN. What would be the ratio in a high school in a nearby area?

Dr. SCOTT. The average for New Jersey is now about 1 to 340, and this is a goal toward which the association has been striving for years. It does not hold in many States, but it does in our State.

Mrs. GREEN. Could you estimate an average beginning salary for counselors in New Jersey?

Dr. SCOTT. I would estimate—and this is just an estimate—around $7,000 to $8,000. And my association may have more accurate information or different impressions.

This figure for Minneapolis is high for our area.

Mrs. GREEN. What do they pay at Camp Kilmer, do you know?

Dr. SCOTT. Around $10,000 for the 12 months.

Mrs. GREEN. If the only problems are raising salaries, I couldn't object to it very much.

Dr. SCOTT. Nor I, but even with the salaries, we can't get the counselors.

Mrs. GREEN. Well, this would be my concern, and I am just wondering if this Minneapolis statement doesn't oversimplify it. It puts the stress on the raising of the salaries, when the real difficulty, as I understand the situation, in New Jersey and Minnesota and Oregon is the siphoning off of desperately needed personnel in the school system with salaries that are paid with Federal funds 100 percent. Is this a good national educational policy? Is it one that we can justify? Would it be wise, if we are going to pay 100 percent of the salaries in a competing institution, that we then finance other salaries in the schools 100 percent too.

Dr. SCOTT. This issue is certainly raised by the present situation.

I think the only way to solve the problem of undersupply is better support of counselor education. Salaries are now high enough in terms of other salaries in education for the position to be attractive to educators, but our programs are just not well enough supported to take care of the need.

The program which I had, for instance, has set quotas, because it feels that it must provide the best education it knows how to provide for the ones it accepts, and it has to turn down two to three times as many—no; it turns down certainly from one to two times as many as it accepts every year of qualified people who want to become counselors.

Mrs. GREEN. Who is the prime contractor at Camp Kilmer?

Dr. SCOTT. Well, the prime contractor is Federal Electric Corp., which is a subsidiary of International Telephone & Telegraph, I believe.

Mrs. GREEN. And this contract, if I understand it correctly, is on cost-plus-a-fixed-fee basis.

Dr. SCOTT. That is my understanding.

Mrs. GREEN. So, in effect, as a matter of national policy, we are saying to a private corporation: "You can run an educational program at any cost that you want, there is no limitation to it whatsoever, we will pay every dime of it plus four and a half percent on whatever the profit is."

Dr. SCOTT. That is one interpretation. We certainly are not establishing conditions that are similar to those that private business must meet.

Mrs. GREEN. Or the public school system.

Dr. SCOTT. Or the public school system.

Mrs. GREEN. If this is a good national policy, would it not be just as logical to say to every school system in the country: "You run it on a cost-plus-fixed-fee basis, and the Federal Government will reimburse you a hundred percent, just don't think about the cost"?

Dr. SCOTT. If you establish the conditions, and it is good, then, of course, it should be good for other public enterprises, too.

Mrs. GREEN. I think we could run some pretty good public schools on that basis.

Dr. SCOTT. So do I, but as a taxpayer, I am not convinced that this is the way to do it.

Mrs. GREEN. In one case, or in all cases?

Dr. SCOTT. I would say that my position is a general position, that I question the advisability of this method of supporting a public enterprise.

Mrs. GREEN. You mentioned in your statement, and also in your comments, that the problem is a lack of counselors, that we need to do more in graduate education, and yet I notice that you support the administration's bill, which cuts the authorization of funds for graduate education in half.

The authorization last year in the higher education bill—and this may not have come to your attention—was $120 million, and the administration has recommended a cut to $60 million.

Would you like to look at those figures again before you support title I dealing with higher education facilities?

Dr. SCOTT. Yes; I should like to.

I have no comment. I am not in a position to make a comment.

Maybe Dr. Hitchcock.

Dr. HITCHCOCK. Well, Madam Chairman, I think there is no question but what we and certain of the others in the higher education community would like to see a much higher authorization, and I think that the comments of the American Council on Education, which we have supported, are really in terms of there appears to be a difficult financial situation this year, but we are saying only this year, and that this cannot go on, that we have got to provide for a higher education, and must come back another year and press much more strongly for this.

I think that in the provision for graduate education, that it is true that we have one of the most serious conditions because of the fact that here is where the leadership is developed, and graduate education has got to be expanded, and I think this question also ties in with the draft problem.

We would like to see much greater support but felt that realities this year were probably of the nature that this was not feasible, or a likelihood.

Mrs. GREEN. One other group testified that they would be willing to accept, although not enthusiastically, the administration's recommendations on facilities on the basis that the construction market was already overextended, and it might raise the construction costs tremendously.

In terms of World War I and the Korean war, thoughout the educational community, elementary and secondary and higher education, did we not find that those people who postponed the building of facilities because of the high cost found that delay only resulted in still higher costs?

Dr. HITCHCOCK. Yes; I am sure that is true.

Dr. SCOTT. Much higher cost, I should say.

Mrs. GREEN. Then is this the year to say because construction costs are high, we will accept this recommendation?

Dr. HITCHCOCK. Well, I was in some of the discussion on that point with that group, and I did comment on that particular item, and I didn't agree with it. I agreed with what you are saying, but I felt that the overall of what the group is saying is that there is a likelihood of being able to obtain a certain amount this year, but little likelihood of obtaining what they really should, but that we are serving notice that we will be back next year and press much harder.

Now, if there were a possibility of obtaining more adequate amounts this year, we would be for it.

We have indicated the need is going to accumulate this year, it is going to build a much heavier backlog of need, there is going to have to be a proportionately greater expenditure next year.

Mrs. GREEN. Let me recognize another member of the loyal opposition to certain of these recommendations.

Mr. BRADEMAS. Thank you, Madam Chairman.

Thank you very much, Dr. Scott, Dr. Hitchcock, and Dr. McDaniels.

I have two or three comments following Mrs. Green's questions, mostly comments on your statement, rather than questions, because I think you have brought some new evidence, or new insights, with respect to the proposal to phase out the NDEA loan program.

You have put in better fashion, I think, than any of our witnesses so far the problem that some of us on this subcommittee fear, namely, that this new proposal will ignore the situation of the needy students. On page 4 of your testimony I was especially interested to see you cite some information from the Office of Education with respect to the very high percentage of NDEA borrowers who come from families where the annual income is less than $6,000, and you quite rightly point to the fact that we on this committee intended that the 1965 guarantee loan program be intended primarily to meet the needs of middle and upper-middle income families. What we really want, therefore, is a spectrum of kinds of financial assistance to meet the needs of students from varying family income groups.

So, if I don't misunderstand your position, what you are really saying is that if we put all of the load on the guaranteed loan program, an essentially upper-middle income program, what are we going to do about the situation of the needy students, for whom the NDEA loan program was intended? Do I misstate your point of view?

Dr. SCOTT. No, you do not. That is exactly what we are saying.

Mr. BRADEMAS. You use the phrase "according to information provided to us by the Office of Education." Did you get a letter from them or do you have some document that you could give us that would be helpful in this respect?

Dr. SCOTT. Dr. Hitchcock will answer it.

Dr. HITCHCOCK. Mr. Brademas, this is from Robert Hall in the Office of Education and the reference is to their statistical studies as of the end of the fiscal year 1965, and they have all of these data. My understanding is that this has not been published but it is extremely valuable material.

Mr. BRADEMAS. I am also impressed by your observations with respect to the importance of our not dropping the existing programs until we have had some experience with the 1965 loan program, which is really not yet fully in operation.

I am a very conservative kind of fellow and I like to know how programs are working out before I want to saddle new burdens on them, and I have in my own mind, just trying to be a responsible Member of Congress been wondering how I was going to persuade and stimulate the bankers of my district to participate in the 1965 act, when now we are suddenly urged to put this whole new burden on them before they have yet got used to last year's program.

Dr. SCOTT. We share your conservatism, if that is what it is.

Mr. BRADEMAS. The other point I wanted to touch on is one to which Mrs. Green had directed some of her questions. It has to do with the question of policies in deferments in the Selective Service System.

The chairman will correct me if my recollection is wrong, but I recall that Dr. Tritten of the National Academy of Sciences, following General Hershey's testimony, made very clear that in his judgment it was extremely important that we should have a searching study made of the operations of the entire Selective Service System and the impact of the System on manpower needs in this country; is that right, Madam Chairman?

Mrs. GREEN. That is my understanding.

Mr. BRADEMAS. I sometimes have the impression that it is thought to be unseemly and unpatriotic if a Member of Congress raises any question whatsoever about the divinity of the origins of the Selective Service System, but when you get distinguished persons like Dr. Tritten, following immediately on the testimony of the Director of the Selective Service System, raising questions like that, I think such questions cannot be ignored.

And I take it that in a sense you are agreeing with that point of view when you say, to quote your statement, "A major study should be made of the Selective Service System."

Do you have any other comment to make on that?

Dr. SCOTT. I have not but Dr. Hitchcock has, I think.

Dr. HITCHCOCK. Madam Chairman, I should like to comment very strongly on this. I think that there are evidences that the Selective Service System is really not in keeping with the times and not in keeping with what we know about human behavior, and so on, and it seems to me to be entirely unreasonable that you should set up a system in one year and expect that 25 years later it would still be functioning in great shape.

I think this is terribly, terribly urgent that there be a study of the Selective Service System and in the setting you mention of overall manpower concerns.

Mr. BRADEMAS. The final observation that I would make, is that I share the concern expressed by your organization, although you are a party in interest, about the importance of counselors. It just seems to me that with the proliferation of Federal programs in education, which I strongly support, and with an increasing variety of kinds of manpower needs in the country, with an increasing diversity of educational opportunities, that to have first-class, well-qualified counselors in our schools is not a luxury, but it is essential.

And I mean first class well qualified ones. I am not issuing a plea for mediocre ones. There is always an oversupply of mediocrity, I suppose, in any kind of profession.

So I just want to say that I am on your side that is in that respect and thank you very much for your statement.

Dr. SCOTT. We should like to express appreciation for your support of quality in counselor education and counselor services.

Dr. MCDANIELS. I should like to say we are not going to have that quality if the status quo in support of graduate training programs of title 5 of the NDEA or title 5 of the Higher Education Act stands as presently billed. The quality is not forthcoming. There is not enough support to extend to the needs if school counselors are going to be called to go into Job Corps programs, as perhaps they should to offer those good offices to those cases.

I think there has to be an expansion of the present support if we are going to improve what we now have.

Mr. BRADEMAS. Thank you.

Mrs. GREEN. I would ask also that the statement by Dr. Hitchcock on "Counselor Supply, Demand, and Need" be made a part of the record at this point.

Without objection it is so ordered.

(The document referred to follows:)

COUNSELORS: SUPPLY, DEMAND, NEED

Arthur A. Hitchcock, Executive Director, American Personnel and Guidance Association

INTRODUCTION

Purposes of the Study

The purposes of this study are:

1. To show the number of professional counselors functioning today in the various employment settings.
2. To give a defensible conclusion on the demand and need for such counselors at the present time.
3. To project demands and needs to five and ten years from now.
4. To postulate how the demands and needs can be met.

Background of the Study

The first question in studying counselors is to find where they are located. The largest number of counselors is employed in educational institutions: elementary schools; secondary schools; supplemental education service centers; four-year colleges and universities; junior colleges; graduate and professional schools; and specialized institutions, particularly in nursing and other medical-related schools, and business and technical institutes.

Counselors function also in a number of settings outside of formal educational institutions: rehabilitation services, under Federal and State support and in other community and private agencies; employment services, including the State Employment services and Youth Opportunity Centers, and private employment

agencies; Office of Economic Opportunity programs; veterans services, particularly those within the Veterans Administration; armed services; church and church-related settings; youth and adult counseling centers, both public and private; community child guidance and mental health centers; special services for the disadvantaged; and, private practice.

Counseling, in many of the settings listed above, is supported under several federal acts. Such support accelerates the employment of counselors and tends to define the term "counselor." The acts are:

Public Law 30 of the 73rd Congress—The Wagner-Peyser Act of 1933 (Establishment of the United States Employment Service).
Public Law 16 of the 78th Congress—Disabled Veterans Rehabilitation Act of 1943 and Public Law 346 of the 78th Congress—The G.I. Bill of 1944—Regarding the Veterans Administration Counseling Program as amended in later years. (And War Orphans' Educational Assistance Act of 1961.)
Public Law 83–565—The Vocational Rehabilitation Act (1954 Amendments).
Public Law 85–864—The National Defense Education Act of 1958. (Amended by Public Law 88–210 and Public Law 88–665).
Public Law 88–415—The Manpower Development and Training Act of 1962 (as amended). (And, Area Redevelopment Act of 1961.)
Public Law 88–210—The Vocational Education Act of 1963.
Public Law 88–164—The Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.
Public Law 88–452—The Economic Opportunity Act of 1964.
Public Law 89–10—The Elementary and Secondary Education Act of 1965.

These are the principal places where counselors are employed; these are the principal federal acts that at this time are supporting programs which employ counselors. These two factors affect the number of counselors today, and how they can be studied.

The second question is: Who are the counselors? Are the counselors in a state-supervised rehabilitation agency similar in amount and intensity of educational background and experience to the counselors in an elementary school? Do they function in similar roles, even though different in detail? Should both be known as counselors? One way to define the term "counselor" is to state the conditions under which a person will be classified as a counselor. These vary in different programs and under different conditions.

The American Board on Counseling Services approves as counseling staff members persons who ". . . have completed a master's degree in the behavioral and other social sciences with an emphasis in counseling appropriate to the functions performed by the agency . . . (and who) have had . . . counseling supervised during preparation for counseling and before beginning counseling practice."[1]

Under Title V–A of the National Defense Education Act, a counselor, generally, is defined in accordance with the respective state certification requirements. There is variation among the states in the certificatlon requirements.[2] A person who could be termed a counselor in one state, in some other states could not be so designated. There is, however, a definite tendency toward the requirements of a master's degree in counseling and guidance for certification as a counselor.

The Office of Economic Opportunity defines counselors for Rural Centers in terms of approximately the master's degree and a position which requires, among other things, ". . . analyses in depth, lengthy counseling sessions and a variety of techniques." The Women's Residence Centers will accept as counselors only persons who meet the state certification requirements for school counselors of the state in which the center is located, but the master's degree is preferred as a minimum even if not required by the state.

The Statement of Policy of the American Personnel and Guidance Association on the professional counselor designates a two-year program of education as the background for counselors.[3]

These are samplings of the expectations or requirements of several different groups and organizations for the naming of individuals as counselors. Despite the many differences, the various counseling programs indicated by the settings in

[1] American Board on Counseling Services, *Criteria for Approval of Certain Counseling Services*. Washington, D.C.: American Personnel and Guidance Association, 1965.
[2] Camp, Dolph, *Guidance Workers Certification Requirements*. Bulletin 1960, No. 14 (Rev.), (1963) OE-25005A. Washington, D.C.: U.S. Government Printing Office, 1963.
[3] Loughary, John W., Editor, *Counseling, A Growing Profession*. Washington, D.C.: American Personnel and Guidance Association, 1965, p. 77.

which counselors are employed and by the public laws that support counseling show that:

1. Professional counselors working with the handicapped, with the disturbed, or in colleges and universities are likely to acquire that status only with a minimum of two years of graduate study.

2. Professional counselors in other settings, such as schools and programs under the Economic Opportunity Act, are likely to acquire professional counselor status with one year of graduate study.

This is the condition today. The conclusion relative to the two groups is borne out by a study of the membership of the American Personnel and Guidance Association which shows a larger proportion of doctoral level degree persons in the first category of professional counselors than in the second.[4]

Clearly it is impossible to reach a neat conclusion for identifying counselors for the purposes of this study. But it is necessary to reach a workable conclusion.

The criterion for the designation of professional counselor in this paper is the recognition by appropriate, competent authority of the counselor in a program or practice. Thus, for example, persons classified as counselors for support under Title V–A of the National Defense Education Act meet certain minimal criteria; they are called counselors, and they perform work that is called counseling. The assigning of an occupational title by suitable authority is actual practice in the United States. This occurs in medicine, social work, psychology, nursing—whatever field one looks to. There are abuses in any field and in counseling there are persons who are called counselors who have not been adequately trained. The authority by which such persons become classified as counselors is not competent to exercise the recognition of counselors. So far as possible, only competent authorities are used in this study.

The very fact of the competence of the recognizing authority explains in part the difficulty of knowing how many counselors there are today. In some settings, such as counselors in private practice, there is virtually no enforceable, competent authority for the recognition of counselors.

The difficulty of knowing the number of counselors functioning today is enhanced further by the impossibility of obtaining accurate counts. Even the authority that does the best accounting of large-scale employment of counselors, namely, under Title V–A of NDEA, has experienced some difficulties in obtaining accurate reports on NDEA supported counselors. The problem is complicated also by the translation of part-time counselors into Full-Time Equivalent Counselors. The translation inevitably produces a grey area. However, the intent in this paper is to present as accurate a picture of the number of counselors as possible.

PROFESSIONAL COUNSELORS IN THE UNITED STATES

It is estimated that between 50,000 and 60,000 professional counselors are currently employed in the United States. These are full-time and part-time. Only about 50,000 can be determined to be recognized by competent authority. The process of arriving at these figures follows.

Counselors in Educational Institutions

Public Secondary Schools (Including Junior High Schools). In the school year 1964–65, the U.S. Office of Education estimates that there are 40,975 guidance personnel, and this figure translates into 31,000 Full-Time Equivalent Counselors for a ratio of 507 students per Full-Time Equivalent Counselor. The total number of persons is derived from an estimated 3 percent increase over 1963–64. In that year the actual number was 39,660. The Full-Time Equivalent figure is based upon an estimated 5 percent increase from 1963–64 in which year the number of Full-Time Equivalent Counselors was 29,273. The greater percent increase is significant for it shows the continued increase, since the inception of NDEA support, of actual full-time counselors.

Public Elementary Schools. No accurate count of elementary school counselors is available or even possible. It is possible, however, to estimate. Smith and Eckerson [5] have completed a study of the Child Development Consultant (CDC) in the elementary school. The Child Development Consultant may be a social worker, psychologist, or counselor who spent at least one day per week in an elementary school. Only schools with enrollments of more than 100 were included.

[4] American Personnel and Guidance Association. *1962 Survey of the American Personnel and Guidance Association Membership.* Unpublished Mimeo. Washington, D.C.: 1965.

[5] Smith, Hyrum and Louise Eckerson, *Unpublished Study of Child Development Specialist.* Washington, D.C.: U.S. Office of Education, 1965.

In 1962–63, one-fourth of such schools had CDC's. This was 1 CDC (about 1 day per week) per 789 students. It is possible that this could mean that in schools in which the CDC is a counselor, the ratio of counselor to students is the same. Wrenn reported in 1962[6] an estimated ratio of 1 counselor to 690 students in schools that had counselors. If the ratio is approximately 1 to 725 (an estimated point between these two estimates); if, as reported by Smith and Eckerson, 13,000 schools had such assistance; then, in 1962–63 there would have been 8,359 elementary school counselors. Waetjen in an unpublished study estimates that 42.9 percent of the elementary schools have counseling services. It is believed that all of these estimates exaggerate the actual number of elementary school counselors. From information available in Oregon, Baltimore and Baltimore County, New York City, and Wichita (all areas that have bona fide professional counselors, largely on a full-time basis) it is believed that the actual figure could not be higher than 2,500 for the entire nation. This is a hazardous guess, based only upon the idea of the probability of counselors in specific areas of the country. The *1964 Manpower Report of The President* (p. 180) gives an estimate of 4,000. Recent discussions both in the Office of Education and in the Department of Labor, however, indicate very little basis for this figure. Confusion in terminology and lack of competent authority for recognizing elementary school counselors create a condition that makes a survey at this time fruitless.

Junior Colleges. A study being conducted by Dr. Max R. Raines of student personnel programs in junior colleges will give information on the extent of such programs. Unfortunately, it will yield no data on the actual number of professional counselors. Since the study is not published, a verbal report was given on the number of Student Personnel Specialists, a term that includes all persons in student personnel. From a sampling, it is estimated that in the approximately 200 junior colleges that have enrollments over 1,000, there are about 1,500 student personnel specialists, and in the 400 with enrollments under 1,000, there are approximately 874 specialists. Also, in the smaller colleges only 40 percent spend as much as 90 percent of their time in their specialty, but in the larger colleges, 70 percent devote that much time.

The ratio of counselors to students is known to vary from approximately 1 to 100 to 1 to 6,000. Using this known variation as a condition, it is estimated by some that perhaps one-third of the specialists are counselors. This would be 791 counselors, full- and part-time. This estimate may be high, but it is the only figure that has any rationale.

Four Year Colleges and Universities. In four year institutions data on the number of counselors are completely lacking. Wrenn has reported to the author that some persons have estimated that there is one professional counselor per 1,000 students. It is believed that this is lower than actuality. But, if this figure is correct, it would mean that there are slightly more than 4,000 professional counseling personnel in these institutions. For lack of anything more reliable, this will be used.[7]

Graduate and Professional Schools. Although it is impossible to find the number of counselors functioning in graduate schools, nevertheless, this level of education is significant for this study because it appears likely that student personnel staffs will expand and that counseling personnel in particular will increase greatly. This is likely to occur for three reasons:

1. The increases in student population are spectacularly large at the graduate level. (More than 100,000 in the four years from 1957 to 1961; more than 100,000 in the three years from 1961 to 1964; more than 130,000 (projected) in the three years from 1964 to 1967; more than 120,000 in the *two* years from 1967 to 1969.) As educational institutions increase in population, they tend to introduce and then utilize more fully counseling personnel. It is known that schools of medicine are now using such persons. It is conjectured that graduate schools of law and business will do this. Graduate divinity schools already employ counselors.

2. The expense of graduate education also will force the use of more counseling personnel. Society and individuals cannot afford the financial waste of unsuccessful talent in highly expensive graduate schools.

3. A final reason is the likelihood of more experimentation with new types of educational programs and new organizational patterns such as those now being tried in medicine. Experiment in educational patterns is likely to introduce counseling as a help in the success of, and in understanding the human dynamics of such changes.

[6] Wrenn, C. Gilbert, *The Counselor in a Changing World.* Washington, D.C.: The American Personnel and Guidance Association, 1962, p. 114.

[7] U.S. Office of Education, *Projections of Educational Statistics to 1973–74.* Washington, D.C.: Superintendent of Documents, 1964, p. 6.

At present there might be as many as 200 counselors in graduate schools. From the author's knowledge of specific situations, this would be a conservative estimate.

Specialized Institutes. These are post high school schools of nursing, other medical-related fields, business and technical training institutes with programs of one to three years. In 1961–62, there were almost 563,000 such students reported. The actual figure today is surely very much higher. Counselors are provided in such institutions, but no actual count is available. Some, it is known, provide a full-time professional counselor for as few as 300 students. The mean ratio is probably much higher. It is likely as high as 1 to 1,000. With the increases in enrollments that have occurred, there could be as many as 500 counselors employed.

COUNSELORS IN NON-EDUCATIONAL INSTITUTIONS

Rehabilitation. An unpublished report by the Department of Labor places the number of rehabilitation counselors at 3,500. This is an estimate based upon a ratio of 1 counselor to 614 handicapped persons. This figure is reasonably consistent with estimates that can be made from data on the employment of rehabilitation counselors provided by the Vocational Rehabilitation Administration, and in a study completed under the auspices of the National Rehabilitation Association.[8]

Employment Services. The data presented here will include only the state employment services because data are not available on private agencies and there is no competent authority upon which to base any estimate.

According to Department of Labor data there are 3,000 counselors in state employment services. (February 1, 1965—Updated May 1, 1965.) In a survey accomplished in May 1964, by the U.S. Employment Service, it was found that 41.7 percent spent less that 50 percent of their time in counseling. More than half of the remaining 58.3 percent devoted over 90 percent of their time to counseling. (Total N=2,933). There is no conversion provided to translate the part-time counselors into full-time equivalent counselors. It is known that some who do part-time counseling spend remaining time in counseling-related activities. More serious is the fact that only 37.5 percent of these doing counseling are actually employed in counselor classifications. 62.5 percent are in other job categories. This group, however, includes most of those who spend less than 50 percent of their time in counseling.

The Bureau of Labor Statistics estimates the number of state employment service counselors in FY 1965 to be 3,605. The number includes MDTA counselors and Area Redevelopment Act counselors.

Other. In the Veterans Administration Services there are approximately 750 cohnselors. In the programs under the Economic Opportunity Act, the number of counselors is changing rapidly; currently there would appear to be roughly 400 in the Job Corps and 50 in the Community Action Programs, but the figures are very fluid. Additional counselors in adult centers, in pastoral counseling, in other community settings, in private practice raise the number, probably considerably, but it is impossible to do more than judge that the large number of programs that require counselors must be employing at least an additional 1,000 counselors.

DEMAND FOR COUNSELORS

In the academic year 1964–65, more counselors would have been employed if two conditions had been met: one, qualified counselors were available; two, budgets had been allowed for them. In the experience of some educational and non-educational institutions, qualified counselors could not be found. On the other hand, we are acquainted with situations in which budgets were incapable of utilizing available talent. This dual condition must be recognized in considering the present and future. Although known to exist in public education, this condition undoubtedly prevails in other places in which counselors are employed.

Demand is considered under two assumptions: first, that the type of conditions existing today will continue; second, that society's and individual's full needs will be the basis of demand. The first assumption forms the rationale for the projection that follows.

The largest demand for counselors has been in public secondary schools. With the assistance of Title V–A of NDEA spectacular changes have occurred in the ratio of students to counselors at the secondary school level, dropping from 1

[8] National Rehabilitation Association, *Rehabilitation Counselor Recruitment Study, Final Report.* (Stanley J. Smits, Project Director.) Washington, D.C.: National Rehabilitation Association, 1964, pp. 4, 5.

counselor to 960 students in 1958 to 1 to 507 in 1964–65.[9] The U.S. Office of Education has placed its goal as 1 counselor to 300 students at the secondary level. The demands under the first assumption raise doubts that the aim could be achieved by 1974–75. A recent recalculation (unofficial) shows that five years from now, in 1969–70, the ratio would reduce only to 1 to 456. To reach the 1 to 300 ratio by 1975 would require a reduction in the number of students to counselor of 20 each year from 1964–65. This amount of reduction has not occurred consistently. Nevertheless, it is accepted under the further assumption that the increase in funds to support counseling would be within realistic current conditions.

The demand at the elementary school level undoubtedly will accelerate. The U.S. Office of Education uses the ratio of 600 students to 1 counselor at the elementary level as desirable. This figure comes from a statement at the 1960 White House Conference and has been reported widely. We find no rationale for this, but will use it under this first assumption and will return to the question later. Under this ratio, the need for counselors would be 42,350 in 1965–66 and 53,875 in 1969–70. Obviously, if starting from near zero in 1965–66, the stated need by 1969–70 cannot be achieved. In our calculations, this figure is simply cut in half for 1970 as somewhat closer to estimates on the basis of current conditions.

In higher education, projections of demand can be made. On the basis of the the data available (although tenuous) it could be projected that higher education would demand, on current basis, 6,674 counselors in 1969–70 and 7,951 in 1973–74.

Three other areas of employment of counselors should be considered under the first assumption. One is Employment Service counselors. Future projections include MDTA counselors, Area Redevelopment counselors, and Youth Opportunity Center counselors. Federal programs create reality demands for Employment Service counselors. The 3,000 counselors in 1964–65 are expected to increase to 6,494 in 1970 and 7,158 in 1975. These figures omit only the YOC counselors who will add several thousand more as will be shown.

The second is the rehabilitation program which employed approximately 3,500 in 1964. By 1975, on a conservative ratio of 614 clients per counselor, the demand would be 5,695 counselors. The reduction of ratio and the expansion of eligible handicapped for these programs would bring the total demand to nearly twice this figure.

Third, the programs under the Economic Opportunity Act probably will expand greatly, but the projections are very difficult because the future of these programs cannot be known accurately. The estimate of 450 counselors employed in 1965 will increase probably to 900 in 1966 and to at least 3,600 by 1970 and 7,200 in 1975. These are estimates of persons well acquainted with these programs, but the programming is not sufficiently firm to rely upon these estimates at this time. Other areas noted in this paper will create further demand ahead.

Table I summarizes the data under the assumption of the type of conditions existing today continuing into the future. The projections are conservative estimates of the demand for counselors, given the current level of funding and programs. In only two instances—the elementary school and the secondary school—can it be considered that a point is reached in 1975 of desirability, and this is the basis of 1 to 600 pupils in elementary school and 1 to 300 in secondary school. This paper considers these figures minimal.

These figures represent an increase in actual number of full-time counselors of 10,368 per year between 1965 and 1970; and 12,462 per year between 1970 and 1975. Attrition rates are applied to make the projections. Attrition rates vary from an estimate by Bedell of 5 percent per year for NDEA trained counselors to 15 percent estimated by McGough for Employment Service counselors (information made available for this paper by Dr. Ralph C. Bedell and Mr. Norman McGough). Rehabilitation counselor attrition is figured at about 9 percent per year. The Bureau of Labor Statistics estimates attrition among school counselors at 8 percent to possibly 10 percent. The 5 percent attrition rate is used in this paper because it should be assumed that the counselors are well trained and that they are employed under conditions to utilize their talents, two criteria that are likely to keep the attrition rate down.

Meeting the Demand, General

The Bureau of Labor Statistics estimates 4,300 master's degrees in counseling and guidance in 1965, based on a constant rate projection, and 4,500 based on a trend projection. The total number during the 10 year period would be 67,288

[9] U.S. Office of Education, *Commitment to Youth*, OE–25039. Washington, D.C.: Superintendent of Documents, 1964. Additional data furnished by the U.S. Office of Education and by the Bureau of Labor Statistics of the Department of Labor.

by the former method and 75,688 by the latter. Considering attrition, and with projections in this study formulated on the basis only of a continuation of present conditions, *the production of counselors prepared at the minimal level is shockingly weak. The present program of education of counselors clearly must be more than tripled immediately. By 1970 the production of counselors must be expanded again, probably two-fold. In other words, a raising of the production of counselors five-fold by 1970, three-fifths of which occurs now.*

In looking at the supply of counselors to meet the conservative needs estimated in this paper, it is necessary to consider the entire picture. Counselors for children and youth in schools and colleges have dominated the scene. Although they will continue to do so, nevertheless the increase in counseling in institutions outside of the traditional educational institutions probably will accelerate rapidly. The rate will be more apparent in another year when the increase in programs under the Economic Opportunity Act will have begun to show trends. It is anticipated that the demand for counselors will be higher than can be predicted now.

This paper thus far has established the point that even a conservative projection of demand for counselors shows that there must be an immediate and heavy increase in counselor education. Before looking into the means for meeting the demand, it is proposed that a new view be taken of the need and demand for counselors. This is a consideration of the second assumption, namely that society's and individual's full needs will be the basis of demand.

SOCIAL READINESS FOR COUNSELING

Counselors are in demand because society needs the contribution that counseling can make to individual and social development. The need is felt and financial means found to meet the need because conditions of the society create a climate favorable to counseling. The most compelling conditions are explained.

Psychological, Social, Economic Conditions

In his message on legislation to combat poverty,[10] President Johnson called for 2,000 counselors in 1964–65 to serve in centers to help disadvantaged youth into training, employment, and careers. The President expressed the need of economically and socially deprived youth for the kind of assistance that counselors can give. He also implied that the society needs counselors to help the government fulfill its obligation to individuals and to strengthen the society. But the President's statement also means that the society is financially able to support counseling.

The society, in 1964, had developed a readiness for action. Triggered by Michael Harrington's analysis and exposé of poverty,[11] and other research and writing, the society, with Presidential leadership, was psychologically ready to create opportunities for deprived individuals to move into more abundant lives.

The psychological readiness of the society was nurtured by an uneasiness about the 20 percent of the population that is seriously deprived economically and socially. There is evidence that a significant portion of the population was concerned for and cared about other humans. The birth of the Peace Corps and its successful growth constituted one proof. The most concerned portion of the population is likely to be larger among youth than oldsters. And, the under-twenty-five age group is becoming the dominant voice of the population.[12] The society had a psychological readiness that enabled it to respond to the nation's leadership that called for constructive movement of a large part of the population.

The movement could not occur, however, without financial capability. The society has the capability. As pointed out by Dr. Walter W. Heller [13] the national economy has appreciable prospects of expansion as evidenced by the gap between the actual Gross National Product and the potential GNP. This indicates the ability of the society to support the improvement of its people. The improvement, in turn, feeds the continuing strengthening of the society.

This movement of the society affects counselors. It means that conditions are such that the utilization of counselors that has started not only will continue, but probably will expand. The potential of greater financial support is present, and the demand for counselors is surging forth. For example, the Rural Centers under the Office of Economic Opportunity have a ratio of one professional

[10] President Lyndon B. Johnson's *Message on Poverty*, March 16, 1964.
[11] Harrington, Michael, *The Other America: Poverty in the United States*. New York: Macmillan Co., 1962.
[12] Drucker, Peter F., "American Directions," *Harper's Magazine*. Vol. 230, No. 1377, February 1965, pp. 39–45.
[13] Heller, Walter W., *Economic Man*. Unpublished address at the American Personnel and Guidance Association Convention, Minneapolis, Minnesota, April 13, 1965.

counselor per 100 enrollees, but persons well acquainted with the demands upon counselors in the Centers state that the ratio should be reduced to 50 enrollees per counselor.

The society long ago established the need for counselors for secondary school students going to college and for others in more affluent or favored communities. It now has established the same condition, emphasized by President Johnson's public call for counselors, for the population that is socially and economically jeopardized.

Population Movement

Counseling started in city schools (Boston, Grand Rapids, Detroit, Seattle, San Francisco). It always has been strongest in urban areas.[14] Now, with 73 percent of the nation's population predicted for urban living by 1980, there is a demographic condition that history teaches will mean a heavier demand for counselors than would be the case if the population movement were into non-urban area. If the history of counseling can serve as a prediction for the future, a constantly expanding part of the population will be urbanized and will demand more adequate counseling, probably more adequate than represented by the 300-students-to-1-counselor ratio stated for the nation at large.

Urban areas are more sophisticated than non-urban regions. The urban citizen demands more. The population movement into megalopolis will be accompanied by more counselors for all age levels and for many different types of city activity—such as employment and guidance centers, mental health centers, and child centers, in addition to the formal educational institutions.

The Complex Society

Harbison and Myers state that "The proportion of national income devoted to human resource development is likely to rise in all countries that are growing." [15] The United States is not only growing, but is a complex, modernized society requiring high-level manpower for its vitality and continuing education that enables individuals to shift from outmoded jobs to new jobs and to make personal lives continually more satisfying. As Harbison and Myers point out, "vocational counseling" is needed for dropouts,[16] but counseling also is needed more and more for the entire population as it lives in a *progressively more* complex society.

A NEW CONCEPT OF DEMAND

Introduction

This nation has made a commitment to education. Education has been placed as the core element in breaking the cycles of poverty by which children and youth can first feel their way from, and then burst out of the cycles. The demands for education will jump. Eight million in higher education by 1973, in contrast to 4.5 million in 1963 is but a part of the change. Institutes beyond the high school will increase greatly, possibly even in much larger proportion than colleges and universities generally. These institutes, like community junior colleges and municipal universities, will become centers not only for students moving directly from secondary school to further preparation, but also for persons moving from outmoded jobs to education and training for new ones, for persons who have been dropouts and need flexible environments for rising to better levels of competence, for persons who need new educational experiences to create fuller lives for a day of many presses.

Counseling demands are related directly to this kind of educational commitment. But, in addition, counseling is related to new kinds of environments outside of formal, though flexible, institutions of education. The Youth Opportunity Centers, the Job Corps Centers for men and for women, the Community Action Programs, the Employment Services are examples today of these new environments. As this is written, it has been learned that two major cities are organizing guidance centers to fill unmet needs. The Educational Services Centers provided in the Elementary and Secondary Education Act of 1965 have yet to be started, and they are open to innovation.

Society is saying that the needs of people center in education, conceived broadly. Society also states, through legislative acts, that sound, professional counseling is needed by people to enable them to utilize the opportunities for greater lives that

[14] U.S. Office of Education, *Commitment to Youth*. Washington, D.C.: Superintendent of Documents, 1964, (especially p. 23).

[15] Harbison, Frederick and Myers, Charles A., *Education Manpower and Economic Growth*. New York: McGraw-Hill Book Company, 1964, p. 187.

[16] Harbison and Myers. *op. cit.*, p. 170.

the commitment to education connotes. Society can make the statement about counseling, but it must then be translated into action programs.

This is a concept of needs of individuals in the total population for counseling assistance. To look more globally, and translate the need into proposed action constitutes the purpose of this section of the study.

Demands for Counselors in Terms of Total Population Needs

The Traditional Bases of Counselor Needs. This paper takes issue with several of the bases for need of counselors that normally have been held.

1. That a ratio of 600 students to one counselor in elementary schools has any foundation. This figure, as stated earlier, was brought out in the 1960 White House Conference on Children and Youth. It seemed as though a counselor should be able to answer the needs of twice as many elementary school students as secondary. Experience does not bear this out. Elementary school counselors spend 50 percent to 60 percent of their time directly with students and most of the remaining time with teachers and parents. How, on these grounds can one substantiate a formula like this? The contention of this paper is that true needs of individuals in today's society are no different in the demand they create at the elementary level than at the secondary level.

2. That the junior college and technical institute fall into a higher education category in which students suddenly, after grade 12, have relatively little need for counseling. (That is, that their needs are met in a ratio of 1,000 or more students per counselor.) In the junior college—and comparable level one, two, and three-year institutes—basic needs of individuals for competent counselors are extremely great. These students are seeking directions, making decisions, developing expanded ideas of life. Adequate help can make the difference between unmanageable presses and misdirections on the one hand and developmental experiences of life-forming value on the other. From reports from those who work in junior colleges and similar level institutes, this paper contends that such students, to be parts of a good and great society, need as thorough counseling help as at any earlier level.

3. That few students in four-year colleges and universities and in graduate schools need competent counseling services. On the basis of suppositions, professional counselors have functioned in bureaus that are apart from the ongoing life of the institutions, separated from the system of faculty advising. In one situation, however, professional counselors were related directly to the faculty that served as advisors to freshmen and sophomores. They functioned in a team way. These counselors served far fewer than 1,000 students each, and they worked in direct relation to the advisors. Each performed his particular work. The measurable results were a marked decrease in the drop-out rate. In another instance, at the graduate level in a school of law, students who appeared, in the first year, to be likely failures were referred to counselors. It happened almost immediately that the counselors found themselves conferring with faculty members in a mutual exchange about these students. Without extending the evidences—and they could be—we find no grounds for the assumption that undergraduates and graduates are not in need of counseling, except in minor numbers of instances. The evidences, from many instances, are on the opposite side.

4. That in all of education there is a fixed ratio of counselors to students. It is known that in Higher Horizon and similar programs in schools for the disadvantaged, the counselors have been responsible for 50 or fewer students. And, teacher loads have similarly been reduced. The programs under the Economic Opportunity Act substantiate the point. To cite one example, the ratio of enrollees to counselor in Rural Centers is 100. Even in suburban, college-oriented high schools, instances have been reported that dispel the myth of the fixed ratio. For instance, a very capable counselor stated that this year he has 147 senior high school counselees and he finds that at last he can really work with them and can communicate directly with teachers. The experiences of counselors who have worked with drop-outs are similar.

5. That Employment Services (and similar programs such as Youth Opportunity Centers) are for job interviews and quick, although short, placements. All of these programs require a new view of counseling. The work requires counseling that will enable youth and adults to develop their concepts of themselves, to find themselves, to evolve plans and directions of longer-term duration than a brief placement. The actions of counselors in these agencies constitute interventions in lives of people. This cannot be treated lightly. The society needs counseling assistance outside of educational institutions that provide as thoroughly sound help as any in the formal educational institutions. Such

counseling permits a counselor to work with considerably fewer persons than when he sees each one briefly.

A Proposal for a Different Determination of Counselor Need. The foregoing analysis of the traditional bases of determining need for counselors that this paper expresses the belief that the bases that have been used are not the best means for determining need. We are discussing the need for professionally competent counselors in a society that believes that such counselors are needed both in and outside of traditional educational institutions. The following proposal is presented for determining the need for counselors.

The number of counselors at all levels of education should be based upon the number of teaching faculty. The reasons for this are:

1. Fundamentally, the best educational experiences obtain when teachers and counselors function together. This point has been established. But, in the future it will be enhanced, for students at the college level as well as at other levels are being forced, by society, to be considered as individuals to whom the teaching faculty as well as counseling faculty must relate. Experience in elementary and secondary schools as well as some experiences in higher education bear out the validity of this condition.

2. The ever-changing nature of curricula experiences (broadly conceived) forces a close working-together of teachers and counselors. Appropriate responses of schools, colleges, and institutes to changing needs of students can be given best only when counselors, interpreting student needs, can work with teachers, constructing educational experiences.

3. The non-graded elementary school, already tried in secondary schools, will spread to colleges and other institutes. In fact, it has. Advanced placement in college is an example. Necessary for sound educational experiences for the gifted and for the disadvantaged, the non-graded concept will expand. It probably will be the key, with counseling, to the transition from high school to college. Individualized programs of educational experiences necessitate not only counselors, but also counselors who are related directly to teachers. The non-graded, individualized, educational experiences reenforce the concept of counseling as a part, with teaching, of the total educational experience.

4. The variation in educational needs under differing conditions emphasizes the necessity of viewing counseling (and therefore counselors) as responsive to the differing demands for teachers. For example, the disadvantaged have more teachers per students than others in other schools. Support for such schools emphasizes this difference. Counselors can be effective when similarly related to the needs of student populations. In a secondary school in which the teachers have totals of, say, fifty students, counselors must be similarly reduced in load or otherwise they will drag the educational thrust that the teacher is able to exert. This concept of counselor related to teacher forces flexibility. Support for schools for the disadvantaged will buttress this concept. This is an example of the commitment to education.

5. Finally, there is a significant psychological concept. With the idea that counselors work together with teachers, it is good psychology to state this by open deed.

The number of counselors in non-formal educational institutions should be based upon the population to be served. Three populations will be delineated. The response of counseling to the needs of society—and of individuals therein—has been handicapped by the idea that what worked ten years ago—or even three—is viable today. The extension of trends from the past should be abandoned. A fresh look must be taken at the needs of a society that has elevated itself to a concern for all the people.

1. The first population is the work force. This includes persons moving into the work force for the first time, persons reentering the work force after absences such as women after raising families, and those permanently in the work force, but who are required by work conditions to seek new jobs.

Mr. Norman McGough has supplied for this paper a way to look at the work force in terms of counseling needs. He suggests three groups: those under 22 years of age; 22–44; and those 45 and over. His supposition is that of those under 22, approximately 50 percent would require counseling; in the next age group, about 10 percent; those 45 and over, about 25 percent.

2. The second population is the disaffiliated. These are the drop-outs from school and those youth who are so far from productiveness that they are non-affiliated with the labor force. It is believed that they should be considered in a separate group. Their counseling needs will be met partially in Youth Opportunity Centers and partially in other centers to which they go, such as Job Corps

Centers. The society is committed to help these youth to improve, but it is unrealistic to view them, in toto, as part of the labor force.

3. The third population comprises the handicapped. Their needs for counseling also are unique. It is believed that they, too, should be considered outside of the regular labor force. The concept of the handicapped surely will broaden in the years ahead.

It must be clear that within the entire three populations, some will be in training at various times. But, it is believed that determinations can be made for the counseling needs of each of the three populations that will cover such actual places as, for example, Employment Service Offices and Women's Residence Centers. At any one time, the society would determine the places in which various proportions of the counselors would function, but for overall planning this would not affect the training needs.

Conclusion

There are some respects in which these proposals may be considered inadequate. For example, what about pastoral counseling, marriage counseling, and private practice? While these are important, it is believed that for planning it is essential to look at the areas in which the combined demand constitutes probably as much as 95 percent of the complete demand for counselors. The educational institutions include all such institutions. The non-formal educational needs are total for these needs.

This view is a societal-individual view, not institutional, even though it is recognized that counselors eventually work in various kinds of institutions. The attempt is made to look at counseling in terms of the counseling function in society.

Now this concept will be translated into needs for counselors.

SOCIETY'S NEEDS FOR COUNSELORS

Formal Educational Institutions

Following the concept put forth, it is proposed that in elementary schools, there should be one-full-time counselor in team with not more than seven full-time teachers. This would be about 193 students in public elementray schools in 1965 and about 259 in non-public schools. It has been established that seven is about as many persons as one can relate to soundly in the kind of relationship existing between counselors and teachers. The essential point is that seven teachers in relation to one counselor is really the maximum that could be expected for really effective work. There should be experimentation to find the most workable number. It probably would vary under differing conditions.

In 1965, the figures for the elementary school would appear in this way:

Elementary school	Number of teachers	Students per teacher	Number of counselors (1 per 7 teachers)
Public	958,000	27.6	136,845
Nonpublic	149,000	37.0	21,300
Total	1,107,000		158,145

Recognizing many variations, we see no reason for assuming a different ratio in the secondary school. On a national level, it is difficult to be certain of the actual number of students who would be involved. An NEA study reports secondary school pupils per teacher as 30.6 in cities with 12,000 or more elementary and secondary students. The U.S. Office of Education reports 21.8 for all public secondary schools. Again, it is urged that consideration be given to the concept of teacher-counselor relationship in developmental educational experiences. According to Office of Education data, the facts in 1965 would work out in this way:

Secondary school	Number of teachers	Students per teacher	Number of counselors (1 per 7 teachers)
Public	698,000	21.8	99,713
Nonpublic	77,000	19.5	11,000
Total	775,000		110,713

In junior colleges, institutes, four-year colleges and universities, graduate schools—in all of education beyond the high school—we see no reason for changing the concept of one full-time counselor to seven-full-time teachers. It is very difficult to arrive at a precise figure. Data from the Office of Education would indicate that approximately 50,000 counselors were needed in degree-granting institutions in 1965. If there are 4,000 counselors in colleges and universities, the indicated need is more than ten times that figure.

In all educational institutions, there will be additional persons in the student personnel area. In the elementary school, psychologists and social workers should, in turn, be determined as a function of counselors. A possible ratio, that should be experimented with, would be one psychologist and one social worker for every three to seven counselors.

This paper, at this stage, is seeking to avoid the numbers game, and rather to concentrate upon the application of a concept. Obviously, the numbers are large. But the needs in today's society are large. It is believed that the application of this concept could create tremendous benefits to individuals and society.

In reaching the desired level of counselor involvement, several steps will have to be taken. These will be related at the conclusion of this section.

Non-Formal Educational Institutions

Work Force. McGough, in an informal paper, proposes that, in keeping with the concept of need proposed in this paper, there be a new look at the counseling needs in relation to the work force. It would be assumed that 50 percent of those under 22 (entering the work force) would require counseling, 10 percent of those 22–44, and 25 percent of those 45 and over. It is assumed, also, and is strongly contended in this paper, that 1.7 interviews per client is inadequate. It should be at least 3. Using these figures, the needs in 1964 were for 6,804 full-time counselors. In 1970, the need would be 7,742; in 1975, 8,292.

It is believed that this is a more realistic way of viewing the need for counselors in the Employment Services, the Youth Opportunity Centers, the MDTA programs, and the Area Redevelopment programs.

Disaffiliated. These are the ones who are referred to by Dr. Donald N. Michael as the "unaffiliated" since they have never connected with the work force. They are largely dropouts from school. They are the ones who are now the subject of programs under the Economic Opportunity Act. For those who can be reached, the number who can be effectively helped by one counselor at any given time is probably not more than 50. We find it difficult to translate this into a total demand. But if 100,000 such youth were to be helped this year, there would be a need for 2,000 counselors.

Rehabilitation Services. Applying the same concept of need, undoubtedly, the ratio of handicapped clients to the rehabilitation counselors would be reduced. The handicapped population is estimated to be 3,000,000 in 1964 and to reach 3,628,000 in 1975. Instances have been reported in which the demands of the handicapped for counseling assistance could not be met. But it is impractical to project an actual figure. It is known that many more counselors are needed for the handicapped.

Supply of Counselors

It already has been pointed out that a three-fold increase is needed in counselor education to produce counselors even for a conservative estimate of need. The concept proposed in this paper calls for much more. It is believed that the problem can be approached with several lines of solution.

Professional.Counselors. These form the core of counseling. These are the people referred to in this proposal. They must be highly competent. On the way to meeting the needs shown in this proposal, the level of competence of the

counselors must be maintained, even higher than generally today. Therefore, there should be:

1. A program of tripling the production of counselors trained at two years of graduate work beginning now. By 1970, this program should be expanded again by approximately doubling it.

2. Those persons serving as counselors and who are inadequately prepared should have further preparation now through summer institutes and semester and year-long programs. By this means, a marked increase can occur among those who potentially are very able but who simply need more education. These persons will be found in the schools and the employment services.

3. A program of continual improvement of professional counselors through summer institutes or institutes even at other times during the year.

Subprofessional Assistants. There is a great reservoir of persons who would like to enter counseling related work. Many of them have ample potentialities. The experience in the CAUSE Program of 1964 proved this. Further evidences have been found in cities such as the District of Columbia where counselor aides were recruited to work in the schools.

Accompanying the increase in professional counselors, there should be large-scale training of counselor assistants. These persons can perform valuable work under a professional counselor. As the nation goes through the years of shortages of professional counselors, it should be expected that two or three subprofessional aides could work effectively under one counselor.

Many such subprofessionals can continue their counselor preparation part-time, and later go into full-time preparation. This group will furnish an excellent source for the production of well-qualified counselors.

Untapped Resources. Experiences of persons involved in the preparation of this paper, reports from Dr. John Walker of the Department of Labor, evidence from applications for the 1964 CAUSE Program, experiences of persons in programs for women returning to education—all point to the probability that there are many fully or partially trained counselors who are not working and who would like to return to counseling. Probably many of them will need further preparation. They could perform as subprofessionals while taking additional preparation.

Conclusion. The key to the future is the preparation of counselors. It is believed that there are many innovations that could be entered into such preparation. There could be combinations of practical work and university preparation. Large scale closed circuit TV could be used for in-service training. Universities could assume responsibility for a number of satellites where work is in progress, and additional preparation is going on at the same time. The possibilities of effective innovation are limitless.

In the boldness with which the genuine needs of people and their world are met will be the success or failure of the concept upon which society places such faith—the counselor in a democratic society.

TABLE I.—*Demand for counselors under continuation of current conditions and on current bases* [1]

	1965	1970	1975
Elementary schools [2]	[3] 2,500	26,987	53,500
Secondary schools [2]	31,000	44,938	71,887
Junior colleges	791	4,000	[4] 5,000
Colleges and universities	4,000	6,674	[4] 7,591
Employment service	3,000	7,494	8,158
Rehabilitation	3,500	5,187	5,695
OEO programs	450	3,600	7,200
Total	45,241	98,880	159,391

[1] Counselors for other programs and practices would add at least 5,000 in 1965; probably 7,500 in 1970; and 10,000 in 1975.
[2] These data are only for public schools.
[3] Estimated.
[4] Data are for 1973–74.

TABLE II.—*Annual demand for new counselors, based on 5-percent attrition rate* [1]

	For demands in table I	For non-public school demands [2]	For programs not listed [3]	Total
1965	12,630	1,040	500	14,170
1966	13,142	1,040	500	14,682
1967	13,666	1,040	500	15,206
1968	14,185	1,040	500	15,725
1969	14,703	1,040	500	16,243
1970	15,221	1,040	500	16,761
1971	17,939	1,040	500	19,479
1972	18,562	1,040	500	20,102
1973	19,185	1,040	500	20,725
1974	19,807	1,040	500	21,347
1975	20,431	1,040	500	21,971

[1] In 1965, a total of 14,170 counselors need to be trained to meet the demands of 1966.
[2] Data on counselors are not available. It is estimated that the nonpublic elementary schools could be expected to have 1 counselor per 1,000 students by 1975. It is doubtful that there are scarcely any at this time. Therefore, the 5,900 counselors needed for 5,900,000 students by 1975 are allocated to be added each of the 10 years. The secondary schools already have some counselors, estimated to be about 1 to 1,000. We therefore start with 1,500 counselors in 1965 and add sufficient each year to reach a ratio of 1 to 300 in 1975, with 1,800,000 students. Attrition in nonpublic schools is much less than in public schools.
[3] These are outside of regular counseling programs. The increase can only be estimated.

Mrs. GREEN. Dr. Hitchcock, could you continue summarizing that briefly?

Dr. HITCHCOCK. Well in a couple of sentences, it looked ahead in the demand for counselors is probably much greater than a sheer, straight line projection and this is a very important point. In other words, the demand for counselors is probably going to increase disproportionately because of the society that we live in and its concerns for human development, and so anything that you take from the past has got to be stepped up in to the future, and this means that we are going to have to produce immediately at least the three times more counselors than we are producing right now, and this won't even make more than a reasonable dent in the needs.

But I would like to call attention also to another prospect, and it goes into your point or your question about the ratio of counselors to trainees in Job Corps and other programs, and that is that when we say that at the secondary school level you should have 250 to 300 or even 350 students to 1 counselor, this is only the most that it can be is some kind of a national goal in terms of which you can make overall adjustments.

But it did not supply at all the answers to the fact that this high school right here in this locality needs 1 counselor for every 50 students, in order to have those boys and girls evolve in to the kinds of human beings that can really live great lives.

So I think we should change our thinking from the straight line idea of so many students to one counselor because it gets us stuck in the rut of this kind of idea and put it into the idea of what the kind of need is for the students.

This is the concluding point of the study and it suggests a different kind of ratio to make it more in terms of teachers and counselors in a team.

Mrs. GREEN. Thank you very much.

Dr. SCOTT. May I just add a comment to what Dr. Hitchcock has said? High criterion of need is a criterion we should try to apply. The ratio in the Job Corps is not applicable to schools because the

Job Corps situation is so different and no one knows what the Job Corps ratio should be.

Certainly the one that holds in the Kilmer Job Corps Center allows counselors an opportunity to do a good job of counseling.

Mrs. GREEN. Thank you very much, Dr. Scott, Dr. McDaniels, and Dr. Hitchcock. As usual you have presented a very good statement.

Dr. SCOTT. Thank you, Madam Chairman. We appreciate the opportunity and also that you scheduled it at our convenience. We appreciate it, Madam Chairman.

Mrs. GREEN. The next person to be heard from is Dr. Harry Bard, of the Baltimore Junior College.

Dr. Bard, we welcome you to this committee and we are anxious to hear your comments on the current legislation.

Mr. BRADEMAS. May I be recognized for one moment? I am sorry, Dr. Bard, I have to chair another meeting and I would like to leave one question with you as I go. We have not yet, at least, I have not seen anything out of the Office of Education on how the 22-percent feature of title I of the Higher Education Act of 1963 has been working out—to set aside funds for 2-year institutions.

I see that you have not said very much about that, and if there is time, Madam Chairman, I would be glad if Dr. Bard would make any comment.

STATEMENT OF DR. HARRY BARD, PRESIDENT, BALTIMORE JUNIOR COLLEGE, REPRESENTING THE AMERICAN ASSOCIATION OF JUNIOR COLLEGES

Dr. BARD. Might I make that comment first then?

Mrs. GREEN. Yes, indeed.

Dr. BARD. Suppose I pull it out of the paper itself and comment on those terms.

I would like to say that we are certainly grateful for the 22 percent, but we find that actually in terms of enrollments, as we have made clear here, a few years ago, the 22-percent figure approximating the percentage of entering freshmen of 2-year colleges is a percentage, of all entering freshmen. I don't know whether these statistics have been released but according to the U.S. Office of Education statistics in terms of the fall of 1965, and my colleague, John Mainland, who is director of governmental relations, who is here, might be able to tell us whether they have been released.

The figures are 28 percent now of all entering freshmen and therefore, if that 22 percent were gathered as a result of the ratio of entering community college freshmen to the total freshmen class, it should now be upgraded to 28 or 29 percent.

As a matter of fact, if adult students and others seeking specialized technical training were included, the percentage would be higher yet.

Therefore, we believe the Congress should raise the 22-percent figure. However, it is not our wish to compete with the 4-year colleges and universities for existing funds for we firmly believe that such an increase should probably be accompanied by an increase in the total facility funds for all institutions, then.

Mr. BRADEMAS. I appreciate that comment, Dr. Bard. It seems too, Madam Chairman, it might be useful to the subcommittee if the

Office of Education would give us some kind of breakdown on the differing kinds of institutions, junior colleges, community colleges, technical colleges, technical schools, and universities across the country by amount and State that have received funds under this provision because so far I don't think members of our committee have had any information on how it has been working, whether it has been working well or not.

Dr. BARD. I can tell you, Congressman, in our own State of Maryland, by way of illustration, it was something like $3 million left over as far as the 4-year institutions were concerned before we could transfer the funds under the newer act, and, on the other hand, the community colleges could have used all of that plus a good deal more for there are a goodly number that could not be assisted at all since the 22 percent was that limiting.

But we do want to make it clear that we don't think the solution lies in merely changing this ratio unless the total is increased because we will then be doing damage we think to the 4-year colleges and universities.

Mr. BRADEMAS. Thank you, sir.

Mrs. GREEN. Will you proceed?

Dr. BARD. Madam Chairman, and members of the subcommittee, I am Harry Bard, president of the Baltimore Junior College in Baltimore, Md. I am sorry that Congressman Sickles is not here today. I am here today on behalf of the American Association of Junior Colleges and its more than 600 member institutions.

I wish to express our appreciation for your kind invitation to appear before this subcommittee to discuss H.R. 13174, the Higher Education Act Amendments of 1966.

Mrs. GREEN. If I can interrupt for a minute, President Bard, I don't know if you have had a chance to see Congressman Sickles today. Congressman Brademas and I are faced with the same thing. These 2 weeks have been an excess of subcommittee meetings. Congressman Sickles has, I think, a choice of the labor subcommittee, the higher education, the poverty hearings, elementary and secondary education, and perhaps one other, and we have been trying to divide up between the committees, and so I regret and I am sure he will regret very much that he was not here to hear your particular testimony.

He is a very faithful and fine member of this committee.

Dr. BARD. I know that he is and I know his interest in the Maryland community colleges have been, I would say, intensive and with a good deal of insight. We are very proud of his support there.

I will deal with the proposed legislation title by title. I should begin by saying that in general our association is in agreement with the position of the American Council on Education, especially with relation to the proposed changes in the NDEA student loan program.

Title 1, part A of the bill deals with the extension of the Higher Education Facilities Act of 1963. The American Association of Junior Colleges strongly supports this program and asks whether it can be enlarged this year. This was the point that I had made earlier.

The present emphasis on awarding limited grants to colleges within each State which rank especially high on a competitive point system, based largely on rapid expansion, means that funds are available for only a few projects for only a few community colleges.

It is the point system that I think often reacts against the smaller schools. This system, as you know, is in vogue in many States. The great bulk of the American community colleges have received no funds under this program and have little hope of doing so until substantial increased title funds are made available.

I shall not go over the material that I raised earlier but I would call your attention to the fact that in the fall of 1965 over 1,292,000 students were enrolled in over 750 community colleges.

This represents a growth of over 200,000 students, in 1 year, a rate which would mean a doubling of enrollment within 5 years; 51 new community colleges opened last year.

Now this is the history of the movement. Many more are in the planning stages and existing colleges are often doubling and tripling enrollments within the year.

In the State of Oregon, for example, community college enrollment has doubled in the years 1963 to 1965, increasing by an estimated 101 percent. In my own State of Maryland in 1960, there were 2,363 full-time students in public community colleges. In October 1965 enrollment to full-time students was about 9,000. In 1960 there were 2,253 part-time students. In 1965, there were about 6,000 part-time students.

In all today there are about 15,000 full-time and part-time students in Maryland community colleges compared to fewer than 5,000 in 1960.

All over the country, growth of this sort has been taking place in every State where community colleges are established; enrollment growth in the thousands and tens of thousands in California, New York, Minnesota, Michigan, and many other States.

Since the community college represents one of the most important areas of public higher education service increasing numbers and percentages of young people as well as adults in the continuing education programs, it is our belief that the U.S. Congress should give special attention to its needs for additional facilities.

We think that the growth is so marked that for this educational level that perhaps special attention should be given to the community college movement. While none of us denies the seriousness of the international situation, an excellent case can be made out that this country needs more educational manpower rather than less in the emergency that is upon us.

Indeed, the community college through its vocational occupational curriculum and adult educational programs is in unique position to contribute to the training of people needed and other occupations.

In my own college, the Baltimore Junior College, vocational and occupational or career programs made up 30 percent of our enrollment in 1960.

They now make up about 40 percent of our total enrollment and we expect them to make up about 50 percent of our total enrollment by 1970.

The great movement in terms of vocational occupational or career programs in the community colleges is such that I think we have a unique contribution to make in this respect.

Mrs. GREEN. Could I interrupt there, President Bard? In a community college, a 2-year institution where there are some that would be limited to vocational occupational curriculum, where there are resident halls, what would be the cost on a 9-month basis?

Dr. BARD. I cannot give you the exact figure.

Mrs. GREEN. I mean the total cost to a student.

Dr. BARD. As far as community colleges are concerned, and the 11 Maryland community colleges are all commuting colleges, indeed most public community colleges in America, nearly all of them are commuting colleges and there are no resident halls attached to them. Our per student cost in Maryland would run pretty close to $900.

Mrs. GREEN. Is that partly subsidized by the State?

Dr. BARD. Yes. The full cost would be $900 per student but there would be no residence attached. You would need to add to that cost of books and some fees and I suspect some cost that runs with college education in general.

Under that $900 cost in the State of Maryland, then it would cost the student something like $350 to $400 if you count books. The State $300 and the local units $300. The local unit pays one-third. The State pays one-third, the student pays a third but the student's third would not include textbooks and the cost of books are rather high.

Then, of course, there are peripheral costs which one would need to add in attending college and, as a parent of a college student, I can tell you that is rather high, too. They are sort of hidden fees. That is, he attends social affairs and other requirements that are necessary.

Mrs. GREEN. But $900 would be the full cost. There won't be any subsidization on the part of the institution that would be hidden as there is in many—in almost every college?

Dr. BARD. No, $900 would be right now, I would say, about the average cost per student. It would be above that for the State of New York. It runs closer to a thousand dollars. It might be slightly lower in other parts of the country.

Mrs. GREEN. How many different kinds of occupation training programs would there be in your 11 community colleges?

Dr. BARD. In general, our occupational program——

Mrs. GREEN. In each one, not all of them, but in a college.

Dr. BARD. They fall into five categories and the categories would be as follows: the medical service category, the technology category, the business category, the Government service category and the general service category.

In the medical service category you would have such programs as medical technology, laboratory technology, the 2-year nursing program, which is a highly important program in community colleges, and even X-ray technician, dental laboratory technician, and I could go on.

In the business programs you would have data processing, you would have secretarial, you might have medical secretarial, which could fall in either the medical service or the business.

You would have accounting, junior accounting, that is, you would have retailing, and general business.

In the Government service you might have, as we do in our own college, urban development, law enforcement, recreational leadership, general governmental services, and I could go on.

In all, we have 24 different career programs. In the technologies you have mechanical technology, we have construction technology, electronic technology, and these programs are critical in the middle-man power. For every engineer you need five or six subprofessionals who support the engineer.

The medical team requires nurses, requires medical technologists, requires medical secretaries, and our health services can only be as good as the total medical team, not just the physician alone.

And we know in our own area, for example, in the area of Baltimore, we are assuring the health of Baltimore by this middleman power that falls in the health services and the same would hold true in the terms of the other four categories.

Mrs. GREEN. Would the $900 include any amortization of construction costs or equipment costs?

Dr. BARD. No, the $900 would not. This would be separate. The State of Maryland does support in part some capital costs. But, realistically, I feel that the higher educational facilities, and I can say this as one who serves on the Government's Advisory Committee for the Allocation of the Higher Educational Facilities Act, that there needs to be more money in order to encourage the community colleges to construct the kinds of facilites which would equip the country with the manpower that is critically needed along these areas of the 5 categories that I have described, or the 24 programs I have gotten into.

Mrs. GREEN. Thank you.

Dr. BARD. Now, in addition to that, of course, we have retrained in the community college field a number of people through the Manpower and Development Training Act and there is no reason why such programs cannot be expanded. We hope, therefore, that Congress will seriously consider expanding the facilities program rather than simply continuing it at the present level.

We would also suggest that Congress consider increasing the percentage of funds available within each State for public community colleges from 22 percent of the total to a somewhat larger figure, and I have gone into this earlier.

The association actively supports part B of title I, which extends the developing college program for 4 years and authorizes expenditure of $30 million in fiscal year 1967.

The association is vitally interested in this program, and believes that it can do a great deal to help struggling institutions in many parts of the United States. And I might add that, because there are more community colleges coming into existence in this decade, there is more likely to be just by statistics, more struggling ones, as well as, I would say, a goodly number of developed community colleges, such as our own, who would be able, and very willing, to help brother institutions.

Title II of the bill deals with the proposed plan to amend the National Defense Education Act student loan program and to shift this program as far as possible to private and State financing, rather than financing by the Federal Government.

In general, we wish to associate ourselves with the position of the American Council on Education in this matter. It is our belief that any system of student loans should be administered primarily in order to assist as many needy young people as possible. The proposed new plan, at best, couldn't take effect, in most States, soon enough so that colleges could make commitment to students, including entering freshmen, for the fall of 1966. As the American Council and, within the last hour the APGAV, indicated, most colleges will notify students within the next 2 or 3 weeks whether they may anticipate

borrowing funds for the current academic year for their education. There is no positive way Congress could act in this way in time to safeguard the interests of these students nor the moral commitment which the college wishes to make to them, nor could State or local governments, nor lending agencies possibly act soon enough to protect the interests of hundreds of thousands of students this fall.

As you know, many States' legislatures are not now in session. Or where they are, in many cases the sessions are being brought to an end, as would hold true for the Maryland General Assembly, and neither State nor local governments could act to establish the necessary machinery even if the law were signed this very day.

The only fair and meaningful solution seems to be to continue the present program for the coming year, at least, and to carry out a very careful and thorough study, and we hope that the body which carries out the study will include representatives of the educational community, and that this study would take into account all the advantages and disadvantages of alternative methods of financing the costs of education to the student.

If another method is to be proposed for the fiscal year 1968, the experience of the last few months show clearly that substantial lead-time is needed to permit everyone at the State, local, and private level, to act appropriately.

Now, we have been asked to comment, briefly, on another matter, the relation of the Selective Service System to this country's needs for skilled semiprofessional and professional manpower over the next 5 and 10 years, and especially for the need for community college teachers and other trained personnel during this period.

I would say, in brief, that every study which has been made on this subject has indicated that even without the problem related to the military situation, there is a growing shortage of manpower in this field. Many of our colleges are already finding teachers and administrators in short supply, because they are competing with other institutions and employment in other fields of industry. This would be especially true of the community colleges that offer the kind of career programs I have talked about. The shortage is particularly great in such fields as sciences, mathematics, and technologies.

It has been suggested that this country needs a thorough review of all of its manpower training and educational problems, either on the Government-wide basis, or by the appropriate congressional committees. In such a study, the American Association of Junior Colleges would be glad to assist in any way that it can. It is certainly true that our institutions are affected by skilled manpower shortages and, of course, that they also contribute to alleviating such shortages.

Mrs. GREEN. Thank you very much, President Bard. On page 4—is it fair to conclude from your statement that you think that this transfer would be all right in a year?

Dr. BARD. No. What I meant was that by all means hold off for a year and let's get some study made so that we would know with assuredness what should take place. This was the import of my statement rather than that the change should be made a year from now.

It could well be that after the study we would find, as so many of us are finding now, that the loan program ought to be continued for a longer period of time.

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Mrs. GREEN. What do you think of the requirement on page 15 of the bill, that each student who has a loan or is to receive a loan is required to authorize in writing the assignment to the Commissioner of the note or other agreement, in other words, to give immediately to the Commissioner, if I understand this, the right to refinance it through the guaranteed loan provision?

Dr. BARD. I would rather that Mr. John Maitland, who has made a more thorough study of this than I, and who is director of governmental relations for the American Association of Junior Colleges, answer that.

Mrs. GREEN. Dr. Maitland, do you want to come up with President Bard?

Dr. MAITLAND. Madam Chairman, I can't appreciate having the buck passed because I am not familiar with this proposal in detail. I would be inclined to be very skeptical about it, as an offhand judgment. But I can't comment in detail on it at this time.

Mrs. GREEN. Congressman Carey, do you have questions to direct at President Bard?

Mr. CAREY. Thank you Madam Chairman. Just an observation that evidently what you foresee is a great difficulty in transferring these student loan programs to private financial institutions, which is something that I, frankly, believe cannot come about because of the reluctance on the part of the bank making the loan to receive the bill.

My own inquiry upon banking services indicates there is no cooperation among banks at this time. Has this been your experience, also, in talking to the banking people?

Dr. BARD. My experience is not wide enough to generalize in these terms, but I would say that the States are just beginning to pass the kind of legislation that would be helpful here and that it is a feeling of the American Association of Junior Colleges that this is not the moment to disrupt operations that seem to be moving fairly well at the moment.

Mr. CAREY. Has there been any confusion about students now applying as a result of a discussion of the possible enactment of this kind of legislation, students planning on the financing of their education for next year, are they being led into any degree of uncertainty about how they are going to obtain financing as a result of the presentation of this legislation?

Dr. BARD. Dr. Scott, of the American Personnel and Guidance Association, commented earlier on the fact that college authorities cannot act with clarity until some decision is made and, I think, in general, I would subscribe to that statement.

Mrs. GREEN. The preceding witness, Dr. Scott, said this:

> The President's cuts in budget eliminating NDEA loans for college students has panicked some of my former councilees, and some planning to enroll in college next year. At least two institutions have announced to their student bodies that no money will be available from this source next year.

So, I think this points up the terrible urgency for action on the part of this committee so that the colleges will know what they can do, and after we act, there has to be some kind of decision by the Appropriations Committee. I think the matter of uncertainty is the critical issue here.

Mr. CAREY. I am not wearing my medal of courage today, but I would move that we table this bill right now. Of course, I am willing

to wait on the pleasure of the Chair in doing so, but I think the most constructive thing we can do at this time is to table this.

Mr. GREEN. May I say to the gentlemen I hope to call an executive session of the subcommittee at some time and at that moment any motions would be acceptable to the chairman.

Thank you President, Bard and Dr. Maitland.

Mrs. GREEN. Now if we may call on Russ Thackrey again, a friend of long-time standing to this committee.

STATEMENT OF DR. RUSSELL I. THACKREY, EXECUTIVE SECRETARY, NATIONAL ASSOCIATION OF STATE UNIVERSITIES & LAND-GRANT COLLEGES

Mrs. GREEN. Dr. Thackrey, we are especially appreciative of your understanding of our schedules. We wish we might have had Dr. Homer Babbidge accompany you.

Dr. THACKREY. I bring greetings from him and his regret that he cannot be here. He had a long-standing scheduled meeting of the board of trustees of the University of Connecticut today and it was impossible to change it.

Mrs. GREEN. I consider Dr. Babbidge one of the best informed people in higher education. And while we are not able to hear him this week, we hope he will come down at a future date.

Dr. THACKREY. I am sure he will and I am sorry he is not here to answer questions. I am executive director of the National Association of State Universities and Land-Grant Colleges.

I am also privileged to be authorized to present testimony on behalf of the Association of State Colleges and Universities.

The National Association of State Universities and Land-Grant Colleges has 97 member institutions located in every State and in Puerto Rico. The Association of State Colleges and Universities has 194 member institutions. Together, these two associations enroll approximately 2,600,000 students, or almost one-half of all those enrolled in higher education in this country—a substantially higher percentage if degree-granting institutions alone are taken into account.

The two associations for which I am authorized to speak today have joined in a common statement of desirable national policies affecting higher education, copies of which are available for each member of this committee. This statement does not bear the imprint of the Association of State Colleges and Universities because of the fact that their annual meeting was held in February of this year; therefore their adoption of the statement was acted on after it was printed.

My testimony today will be directed first at H.R. 13174 and H.R. 13237, the Higher Education Amendments of 1966, and also to certain questions about which the chairman has expressed concern.

TITLE I—EXTENSION OF ASSISTANCE TO HIGHER EDUCATION

The bill before you extends authorization for grants for undergraduate academic facilities through 1971, setting an authorization limitation of $453 million for the coming fiscal year, with no fixed amount thereafter. We are grateful that this committee took the

initiative last year to raise the authorization for the current year to the approximately $460 million level. We are pleased that the proposed bill contains no fixed dollar limitation for the years beyond 1967 because we feel that the $453 million limit is inadequate in relation to need, and that the amounts should be increased as soon as the present heavy budgetary pressures due to our Vietnam involvement can be relaxed. Our associations are clearly on record as urging that the authorization for Federal sharing of the cost of both undergraduate and graduate facilities be raised to permit a Federal contribution of up to 75 percent of the cost of the facility, and also that special attention should be given to encourage the removal and replacement—or expansion and modernization—of obsolete facilities.

Mrs. GREEN. I am a little bit concerned about your pleasure, at the fact that there is no fixed dollar limitation for the year beyond 1967. What if the same people are operating down at the Budget Bureau with such tremendous power and this never comes before this committee for authorization and they decide they are going to cut it down?

Dr. THACKREY. Madam Chairman, I see your point. My pleasure would be diminished and I would suggest the authorization for the year 1967 be set at a sufficiently high level that it would accommodate the needs of the situation.

Mrs. GREEN. I wish you would call that to the attention of your organization and perhaps other groups too.

Dr. THACKREY. I will do that very promptly. In expressing my pleasure, I was thinking solely of the fact it was not limited to $453 million and not to the fact that it might be held below that figure.

I quite agree with you.

We urge an increase in Federal cost-sharing for facilities because this is one clear area in which the National Government can make a substantial contribution to reducing the rising costs of higher education to the student, and helping all types of higher institutions to expand facilities to meet steadily rising enrollment pressures. Such a change in the legislation, with appropriate and substantial increase in the appropriation authorization, would benefit all higher education, and particularly those institutions which want to expand but have had great difficulty in raising the necessary matching funds. Many have had to increase student charges for this purpose. If the economic and budgetary situation does not permit such an action at this time—and we appreciate the fact that it does not—we nevertheless urge that your committee reopen this question at the earliest feasible time.

Our associations also believe that the Congress should provide some form of aid for the operating costs of instruction, and particularly of undergraduate instruction.

In his statement before this committee, Secretary Gardner called attention to the fact that if charges to the students keep spiraling and increases in student financial aid simply increase in proportion to the rising charges, there could be no extension of educational opportunity in this country. Secretary Gardner has analyzed the problem precisely but there is no program aside from the Facilities Act before this committee which would meet the needs of the situation.

A major thrust of recent higher education legislation has been to make it possible for more students to attend college through opportunity grants, work study, and borrowing. These are desirable and

even essential programs but at the same time they accelerate the rising spiral of student charges because they all require investment of institutional matching funds. The way to reduce college charges in our opinion is to increase operating support, which will make it unnecessary for institutions to raise their charges.

We support the proposals for extension of grants for construction of graduate facilities, with the future amendments we hope you will keep in mind, and the proposed extension of the loan program for construction of academic facilities. We commend the proposed inclusion of the very limited cost allowance for works of art as suggested in the clarifying amendment as to development costs.

PART B—AID TO DEVELOPING INSTITUTIONS

Our associations support the proposed extension of the program for assistance to developing institutions. We realize that many levels and types of institutions merit aid for their development. We trust that the original objective of this program, which was as we understand it primarily for the development of institutions predominantly attended by Negro students, will not be minimized or lost sight of in the light of the broad definition finally arrived at in last year's legislation. We also hope that appropriate attention is given to the problems and needs of public institutions of higher education now predominantly attended by Negro students. They are not adequately represented, and indeed not represented at all, on the Advisory Committee. They enroll about two-thirds of all students in institutions predominantly attended by Negro students. We have confidence in the new Director of this program, and the Advisory Committee includes several outstanding persons. Both associations include in their membership several institutions classified as predominantly attended by Negro students, including several which have substantial numbers of white students. We are deeply interested in the program of aid to developing institutions, and our members are pledged to work cooperatively in this area.

Mrs. GREEN. Dr. Thackrey, later in your testimony are you going to touch at all on the recommendation for the cut in the land-grant college funds?

Dr. THACKREY. I would be happy to. It is not in my prepared statement.

Mrs. GREEN. What effect would this recommendation by the administration have on the land-grant colleges and specifically on the predominantly Negro colleges to which you just referred?

Dr. THACKREY. Well, one of them is approximately 50 percent Negro but they range from about that ratio to all Negro students.

Mrs. GREEN. What percent of the budget of the predominantly Negro land-grant college in the South comes from the land-grant college funds?

Dr. THACKREY. I cannot give you an average but in one institution it is 25 percent of instructional budget.

Mrs. GREEN. What would a cutback do to the institution?

Dr. THACKREY. It would decimate it, in this case. The total amount of instructional funds proposed to be eliminated from the budget is approximately $12 million. In terms of the 16 institutions predominantly attended by Negro students in the South, it will be $1

million. The nationwide $12 million cut would represent about 1,200 faculty members or about 18,000 students.

Now, I base that on an average salary for State universities of about $10,000. The predominantly Negro dolleges have an average scale of $7,500 so the proportionate impact on them in terms of number of faculty members would be somewhat greater. They do not in general offer graduate work so their salary levels are somewhat lower than the institutions which offer both graduate and undergraduate.

Mrs. GREEN. I assume the National Association of Land-Grant Colleges has made known their views to people who would be considering this cut.

Dr. THACKREY. Yes, ma'am; we have quite emphatically.

Only 68 of the 97 members of our association are land-grant institutions and I must say that expressions of concern by the non-land-grant State universities have been quite as great as the land-grant group, because they believe as a matter of principle that the Federal Government should be moving in the direction of extending this type of aid more broadly rather than cutting out support of instruction.

Mrs. GREEN. Under title I of the Higher Education Act of 1965, the colleges are empowered to do a great many things in the way of holding seminars and related activities. I wonder if any of you considered the advisability of holding a seminar in the Washington area for the people in the Bureau of the Budget, who advised the President on the cuts in the land-grant colleges and the Federal impact on the school milk program and the student loan program?

Dr. THACKREY. We would be delighted to sponsor such a seminar.

Mr. CAREY. Where would they get the money for such a seminar?

Mrs. GREEN. I would be glad to appoint myself as a committee of one for that purpose.

Dr. THACKREY. We would be delighted to do it and I don't think we would have any difficulty to get the funds if we could get the attendance.

There are also reductions in the Department of Agriculture budget of $8½ million for the research funds for land-grant institutions which also represent faculty and which are a matter of great concern.

STUDENT LOAN PROGRAM

On title II, the student loan program, we share the concerns expressed in the analysis presented to this committee yesterday by President John King, of the Kansas State Teachers College of Emporia, speaking on behalf of the American Council on Education.

The Association of State Colleges and Universities is the only national group which has met since the budgetary cuts in the loan program became known. I attended their meeting and this was the matter of the greatest concern, as Mr. Radcliff will recall. We had a panel on Federal legislation problems. All of the questions from the floor from 100 college heads were directed at concern about the proposed changes in the NDEA student loan program. They unanimously adopted resolutions calling for continuance of the existing programs pending an adequate trial of the new guaranteed loan program to see if it is capable of meeting both the needs of those students for whom it was intended and, also, those of the NDEA and health profession loan programs.

The executive committee of our association, which met late in January, expressed identical concerns.

Our associations supported the guaranteed student loan program at the time of its consideration by the Congress last year and its inclusion in the Higher Education Act of 1965. Since that time interest rates have risen substantially and the credit situation has tightened. We are not opposed in principle to the working out of arrangements under which private capital rather than Federal capital contributions are used to the maximum extent practicable to supply the need for student loans of all types, at such time as it can be done while assuring that the purposes and objectives of the Federal programs are carried out.

Since the passage of the guaranteed loan program, it has become clear that capital from sources outside the universities and colleges or State governments, to provide the necessary non-Federal guarantee fund, may not be available in the necessary amounts in many areas. More than half the State legislatures are either not in session this year or are limited to short appropriations sessions.

In this situation it is wholly unrealistic to expect the guaranteed loan program to absorb both the demand for lending under this program and also the additional quarter of a billion dollars represented by NDEA and health professions student loans.

Some recognition of the critical situation which would be created by abruptly phasing out the NDEA loan program is contained in the series of alternatives embodied in title II of the bills before your committee.

In order to conserve your time, Madam Chairman, I would be glad to omit reading a description of these alternatives. I would like to call attention to the fact that the second alternative, the borrowing of private capital for use of NDEA loans with a Federal guarantee to the lending agency of 100 percent, and to the institution of 90 percent of the losses on loans financed, that,this guarantee is not proposed to be extended to public institutions as such, because of the tax-exempt nature of their borrowings.

Now, I believe this is a mistake, because I understand the Treasury's reluctance to guarantee tax exemptions because of the loss of tax revenue, but it is a case of taking money out of one pocket and putting it in another. Without the guarantee, the interest rate becomes higher and costs the Treasury as much as it gains from the tax feature. It also makes it more difficult under the circumstances for public institutions to use a program the Government wants them to use.

Well, then, to turn to the second paragraph on page 7, I do note in the first paragraph on that page that in the legislation, the administration, Bureau of the Budget, and the Treasury did make the concession to provide $150 million in direct appropriations, plus revenues from student loan repayments, as a revolving fund. But this is not available unless the institution shows that it has exhausted the other alternatives proposed.

Our attitude toward this series of proposals may be summarized by saying that in the long-range future of the NDEA they merit consideration but there is simply not enough time to permit them to work as a substitute for the present program for the coming year. We believe the full $190 million authorized for fiscal 1967 should be provided under the existing law.

This will permit a test run of the guaranteed loan program and permit State legislatures to furnish, if they wish, the necessary guaranteed capital to a much greater extent than was contemplated when the program was under consideration. Private funds for these State guarantee programs have not been forthcoming in the amount suggested when testimony was given a year ago, and so far as we are aware, State legislatures and State officials were not consulted in advance as to their ability and willingness to supply the guaranteed capital. It was assumed last year that these would be forthcoming primarily from private sources and the credit situation changed drastically.

Looking toward the future, we endorse the suggestion by the witness for the American Council that direct NDEA loan operations by the colleges may in time be phased down, but not out, and that the capital represented by repayment from outstanding obligations under the present program should be kept as a revolving fund for this purpose, supplemented by new appropriations as necessary, to make up for capital losses.

The Chairman asked for comment on the drafting of college students through selective service. I think I can summarize the comments I have made here. We are committed as a matter of national policy to a selective service system filling the gap between volunteers for military service and requirements for military personnel.

In World War I we used a lottery system under which everybody had a number, and when your number was drawn, you were called and if you were physically fit and mentally qualified you served.

I am not aware of any responsible body of opinion to the effect that selective service is not in the national interest as contrasted to a lottery system. It is true that in one light selective service is unfair to individuals who are called as contrasted to those who are deferred in a given year.

In that sense, a lottery system is more fair since it depends on chance rather than judgment as to whether the national interest is best served at a particular time by calling or not calling those engaged in particular occupations or pursuits as contrasted to those in other occupations or pursuits.

But selective service is our policy not because it is in the interest of the individual or because it calls one group at the expense of another but because it is held to be in the national interest.

During World War II undergraduate study in colleges was not recognized as being one of the pursuits for which deferment under selective service was granted, since the military manpower needs were so great at that time.

However, thousands of students were first taken into military service and then reassigned to colleges for study and training.

During the Korean war military manpower needs were in excess of those that could be supplied by voluntary recruitment or by a selective service system which did not induct a great many college students.

In order to give local boards guidance for a basis on which the choice of students to be taken, or left in college, might be made, a system of judgment based on test scores or class standing was devised.

It was a flexible system in that the cutting score or standing for deferment could be moved up or down in the light of manpower needs.

Following the Korean war, this system was abandoned because selective service calls could be filled without interrupting college study on the part of those making satisfactory progress toward a degree.

During recent months this situation has changed. So that local boards in order to fill their quotas had to call some college students who were making reasonably satisfactory progress toward a degree. At least they were not being thrown out of school or on a probation list.

In the absence of any guidance, the local boards were faced with the almost impossible task of making individual judgments on the basis of individual transcripts of students who were going to a wide variety of colleges with different grading systems and methods of recording them.

In order to avoid a situation which might rapidly become chaotic, if manpower calls were substantially increased, several representatives of educational organizations urged Selective Service to reinstate a system of guidelines based on those in the Korean war but without necessarily having the same cutoff points at this time as were used during the Korean period.

The alternative use of class standings or scores on a nationwide test was recommended because neither in the course of the many discussions in the Korean war when this subject was gone over and over again, or since, has anyone been able to devise a more equitable system.

Many highly selective institutions object strongly to the use of class standing alone as a basis for deferrment since any class has to have a lower 50 percent even though all of the students in that class may conceivably be doing better work than students in the upper portions of the class of some other institution. On the other hand, class standings are defensible as a recognition of superior achievement and application among a group of students in a particular environment.

If you did not permit the use of class standings, and operated strictly on the basis of test scores, you might practically denude some institutions.

Many criticisms can be made of this system but I simply don't know of any that is any better.

Now I do feel that I agree with Dr. Trytten that a study needs to be made of the operations of the system. I don't think it is perfect and that if the manpower calls become heavier, we will need to make further refinements of the selective service criteria and see what they are doing to particular manpower areas.

I don't see any argument for changing from Selective Service to the lottery system as some people have suggested on the grounds that Selective Service is unfair to particular individuals. Any basis other than chance can be described in that way.

That concludes my testimony.

Mrs. GREEN. Thank you very much, Dr. Thackrey. We appreciate your comments. Let me ask you to comment on a couple of things. It seems to me, at least from some of the letters I have received, that Selective Service is awfully close to a lottery system now. I think of one letter that came to me from a student who dropped to a D in a course in one semester and was drafted immediately.

Dr. THACKREY. Was this a matter of his total average being under a C?

Mrs. GREEN. It was a D in a particular subject. The needs of that particular draft board were very urgent at the time, I suppose. So to meet their quota, this young man was drafted.

Dr. THACKREY. I do think the system that is proposed by Selective Service would assure that this particular student won't be picked up because he happened to get a D. He would either be in the upper half of his class clearly and entitled to deferment, or he would have a test score which entitled him to deferment, or he would have no claim to deferment.

Mrs. GREEN. But if I understand it, the first provision will be for class standing. If a student is in the upper part of his class, he will be deferred but it is a matter of initiative if other students want to take the examination.

Mr. THACKREY. You can use either one. The student is not required to take the examination, that is true.

Mrs. GREEN. Won't much of your criticism of this kind of procedure still hold true? For example, if a student who ordinarily would go to a highly selective institution, because of this policy would decide to go to a school that has very low academic standards, would he then be automatically deferred because he can remain in the upper quarter there easily, exam or no exam?

Dr. THACKREY. Normally I think rather than do that he would probably take the test and depend on his test score rather than class standing.

Mrs. GREEN. But it is the student's responsibility. So your criticism would still hold true. If you attend one college, you would be deferred, and in another you would not.

Dr. THACKREY. It does give the students in the highly selective institutions an opportunity to make a test score and be deferred on that ground whereas he might be in the bottom of his class.

Mrs. GREEN. Because there are so many educational implications in the draft now, and from all appearances, the needs are not going to end very soon, isn't the academic community obligated to take a real look at it and come up with a study and recommendations?

Dr. THACKREY. The academic community in cooperation with such institutions as the National Academy of Sciences and the Office of Emergency Planning, during the Korean war period, this was done.

Dr. Trytten took a great deal of leadership. The educational community was involved and the Office of Emergency Planning was involved very heavily and they finally came up with a list of occupational criteria that was used by the local boards.

Mrs. GREEN. Has any study been made of universal service which would give the student a choice of 2 years in the Peace Corps or military service or Job Corps?

Dr. THACKREY. There have been a good many proposals to the effect that a whole series of choices be given.

Mrs. GREEN. The Academic Community has not made any study?

Dr. THACKREY. Not that I am aware of. Individuals of course have made suggestions. I come back to a statement General Hershey made many times in the course of our discussions during the Korean war: that while he recognized the value of study and he sincerely believed in the deferment for study, that somebody after all has to be the one who carries the rifle and gets shot at, and he found very few people that did not think they were more valuable in some other

occupation than they were out being shot at. He really did not know how he was going to fill the draft quotas if everybody proved that they were more valuable in some other category and capacity.

Mrs. GREEN. Your statement, and that of General Hershey's would contradict a statement I was surprised to hear before the committee this week, that the greatest opportunity a young person had in the country today was to bear arms.

Dr. THACKREY. Well I think there are a great many young people who believe that this is a real obligation and responsibility, a duty.

Mrs. GREEN. Responsibility, but perhaps not the greatest opportunity as indicated in General Hershey's own statement.

Dr. THACKREY. He was simply stressing his own need.

Mrs. GREEN. Has the academic community taken a look at Michigan and the use of the selective service as a punitive measure?

Dr. THACKREY. Well, they have protested it, yes.

Mrs. GREEN. Has this been in formal language?

Dr. THACKREY. To General Hershey, yes.

Mrs. GREEN. I am also a little bit concerned about the ease with which the academic community capitulates to the Budget Bureau.

In the great "guns or butter" question, it seems to me that the academic community could very emphatically take the position that the one thing this country cannot afford today is guns and ignorance.

Dr. THACKREY. I would agree with that.

Mrs. GREEN. And this is one area where we better not have cuts.

Dr. THACKREY. I suppose we were overly impressed when they reached down and took $12 million for hiring instructors when considerably more than half of the State legislatures are not even in session to replace those funds even if they could.

We thought the budgetary situation must be quite acute for this to happen.

Mrs. GREEN. Because of the matching provisions in some other construction bills and other funds at colleges and universities some of the members of this committee have given consideration to changing the matching formula to 50–50 instead of a third and two-thirds.

If you think we cannot go above the level of appropriation at this time, you think that it would be well to change the matching or should it be left at one-third?

Dr. THACKREY. I could not answer that with confidence and I know that the reports we get are that the amounts at present are not adequate and the figures of the Office of Education on the number of grants not given are not accurate because many institutions simply don't apply.

(Material subsequently submitted to subcommittee follows:)

MARCH 17, 1966.

Hon. EDITH GREEN,
Chairman, Special Subcommittee on Education, House Committee on Education and Labor, Rayburn House Office Building, Washington, D.C.

DEAR MRS. GREEN: Responding to the question you asked at the hearing before your subcommittee on March 16 as to the percentage of Federal matching that might be authorized under the Higher Education Facilities Act, and the language of the act with respect to appropriations after fiscal 1967:

(1) After discussing the question with the officers of ours and other educational groups, I would recommend that the authorized amount of Federal matching under the facilities grant program be raised to 50 percent, even though funds are not increased for the coming (1967) fiscal year. The principle of an authorization for increase in the percentage of Federal matching is so important that it should

be written into law at the earliest possible opportunity. Such an amendment might raise immediate problems if it is generally interpreted as intending that State commissions should follow the uniform practice of giving more dollar aid to fewer projects, so long as the amount of funds is not increased. However, I think this could be taken care of by language in the committee report stating that it is not the intention of the committee that grants be generally raised to the 50-percent level, but that the increase in authorized Federal matching is intended to give State commissions greater flexibility in handling special cases.

(2) It is suggested that the language of the act for years beyond fiscal 1967 be changed so that a program is authorized through 1971 as recommended by the administration, but in "such amounts as the Congress shall hereafter authorize for such years," or words to that effect. This will give your committee opportunity to review the needs early in the first session of the next Congress, and fix a realistic authorization.

Meanwhile much more dependable figures on demand can be obtained. Commissioner Howe testified that requests to State commissions for Federal matching currently exceed funds available by about $250 millions, but I am certain that this by no means represents actual need or demand. Institutional heads from a number of States have told me that they have submitted requests to State commissions for matching funds only in terms of amounts they might reasonably expect to get in the light of funds available and the requests of other institutions.

Many State commissions have also actively discouraged the submission of applications substantially in excess of amounts available for Federal matching.

The U.S. Office of Education some years ago instituted an extensive survey of facilities needs and plans, which was to be kept up to date by annual inquiry. The annual inquiry has been allowed to lapse so that to the best of my knowledge the only figures available underestimate need by many millions of dollars.

Sincerely,

RUSSELL I. THACKREY,
Executive Director.

Mr. RADCLIFFE. Madam Chairman, may I ask a question?

I can appreciate your difficulty, Dr. Thackrey, but while making it perhaps more difficult for State commissions to distribute these funds, at the same time, wouldn't a higher matching provision make the use of the funds more flexible, that is, if they could go as high as 50 percent as opposed to one-third?

Dr. THACKREY. Well, that is the reason I am not prepared to answer that categorically. I would like to have the opportunity to consult.

Mrs. GREEN. This would not be a minimum. They could still have a third.

Dr. THACKREY. Our suggestion that they go as high as 75 percent certainly wasn't intended as a minimum, but to allow flexibility in it.

Mr. HATHAWAY. Just one question, Dr. Thackrey. Has your association given any consideration to creating space utilization both inter- and intra-universities? This was in line with title I money.

Dr. THACKREY. Well, I don't know of any university which isn't greatly concerned with space utilization and some of our institutions are running now from 8 o'clock in the morning until 10 o'clock at night.

Mr. HATHAWAY. Is there cooperation between contiguous universities for using classrooms for students attending different schools?

Dr. THACKREY. There is, to some extent. I don't have any figures on it. In Tallahassee—I don't know the extent of this—in Tallahassee, Fla., where we have the Florida State University and Florida N. & M. University, the latter predominantly attended by Negro students, they have a program of cooperation of class interchange. But that is just one.

Mr. HATHAWAY. Would you say, to the best of your knowledge, existing facilities are being used to their utmost?

Dr. THACKREY. I would say that varies, but the studies that I have seen of the use of facilities in various States indicates that in our type of institution the usage is pretty high.

In fact, a study in Kansas some years ago showed 102-percent use of facilities by Dr. John King's institution—he testified Monday—this was in terms of a norm which the study group considered as desirable. Some institutions were in excess of it. This is true in dormitory occupancy, for example. I think, nationally, there is a figure of something over 100-percent dormitory occupancy, because three students are put in rooms designed for two.

Mr. HATHAWAY. Thank you.

Dr. THACKREY. I would not say every institution is using all of its facilities to capacity. But I think the record is pretty good.

Mrs. GREEN. I haven't seen a study, but it would be my judgment that institutions of higher education have a much greater space utilization than secondary schools. Most of them are used 12 months out of the year. They are used at night, and they are used in every conceivable fashion. I will welcome the day when elementary and secondary schools are used 12 months of the year and for longer hours of the day.

Thank you very, very much Dr. Thackrey, and will you express to Dr. Babbidge our best wishes and our hope that we may see him in person here.

The committee will meet at 10 o'clock tomorrow morning in this room.

(Whereupon, at 12:05 p.m. the subcommittee was recessed, to reconvene at 10 a.m. Thursday, March 17, 1966.)

HIGHER EDUCATION AMENDMENTS OF 1966

THURSDAY, MARCH 17, 1966

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION OF
THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 10:30 a.m., pursuant to recess, in room B–374, Rayburn House Office Building, Hon. Edith Green (chairman of the subcommittee) presiding.

Present: Representatives Green, Brademas, Sickles, Gibbons, Hathaway, Burton, Quie, and Reid.

Also present: William F. Gaul, counsel, and Charles W. Radcliffe, minority counsel for education.

Mrs. GREEN. The subcommittee will come to order for further consideration of the higher education proposals for 1966. The first witness this morning is Mr. Allen D. Marshall, the president of the United Student Aid Funds, Inc. Mr. Marshall, we welcome you to the committee. We have your statement before us. If you want to summarize your statement and then have the full statement made a part of the record, we will be very happy to have you do that or you may proceed in any way you would like.

Mr. MARSHALL. Thank you very much, Madam Chairman. I just would like to go through the statement.

STATEMENT OF ALLEN D. MARSHALL, PRESIDENT, UNITED STUDENT AID FUNDS, INC.

Mr. MARSHALL. My name is Allen D. Marshall, and I am president and chief executive officer of United Student Aid Funds, Inc., a nationwide nonprofit agency which guarantees low-cost loans for college students. It is a pleasure to appear again before this subcommittee which under your distinguished guidance, Mrs. Green, has done so much to increase the quality and the availability of education at all grade levels.

As I think you know, ours is a completely nonprofit organization. Our only interest is to help. We want to do everything we can to advance the cause of higher education all across the land. We want to help the students. This is the central purpose of our existence.

We feel highly privileged in the opportunity which is ours to assist young people who might otherwise not have the chance to go to college. And in this connection, I want to say, Mrs. Green and members of the committee, that we are indeed grateful to the administration and the Congress for the recognition accorded our organization under the Higher Education Act of 1965.

But we appreciate even more the opportunities which the act offers us for expanded future service to the young people of America.

My prepared testimony will be brief. This is because the amendments proposed to the Higher Education Act of 1965 under H.R. 13174 and H.R. 13237 do not directly affect our operation, and I am sure that the other groups more immediately concerned are perfectly capable of speaking for themselves.

HOW UNITED STUDENT AID FUNDS WORKS

Let me first refresh your memory on just how United Student Aid Funds operates. Colleges and universities deposit in our reserve fund an amount covering 8 percent of their anticipated loan needs, and, for every dollar in this reserve fund, participating lending institutions—principally banks and savings and loan associations—will provide qualified students with up to $12.50 in nonprofit loans, repayable on an installment basis after the borrower leaves school.

In case of a default, we pay the bank the full amount due, with interest.

Our operating expenses are covered by interest income, processing fees, and contributions from individuals, business concerns, and foundations. Philanthropists and specialized organizations like the Peace Corps Volunteers Fund and the Spartanburg County Foundation also contribute to our reserve, earmarking their donations for the benefit of students with whom they are involved.

We modified our loan regulations immediately after passage of the Higher Education Act last year, and they are today completely in accord with that act. We understand that within the next few days we are to receive interim accreditation as an approved loan guarantee agency from the U.S. Office of Education.

COLLEGES, BANKS, AND PHILANTHROPISTS IN PARTNERSHIP

United Student Aid Funds sits on a sort of three-legged stool. The first supporting leg is the college which makes a deposit in our reserve fund. The college loan officer goes over the budgets of students who want to borrow, to satisfy himself that their projected expenses are reasonable and for educational purposes.

Then the college attests to the lending institutions that the student has passing grades and can be expected to graduate. There the college's responsibility ends.

The second leg of the stool is the lending institution, usually the bank in the student's home town. It makes the loan at a nonprofit interest rate, and collects its money in installments after the student is out of school. Under the terms of the Higher Education Act, the Federal Government will pay part of the interest charges.

The lender administers and collects student loans according to its regular procedures.

The philanthropist, of course, is the indispensable third leg which keeps the stool in balance.

Thus, each of the partners in this enterprise performs the task for which it is best fitted. United Student Aid Funds is the catalyst which makes this cooperation possible.

GROWTH OF UNITED STUDENT AID FUNDS

When I appeared before this committee on March 8, 1965, United Student Aid Funds had already guaranteed around $40 million worth of student loans. Today our cumulative total is well over $60 million, and our loan guarantee rate is running approximately 50 percent over last year.

In an address on December 16, 1965, before representatives of the 50 States, Secretary Keppel paid tribute to the help given by United Student Aid Funds in drafting legislation and said, "United Student Aid has demonstrated its value and growth potential." Our program has indeed grown.

In the 8 months from July 1, 1965, through February 28, 1966, deposits by colleges and others added $17 million to the lending capacity of our reserve, as compared with an addition of $11 million in the corresponding period a year previously.

In all this we are heartened by the encouragement of the administration and the Congress—so aptly summed up by Mr. Keppel at the same December meeting when he said that Federal funds are not to "* * * replace contributions from philanthropic and business organizations, or from the institutions of higher education themselves."

The Federal share is designed, Mr. Keppel said, to encourage further giving, not end it.

We agree completely with this concept.

COOPERATION WITH OTHER GUARANTEE PLANS

United Student Aid Funds has but one goal: to make sure that every deserving college student in the United States has access, at low cost, to whatever loan money is required to complete his college education.

We are not in competition with any other loan guarantee operation. The Office of Education expects that soon there will be separate programs in many States. We will continue to make loans available to students not covered under these State plans; and there will be hundreds of thousands of them.

A number of States have already named United Student Aid Funds as the agency to operate their guarantee programs. It appears likely that we shall eventually act as operating agent for upward of 20 State plans.

In the last analysis, the source of the loan is comparatively unimportant, as long as it results in the student staying in school and making the most of his potential.

THE PHILOSOPHY OF UNITED STUDENT AID FUNDS

There are a number of factors involved in a prudent and educationally valuable lending program. One of the factors motivating United Student Aid Funds is our strong feeling that private nonprofit organizations have a responsibility to do everything that they can to help meet public needs.

We hope that our example may lead to the establishment of similar nongovernmental and nonpolitical agencies in other social fields. We believe in the need for this kind of responsibility on the part of what

Richard Cornuelle—one of the founders of United Student Aid Funds—calls the independent sector; and by the way, if you have not read Mr. Cornuelle's recent book on this subject, "Reclaiming the American Dream," I recommend that you do so.

We also recognize, on the opposite side of the coin, that where a genuine social need arises and exists and nongovernmental sources fail to meet it, the Government has no choice but to step in.

And whether a lending agency is private or public, responsibility, in our view, should be a two-way street. It must be exercised by the borrowers as well as the lenders. We are convinced that it is as vital to educate our young people in responsibility as in books. The students who borrow money on the strength of a United Student Aid Funds guarantee are made aware that their loan is a business arrangement, not a gift.

It is a tribute to the character of the average student, and I think to the soundness of our operation, that, out of all United Student Aid Funds loans now due and repayable, less than 1 percent are in poor standing.

We also feel that a balance should be struck in student aid. The student should not depend simply on loans, which would burden him after he is out of school; there should also be a mix of savings, work grants, scholarships, grants-in-aid, and the like. The financial aid officer at the college is invariably in the best position to decide what this mix should be.

THE ROLE OF NDEA

At the time of its launching, NDEA was indispensable. It has made a college education possible for tens of thousands of students. The country has every reason to be grateful for its existence.

From the point of view of United Student Aid Funds—and I am sure from the point of view of this subcommittee—the administration's proposal to phase out NDEA and replace it with a broader program of guaranteed loans should be adopted or rejected purely on a basis of whether or not the suggested alternative can, at this time, meet the needs of the college population with equal effectiveness.

We are in complete agreement with the general principle that it is preferable to meet social needs through private action wherever possible. And as far as guarantees then on loans are concerned, I have no doubt that United Student Aid Funds and the State guarantee agencies can provide these guarantees to any extent needed. The real question—and I am sure you are aware of this—is whether there will be sufficient lending funds available all at once from private sources for education needs.

I am not in the banking business, but I feel certain that these 6 percent simple-interest loans are, at best, no-profit loans and at the present interest rates which banks themselves are paying, the loans may well be loss leaders.

I do not know whether private lending institutions can simply reach into their pockets and produce overnight any amount of money that may be requested of them. It would seem to me that a better result might be achieved by a more measured and orderly transition.

This might involve maintaining present NDEA authorizations and beginning a phased cutback only when private lending institutions are clearly in a position to take up the slack. If we look back at the original language of NDEA, I think we will find it clearly stated that it is a limited and interim program.

The Government intended to stay in the student loan business only until non-Federal sources could carry the load.

NDEA AND LOWER INCOME STUDENTS

Before I leave the subject of NDEA I hope I may be forgiven for mentioning once more a perplexity to which I believe I referred in my testimony last year. I have never understood the basis for the assumption, which appears to be general, that NDEA serves the lowest economic level of college students, while guaranteed loans are more useful for students in the middle-income brackets.

In 1965 United Student Aid Funds made an analysis of its borrowers by economic level. The results were almost identical with those shown in the most recent available study of NDEA borrowers. Substantially more than half of the borrowers in both cases come from families with an annual income of less than $6,000 and the average loan for both plans is between $500 and $600.

I have never known a bank to refuse a student a United Student Aid Funds loan because he was too poor, though I am told there have been a few refusals to notorious credit risks. One part of our formula seems even more comprehensive than that of NDEA. NDEA takes academic standing into account in making loans, while we ask only that the student have passing grades, so that he is clearly competent to complete his schooling.

So, though I certainly believe that NDEA should be continued until such time as it may no longer be needed, my belief is not based on the theory that it serves students who would be denied aid under guarantee programs such as ours.

THE PROPOSAL TO GUARANTEE LOANS TO COLLEGES

H.R. 13174 and H.R. 13237 propose that financial institutions be encouraged by Government guarantees and Government interest payments to lend money to colleges for relending to students.

There is a question whether this arrangement will increase the actual amount of money available. It may merely channel the same funds through the college instead of having the bank lend direct to the student.

I am concerned also by the fact that the proposed arrangement would tend to keep colleges in the lending business, which, on the record, some of them are not much better at than a banker would be at teaching nuclear physics.

ASSIGNMENT OF STUDENT NOTES

The two bills propose further that if for any reason an educational institution is unable to borrow from commercial sources, the Federal Government should accept the school's assignment of the individual student notes, and then sell the public a share in the obligation represented by those notes. This follows the practice of the Federal National Mortgage Association, which sells participations in this to the public.

It is difficult to see what the inducement would be to invest in such an offering. I have mentioned the demonstrated creditworthiness of students who borrow under United Student Aid Funds guarantees, but I understand there is some evidence that among a number of student borrowers there has not been an equal sense of responsibility

where the school does the lending and Uncle Sam takes the loss in the event of a default.

This brings me to my principal concern about the two measures you are considering. Already there is considerable confusion in students' minds, and in the minds of some grownups as well, as to where the lending stops and the giving begins in certain Federal aid programs.

Gifts, it seems to me, should be outright. Loans, even if made easier by Government assumption of some part of the interest, should be normal commercial transactions from which the borrower learns the meaning and value of credit. Providing gifts and loans in a manner to make then virtually indistinguishable is to my mind an injustice to both types of programs.

The one thing I fervently hope this Congress will not do is to arrange a system which has the outer appearance of a loan program but which in practice is simply a disguised subsidy. It would be far better for the students' morale simply to give them the money in the first place.

CONCLUSION

In summary, I believe the private lending community can carry the full load of nonprofit loans to college students. Some adjustment rate—in interest rate might be necessary in order to do this. There is a provision in this bill for adjustment of the interest rates. To throw this burden on them too sudenly, however, might be a disservice to what we are all seeking—the education of every young American to his fullest potential.

I believe that colleges should not be financial institutions, and I hope that Congress will not encourage them to borrow money from banks to relend to students.

And finally I hope that Congress will distinguish clearly between grants and loans, and see to it that loans are handled on a normal commercial basis except in instances where that is patently impossible.

Once more, let me express our appreciation for the opportunity to be of assistance in the great educational work that lies ahead.

Thank you very much.

Mrs. GREEN. Thank you very much, Mr. Marshall.

Congressman Brademas, do you have questions?

Mr. BRADEMAS. I have just a couple, Madam Chairman.

First, I am glad to see you back before our subcommittee again, Mr. Marshall. I noticed on page 9 of your statement you express a sense of perplexity over the basis for the assumption that NDEA, to quote your statement, "serves the lowest economic level of college students while guaranteed loans are more useful for middle-income students."

For whatever it is worth, earlier this week in the subcommittee, a representative of the U.S. Personnel and Guidance Association cited a U.S. Office of Education survey that indicated that the family income of 71 percent of NDEA borrowers, as of the end of fiscal year 1965, was under $6,000. It seems quite clear, said the American Personnel and Guidance witness, that this program has, as it was intended to do, helped young people from low-income families. He went ahead to cite a second statistic from the Office of Education

survey to the effect that only 13 percent of NDEA borrowers came from families whose incomes were above $8,000.

I should have thought this would be some response to your perplexity: namely, students from needy families do use NDEA title II; loan funds and students from upper income or middle and upper income list do not, on the record. Whether they ought to or not is another matter. What do you say to that?

Mr. MARSHALL. I have not seen those Office of Education survey figures. The latest figures we were able to get was from a survey that they made, I think in 1964. We make an annual survey, a study of our income levels through our computer.

We can only do it once a year—I think this last record in June 30, 1965—which shows that only 20 percent of our loans were made to families with incomes over $8,000 and that over 80 percent were made to families with incomes under $8,000. I think Mr. Muirhead in his testimony before this committee this week gave those figures that are closest to this.

We are off a few percentage points one way or another.

Mr. BRADEMAS. You are saying your own student loan fund goes to the needy?

Mr. MARSHALL. Yes. Nearly 20 percent of them go to families under $3,000. Yes; 17 percent actually.

Mr. BRADEMAS. And how many of your loan funds go to families with incomes under $6,000 in your program?

Mr. MARSHALL. Fifty-eight percent. And there is another 21 percent in the next $2,000 income bracket.

Mr. BRADEMAS. What percentage of your funds go to students whose family income is over $8,000?

Mr. MARSHALL. Nineteen percent.

Mr. BRADEMAS. You are in generally the same ballpark as the NDEA?

Mr. MARSHALL. I would like to point out one thing that I found out in talking with student loan officers throughout the country. NDEA, and I can't quote the exact language of the bill, says that first consideration should be given to students at higher academic levels in making the NDEA loans. I say I can't quote the exact language of the bill. So many student loan officers have told me that what they are doing is using the NDEA funds for the students in the higher academic standing and then when they run out of those funds they are using the USA funds guaranteed loans for students at the lower end of the academic standing bracket.

This means, of course, that in many cases that we are being used for lower income families because, as you know, the studies show that generally speaking students from lower income families are in the lower academic standing.

For example, we asked the school to give us a rating on the application blank as to the academic performance of the student, 88 percent of the loans made to students under our program are in the good and average bracket. Only 8 percent are in the excellent bracket.

So that ours are going to 54 percent in the average bracket and 35 percent in the good bracket.

Mr. BRADEMAS. I have just one other question and then one short observation. On page 12 of your statement, you express your hope that Congress will not arrange a system, to use your language, "which

has the outer appearance of a loan program but which in practice is simply a disguised subsidy."

I am not sure what you mean by that. My instinct is that you refer to the guaranteed loan program that we put in the Higher Education Act of 1965. Is that what you have in mind?

Mr. MARSHALL. No, not particularly. I am a little worried frankly about forgiveness features and everything like that. After all, teachers are needed. There is no doubt about it. One of the industrialists says in the next few years one out of two college graduates will have to go into teaching professions. We have a lot of loans that are made to boys going in the armed services. We postpone the payments when they do that.

But if you forgive the teachers, why should you not forgive loans to boys who are being drafted, going in the armed services?

Mr. BRADEMAS. If that is the point you have in mind I understand your argument. With respect to the 1965 guaranteed loan program there is a subsidy but nobody is hiding it. It is about as plain as you can see.

Mr. MARSHALL. Actually it would be an interest subsidy that would go to our program as soon as we were able to find out what the regulations were going to be and sign our agreement.

Mr. BRADEMAS. Finally, Mr. Marshall, let me express agreement with your statement on page 9 with respect to the administration's proposal on the NDEA loan phaseout where you suggest, I take it, that we should maintain present NDEA authorizations and begin a phaseout—a phased cutback only when private lending institutions are clearly in a position to take up the slack.

I should think, if we do determine to move in that direction, that this would be a much wiser course of action and that we should not be rushing into a cutoff of the NDEA loan program until such time, if at all, but certainly not until we have had a chance to see how the 1965 guaranteed loan program works out.

Thank you very much.

Mrs. GREEN. Congressman Burton?

Mr. BURTON. No questions.

Mrs. GREEN. Mr. Marshall, on page 12 you stated that you believed the private lending community could carry the full load of loans to college students?

Mr. MARSHALL. You also said it might require adjustment in interest rate. You see, under the Higher Education Act of 1965, under the Federal guaranteed program, the Commissioner can raise the interest rate to 7 percent if he wishes to do so. He is not authorized to do so under the State or the private nonguaranteed loans plans. There is no authorization for him to take into consideration interest rate. It seems to me, and Dr. Walker probably can speak more to this point than I can, but it seems to me a more flexible provision, one that is in this bill here which, under this bill, gives the Commissioner, after consultation with the Secretary of the Treasury and others, the authority to fix a nonprofit interest rate that should be charged by banks who lend money to colleges.

It seems to me that some sort of provision like that would enable the Commissioner to adjust interest rates up—and I hope Dr. Walker does not hear me say this—also down as the condition indicates might be a more sensible provision.

Mrs. GREEN. Do you think they might go down next year?

Mr. MARSHALL. Having lived through 1921 and 1931 I know interest rates can go down.

Mrs. GREEN. What do you think the interest rate then would need to be adjusted to during the next year if you met the demands for students loans, realizing that the GI bill has also been passed and that there is the possibility of a greatly increased demand.

Mr. MARSHALL. Could I refer that question to Dr. Walker who is more familiar with it?

Mrs. GREEN. And anything he says you approve of?

Mr. MARSHALL. He is the expert. The guarantee funds will be available.

Mrs. GREEN. Does United Student Aid now make loans to freshmen?

Mr. MARSHALL. Yes, we do. We have it on a limited basis. We did it on a trial basis with 30 colleges some years ago and now we have extended it. Some colleges don't want to make loans to freshmen. They feel the freshmen should be given a scholarship and some support.

Mrs. GREEN. Thank you very much, Mr. Marshall.

Mr. MARSHALL. Thank you, Madam Chairman.

Mrs. GREEN. Our next witness is Dr. Walker, who represents the American Bankers Association. Mr. Walker, we are very pleased to have you before the committee this morning

We are most anxious to hear your comments on the bill which is before the committee.

STATEMENT OF CHARLES E. WALKER, EXECUTIVE VICE PRESIDENT, AMERICAN BANKERS ASSOCIATION

Mr. WALKER. Thank you very much, Madam Chairman, members of the Special Subcommittee on Education. I have a short statement which, with your permission, I would like to run through very quickly.

My name is Charles E. Walker. I am the executive vice president of the American Bankers Association, which, incidentally, represents 97 or 98 percent of the 13,000-odd commercial banks in the Nation and I appear today on behalf of the association to discuss with you the administration's proposal for merging the student loan activities of the National Defense Education Act into the guaranteed private student loan program authorized in the Higher Education Act of 1965.

In order that our discussion may be placed in proper perspective, it is probably best that I begin by outlining the current status of the newly authorized guaranteed loan program.

As you are well aware, the American Bankers Association supported the establishment of this new program. Even before the legislation was approved by President Johnson we made a formal commitment to support the objectives of this program through a resolution adopted at our national convention in October of last year.

Since enactment, we have been working closely with the Office of Education in developing the necessary regulations and procedures for the implementation and operation of the program. Staff members of the American Bankers Association, as well as individual bank officers, have participated with educators, officials of State and private loan insurance agencies, and representatives of other private lending insti-

tutions in numerous meetings concerned with hammering out the practical details of the new program.

All of us, I think, had expected that the program would by now be operational. Regrettably, the task of writing comprehensive regulations has proved to be considerably more complex than was anticipated.

I do not make this observation in criticism; it is a statement of actual fact. The Office of Education has been especially interested and considerate of all the interrelated interests that must be coordinated in order for the guaranteed loan program to succeed.

The Commissioner of Education and his staff are to be commended for both the diligence and the patience which they have brought to this undertaking. Hopefully, the regulations will be completed and ready for publication before the first of April. Once that has been done, the American Bankers Association can then begin in earnest the job of educating our individual member banks as to the mechanics of this program.

The task of generating widespread bank participation in the guaranteed loan program is certain to be challenging when viewed in the context of our current economic climate. Even since the approval of the Higher Education Act last November, events have taken place which will make our job more difficult. In response to an intensified demand for credit, which incidentally reflects the operation of a very strong high level economic situation, banks have been forced to pay a higher return to investors and savers in order to really retain time and savings deposits and to attract the additional funds required to meet demand. The combination of intensified demand and increased cost on time and savings money is pushing loan rates upward.

Just last week the prime rate moved to 5½ percent—a full point higher than it was last November. Some banks are now paying the maximum legal rate of 5½ percent on certain time deposits. That is the rate that commercial banks charge to the best rated business customers, moved to 5½ percent.

This fact must be considered within the context of the 6 percent maximum rate chargeable on guaranteed loans under the 1965 act. What was barely a break-even lending rate last summer is probably a rate at which many banks would lose money today.

In making these observations, I most assuredly do not want to leave the impression that our enthusiasm for the guaranteed loan program has waned or that our determination to see this program succeed has diminished.

We have made a commitment to the Congress and to the administration to give this program our unqualified support. We intend to fulfill that commitment. My purpose is rather to make certain that the members of this subcommittee has no misconceptions as to the size and the nature of the task which is before us.

I fully anticipate that the promotional, educational, and informational activities connected with our support of the guaranteed loan program will prove to be one of the largest public relations campaigns ever undertaken by the American Bankers Association.

Our first project will be a detailed description of the program's procedures and requirements. This will go to each of our 18,000 members, the 13,000 head office banks and 5,000 branches.

We hope to have it prepared and on its way within 3 weeks after the publication of the Federal regulations. A somewhat more elab-

orate description of the program—perhaps in the form of a handbook—will be prepared for each State bankers association to facilitate promotion at the State level.

And hopefully to push action down to the grassroots level.

The subject of educational lending will be given prominent attention in many of the national and regional meetings which this association holds each year. Commissioner Howe and Associate Commissioner Muirhead are scheduled to address some 3,000 bankers at our annual installment credit conference in early April.

Several State bankers associations have already held conferences on student lending and many more are scheduling conferences and workshops. We shall give every assistance possible to such "grassroots meetings," in the form of both manpower and material.

Additionally we have been assured of the assistance and cooperation of the Association of Reserve City Banks, which is comprised of 160 of the largest banks in the Nation. It seems likely that banks in college towns may be faced with unusually heavy loan demand, despite efforts to persuade students to go to their hometown banks for accommodation.

Likewise some smaller banks may have difficulty in meeting all of their loan requests. In anticipation of these problems, we have asked the Reserve city banks to explore the possibility of developing some special procedures—either utilizing normal correspondent banking channels or a national pool—to assist in situations where credit shortages occur. An ad hoc committee has just recently been appointed to study this problem.

Beyond this general type of advance planning we shall endeavor to meet problem situations as they arise. We do know that some 20 State guarantee agencies will be in operation for the fall semester. Additionally United Student Aid Funds, Inc., will be providing loan insurance in many other States.

What the actual loan demand will be for the 1966–67 academic year is very difficult to gage. Most estimates seem to fall in the range of $400 to $700 million, which would mean a fourfold to fivefold increase over the aggregate amount of private loans made to college students for this academic year.

However, because of the interest cost subsidy contained in the new program, the 1965 act, which will be available to nearly 90 percent of the college students, current estimates may be far short of actual demand.

This is a contingency which cannot be ignored.

This then is the background against which your committee should examine the current proposal for a gradual merging of the NDEA student loan program with the guaranteed private loan program. This proposal first came to our attention in the President's budget message. Our initial understanding was this this shift would become completely effective in fiscal year 1967, which would mean that private credit resources would have to supply about $200 million if the program was to operate at authorized capacity.

It was on the basis of this understanding that I wrote my now well-publicized letter to Senator Javits answering his request for the views of the American Bankers Association with respect to this proposed

change in the NDEA program. The substance of my reply was contained in this paragraph of the letter:

> Despite our gratification with the philosophy underlying the Administration's recommendation, it is our considered judgment that implementation of that proposal at this time might not be in the best interests of either the NDEA program or the new guaranteed loan program.
>
> It is estimated that the guaranteed loan program may well generate student loan demand in the order of $500 million for the first academic year of operations. Meeting such an initial demand, with credit resources already under heavy pressure, is going to require a major effort on our part.
>
> If, additionally, the $200 million in anticipated loan demand from the NDEA program is shifted to the private sector, a situation could possibly develop which might jeopardize the inception of the guaranteed loan plan and at the same time not fully serve the important needs of the NDEA program. In short it would seem that the better course would be for the private sector to concentrate its energies and attention on a successful launching of the guaranteed loan program, and to withhold a decision on the proposed change in the NDEA loan program until the guaranteed private loan program has gained some experience and maturity.

That letter received some attention in the administration and subsequently we met with key administration officials, at which time we reiterated our reasons for believing that it might not be altogether prudent to attempt to shift the entire NDEA loan program to private funding at the very time that preparations were being made to launch the new guaranteed private loan program.

The same concern was expressed in a meeting of college and university representatives at the Office of Education.

On the same morning that we met with administration officials our general attitude was shared by those educators attending that meeting.

The outcome of these discussions was the proposal now before your committee. When this proposal was initially discussed in general form with administration officials I told them that the alternative approach would seem to provide an acceptable means for funding the NDEA direct loan program for whatever transition period may be deemed necessary, and I repeat that judgment today, sir. I should add, however, and I did in the meeting with administration officials, that the additional pressures on private financial markets resulting from the borrowings by colleges or their student loan funds, or by the Government in order to sustain a revolving loan fund, will further restrict the ability of private financial institutions to meet other loan demands.

Such demands must, of course, include those which will result from the inauguration of the guaranteed student loan program authorized in the 1965 act. This probability will not diminish our determination to help implement the provisions of the 1965 act, but it surely will make the task more difficult.

To conclude, the fundamental problem confronting this committee seems to me to be whether the funding of the NDEA student loan program should at this time be shifted from the Government to private financial institutions.

If the decision of the Congress is that such a shift is desirable, then clearly the proposal in H.R. 13237—which would lend the support of Government guarantees and a revolving fund established through appropriations—is preferable to a complete phasing out of the direct NDEA loan program at this time.

And I did in the meeting with administration officials, and as was demonstrated in the original budget message.

Thank you.

Mrs. GREEN. Thank you very much, Dr. Walker.

On page 2 you indicate that your job will be much more difficult now than it would have been last November. As I recall, the American Bankers Association was most reluctant to get in the first proposal that was made last fall on the guaranteed loan provisions.

I have estimated the amount of loans. Now do you think this is an accurate estimate? We are told by the academic community and also by the Office of Education that about 85 percent of the students who are now in college would qualify under the bill that was passed last year with the $15,000 adjusted income.

We again have 5 million in college. This means 4 million—4,250,000 students are eligible for loans. With a subsidized interest rate—that is, no interest in college and 3 percent afterward—it is inconceivable to me that a very high proportion of those students will not be knocking at the doors of the colleges and also of the banks.

When you say $500 or $600 million—is this your estimate of the amount——

Mr. WALKER. Yes.

Mrs. GREEN (continuing). Do you think this is realistic considering that the student can borrow up to a thousand dollars and there are 4 million students who would be eligible under the law and this does not even consider the number of GI's who will take advantage of the recent GI bill?

Mr. WALKER. Well, I would like to comment, if I might, first, on the statement that we were most reluctant, too, with respect to the initial program last year because there seems to be an implication, and I got this also from reading the transcript of last week, that the big problem that we were afraid of was in connection with the interest rate.

We have also made clear that the 6 percent rate is simply a break-even rate but this was not the initial problem so far as we were concerned. Our strong opposition to the original administration proposal last year was that we believed a Federal guarantee program of that type would supplant, run out of business, the very, very good State and nonprofit operations that had sprung up.

So there was no real difficulty with respect to the rate although we did feel that the 6 percent rate would be a break-even rate and make our promotional operations a little more difficult.

I would like to come back to the rate later if you would like to discuss it in the current context.

Secondly with respect to the estimate I am relying primarily on the figures that have been accumulated one way or another by the Office of Education and which I first heard about last autumn. Then they were quoted more specifically, as I recall, in a meeting at the Office of Education in December where Mr. Marshall and I and others and Commissioner Keppel addressed a gathering of State education officials and so forth throughout the country.

The picture that you paint, Madam Chairman, is one that could happen in terms of the students, yes, knocking on the doors and trying to get the loans. But we have always felt, and our promotional activities will be geared in this direction, that in the first instance the

commercial banks that are members of the ABA in their efforts to screen out and meet this large demand should start at the lowest level of the income strata.

In other words, if a given bank has allocated $200,000 to make these loans and they feel that is all they can make under the circumstances, given all the factors that confront them and they have demands for loans for $400,000, this could come from students of families from, say, $3,000 up to $15,000 adjusted income, we feel very strongly that the commercial banks, given equal factors, would make the loans to the lowest levels.

I think you have to differentiate between the possible great thrust of demands if all the students started knocking on the doors of the bank and some will probably, and the amount that will be left after screening, hopefully by the colleges and finally by the banks, and the other lenders that are in the picture.

Mrs. GREEN. The law does not say that need shall be a factor in a student getting a loan under the guaranteed loan program. When this was presented to the committee it was solely on the basis that Congress should provide loans for the middle-income family.

If your procedure is the one that will be followed, aren't you defeating the purpose for which the guaranteed program was set up?

Mr. WALKER. It works somewhat against the purpose of the intent of the administration and the Congress with respect to this level up to $15,000 but in our testimony all the way through the Congress we emphasized strongly that we thought the impetus should be given to meeting the neediest first and then over and beyond that, hopefully over a period of years—this is partly a traditional problem—over a period of years you could move up into the range that would even get up into gross income that could run over $20,000 a year after you get the adjustment into the picture.

I recognize fully that the Congress and the Office of Education and the administration were talking about doing more and more for the middle-income levels; but the fact remains, one, that these are then not loans that must be made by compulsion.

This is true and the act that you passed. It is also true under the original administration proposal. It would be true to the extent that the Federal program goes into effect in any State which is not handling its own affairs through a State plan or through United Student Aid Funds.

In other words, when Congress provides a guarantee mechanism, this means that the private financial institutions will make these loans on a guaranteed basis to the extent they have the funds available for this purpose, all other factors considered.

Now I think you have to recognize that the loan officers not only of the banks but the savings and loan associations, the credit unions, and whatever other institutions get into this lending operation, may in certain instances have to ration the funds.

If so, then it seems to me that the need would be the major factor at that time, other things equal.

Mrs. GREEN. You imply that there will be a quota, there will not be sufficient funds for all of the students who would like to borrow.

Mr. WALKER. Well, what we mean by "would like to borrow," here you get into other qualifications of the student—let us take a student, for example, that comes in for a loan and here the student has a

criminal record or has a record of going into debt and not paying it up, he is just a very, very bad risk. And guarantees should not say any student regardless of the background with respect to responsibility even at the age of 17, 16, 18, where they may be borrowing, guarantees do not say or imply that all loans should be made to all comers on that basis.

As a matter of fact, you can do much more harm than good in providing credit on very lenient terms to any person who will not pay the funds back. The expense involved in connection and following up on these plus the unhappy aspect of having to go out and try to collect a loan from a young person, this will just mean that any financial institution will also be looking at credit worthiness.

I don't think I am wrong but, if I am, correct me, but Congress did not mean that every person who went to college regardless of background, regardless of grades, regardless of prospects, should be accommodated in this way.

Mrs. GREEN. You say credit worthiness. What about a student from a very low income family? First, let me ask you, if this plan goes into effect would you expect the student to get the loan at the bank in his hometown or the bank where the college is located?

Mr. WALKER. Hopefully in the hometown because it would put a terrific burden on the banks in the university towns particularly where they are not large cities. You take the town of my alma mater, the University of Texas, Austin, Tex., if the students of the University of Texas, some 20,000 of them, should go in droves to those banks they could not possibly accommodate the demand.

We hope to stimulate lending by hometown banks. We also hope to work out the mechanism with the reserve city bankers so that perhaps the banks in Austin, Tex., could again make additional loans and then assign them, sell them in effect, to banks in Dallas, in New York City, and in the larger cities.

Now credit worthiness, I want you to interpret that not in terms of family income. I was talking about credit background, performance that this particular young person might have shown in the past. As far as the income level we would hope that the banks would lend more as I said to the lower income level.

Mrs. GREEN. The student going to college has no record of credit worthiness.

Mr. WALKER. Sometimes they do.

Mrs. GREEN. In most cases they would not. It would be their family, would it not?

Mr. WALKER. I don't think the banks would operate basically on the family's credit worthiness. I was giving an extreme illustration, that if a student walked into a bank and had a very, very bad record in terms of morals, in terms of record with the police, in terms of, perhaps also credit, I don't think that the act implies that that person should be given a loan especially if you have excess demand.

Mrs. GREEN. I have some more questions but we want to conclude this at 11:30. Congressman Brademas.

Do you have questions?

Mr. BRADEMAS. I may have later.

Mrs. GREEN. Congressman Burton.

Mr. BURTON. No questions.

Mrs. GREEN. Congressman Sickles.

Mr. SICKLES. No questions.

Mrs. GREEN. Congressman Hathaway.

Mr. HATHAWAY. No questions.

Mrs. GREEN. All right, let me go back to the few that I have. What will the interest rate be?

Mr. WALKER. Are we talking about the 1965 act?

Mrs. GREEN. The one that is before us.

Mr. WALKER. This would be on the, let us say that the loan paper that the University of Texas would sell to banks in Texas or insurance companies or pension funds or credit unions or any other financial institution. This will be Government guaranteed.

As a consequence some people, and I noticed in the transcript, would conclude that this rate would be the same rate that the Government pays on its securities that are sold in financing Government debt. This does not follow at all because this paper will not have the marketability and liquidity that, say, a U.S. Treasury bill will have that matures at 90 days and any investor that purchases this Treasury bill, and they are now going at 4½ to 5 percent, can immediately turn that into cash if he gets into a pinch for funds.

This will be more of a long-term commitment of credit. With the Government guarantee I think I would agree with what Mr. Muirhead said that the rate would probably range up close to 6 percent.

This has been the experience with some of the other paper that the Government has marketed recently in connection with the proposals in the President's budget to sell more assets to the private financial system. Probably 5½ to 6 percent but this is sort of guessing, because then it depends in part upon the negotiating ability of the college with the financial institution, the other relationships that the college has with the financial institution, and so on.

Mrs. GREEN. Would you think that there would be sufficient funds to make any loans to students from families having an income above $15,000?

Mr. WALKER. Yes; I think there would be sufficient funds but I think totally—to a considerable extent when you get into that range these will be made by what we again call the banks' own plans and would probably be loans to the parents.

It seems to me that when you get up into the $20,000, $25,000, $30,000 income bracket, and speaking also as a parent, I would not ask my child to go in and borrow money from a bank for this purpose unless I was simply trying to pull a ring-a-ding to get the money to pay off some other loan somewhere else.

Mrs. GREEN. If they make those, what interest rate do you anticipate will be charged?

Mr. WALKER. On these loan plans?

Mrs. GREEN. Yes.

Mr. WALKER. I think probably there are others in the audience who are closer to that—to what the banks have done on that. I would say they run probably close to the basic installment loan rate which is on a simple interest rate of the banks will range from around 9 to 10 percent in that general area.

But when you are dealing with people up in the 30, 40 percent income brackets, this is a deductible expense. As far as that is concerned it is not a big factor when you come to the interest cost.

Mrs. GREEN. On page 3 you state that you are sending out notices to your 18,000 members which would be prepared and on their way within 3 weeks after publication of the Federal regulations.

The colleges have impressed upon this committee the tremendous urgency of some kind of decision because they have to make their commitments to the students within the next couple of weeks. As one person wrote, there is great chaos and confusion. What would you be able to do this year in contributing to this program in terms of the colleges' needs within the next couple of weeks?

Mr. WALKER. Again, Madam Chairman, are we talking about the bill before you or the 1965 act?

Mrs. GREEN. We are talking about the bill before us because this is the one that makes the drastic changes.

Mr. WALKER. These regulations that we are talking about are for implementation of the 1965 act. As I recall, and I am getting into an area where I have no close or direct knowledge, but as I recall the meeting at the Office of Education with the educators, the thing that they needed badly by April 1 or 15 is what would happen to NDEA.

Could they tell their students at this time that they would get the money or would not? So what we do in terms of the guaranteed program is not directly concerned with that. Either approach here it seems to me which somebody named plan A or plan B last week, I am not sure——

Mr. BRADEMAS. I am guilty.

Mr. WALKER. With either approach, let us suppose that the subcommittee decided to continue and too, the Congress, decided to continue the NDEA approach of the last few years and in which you have an authorization of $190 million or something like that already, if this was the decision, then the colleges could get the word and they would be all right.

If on the other hand this other approach is used, and this is just a matter of financing, still the funds will be available. If the colleges cannot get the money directly from financial institutions they can get it from the Federal revolving fund.

So under either approach it seems to me money will be available.

Now we would be ready and willing and we said so in our meeting with administration officials, we would be ready and willing to use our good offices with banks in various localities. Let us suppose that the colleges in Illinois had a need for these NDEA funds. If you are taking the administration proposal we would be willing to talk with bankers in Chicago and see if something could be arranged in terms of a pool operation bringing in pension funds, trust funds, and various other approaches.

Also to be considered there are many university endowment accounts which could make these loans directly themselves for this purpose.

Mrs. GREEN. Then if I understand it, you really are writing a new criteria into the law in that you would administer a needs test?

Mr. WALKER. No, madam, I don't want to leave that impression at all. I am saying this. If I am a loan officer in a commercial bank, a savings and loan association or what have you, I don't have an unlimited amount of funds to lend and especially do I not have here. In March 1966, when the pressure on credit markets is intense and

even when the administration plans to liquidate another 4 or 5 billion of Government financial assets in the next fiscal year, which will make the situation even more intense, therefore since I do not have unlimited funds and since the law states that this subsidy is available up to this adjusted income level of $15,000, I will have to make a decision, if I have x amount of money, and $2x$ demand, as to how to ration this.

I can't get around it. Now I believe that every deserving young man and woman in this country should be able to get a college education but I think the logic of the approach is that you start with the neediest first if you don't have enough to completely go around.

The situation has changed, I won't say drastically but has changed a very great deal since last October and last November.

Mr. RADCLIFFE. Madam Chairman, may I ask a question at that point?

Mrs. GREEN. Yes.

Mr. RADCLIFFE. You keep talking, Doctor, about a changed situation. We all recognize that the credit market has changed. If NDEA is phased out over a period of years, say by 1968, what assurance do we have that the money market will not again change rapidly and adversely to this type of loan?

Where would we be left, without a direct loan program, and with a greatly tightened money market?

Mr. WALKER. I would suggest first of all that in terms of new phasing out that it be done on the basis of a continual reexamination of developments over this 3-year period, obviously you could not commit a future Congress anyway but the point is that you should take a look to see, No. 1, how our program is developing and we are going to push it very, very hard and, second, whether it will tend, as we hope it will, to fill the gap in this whole range that the Congress intended to fill last year.

Second, as to the changing money market I think the best approach here is to give some flexibility to the commissioner in establishing this interest rate. We can sell break-even loans. We are going to make a hard sell on that with our members. We can sell loss leaders but it is that much more difficult to do so.

Mr. RADCLIFFE. In any money market in any amount?

Mr. WALKER. I am not going to forecast how tight this market is going to get. No, not in any amount. In reasonable amounts, in amounts that can do enough so that we think every deserving young man and woman can get a college education. The difference of one point now could make a great deal of difference with respect to whether these loans were break even or loss leaders or not.

But if the administrator, the commissioner, had some power to vary here, and it seems somewhat contradictory to us that he can go 7 percent on a Federal program but only 6 percent on a State or nonprofit program, if he had some power of variation such as is held generally by FHA with respect to loans of that type, we think this would be most helpful.

Mrs. GREEN. Congressman Brademas.

Mr. BRADEMAS. I would like to ask our witness several questions, if I may. First let me say I appreciate very much the whole spirit of cooperation with the several programs that your testimony evidenced.

Let me ask a general question, if I may, Mr. Walker, about the relationship between the NDEA loan program and the guaranteed loan program in the 1965 act.

It has been the intention of Congress, I think it is fair to say, to provide a variety of forms of financial assistance to meet the variety of kinds of financial needs of different kinds of students.

The NDEA loan program is designed for needy students. As the evidence that I quoted from the Office of Education survey this morning indicated, it has apparently been effective in that respect. Last year we passed a guaranteed loan program which most of us, on this subcommittee, at least, thought was aimed at helping middle and upper middle income family students. Now the new proposal before us is to shift from a form of financing aimed at helping needy students to a program for helping middle income and upper income students.

What happens to the needy student if we put all of the stress, which it is proposed that we should do, on a guaranteed loan program that is essentially middle and upper income oriented?

In other words, will the banks really loan money to needy students? Have I made myself clear?

Mr. WALKER. I think you have, yes, sir. Yes, they will loan money to needy students. I think Mr. Marshall's figures develop this and definitely indicate that because, although he does not say it, because he has other members outside the commercial banks.

It is mainly the commercial banks that make the loans to the United Student Aid Funds. Those figures indicate that they will make the needy loans. My experience with bankers who really have a deep interest and feeling for this program, and this is the vast majority of banks, is that they want to make it work and operate in the needier cases because they think it is a good public service to do so.

Mr. BRADEMAS. Do you have some evidence to prove that assertion?

Mr. WALKER. Mr. Marshall's figures show that the vast majority of the loans go, 58 percent to income levels of less than $6,000. Now the USAF program is indeed the prototype of what Congress adopted in the 1965 act.

Mr. BRADEMAS. I tell you why I have misgiving. I have in front of me a telegram from a very distinguished constituent of mine, the Reverend Father Theodore Hesburgh, president of the University of Notre Dame, dated March 16:

> Absolutely crucial that national defense loan program be continued 1 more year so as not to leave a complete blank this year. Ninety banks invited to discuss program and only two appeared.

Now, as I said at the outset, I have been gratified to see a sympathetic attitude on the part of the bankers of the country toward the 1965 program and toward this general problem. But this kind of wire upsets me very much because it does not indicate that the bankers of the country are rushing to university campuses to sit down with college presidents to talk about how they can help young people go to college.

Mr. WALKER. May I ask this? Was the father referring to the proposal for NDEA financing plan B, if I may put it that way, which is the proposal in the bill we are considering?

Mr. BRADEMAS. I must tell you in all candor that he does not say. But my own feeling would be that he was talking about the 1965 guaranteed loan program or plan A or plan B. In any of those cases if you invite 90 banks and you get only 2 that is not a very happy result.

Mr. WALKER. I have to say two or three things about that. I have to say: First, what was described to the banks as to what was involved and what he wanted would be critically important.

Second, there are 337 banks in Indiana, Mr. Marshall informs me, that are participating in the United Student Aid Funds program.

Third, if the father has concern, either about the financing of the plan B route or interesting banks in the 1965 act, we are fully at his disposal to stimulate interest and I guarantee him he will have more than 2 out of 90 at any such meeting for that purpose.

Finally, the information has not been actually disseminated to our 18,000 banks yet as to the nature of this program because we are still awaiting final regulations. It is going to come home to them and come home very hard as soon as we can get the information.

I will be glad to follow up on that, Congressman, and talk directly to him.

Mr. BRADEMAS. I wish you would. I think this whole problem of communicating the facts about the program to the banks of the country is a very important one about which we in Congress as well as you ought to join.

We have been talking about these several plans. Plan A, the immediate phaseout of the NDEA loans.

Mr. WALKER. In the budget message?

Mr. BRADEMAS. That is right, and a shift to the guaranteed loan program of 1965; and plan B, which is a year's delay with an indication of support for $150 million for the NDEA loan program.

I would like to propose plan C, which is that the administration announce its intention to assure the colleges and universities of the country the full funding of the $190 million authorization for Federal contributions this next year to the NDEA loan program, and then we can take a careful look at what ideas there may be brought before us for putting greater reliance on the private lending institutions of the country to share in the problem of student financing.

Mrs. GREEN. If the gentleman will yield, may I suggest that that request has already been made by the chairman of the subcommittee?

Mr. WALKER. Then, in that respect, the only area where we are qualified to judge is whether plan B would be a workable plan from a financial standpoint.

We so told the administration. I so told you today. On the other hand I can see many other considerations that could lead this subcommittee and the Congress to feel that a very firm continuity of policy, with respect to NDEA, has a great deal of merit.

We have been hopeful from the start, ever since we started discussions, and they were long and arduous discussions with the administration officials and others last year, that ultimately over a period of 5, 10 years, the private sector could meet all of this demand and could fulfill what the Congress wants in terms of clear up to this $15,000 level.

But the point is in starting in 1966, especially with the lateness of our getting our promotional campaign going and out to the banks, I think, and I am clarifying for the chairman of the committee here my earlier remarks, I think when we have to make a choice in terms of competing loan demands, both decency and public interest will require us, other things equal, to give the loan to the $6,000 student rather than to the $15,000 student.

Mr. BRADEMAS. I am delighted to hear you say that because, if you have followed the testimony in this subcommittee, one of the continuing preoccupations of most of us has been that if we move away from the NDEA loan program to greater reliance on the private banking system, we simply will find a relative drying up of funds for the needy students of the country.

You have given us some evidence to suggest from the United Student Aid Fund program that this need not happen but I would be less than candid if I told you that I thought the evidence was completely compelling in this respect.

I can envisage in some parts of the country a Negro student walking into a bank, coming from a very poor background, though the boy may be an able high school student, and be flatly turned down as a poor risk and in other parts of the country a young white person might have the same experience.

I personally am very sensitive about shutting off the faucet of financial assistance for able but poor young people in this country. I don't think we ought to rush into this course precipitiously.

Mr. WALKER. This is precisely what inspired my response to Senator Javits.

Mrs. GREEN. I have one other question, Dr. Walker.

Now that you have brought the need element into it—and you can define it in any way you wish—how would you work this out with the college or university? Would you expect the college or university to send a certificate that the student was in need?

Mr. WALKER. I am not sure about that. We will have to see the regulations. We will have to do our own study as to what we would suggest to the loan officer of the banks but in the normal state of affairs they would get a financial statement from the borrower, if he or she had any assets, and in addition, the financial situation with respect to the family.

You see, you don't get away from this problem, Mrs. Green. You still have the problem if you are just differentiating between the applicant in the $15,000 family and the $14,000 family. It is the whole scale here. Any bank lender would get as much financial information as he could on the student and the family.

Mrs. GREEN. Congressman Reid.

Do you have any questions?

Mr. REID. Yes, Madam Chairman.

I would like to ask Dr. Walker one question. I am sorry I did not hear all of your testimony. You said a moment ago in reference to a question from my colleague, Congressman Brademas, that, as between the needs of competing students from families with income levels of $6,000 versus $15,000, it might be that you would opt more for the $6,000.

I would like to ask a general question here. Has the American Bankers Association made any kind of study of the needs of the middle-

income family, which frequently is caught in perhaps the tightest squeeze of all, with regard to the various programs that are available, including NDEA, educational opportunity grants, and the guaranteed loan program?

I think it's very important that there be appropriate relief for the middle-income family, especially in light of the fact that college costs are on the way up and by 1980 will be between $2,000 and $4,000, depending on which factors you pipe into the formula.

How would you approach the needs of the middle-income family so that increasingly no qualified American will be denied a college education for lack of financial means?

Mr. WALKER. When you say income, what general range, Congressman? Are you saying $10,000 to $20,000?

Mr. REID. I think there is a tendency on the part of the Congress to relate a little too much to statistics and to precise areas. I think the general definition of middle income is not in the low income and obviously not in the higher ranges.

I would not try to put a figure on it but I would say that a family in the $10,000 to $15,000 range may have very real costs and, in some cases, debts.

They may be professional people on relatively fixed incomes, and the need for assistance to enable their child to go to college is just as great as perhaps the low-income family. I am just wondering if you have studied this sector of the need, because I think the middle-income family has been too much ignored.

Mr. WALKER. We have made no statistical analysis. We have given it considerable introspective examination and thought in view of the action of Congress in setting the $15,000 level, and give the adjustments that will be made in the regulations we are talking about then up to $18,000 or $20,000 range.

The 1965 act opens another area there, and, given time to get it going, hopefully in not too many years, that will help relieve the burden on those groups.

In addition I would emphasize strongly that many, many commercial banks have developed programs of loans to parents. I want to emphasize the responsibility of the parent in this particular case if he is making $18,000 or $20,000 a year, yes, he can get in a bind but I do think he has some responsibility of planning ahead for educating his children and some of the things that have been developed, including a combination, if you start out 6 or 8 years in advance, you start out on a saving plan which turns then into a loan operation at the time the student gets into school, I don't think there is going to be any lack of financial mechanism for taking care of these groups.

They are credit worthy, for one thing. Second, we are going to give it every push that we can.

Mr. REID. Madam Chairman, if I might, I would appreciate very much, Dr. Walker, if you could provide the committee with a little analysis of this middle-income area with attention in particular to the loan guarantee program of the Higher Education Act and whether you think the criteria and the language in the act meet the needs of the middle-income family with heavy college responsibilities.

Mr. WALKER. I will be glad to do that, sir.

Mr. REID. I would appreciate that very much.

(The document referred to follows:)

Summary of loans endorsed, United Student Aid Funds, Inc., as of June 30, 1965

	Number of loans	Percent of total	Principal amount	Average loan	Number of lives	Average per life
Family income:						
Under $3,000	14,421	16.9	$7,430,659.62	$515	9,281	$800
$3,000 to $5,999	35,646	41.9	18,054,123.48	506	21,992	821
$6,000 to $7,999	18,469	21.7	9,478,660.33	513	11,214	845
$8,000 to $8,999	5,472	6.4	2,882,935.04	527	3,293	875
Above $8,999	11,118	13.1	6,116,362.74	550	7,166	854
Total	85,126	100.0	43,962,841.21	516	52,946	830
Curriculum:						
Liberal arts	21,972	25.8	11,436,746.67	521	13,383	855
Professional	10,565	12.4	6,295,040.04	596	6,686	942
Engineering	6,564	7.7	3,323,118.86	506	4,035	824
Education	23,558	27.8	11,156,715.29	474	14,421	774
Business	9,054	10.6	4,650,630.16	514	5,674	820
Science	4,800	5.6	2,406,902.50	501	3,272	736
Other	8,613	10.1	4,693,687.69	545	5,475	857
Total	85,126	100.0	43,962,841.21	516	52,946	830
Performance:						
Excellent	7,322	8.6	3,948,934.33	539	4,709	839
Good	28,717	33.7	14,915,957.31	520	18,446	807
Average	46,414	54.6	23,716,675.08	511	27,988	847
Not satisfactory	2,673	3.1	1,381,274.49	517	1,803	766
Total	85,126	100.0	43,962,841.21	516	52,946	830

Mrs. GREEN. Thank you very much, Mr. Walker.

The committee will go into executive session at this time.

(Whereupon, at 11:40 a.m., the committee proceeded to the consideration of further business in executive session.)

APPENDIX

Statements, Letters, and Telegrams Urging Continuation of Student Loan Program

Statement of Hon. John V. Tunney, a Representative in Congress From the State of California

Mr. Chairman, I would like to vigorously protest the proposed cutback in title III of the National Defense Education Act. The administration proposes an appropriation of $150 million to continue National Defense Education Act loans through the 1967 fiscal year.

I would like to urge this committee to not only restore the proposed cuts but to expand the National Defense Education Act program.

The justification for such a cut is based primarily on the erroneous premise that specialized equipment is now eligible for purchase under the Elementary and Secondary Education Act of 1965. Even though some instructional items do qualify, under certain conditions, there is still a tremendous vacuum of need for equipment and materials for California's children and schools who do not qualify for assistance under the Elementary and Secondary Education Act. Many of these needs are now being met through the efforts of the National Defense Education Act.

The State of California Department of Education has informed me that a decrease in the National Defense Education Act funds would severely damage the State's educational system. I have received similar protests from schools in my district.

The National Defense Education Act has been one of the most popular and successful federally financed programs in the history of California education.

In California, emphasis was placed upon curriculum development as a basic objective of the program so that grants for equipment and materials were made in support of specific instructional improvement rather than merely a method of acquiring material.

The National Defense Education Act experience in California has proven that it is possible to use Federal funds with a minimum of Federal control, while stimulating dramatic change in the directions desired by the authors of the Federal program.

One of the major advantages of National Defense Education Act has been to encourage innovation and experimentation on the part of the local school districts. The use of National Defense Education Act funds is for instructional equipment and materials has resulted in significant improvement of the instructional facilities made available to teachers.

Elementary and Secondary Education Act funds are basically designed for underprivileged areas, and the criterion for "underprivileged" is tied to the family income. While this fills a definite need, there are still many school districts in California with average or better family incomes, that are basically poor districts because of a large dependent military student population and little or no industry or business for taxable funds. In order for this type of district to conduct a quality type of educational program, it must often turn to National Defense Education Act as a source for assistance in acquiring equipment and materials necessary to keep up with changing education demands.

The philosophy of matching funds for educational programs is a healthy one. It contains the concept of incentive aid which has strong appeal to the public and educators. It leaves the local district as an active participant in the program, as well as in the control of funds, while at the same time includes the State as a partner for the improvement of instruction by means of Federal funds.

In California many school administrators if given their choice would prefer categorical aid similar to National Defense Education Act as proposed to lump-sum grants. The reason for this is that the lump-sum grants often become an expansion of a basic type program with little or no thought for experimentation or innovation, whereas categorical aid designed to improve definite subject areas often results in the creation of new ideas in education.

There is tremendous demand by school districts for existing National Defense Education Act funds. During the first 4 years of the administration of National Defense Education Act funds in California, the State department of education reported that approximately $10.9 million in Federal funds were granted to 887 school districts enrolling over 80 percent of the State's total average daily attendance. The demand for National Defense Education Act funds during the next 4 years increased at an even more appalling rate. The 1965–66 school year was an excellent example of this increased demand. While operating on a budget of less than $5 million, the California State Department of Education received approvable requests exceeding $13 million. It was impossible to even begin to meet these demands. This necessitated participants cutting back their original plans, thus suppressing some of the educational creativity and innovation developed by local districts.

Mr. Chairman, I believe this information clearly shows the value of continuing the National Defense Education Act program. I am therefore opposed to any reduction of National Defense Educational Act appropriations under title III for the 1966–67 fiscal year.

I would also like to present my views on the need for expanding the National Defense Education Act to include health, physical education, and recreation. Title III of this act was originally designed to strengthen instruction in science, mathematics, and foreign languages. Since the National Defense Education Act became law in 1958, title III has been amended twice. In 1964 title III was amended to include English, reading, history, geography, and civics as critical subjects worthy of receiving financial assistance, and in 1965 economics and industrial arts were added to the list. I propose today that this list of critical subjects cannot be complete without the additional inclusion of health, physical education, and recreation.

The passage of the National Defense Education Act was occasioned by a sudden challenge to our scientific and technological supremacy—the launching of the Russian sputnik in 1957. We have since then attempted to meet the challenge of the space race and have even established the National Aeronautics and Space Agency to administer our space progress.

However, even before the advent of the Russian satellite, our Nation realized that we were lagging behind in another area, the area of physical fitness. In 1954 Drs. Hans Kraus and Sonja Weber announced the results of 15 years of testing with over 7,000 children in the United States, Austria, Italy, and Switzerland. Their findings indicated that over 35 percent of the American youngsters failed one or more of six tests given to measure strength and flexibility.

The results of this study gave impetus to the creation of the President's Council on Youth Fitness in 1956. President Eisenhower stated at his first Conference on Youth Fitness:

"National policies will be no more than words if our people are not healthy of body as well as of mind. Our young people must be physically as well as mentally and spiritually prepared for American citizenship."

The President's Council was later expanded in 1963 to also include adults and the name was changed to the President's Council of Physical Fitness.

Unfortunately, the President's Council on Physical Fitness cannot possibly reach every school system in the United States concerned with health, physical education, and recreation. According to a report to the President on 4 years of fitness from 1961 to 1965, 14 States did not even have a full-time person in their State education agency to provide leadership in health, physical education, and recreation; a shortage of health and physical education specialists was noted in the elementary schools; and many physical education teachers and recreation leaders were inadequately trained.

Many of these weaknesses could be alleviated under title XI of the National Defense Education Act. This title authorizes institutions of higher education to operate institutes for advanced study to improve the qualification of teachers. If title XI were expanded to include teachers of health, physical education, and recreation, we could eradicate President Kennedy's reference to "soft Americans."

The technology which originally grew out of our energy and skill now deprives us of the activity necessary to healthy physical development. It is therefore

necessary to have better trained teachers, with a knowledge of new materials, to replenish the physical activity erased by an age of automation.

As recently as last year, tests were given to measure physical fitness of pupils in one-half of the Nation's schools. Of those tested, about one-third failed to achieve the desired level of performance. No matter what tests are used or where they are given, the results always tell the same story: Americans are not as fit as they were a generation ago, or as fit as the people of other lands today.

We cannot afford to sit and watch another generation of chairborne children. As a prominant New York doctor has stated:

"Educators sometimes lose sight of the body in their enthusiasm to develop the mind. A brilliant mind in a dead body isn't worth much."

In order to insure healthy minds and bodies to all Americans, I urge you to consider the expansion of the National Defense Education Act to include health, physical education, and recreation.

STATEMENT ON BEHALF OF DR. LOIS H. ROTH, AREA REPRESENTATIVE, EDUCATION; AND DR. VICTORIA SCHUCK, CHAIRMAN, LEGISLATIVE PROGRAM COMMITTEE OF THE AMERICAN ASSOCIATION OF UNIVERSITY WOMEN

Madam Chairman and members of the subcommittee, for purposes of the record we provide the following information. AAUW is an organization of 171,000 members, organized in 1582 branches in the fifty states, Guam, and the District of Columbia. Following sessions during which such legislation as the Higher Education Act of 1965 was discussed in terms of national educational needs, the delegates at the most recent national convention of the Association, held in Portland, Oregon in June 1965, adopted, by an overwhelming majority, the following item as a part of its Federal Legislative Program for the 1965–67 biennium.

Support of a constructive educational policy, under existing constitutional provisions. We favor such objectives as—

A balanced educational program of quality at all levels

An adequate supply of competent and qualified faculty at all levels

Adequate financial support under state and local control for public education at all levels, with consideration of the problems of school districts where large tracts of land are under governmental jurisdiction

Reduction of financial barriers to higher education for qualified students

Financial assistance to regionally accredited institutions beyond the high school for the improvement and expansion of staff and facilities

Adequate libraries and library services

Advancement of the educational and cultural use of radio, television, films, and other media of communication, with attention to related technlogical developments

A National Foundation on the Arts and the Humanities

An Advisory Council to the President on Education, or a Department of Education headed by an officer at the Cabinet level

This Subcommittee, we know, is very much aware of the Association's interest in advancement of higher education from its support of the National Defense Education Act, the Higher Education Facilities Act, and the Higher Education Act of 1965. Many of our members are associated professionally with higher education while others have worked as volunteers to establish new institutions or to strengthen existing ones. Correspondence reaching our national office from all parts of the country reports cooperation with other groups in meeting state educational needs. In fact the drive to establish one community college began in an AAUW branch study group on education. This same small group of women has now participated in the preliminary study, passage of legislation, construction and staffing of the third community college in the county in which the branch exists. Over a period of several years, our Michigan AAUW Division has conducted a study of Michigan taxes and has come up with tax reform recommendations which it presented to 95 of Michigan's 143 state legislators at a luncheon meeting in February of this year. This tax study and the resulting recommendations were inspired by the Michigan AAUW Division's knowledge of school needs, from primary through graduate school, knowledge the Division had garnered from earlier school finance studies.

We report this type of AAUW activity to this Subcommittee to demonstrate to you that we in AAUW have first-hand knowledge that the time has passed when local colleges and universities can receive adequate support from local sources.

The AAUW has great interest in H.R. 13174, H.R. 13237.

We wish to support Title I. The $7 million which would be provided under Title I to state commissions for planning studies of construction by both individual institutions and state commissions to us seems very important.

In the face of available data it seems unlikely to us that the $435 million for matching grants for undergraduate facilities, the $60 million for matching grants for graduate facilities, and the $200 million in loans for graduate and undergraduate facilities will meet the demands which will be made this year. We suggest the urgency of a state-by-state survey of predicted enrollments and of existing facilities in order that realistic appropriations be requested for the next several years.

In our statement to this Committee last year, we spoke to the importance of strengthening developing institutions. One of our greatest concerns in AAUW over the past two decades has been that the nation's schools be assured "an adequate supply of competent and qualified faculty at all levels." We believe programs aiding these institutions in improving both their faculties and their administrative procedures are invaluable. We have some doubt that the $30 million requested for extension of assistance to developing institutions will be adequate to achieve the progress which should be made in fiscal 1967.

We believe provision of facilities and student assistance programs of equal importance with provision of teachers. Therefore we must support a student loan program. The reports from our members who have been involved in the implementation of the National Defense Education Act student loan program leave no doubt about its success. We are doubtful that the changes proposed in the pending bill, to substitute for the NDEA program a loan program carried out through commercial channels, should be made so suddenly.

The guaranteed loan program of P.L. 89–329 has not been in effect for a long enough period to make judgments about its usefulness. We in AAUW would like to postpone any recommendation from the Association on extensive and rapid expansion of this type of program until more experience with subsidized interest programs has been reported upon.

Thank you for again extending the privilege of submitting the Association's views to this Subcommittee.

OREGON STATE UNIVERSITY,
Corvallis, Oreg., March 7, 1966.

Mrs. EDITH GREEN,
U.S. House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: Various newspaper reports have indicated a proposed decrease in the National Defense Student Loan Program effective with the 1966–67 fiscal year. We understand the Administration is proposing to replace the National Defense Student Loan Program with the new Federal Guaranteed Loans as established in the Higher Education Act of 1965. This proposal is a matter of grave concern to Oregon State University.

We now have notes receivable in our National Defense Student Loan Fund of approximately two million dollars. We were pleased to note that a section in the Higher Education Act of 1965 provides a relief in meeting the administrative expenses of this program. While the U.S. Office of Education has not yet provided us with the details concerning the use of the funds provided by this section, it is our desire to secure the necessary personnel to effectively administer this large program. While this need for additional personnel is a matter of great importance at this time, we are vitally concerned with the future of the National Defense Student Loan Program as it relates to the type of accounting and collection activities we wish to establish. We believe it is important to evaluate a number of alternatives at this stage which will be conditioned by the continued growth of this program or its possible immediate phasing out.

We would appreciate your advising us of the current proposals being considered by the Congress and also would appreciate your reactions concerning the probable outcome. As we are interested in arriving at our decision as soon as possible, your prompt attention and airmail reply to our letter will be appreciated.

Sincerely,

FRANK JONASSON,
Assistant Dean of Men.

CONCORDIA COLLEGE,
Moorhead, Minn., March 3, 1966.

Hon. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: Would you please inform me of your position on the 1966–1967 funding of the National Defense Student Loan Program. I am aware that it is not funded at an operational level in the President's budget message. Will Congress follow his lead or could it be funded again?

The Guaranteed Loan Program may be an excellent replacement to the NDSL in time; however, to expect it to carry the load for this year seems impossible.

Concordia College has been a substantial user of the USA Loan Program as a supplement to the NDSL Program. This year for example some 200 of our students will borrow from their local banks through this program. On December 1, 1965, we had used $390,000 since the USA beginning. Many banks are still not USA participants, and even with the repayment guarantee our eligible students are often refused USA loans, by bankers. We still have problems with this several year old program. How can we expect all guarantee loan amendments, operational machinery, and publicity to be completed in time for the coming school year?

When the guarantee loan does function imagine this problem. A poor boy, the type Educational grants and the Work Study Programs are designed to put into college, being told to go to his banker for a college loan. From my experience the bankers are willing, not anxious, to make the low interest loan to the children of substantial families; however, the poor boy will in most instances have trouble. He will also be hesitant to go to the banker in the first place. Since the loan is necessary to match the Educational Opportunity Grant this program may also be ruined.

Please do what you can to continue the NDSL Program at its full level for 1966–1967. If it is to be phased out in favor of the Guaranteed Loan do it over the three year period as planned in the 1958 Education Act.

Yours very truly,

EDWARD N. ELLENSON,
Financial Aids Officer.

UNIVERSITY OF WASHINGTON,
Seattle, Wash., March 11, 1966.

Hon. EDITH GREEN,
House of Representatives, Washington. D.C.

DEAR MRS. GREEN: Although I've written you recently regarding the continuation of the NDEA loan program I wonder if I might bring to your attention further material on this. The attached news clipping is from the student newspaper and it describes the action of the Faculty Senate's activity in response to the threatened end of the program.

Not covered in the news item is the point made by our director of student financial aid to wit.

"Since 1958, when the National Defense Student Loan program was established, 4,669 students have borrowed to attend the University of Washington. On July 1, 1965, (the end of our last fiscal reporting period), some 1,831 of these accounts were in some stage of repayment, and of this number 58 were delinquent. This represented slightly more than 3% of payments due. A delinquent payment here is defined as one three months overdue. Commercial banks, many of which use six months to define delinquency, commonly believe five and six percent to be about average for ordinary commercial loans." (letter of Mr. William Baker, March 11, 1966).

Thus we have had what any fair minded person would regard as a favorable experience in terms of repayment and have reached a very substantial number of students through the NDEA approach.

One final point that seems to me to commend the continuation of the program, viz, that the program creates a degree of flexibility of choice for female students who are otherwise caught up in what we might term "differential expectations" as to educational accomplishment. The existence of prejudicial attitudes toward females was driven home for me the other day when a bright young junior coed related that her parents, hardworking lower middle class people, felt committed to see her through an undergraduated degree but didn't understand why she might want to go to law school and didn't believe that their budget could be

stretched to assist her through. Now this girl has a grade point average of 3.8 on a four point scale, she has a bright and quick mind, and generally would contribute much to the intellectual quality of the Bar. Of course no one can ask for legislation for individual dilemmas, but I wonder how many females drop by the waysides of our higher educational institutions primarily because in their family backgrounds, educational achievement of a high order is not something expected for the female child. There must be thousands of young coeds from upper-working class and lower-middle class families caught up in this box.

In any event I hope that it will be possible for the House Committee on Education and Labor to take favorable action in continuing the loan program.

Sincerely,

JOHN E. CROW,
Assistant Professor.

[University of Washington Daily, Mar. 11, 1966]

FACULTY SENATE ASKS L.B.J. TO RETAIN LOANS

(By Rob Harper)

The University Faculty Senate and the Administration have sent letters to Washington, D.C. urging the retention of the National Defense Education (NDEA) student loans program.

Jock Heverling, drive coleader, said that 5,260 signatures have been collected so far on student petitions.

Frederick P. Thieme, University vice president, wrote a letter and sent it this week to the Washington Congressional delegation.

Thieme wrote, "It is our conclusion that * * * the new federally guaranteed loan program, established under the Higher Education Act of 1965, cannot meet the needs of students at the University of Washington as the NDEA and the Health Professions Program have done * * * in recent years."

Thieme enclosed with the letter a report by William L. Baker, director of financial aids.

Thieme wrote, "Mr. Baker indicates that approximately 1,600 students are now attending the University on student loans, averaging $700 each.

"The great majority of these students, according to Baker, tending the University because can expect little or no assistance from home and are attending the University because * * * of the NDEA programs."

Thieme urged "support of Health Professions Student efforts to keep the NDEA and Loan programs until reasonable assurance can be given that * * * eligible students * * * can be provided assistance under the new programs."

The Faculty Senate's letter was written after a resolution introduced by Prof. Melvin Rader to continue the NDEA students loans was unanimously endorsed.

The Senate's letter was sent to President Johnson and the Washington Congressional delegation. It was written by Prof. Barnet Baskerville, chairman of the Senate.

Baskerville wrote that the Senate was apprehensive about any proposals to eliminate the present financial arrangements of the NDEA student loan program.

HENRY FORD COMMUNITY COLLEGE,
Dearborn, Mich., March 28, 1966.

Representative EDITH GREEN,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE GREEN: May I take this opportunity to sincerely thank you on behalf of some of our present students and some unknown future students who will have need of direct financial aid from the government under the NDEA program.

It is indeed refreshing to see a Subcommittee of Congress who has obviously listened to the many voices and responded to their requests.

As I wrote to Representative Dingell (our representative), I cannot understand the President's position in this matter. I can only hope that he has been very much misinformed by his advisers. As a financial aid director I would, of course, personally feel delighted that the proposed phase-over to the guaranteed loan fund would mean in effect taking colleges out of the loan business, but only at the sad expense of our students.

I would hope that Congress would study this matter thoroughly and provide for a reasonable and organized phase-over so that the student will not be harmed in the process.

Again, thank you for your courage and for the committee's faith in young people. I think the statement that you made as reported in the Higher Education and National Affairs periodical published by the American Council on Education, "This Subcommittee feels an obligation to keep faith with the colleges and universities across the country" as stated by Representative Edith Green, Subcommittee Chairman, is a statement that the rest of your colleagues could well afford to heed seriously.

Sincerely yours,

REGINALD J. DAVIES,
Director of Student Financial Aid.

ST. BENEDICT'S COLLEGE,
Atchison, Kans., March 14, 1966.

Representative EDITH GREEN,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE GREEN: As you well know, President Johnson is proposing a "phase out" of the National Defense Student Loan Program.

It is my belief that the present system of loans is more than adequate; in fact, I am definitely opposed to any tampering with this highly successful program. I fear that this new section of HR 13174 would not only cripple the efforts of many colleges in their loan programs, but would kill them.

St. Benedict's College had no loan for students until the National Defense Education Act provided one.

One of the great strengths of the present system is the very efficient and inexpensive institutional handling of the loan funds. I feel that officials of the colleges are well qualified to manage student NDEA loans. I am convinced that the program as recently amended is the best means of really helping needy students get an education at extremely low cost to the government.

The enclosed copy of the report of Senator Ralph Yarborough's viewpoint echoes my own.

Representative Green, your positive action against this section would greatly assist the work of higher education.

Sincerely,

Father ALCUIN HEMMEN, O.S.B.
President.

WAYNESBURG COLLEGE,
Waynesburg, Pa., March 24, 1966.

Representative EDITH GREEN,
Chairman, House Subcommittee on Education,
House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE GREEN: Thank you for your efforts on behalf of the continuation of the National Defense Student Loan Program for the coming fiscal year. I was most pleased about the recommendation of the House Subcommittee on Education that the program be continued as originally recommended at the $190,000,000 level.

May I reiterate the statement which I made in my letter of January 28. At that time I indicated that both the National Defense Student Loan Program and the new Guaranteed Interest Loan Program could exist side by side and the one should not supplant the other.

Very sincerely,

ALEXANDER G. SIDAR, Jr.,
Dean of Student Life.

ANTIOCH COLLEGE,
Yellow Springs, Ohio, March 17, 1966.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.

DEAR MRS. GREEN: It is most heartening to read that your subcommittee has been opposing the proposals of the Office of Education to eliminate the National Defense Student Loan program in the 1966/67 academic year.

That proposal was so capricious and destructive to orderly planning that it is hard for me to understand how it was ever seriously thought of.

Apart from what I would have to call irresponsible timing, the proposal itself fails to recognize the importance of loans as a part of the total financial aid counseling which colleges are increasingly rendering to their students. Thanks in a large measure to the NDSL, the "package" concept of aid has become broadly accepted; that is, the sharing of costs between the college (scholarship grants) and the student (loans against future earnings). The trouble with the guaranteed loan program, and all programs like it, is that the control of the loan funds, both as to recipient and amount, passes from the financial aid officer to the individual student and the loaning bank.

I hope the staunch efforts of your committee to build and maintain a sensible federal program will continue, and I hope that that program will recognize that the administration of loan funds needs to be retained by the colleges.

Sincerely yours,

MORTON A. RAUH, *Vice President.*

THE COMMONWEALTH OF MASSACHUSETTS,
UNIVERSITY OF MASSACHUSETTS,
Amherst, March 21, 1966.

Hon. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE GREEN: With the establishment of the Federal Guarantee Loan Program under the Higher Education Act of 1965 there has arisen a proposal in the new Federal Budget to cut back the N.D.E.A. Loan Program. Although on the surface a seemingly fine proposal, I wish to point out that this poses a tremendous threat to financial aid for our students and for students everywhere. This is not only my opinion but the consensus of some seventy-five financial aid officers representing as many colleges who were in attendance at the meeting of the College Entrance Examination Board held at Providence College on January 27 and 28.

As you are aware, we attempt to assess the financial need of each student who is to receive financial aid. Financial need is the difference between the total family and student resources against the total cost of attending the college or university for one year. In providing aid, we try to give a package of financial aid, including some scholarship money, some loan money, and some work-study money.

In the past, our aid in Massachusetts has been supplemented by the Higher Education Loan Plan conducted by the commercial banks wherein students could borrow directly from the bank at a 4½% interest rate, repayable in three years after graduation. This HELP Program, as it was known, was an excellent supplement to the financial aid offered in the colleges in Massachusetts to date, in that the majority of colleges, like ourselves, do not have enough money to meet the total financial need of all the students. It was expected that the Guarantee Loan Program would supplement this and do likewise. However, now it is evident that the intent is to have it eventually supplant the total N.D.E.A. Loan Program.

There are five points I wish to make in opposition to this move and please let it be understood that in no way do I wish to see the National Defense Loan retained simply to have more work in financial aid offices for we have more than we can handle as it is. As you know, the N.D.E.A. Loan Program was one of the finest pieces of legislation to aid students financially and to drop it or even gradually fade it out for the Guarantee Loan Program would result in the following problems:

1. We in financial aid would be unable to completely assess the amount the student was obtaining for his assistance during the year since many of the banks are reticent to inform us of the loans they have made to students. Thus it

would be possible for a student to receive $1,000 from us in financial aid and also to receive a $1,000 loan from the bank. Even if the bank sent the check directly to the University, the student still could draw the excess cash after his payments were made from the money we had granted for his bills. Thus students could obtain money in this manner to buy cars or for any use other than education.

2. Students could borrow this money and give it to their parents to invest or to put in another bank at 4½% interest, thereby gaining 1½% interest. There is little likelihood that many people would do this, but it is a possibility.

3. Most important of all, many students would fail to receive aid through this source because the banks have frequently turned down students under the Higher Education Loan Plan feeling that students are a poor risk on a three year loan basis. Thus they are apt to turn down more students on the ten year loan basis and, since we would not have loan funds of our own, the student would be left without proper financial assistance.

4. It is rumored that the bankers, while having given lip service to accepting this program, have privately indicated their complete displeasure with the program and their feeling that they will be reluctant to make this type of loan to students in any great quantity.

5. Although not a banker, it seems evident to me that the banks will realize that their money could be more useful by being loaned three times over rather than once during a ten year period.

I am aware that on the surface the idea of substituting the N.D.E.A. Loan Program with the Guarantee Program looks very fine in terms of no longer dispensing institutional matching funds and also relieving us of the tremendous loan collection problem under the N.D.E.A. Loan Program, but I feel that these two points, however beneficial to us, are completely overshadowed by the potential loss of having appropriate and well regulated financial aid programs for our students.

The ideal program in my opinion would be the National Defense Loan Program distributed and granted through the student personnel services of the colleges and universities, but with a collection process developed by the Federal Government perhaps operated through some central state agency.

ROBERT J. MORRISSEY,
Director, Placement and Financial Aid Services.

HOOD COLLEGE,
Frederick, Md., March 18, 1966.

Hon. CARLTON R. SICKLES,
Congressman at Large From Maryland,
U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN SICKLES: I hope we may count on your active support of an adequate program to continue the student loan provisions of the National Defense Education Act at least through the 1967 fiscal year. Right now many thousands of high school seniors, who have counted on N.D.E.A. loans to finance their first year in college beginning this September, are perplexed to discover that their well-laid plans for a college education have been suddenly destroyed by termination of the National Defense Student Loan Program before any realistic provision was made for an adequate substitute.

The Administration-sponsored legislation (introduced March 1) which would immediately extend the student loan program through an appropriation of $150,000,000 for this purpose, was a hopeful move which would have helped fill the then-existing void. I understand, however, that this intended interim measure has just been voted down in Committee. As I am sure you recognize, this reduction from the previous level of $190,000,000 still caused anxiety throughout the country.

Right now colleges from coast to coast are determining which of the many deserving applicants they are able to admit to their academic programs for the year beginning September 1966. Since a large number of these applicants are dependent on loans (in addition to any available scholarship funds which can be provided), a substantial amount of disorder has been imposed upon college-admissions processes this spring because of the untimely attempt to shift from the N.D.E.A. loan program to a privately financed and federally guaranteed loan system.

I understand that the Administration now hopes to work out an orderly transition from the former to the projected loan system over a three-year period.

This would appear to be entirely feasible but there is an urgent and immediate need now to continue N.D.E.A. student loans at substantially the $190,000,000 rate which prevailed last year.

I know that deserving middle-income families throughout the country—as well as college and university administrators who seek to assist them in their educational planning—will be grateful for whatever steps you may take to resolve this critical problem as soon as possible.

Sincerely yours,

RANDLE ELLIOTT, *President.*

MCKENZIE COLLEGE,
Huntsville, Ala., March 12, 1966.

Hon. EDITH GREEN,
House Office Building, Washington, D.C.

DEAR MRS. GREEN: May I add our voice to those urging a continuation of the National Defense Student Loan Program as presently constituted. McKenzie College is a nonprofit institution, accredited by The Accrediting Commission for Business Schools as a two-year business school. We have been awarded a fund of $100,000 for the current college year under this program, and it has been put to excellent use.

Approximately 75 percent of the fund has to date been committed to about 100 students in McKenzie College. Since this institution has always catered primarily to young people right out of high school in the largely rural, and sometimes quite distressed, areas, I am convinced that these youngsters would not have been able to go to college anywhere were it not for this NDEA fund assistance.

We have applied for twice the above amount for next year because of the tremendous need in our section (it borders the Appalachia region). In our current recruiting program we are finding two to three times as many who will need this help as we did last year. In our function of locating bright, deserving young people in our area of service, we bring them into our community, train them in one to two years, and then help place them in good jobs. We are currently receiving around ten calls for good jobs for every one person we have to send out. These young people, for the most part, have neither the time nor the funds for a 4-year college education. We are, therefore, filling a real need for the type of student for which many of the federally sponsored programs in education today are designed.

The guarantee loan programs enacted last year still have not been implemented, and we are unable to obtain any real information regarding them. Cutting off the NDEA program now would, therefore, work a real hardship on several hundred youngsters in this section who have been counting on this aid and who probably would be unable to attend without it.

Thank you for your consideration.

Very truly yours,

ROY MCKENZIE, Jr., *President.*

MCKENZIE COLLEGE,
Huntsville, Ala., April 6, 1966.

Hon. EDITH GREEN,
House Office Building,
Washington, D.C.

DEAR MRS. GREEN: Thank you very much for your kind and explanatory letter of several days ago in answer to mine urging the retention, at least for the time being, of the National Defense Student Loan Program as it is now constituted.

May I also express to you my most sincere personal appreciation and feeling of gratitude for your having used my letter, among others, for insertion in the Congressional Record in connection with your committee's report.

I am, of course, most pleased at the refusal of the House to accede to the Administration's request for phasing-out of this program. I must confess, however, Mrs. Green, that I do hope that something can be worked out which will obviate the necessity for our having to go into the "collection business" on a large scale. Like so many other small colleges, we are just really not equipped to do a top-notch, efficient job of collecting money.

Thank you again for your kindnesses. If we may be of any services to you in any way, we should be more than happy to do so.

Very sincerely yours,

ROY MCKENZIE, Jr., *President.*

CHATHAM COLLEGE,
OFFICE OF THE PRESIDENT,
Pittsburgh, Pa., March 30, 1966.

Hon. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: The drastic cut in the President's budget for National Defense Student Loans is most distressing. I was happy to read that the administration's new Higher Education bill proposes an appropriation of $150,000,000 to continue the program during the 1967 fiscal year. I am especially happy that the House Sub-Committee voted unanimously that the administration spend the originally authorized $190,000,000. I am confident from your record and former positions that you will support the increase.

This letter is not only in support of the original appropriations, but to urge the continuation of the National Defense Student Loan program. NDSL program has had a considerable influence on Chatham College. Before the program we were able to give loans to only 7% of our financial aid students. This year 92% of the students on financial aid are receiving NDS loans. We have thus been able to meet more adequately the financial needs of our students. The NDSL program was influential in our changing our own small loan program from a rather complicated one with higher interest rates to a more liberal program. Our students are working approximately half the number of hours they worked prior to 1958. More students have continued to graduate to professional schools since the loan repayment can be deferred.

As the bill intended, it has encouraged more students to enter the teaching field. It has enabled Chatham to recruit more students from low-income groups and to offer them more financial awards that cover complete costs. When the Work-Study program first started, Chatham found that it had a high percentage of eligible students for the program.

Perhaps the most important defense for NDSL is that it enables a college financial aid office to give a student the best possible financial aid package. Financial aid is awarded only after a complete analysis of a student's financial resources, personal and family circumstances, health, and potential earnings. The ratio of grant, work, and loan is allocated according to each individual's needs.

Sincerely,

EDWARD D. EDDY.

UNIVERSITY OF VERMONT,
Burlington, Vt., March 18, 1966.

Hon. EDITH GREEN,.
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE GREEN: May I take this opportunity to express my concern regarding the future of the National Defense Student Loan Program and its impact on higher education in this country. While I recognize that President Johnson has restored most of the funds in this year's appropriation, I am nevertheless concerned that any future phase-out of this program be done in a manner which is not harmful to those persons it was originally intended to help. I would not quarrel with the concept that it might be in the best interest of the Federal Government and higher education for an ultimate phase out of the NDEA Loan Program. In doing so, however, we should have some assurance that a proper foundation is established to fill the vacuum caused by the elimination of this program. Several observations I believe are in order.

Under present circumstances, reserve funds necessary to make insured loans certainly are inadequate to meet the demand. Unfortunately there are only twenty states, according to my best information, which have the necessary operational structure to instigate an insured loan program. Those programs that are operational in the majority of these twenty states are of recent origin. In the case of many new concepts sound judgments are not made because of a lack of experience. Assuming that the banks will choose to cooperate and absorb loans previously made by colleges and univertities, I am concerned that those students in the lower socio-economic dimension of our society will not seek this means as a source of assistance. My experience with the needy student is that he is less likely to approach a banking institution because his parents have generally been

in the poor risk category and as a result he has a negative connotation of banks. Any change of attitude is a major educational task. With the current emphasis on Economic Opportunity legislation, it does appear that this change in the NDEA Program seems to be working at cross purposes with our intent to help the lower socio-economic income family to pursue the goals of higher education.

This program will also have a tendency to break down the total concept of financial aid which heretofore has been primarily developed by the individual educational institution. Thus the components of scholarships, loans, and part-time employment will be significantly divorced. This breakdown is not an insurmountable problem, but nevertheless is a disruptive factor in any philosophy of financial aid.

As I indicated earlier, I realize that a substantial part of the appropriation has been restored for this coming year. However, I would earnestly hope that in your deliberation regarding the future of the NDEA Loan Program that you might build into the legislation assurances which would stave off the problems I have indicated. Thank you for your anticipated consideration of this matter.

Sincerely yours,

ROLAND D. PATZER,
Dean of Men.

FISHER JUNIOR COLLEGE,
Boston, Mass., March 17, 1966.

Hon. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: I am writing you as President of Fisher Junior College which is an ACBS Accredited Junior College.

We understand that consideration is being given to the "Phasing out" of the National Defense Education Act. If this is so, I sincerely hope that you and your colleagues will investigate this very carefully.

Fisher has participated in this program since 1959. Each year we have needed all the money granted to us and on several occasions could have used more. In fact, we have asked for more for next year because of a slightly increased student body.

The cost of private education is so much greater than that required in public facilities that special assistance needs to be given. For instance, a great number of students attending Fisher come from families who earn less than $7000 per year. They come because there is no other junior college offering our programs anywhere near their homes. Usually, there are several other children in the family. They must live in dormitories so that we can properly supervise them. You can easily appreciate that a $2400 expense is far beyond the ability of such people without assistance of some kind.

We have found our girls and their families most appreciative of this opportunity and almost all have made serious effort to return their loans within two years after graduation.

You might also be interested to know that there is little or no information and implementation, at least in our state, of the two loan guarantee programs enacted by Congress last year.

With the increased enrollment anticipated for the next several years, we would like to urge the continuation of the program in the interest of students and their needs.

Sincerely,

SANFORD L. FISHER, *President.*

ROBERT MORRIS JUNIOR COLLEGE,
Pittsburgh, Pa., March 18, 1966.

Hon. EDITH GREEN,
Chairman, House Special Subcommittee on Education,
House of Representatives, Washington, D.C.

DEAR MRS. GREEN: We at Robert Morris Junior College strongly object to the proposed phasing out of the National Defense Education Act. We are the largest Junior College in Pennsylvania, and have been using N.D.E.A. funds for the past two years.

As a Junior College we have been limited in the funds available to us and each year we have asked for additional funds. Our students have benefited greatly

from the program and while in number they only represent one to two percent of our enrollment, the continuation of N.D.E.A. is a significant factor in the future education of our students.

We have not received any information about the loan guarantee programs which were enacted last year, and we feel that this should be made available at the earliest possible date.

Very truly yours,

C. J. CRANDALL,
Director, Student Accounts.

HENDERSON BUSINESS COLLEGE, INC.
Memphis, Tenn., March 16, 1966.

Hon. EDITH GREEN,
Chairman of the House Special Subcommittee on Education,
House of Representatives, Washington, D.C.

DEAR HONORABLE GREEN: It is of the utmost importance that the NDEA Program be extended. Our students receive invaluable aid and assistance through this project. We feel that this is a worthwhile program.

Some of our impoverished students would not be able to attend college if it were not for this program. We are strongly opposed to the abandonment of this worthwhile program of student financial aid.

Henderson Business College, Inc. is accredited by The Accrediting Commission for Business Schools.

Sincerely yours,

I. J. GLEEDEN, *Secretary.*

CALIFORNIA STATE SCHOLARSHIP COMMISSION,
Sacramento, Calif., March 11, 1966.

Hon. EDITH GREEN,
Rayburn House Office Building,
Washington, D.C.

DEAR MRS. GREEN: I thought you might be interested in the two memos which I have circulated to people within California concerning National Defense Loans. From what I have heard, I am taking a position very similar to yours and I believe that most of the educational institutions of California will do the same.

Sincerely,

ARTHUR S. MARMADUKE,
Executive Director.

FEBRUARY 28, 1966.

To: ———.
From: Arthur S. Marmaduke.
Subject: Proposed termination, national defense student loans.

On Wednesday, February 23, I attended in Washington a meeting called by Harold Howe, the Commissioner of Education, to discuss the problems attendant to the proposal of the White House and the Budget Bureau to terminate the National Defense Student Loan Program as of June 30, 1966, and to rely exclusively on guaranteed loan programs. Approximately fifteen representatives of colleges, college associations, states and banks were present.

The Commissioner of Education and his staff realize that a serious error was made by the White House, the Budget Bureau, and the Secretary of Health, Education, and Welfare, as they are well aware that it is impossible to shift from one loan program to another in such a short period of time. The Budget Bureau and the White House are aware that they have a problem on their hands and the Office of Education and the Budget Bureau have been instructed to develop some alternative system as an interim arrangement. The Budget Bureau position is to avoid an appropriation for the National Defense Student Loans and to find an alternative not requiring an appropriation or at least a small one.

Six alternatives were proposed and rejected. In brief they are:

1. The individual colleges could borrow money from banks to provide loans with federal guarantees and interest subsidies during the transition period. This was rejected as legally impossible in a number of states.

2. Colleges could form a consortium to do the same thing. This was considered to be equally illegal and considerably more cumbersome.

3. Colleges could become the guaranteeing agency under Title IV of the Higher Education Act in a manner similar to states. This was rejected for a number of reasons, one of which was there are not sufficient federal insurance funds to supply the colleges with the amount of money they would need to guarantee loans.

4. The Federal Government could loan money to colleges using the NDEA paper as collateral. This alternative was never fully developed and apparently had no support.

5. States could be requested to appropriate money to direct loan funds or a loan revolving fund. This idea was never fully developed either and seemed rather impractical for a number of states who will not have legislatures meeting until some time in 1967.

6. Colleges could be asked to transfer their NDEA matching funds to a state guaranteed loan agency. This idea had some support but it was recognized by all it would be time consuming and perhaps not possible to get all the colleges in a state to do this. By the time the money could be gathered together it would be too late to provide effective loan mechanism. In addition, the Guaranteed Loan Program does not allow for the establishment of priorities on the basis of financial need and there would be no assurance that the money would go to the students who really need it. This idea or a slight variation of it has some possibility for California if for any reason we fail to move the Federal Government.

The American Bankers' Association indicated they were not aware of the planned shift to the Guaranteed Loan Program which they are endorsing until they saw the Federal budget in print. The executive vice president of the American Bankers' Association indicated he did not think the banks in a tight money market could provide the volume of credit that is envisaged by some of the alternatives although they believe banks will provide the kind of credit contemplated under the Guaranteed Loan Program but not in an amount sufficient to handle both the loan programs in one year.

The conslusion of the group was that there was no acceptable alternative and that there must be a National Defense Student Loan Program in 1966–67 and some plan developed for an orderly transition from one program to the other over a period of time. We were all in agreement, I believe, that it was our responsibility to marshal the forces at our command to create an awareness in the White House and the Congress of the necessity for a National Defense Student Loan Program in 1966–67.

The Scholarship Commission has passed a resolution calling for the continuation of the National Defense Loan Program and the development of a plan for orderly transition. It will be sent to appropriate agencies and the congressional delegation.

Attached is a copy of a summary of the situation from the agenda for the February 25 Commission meeting.

MARCH 8, 1966.

To: ———.
From: Arthur S. Marmaduke.
Subject: Administration proposal for Federal student loans for 1966–67 (H.R. 13174).

On Thursday and Friday, March 3rd and 4th, I attended a meeting of the Advisory Committee on the National Student Aid Problems of the College Scholarship Service. The meeting was called originally to consider the consequences of the proposal in the Federal Budget to terminate National Defense Student Loans and to rely completely on Guaranteed Loans but was changed to review the new administration proposal introduced on March 1st. The administration plan was presented by the Assistant Secretary for Legislation of Health, Education, and Welfare and the Associate Commissioner for Higher Education and was commented upon by the Director of the Commission on Federal Relations of the American Council on Education.

In this memorandum I will attempt to describe accurately and briefly the basic elements of the proposal without attempting a comprehensive analysis. H.R. 13174, in part, is a series of amendments to Title II of the National Defense Education Act. Among other things, it contains the following provisions:

1. $190,000,000 would be available for National Defense Education Act loans for 1966–67; $150,000,000 of this would be for revolving fund capital advances to colleges and $40,000,000 in loan guarantee assurances.

2. Colleges would be eligible to get Federal capital advances only if they could certify to the Commissioner of Education that they cannot borrow directly from lending institutions.

3. For institutions that are able to borrow directly from lending institutions, the Federal Government would subsidize the difference between the interest paid by the student and the interest which the college had to pay on the money.

4. The Federal Government would continue to pay one half of the administrative costs up to one per cent of the amount of the loans.

5. Each student borrower must assign the Federal share of all his notes, past and present, to the Commissioner of Education, who would then sell them to an organization such as the Federal National Mortgage Association. There seems to be some argument as to whether these funds in excess of 150 million dollars would go directly into the treasury or whether they would be available for a loan revolving fund.

6. Colleges would be required to return all of the Federal Government's share of repayments to the Commissioner of Education.

7. There would be a new allocation procedure for National Defense Loans which would take into consideration the existence of a Guaranteed Loan Program within a state, etc.

In addition, the U.S. Office of Education will write a letter of assurance to all colleges telling them that the Federal Government plans to maintain the flow of credit for students.

My brief and expurgated observations are these:

1. Colleges and students have placed great reliance on National Defense Student Loans in the last eight years.

2. Applications for National Defense Student Loans were requested by the U.S. Office of Education as part of a tripartite application for loans, Educational Opportunity Grants, and the Work-Study Grants early this year. The U.S. Office of Education has promised to allocate these funds by March 30th.

3. Some California colleges, placing reliance on the existence of the National Defense Student Loan Program, have promised loans to students already.

4. Virtually every four year college in the State has planned to give new and returning students assurances concerning their loans for 1966–67 during the early spring of this year.

5. A great deal of damage has been done. There is uncertainty among students and colleges as to how they will finance the academic year 1966–67. The problem is compounded, because the Federal Educational Opportunity Grants by law are limited to one half of the student's assistance and the other half must come from a scholarship or a loan. Many colleges have planned to match the Educational Opportunity Grants with National Defense Student Loans.

6. The time sequence for the administration proposal is tenuous and late. The bill must be heard in committees, passed by both houses, and probably go to conference. Rules and regulations would have to be drawn and published in the Federal Register. It would take time for the colleges to comprehend the full meaning of the new plan (by the time it is passed it might be early summer) and colleges would have to go through the routine of attempting to borrow or certifying that they are unable to borrow funds and file new applications. The money or an allocation would probably arrive too late to allow students and colleges to complete their financial plans in any reasonable time prior to fall enrollment.

7. The administration proposal seems uncertain as to intent and implication and much too late to be fully analyzed and comprehended.

8. The representatives of the banks have indicated their uncertainty about the banks' capacity to handle the additional credit, the refinancing and the absorption of approximately $800,000,000 in outstanding notes.

9. It seems to me the new administration proposal at this date at least is not a viable substitute forNational Defense Student Loans and there must be at the very least an immediate one-year extension of the program so an orderly transition to Guaranteed Loans can be planned and the need for continuation in part of the National Defense Student Loans studied.

I would recommend that the State and each segment of higher education take the initiative to contact our Congressional delegation urging another year of the National Defense Student Loans. I would further urge we support the position of the American Council on Education which plans to work with congressional committees and to ask for maintenance of the present program and $190,000,000 in direct National Defense Loans for 1966–67 and the defering of the refinancing and repayment proposals in HR 13174. I understand the American Council on Education has talked to the Congressional leadership and is cautiously optimistic

about maintenance of the present loan program in 1966–67 and a reasonably quick appropriation of funds.

BAY STATE SCHOOL OF BUSINESS,
Boston, Mass., March 15, 1966.

Representative EDITH GREEN,
Chairman, House Special Subcommittee on Education,
House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE GREEN: We are advised that a proposal has been made to "Phase Out" the National Defense Education Act (H.R. 13174). As a non-profit business school, accredited by the Accrediting Commission for Business Schools, we feel that this worthwhile program of Student Financial Aid should be definitely continued.

The N.D.E.A. has been a source of great aid to our deserving students, and of course in most instances, it is the difference between going on to higher education or stopping at high school. We do hope you will give every consideration to the retention of this worthwhile program inasmuch as there is still a lack of information and implementation of the two loan guarantee programs enacted by Congress last year.

Thank you for your interest and concern in this matter.

Very truly yours,

GEORGE J. BRENNAN, Jr.,
Vice President.

EASTERN MICHIGAN UNIVERSITY,
Ypsilanti, Mich., April 11, 1966.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.

MY DEAR MRS. GREEN: We at Eastern Michigan University are quite anxious over the announced intention to discountinue federal capital contributions into the National Defense Loan Program. Although an eventual phasing out of this portion of the plan was seen to be desirable, the abruptness of the discontinuation of federal participation would be devastating.

Eastern has participated in this program since its inception. Over the past eight years we have loaned over two and a quarter million dollars to serious but needy students. It is very doubtful if many of these students could have attended college without high volume financial aid. The personal advancement and fulfillment to the student cannot be measured in dollars. Their contribution to the national and international program of social development will occur without an accurate price tag. Their contribution directly to the economy of the nation will far exceed the two and one quarter million dollars during their lifetime.

In 1964 we were awarded $449,200 which we matched with our additional ten percent. This year we have been awarded $462,219. Our ten percent brings this amount to over one half million dollars.

We have requested $578,400 for next year as our enrollment will increase from ten to twelve thousand students. Many students will experience severe hardship if we are abruptly deprived of the anticipated opportunity to assist them.

The governmental guaranteed private loan program is not an adequate substitute. Aside from the problems very needy families may have in handling these criteria, there is also the loss of our ability to individualize and personalize our relationship with our students. Financial aid packaging means a counselor works out a loan, a work program, and a grant whenever possible. The student through this process comes to recognize the value of his own contribution to his education. The heart of this approach is the National Defense Loan Program.

We appeal to you to assist us in retaining this important educational tool The money already loaned does not rotate in a school that has more than 90% of her borrowers in teaching careers. The forgiveness clause militates against this rotation.

Some reasonable substitute plan for phasing out the federal contribution over the next five years would provide for an orderly transition without gross hardship.

If documentation is needed to assist you in this effort, we will provide detailed information.

Sincerely yours,

WILLIAM C. LAWRENCE, *Vice President for Student Affairs.*
HAROLD E. SPONBERG, *President.*

BEAVER COLLEGE,
Glenside, Pa., March 21, 1966.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.

DEAR MRS. GREEN: It was most encouraging to learn that your committee unanimously decided to recommend the continuation of the National Defense Student Loan Program at the level that had been authorized prior to President Johnson's budget message in January.

You must know how strongly opposed many concerned and interested persons such as educators are to President Johnson's recommendation that we do away with the National Defense Student Loan Program and his recommendation to replace N.D.S.L. with the Guaranteed Loan Program.

It is my hope that the Guaranteed Loan Program will be repealed as soon as possible and that the National Defense Student Loan Program will be continued.

Sincerely yours,

SYLVIA OHANESIAN,
Assistant Dean of Students.

AMERICAN INSTITUTE OF BUSINESS,
Des Moines, Iowa, March 17, 1966.

Representative EDITH GREEN,
Chairman, House Special Subcommittee on Education,
House Office Building, Washington, D.C.

DEAR REPRESENTATIVE GREEN: Last year our students became eligible to borrow funds under the National Defense Education Act. A.I.B. is a non-profit business school accredited by the Accrediting Commission for Business Schools. To date, we have had very few problems in administering the loan program and it has helped 51 of our students obtain an education.

We anticipate some collection problems, but feel the losses will be quite limited especially since the change in the Act requiring a minimum monthly payment of $15. The present program has the advantage that the school is responsible for issuing the loan and can make definite decisions without extreme delays. I personally think it is too early to consider HR 13174—"Phasing out" of the National Defense Education Act.

The two new loan-guarantee programs enacted by the last Congress are excellent in principle. We would much prefer to stay in the education business and keep the banks in the lending business. In Iowa, our Governor recently appointed a Commission to administer loans under the Higher Education Act. This Commission has not received the necessary information, or at least is not yet in a position to tell the schools in the State how to proceed. The last check with the Governor's Office indicated he had not received a letter to appoint a Commission to administer loans under the Vocational Loan Program. The newspapers seem to have all the information since there have been numerous articles about the two Government loan programs.

Guidance counselors and prospective students keep asking for information and we are caught in the middle. Timing is of extreme importance, for students want to make definite plans for this summer and fall, but yet, no one can give them any help. On top of these problems, the local banks indicate they are not too excited about the new program at 6% simple interest. One banker said that they would loan to sons and daughters of their customers but did not care to go out of their way to solicit the business.

Maybe in time all of the above groups and schools can work together for effective loan programs. The present National Defense Education Act has not outlived its need and effectiveness. I hope you and your subcommittee will be able to delay any "phasing out" until the new laws have proven to be equally as helpful to the students.

Sincerely,

KEITH FENTON, *President.*

WHITTIER COLLEGE,
Whittier, Calif., April 19, 1966.

Congresswoman EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: A note of thanks for your seeing me and Dean George Tenopir in the few minutes before your plane left Los Angeles for Portland. During the past months I have had correspondence with you concerning various aspects of federal aid to education which you have so magnificently championed and which we have strongly supported.

Within this area we sincerely hope that there will be an appropriation of funds at an early date to continue the NDEA college student loan program which we have found most helpful and workable at Whittier College. And we were glad to have your reassuring words that it appeared this would be in the course of events at Washington.

Very sincerely,

PAUL S. SMITH, *President.*

UNIVERITSY OF HOUSTON,
Houston, Tex., April 28, 1966.

Hon. EDITH S. GREEN,
Rayburn House Office Building, Washington, D.C.

DEAR REPRESENTATIVE GREEN: All of us in higher education owe you and the other members of the Special Subcommittee on Education a special vote of thanks for rejecting the administration's utterly unrealistic proposal to shift financing for the NDEA loan program to the nation's banks. This would obviously have all but destroyed the program and created unnecessary difficulties for many thousands of students to whom at least a strong moral commitment has already been made.

It is good to have someone of your judgment, ability and courage heading the subcommittee.

Sincerely yours,

PATRICK J. NICHOLSON,
Vice President, University Development.

INDIANA UNIVERSITY,
Bloomington, Ind., May 10, 1966.

Hon. EDITH GREEN,
Chairman, Special Committee on Education,
House of Representatives, Washington, D.C.

DEAR MRS. GREEN: Thank you so much for your letter of April 28th.

Indeed I did note the absence of the "phasing out" provisions for the NDEA Title II student loan program, and I greatly appreciate your effort on behalf of the students whose education in large part depends upon the program.

The news reports received here to date indicate that the House also honored the Appropriations Committee's recommendations including the full amount for the student loan fund.

Again, thank you for your concern and your unceasing effort to make available the opportunity for higher education for many young men and women who, otherwise, might never have that opportunity.

Sincerely,

ELVIS J. STAHR, *President.*

PLYMOUTH STATE COLLEGE OF THE
UNIVERSITY OF NEW HAMPSHIRE.
Plymouth, N.H., March 1, 1966.

Hon. JAMES C. CLEVELAND, M.C.,
Longworth House Office Building,
Washington, D.C.

DEAR JIM: I am glad that your Lincoln's Birthday in Plymouth worked out reasonably satisfactory. I was sorry that I could not be here personally to greet you.

My reason for being away was to attend a conference of the Association of State Colleges and Universities in Chicago. There we college presidents heard some news that disturbed us greatly. I hope that you can concern yourself with this problem.

We heard from a representative of the U.S. Office of Education that President Johnson's proposal to Congress will probably turn the National Defense Education Act Loan Program over to private banking sources rather than having it administered directly by the colleges with Federal matching funds as we have done very successfully for the past five years. We understood, also, that under the proposal there would no longer be a forgiveness for part of the loan for those who enter teaching service.

Although, in theory, I can agree that the Federal government should not be in the loaning business, they have already embarked so deeply into various types of assistance to educational projects that I feel that it would be inadvisable to so suddenly cancel a program which has helped a tremendous number of young people to get through college and especially to prepare to become teachers. We, at the college are usually in the best position to know whether the student is a good student and deserving of financial help. We are also able to work out a desirable match of direct scholarship aid, work opportunity, and loan program. This can be done without the delays which become necessary when a banking institution has to inquire of a college about the student's status before deciding to make a loan. The college will have to do exactly as much work but will not have the flexibility in making loans nor the ability to act promptly in an emergency. Just ten minutes ago a young lady was in my office who was almost refused admission for the second semester since she arrived beyond the three week late entry deadline because of the red tape in securing a bank loan in her home town. I think cases like this would be greatly multiplied.

I would certainly like to urge strongly that the Congress get the opinions of a large number of college and university administrators concerning their experiences under the NDEA student loan program and the desirability of extending what seems to me to have been one of the most successful Federal programs. If the forgiveness feature for teaching service is cancelled, some type of scholarship assistance to encourage people to go into this field will still be needed. The supply has not yet caught up with the demand by any means and so special inducements are still needed to encourage as many young people as possible to prepare for an enter upon a teaching career.

I am sending a copy of this letter to each of your Congressional colleagues from the State of New Hampshire. I hope that you will all do what you can to be well informed about the issues involved and to see that there is not a sudden roadblock thrown in the way of our worthy young people continuing their education.

Cordially yours,

HAROLD E. HYDE, *President.*

OAKLAND UNIVERSITY,
Rochester, Mich., March 12, 1966.

Hon. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: I wish strongly to urge your opposition to the phasing out of the NDEA loan program. From my work as financial aids officer at Oakland University, it is my conviction that our students will suffer enormously by the removal of this program, and it will indeed be our most needy students who will be the most hurt.

The dedication of the banks to their custom of approving loan requests on our Michigan Higher Education Assistance Authority program only for their own preferred customers; the bankers' candid lack of enthusiasm for the guaranteed loan program; and the banks' insistence on evaluating a student's application not in terms of the student's future but of his parents' past, all indicate the failure of the banks to share the view of the Government of the need to help make higher education available to all who qualify to pursue it.

It is therefore with most serious concern that I wish to urge you to work for the continuation of the NDEA loan program.

Sincerely yours,

MRS. GLADYS B. RAPOPORT.

UNIVERSITY OF NOTRE DAME,
Notre Dame, Ind., March 10, 1966.

Hon. JOHN A. BRADEMAS.
House of Representatives, Washington, D.C.

MY DEAR MR. BRADEMAS: Thank you for your telephone call which was relayed to our Conference on Financial Aid last week. All those present were grateful for the up-to-date information you were able to give us and appreciated your taking the time and trouble at such a busy period. We are enclosing the roster of all present during the Conference and hope they have taken the opportunity to make their views known to you. I also understood that you wish to send them additional information.

I might point out that the Conference held here was the largest in the State. We received many comments indicating the meeting was a success and achieved its purpose. Your participation was certainly a highlight! The other Conferences held in the State did not provide for such detailed material, nor did they have anyone like you to provide in-depth observations. All agreed that you Tel-lecture prompted much discussion, and I should also say that the voice transmission was just as if you were in the auditorium with us. In other words, you went over big!

We are still concerned over the discontinuance of the funding of the National Defense Education Act loan program and wish to point out possible consequences to students at the University of Notre Dame. We anticipate considerable confusion and definite problems for those students residing in States reluctant to establish the new Guarantee Loan Program. We further anticipate that private financial institutions will be unable to carry the entire load without further time to prepare. Banks frequently have academic restrictions and application fee charges that will restrict the number of students able to participate in the program.

At Notre Dame our projected 1966–67 NDEA Loan Level was to be approximately 500 students to receive around $400,000.00. In order to supply this demand, we requested a Federal contribution of almost $270,000.00 and a University contribution of almost $30,000.00.

These funds would be augmented with collections made from students making repayments. At the present moment, we can rely on only the approximate $100,000.00 which *may* be repaid in time for reloaning. If our normal loan average is maintained, this amount will take care of about 125 students.

The Administration's Bill, presented to Congress on March 1, does not solve the problem. Undoubtedly this abrupt termination of funds will cause disruptive problems. If we are to reach the execptionally needy student, as identified under the Higher Education Act of 1965, we must have the aid sources available at the institution. We strongly urge that the National Defense Loan Program be maintained, at least for another year, at its present level. New programs will thus have time to be established and money made available from additional sources.

Thank you again for your consideration and I look forward with pleasure to meeting you in the near future.

Very sincerely in Notre Dame,

Brother ROBERT SINNAEVE, C.S.C.,
Director of Financial Aid.

BRUNSWICK, MAINE,
March 15, 1966.

Hon. WILLIAM D. HATHAWAY,
House Office Building,
Washington, D.C.:

With reference to the recent subcommittee hearings in view of the lateness in calender and of academic year I would urge at this time the continuation of the full NDEA loan program for the coming year ending June 1967.

J. S. COLES,
President, Bowdoin College.

ALTON SENIOR HIGH SCHOOL,
Alton, Ill., April 6, 1966.

Re article in March 27, 1966, New York Times.

Hon. EDITH GREEN, M.C.,
House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN GREEN: From my experience in dealing with students, Mr. Gardner's comment that "every student needing a loan will be able to obtain the funds necessary for his education" is more myth than reality. An increasing number of students come to me each year telling me of financial problems created by the increasing costs of higher education. Few of my students' parents are in the $15,000 income category, therefore cannot qualify for loans by private institutions. I do not feel we are an atypical community.

After exhausting all other possibilities of financial assistance for these students, it seems as if the only saving factor has been the NDEA loan. Many of my talented students have been able to begin a higher education because of this loan program. It is a matter of urgency that the government take its financial cuts elsewhere.

We who are directly involved with students can see the need of not less, but more aid such as the NDEA loan program offers. We appreciate your efforts and encourage you to continue your fight for financial help for deserving students.

Respectfully yours,

DELORES PRICE (Miss).

BOARD OF MISSIONS OF THE METHODIST CHURCH,
New York, N.Y., March 29, 1966.

Hon. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: I strongly commend your affirmative action with regard to the National Defense Education Act loan program remaining intact. It is pertinent that in the era of "intellectual explosion," the qualified student be given the opportunity for higher education regardless of his financial status and/or that of his parents.

Being a product of the NDEA program, I can attest to the necessity for the program remaining in the hands of the Federal Government. I know my chances of procuring the loan would have been greatly hampered had I approached a private lending agency.

It is pertinent that *this* program *not* suffer because of federal spending in Vietnam. The implications would be practically unexplainable, not only to young people against our position in Vietnam, but also to those students who have shown approval.

The criticism that "colleges are in the business of education, not commercial lending," was most irrelevant. I am sure most, if not all, colleges maintain a scholarship and loans officer whose sole job is to make financial transactions for the college student with many other financial programs besides the NDEA.

Again, may I congratulate you for your outstanding position and call for your continued support for safeguarding higher education for all.

Respectfully yours,

MINNIE F. STEIN,
Secretary, Section of Christian Social Relations.

UNIVERSITY OF WASHINGTON,
Seattle, Wash., March 5, 1966.

Representative EDITH GREEN,
House Office Building, Washington, D.C.

DEAR REPRESENTATIVE GREEN: Accompanying this letter is a copy of the resolution passed March 2, 1966, by the University of Washington Young Democrats concerning President Johnson's proposal to discontinue the National Defense Education Act Loan Program. While the resolution is directed primarily to Washington State's Democratic delegation in Congress, we feel that, as Chair-

woman of the Education Subcommittee in the House, you will be interested in our position on the President's proposal.

We feel that the arguments presented in the resolution for continuing the Loan Program are more than adequate to justify its continuance. The N.D.E.A. Loan Program has been of sufficient value to warrant consideration for its own merits, apart from the question of needing the funds to support the War in Viet Nam.

The major objection to continuation of the program has been that it has aided only a relatively small number of students; however, it is generally conceded by both bankers and administrators of the N.D.E.A. Loan Program that even fewer students could receive adequate financial assistance under the programs of the Office of Economic Opportunity. Furthermore, the amount of funds that would be released if the N.D.E.A. program were discontinued would be insignificant in proportion to the total amount needed to prosecute the Viet Nam War.

For these reasons, and those advanced in the resolution, we urge the House of Representatives to continue to recognize the value of the N.D.E.A. Loan Program in raising the level of educational achievement in America and to support its continuation. We hope that you will actively help pursue this worthwhile objective.

Sincerely yours,

BRUCE STOTLER,
President, University of Washington Young Democrats.

RESOLUTION ADOPTED BY UNIVERSITY OF WASHINGTON YOUNG DEMOCRATS, MARCH 2, 1966

Be it resolved by the University of Washington Young Democrats:

In recognition:

That the fulfillment of the maximum educational potential of every American is the essential cornerstone for building the Great Society;

That the Elementary and Secondary, and Higher Education Acts of 1965 demonstrate the continued recognition of the necessity for furthering the education of every American;

That the Loan Program of the National Defense Education Act has made higher education possible for thousands of needy Americans;

That this necessary financial aid is not available to these needy Americans from other sources of programs either on comparable terms or in sufficient amounts;

That, consequently, the discontinuance of the N.D.E.A. Loan Program would preclude further education for these thousands of needy Americans;

Therefore, since the highest possible educational achievement for every American is both a pronounced goal of the Democratic Party and a crucial part of the Great Society, the University of Washington Young Democrats beseech the President to withdraw his proposal to discontinue the N.D.E.A. Loan Program, and, further, implore the Congress to defeat such legislation if it is introduced, and finally, urge the Washington State Democratic delegation to press both the President and their fellow Congressmen for the continuation of the N.D.E.A. Loan Program.

YOUNG DEMOCRATS OF WASHINGTON, INC.,
Olympia, Wash., April 12, 1966.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.

DEAR MRS. GREEN: We of Young Democrats of Washington, Inc. would like to commend you for the fine job you are doing in preserving the student loan program of the NDEA.

At a meeting of our Board of Directors in Olympia on April 2, 1966, the following resolution was adopted:

> [T]hat the Washington State Young Democrats, Inc. go on record in support of Congresswoman Edith Green and all other members of Congress who are conducting the campaign for the continuation of National Defense Education Loans to Students.

Thank you for your efforts.

Sincerely,

LEMBHARD G. HOWELL,
President, Young Democrats of Washington, Inc.

MANSON, IOWA, *March 24, 1966.*

COMMITTEE ON EDUCATION AND LABOR,
House of Representatives
(Adam C. Powell, Chairman).

GENTLEMEN: I would like to voice my disapproval of the proposed change in the National Defense Student Loan Program.

I feel that many worthy students will be deprived of a college education that is possible under the present loan program. Many banks in the smaller communities will be reluctant to make loans because they do not participate in the program and others have committed their limit in small, long-term, low-interest loans and do not have the adequate capital for long-term education loans.

If the benefits of the guaranteed loan program are not available to all eligible students, there is a real danger that many students of financial need will be unable to go to college or continue their college education.

Yours very truly,

ROBERT J. ZEHR.

COVINGTON, KY., *March 7, 1966.*

Hon. EDITH GREEN,
House Office Building, Washington, D.C.

DEAR MRS. GREEN: Since you are chairman of the special subcommittee on education, and since we have a son just starting in college, we take the liberty of addressing you on the subject of the National Defense Student Loan Program.

We have been informed by the Office of Student Financial Aids at the University of Detroit, that the entire Student Aid Program is in jeopardy.

It seems incredible that a Government like ours cannot find an area to economize in its vast amount of expenditures, and must pick on the one type of expenditure that promises repayment, if not in cash, in services in an area where services are most essential.

We strongly urge that you, as chairman of the subcommittee on education, take a firm stand against the proposed legislation to eliminate the National Defense Student Loan Program.

Sincerely yours,

Mr. and Mrs. MICHAEL A. CARROLL, Jr.

PARIS, FRANCE, *March 19, 1966.*

Hon. EDITH GREEN,
U.S. House of Representatives,
House Office Building, Washington, D.C.

DEAR REPRESENTATIVE GREEN: The Paris Herald Tribune for 18 March carries the story of the action taken by your House Education Subcommittee to continue the full National Defense Education Act student loan program through the coming fiscal year.

May I congratulate you and your Subcommittee members on your courage and foresight? The NDEA loan program, of all of the Federal programs in higher education, is one which can be easily defended as being partially self-liquidating. In today's maze of various scholarship opportunities and standards the loan program is one which offers a student help now on the basis of reasonable need at any one of hundreds of participating schools.

I'm afraid that, in the frantic search for budgetary flexibility, some Executive Office staffer has been guilty of a piece of notably bad advice to the President. Thank you for restoring sense to the situation. If anything, I would like to see the long-term loan approach to educational costs expanded rather than left to the mercies of the money market.

Sincerely yours,

KELLY CAMPBELL.

LAKE JACKSON, TEX.,
April 13, 1966.

Representative EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE GREEN: I have noted with great interest the action of your committee in defense of the student loan program under the provisions of the National Defense Education Act of 1958.

I look upon this program as vital to the education of many students in this country. This certainly is not a logical place to reduce appropriations.

I wish to express my appreciation to you and your committee for successfully defending this measure and sincerely hope that it remains in effect as long as needed.

Cordially yours,

LEON B. COTTEN.

WHITE PLAINS, N.Y., *March 28, 1966.*

Hon. EDITH GREEN.

DEAR MRS. GREEN: My congratulations upon your successful efforts to save the N.D.E.A. program. As one who has devoted much of his life to professional education I am sure I am expressing a view widely held in the academic world—among administrations, faculty & students, that Congress, as you stated has a "moral commitment."

I hope that the Administration will regain perspective in this vital area—War or no war.

Appreciatively,

LASZLO SCHWARTZ, D.D.S.

MORENCI, MICH., *March 7, 1966.*

Congresswoman EDITH GREEN,
House Committee on Education and Labor,
Washington, D.C.

DEAR CONGRESSWOMAN GREEN: Please do not eliminate National Defense Loans. We have 10 children—only one is old enough to be attending a University and he is going on scholarships. However, all of our children will not be apt to receive complete scholarships and will, no doubt, need loans.

At the University of Detroit alone, there are 600 students who borrow money from National Defense Loan Agency who have no practical alternative available for 1966 and 67.

So please take it easy on National Defense Loans. They seem like a good thing—better than all the give-away programs it would seem.

Thank you very much.

MARJORIE M. ORBAN.

DETROIT, MICH.

Congresswoman EDITH GREEN.
House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN GREEN: This past week I became aware that President Johnson is planning to do away with National Defense or Health Professions Student Loans Programs. I do not approve of this cut back. What chance does an ordinary working family have to save for a college education? The Student Loan program has enabled my son to go to college. He also has a part time job to cover books and everyday expenses.

Why not give our own people a break for a change—we are going to need educated people to carry on this government.

Sincerely,

MARGUERITE BAILEY
Mrs. Harold G. Bailey.

UNIVERSITY OF DETROIT,
Detroit, Mich., March 1, 1966.

Congresswoman EDITH GREEN,
House Office Building,
Washington, D.C.

DEAR CONGRESSWOMAN GREEN: I am an engineering student at the University of Detroit, in Michigan, and will be entering my senior year in September. The reason I am writing is the recent announcement, by the Michigan Higher Education Assistance Program, that President Johnson is planning to completely eliminate the National Defense Student Loan Program.

I realize that today there are many areas where government money must be spent, and thus can understand such projects as Medicare, the war on poverty, and the so called "negative" income tax.

However, I feel that the best place for the investment of a country's money is for the education of its youth, since the leaders and lawmakers of tomorrow are today in school.

If the President's elimination is carried through, I, and many others like myself, will have to drop out of school. Consequently, I strongly urge you to do all in your power to defeat any bills, proposing this elimination, that come before your subcommittee.

Sincerely yours,

EUGENE LAICO.

UNIVERSITY OF DETROIT,
Detroit, Mich., March 1, 1966.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.

DEAR CONGRESSWOMAN GREEN: It has come to my attention that the President is planning to completely eliminate the National Defense Student Loan Program. This is indeed an unfortunate decision. A college education is becoming more necessary every day while the price of this education is rising every year. Without the aid of these loans many students will be forced to drop out of school.

It must be remembered that this program is a "loan" program and that these loans are repaid with interest. The price of this program to the American taxpayer is small indeed compared to the price our country will have to pay if a college education becomes an education for the rich alone.

As a college freshman, I strongly urge you to vote against any bill to eliminate the National Defense Student Loan Program if such a bill should come before your special subcommittee on education of the House Committee on Labor and Education or if it should come before the Congress.

Sincerely yours,

MICHAEL G. CARROLL.

APPLETON, WIS., *March 11, 1966.*

Congresswoman EDITH GREEN,
House Office Building, Washington, D.C.

DEAR CONGRESSWOMAN: It was just called to my attention that President Johnson is planning to completely eliminate the National Defense Student Loan Program. I think this would be quite a slap in the face for our hungry youths who want and need an education and wouldn't be able to acquire it without this aid. We want to feed and educate the rest of the world and take away from our own.

A strong government is an educated one and, I hope, you will see fit to vote against any proposal which would eliminate or lower the present Defense Student Loan Program.

Yours truly,

EARL DE BRUIN.

ENTERPRISE, OREG., *February 26, 1966.*

Hon. EDITH GREEN,
House Office Building, Washington, D.C.

DEAR CONGRESSWOMAN GREEN: I am deeply concerned over the prospect that funds for the National Defense Loan program, which enables a great many of our young people to obtain a higher education, may be eliminated.

I feel that we cannot make a much better contribution than that of contributing to the education of the youth of our nation. These funds have certainly been most helpful to a great many of them and have not been given in the form of a government hand-out, but as a loan which must be repaid.

There would appear to be at this time, a great amount of effort to finance the very low income group and the youth with the superlative brain. I do not feel that we can neglect the "average" American youth which has proved to be the backbone of our nation. Withdrawal of these funds would most certainly leave the majority of our average youngsters without the financial assistance which is necessary for a college education today.

I would appreciate any help that you can give in helping to keep these funds available for our college students.

Sincerely yours,

MRS. WILLIAM O. REID.

FRANKLIN, IND.

Hon. EDITH GREEN,
House of Representatives,
Washington, D.C.:

Strongly urge continued NDSL for $194 million. Sections 202 and 203 of H.R. 13174 will not be adequate to meet needs of students. NDSL commitments already made by many colleges out of necessity. Feel that sections 202 and 203 of H.R. 13174 for 1966–67 will hurt guaranteed loan plans through banks at later date. Recommend phaseout procedure as originally planned.

WESLEY N. AHINES,
President, Franklin College.

NEW ORLEANS, LA.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.:

Respectfully urge that present program of NDEA college student loans be continued. Prompt action on this program is necessary to clear up confusion among students presently applying for loans so they can make firm plans for their college education without financial hardship.

H. R. JOLLEY,
President, Loyola University.

CAMBRIDGE, MASS.

Representative EDITH GREEN,
House Office Building, Washington, D.C.:

I want to urge strongly that the NDEA loan program be renewed unchanged for next year as soon as possible. Colleges are already admitting new students for entrance in September and thousands of needy students across the country will be denied admission if the present uncertainties of the guaranteed loan program are allowed to affect admission and financial aid decisions.

FRED L. GLIMP,
Dean of Admissions and Financial Aids,
Harvard University.

MEDFORD, MASS.

Representative EDITH GREEN,
House Office Building, Washington, D.C.:

Tufts University urges continuation of national defense loans at least at present level. As a director of mass help I have heard numerous representatives of banks express great doubt that they will be able or willing to meet student loan demands in present credit situation should NDEA be canceled or appropria-

tion reduced. Since there will be no analysis of family need for guaranteed loans beyond $15,000 adjusted income determination. Request for interest free loans should rapidly rise far over present level. We think that lower income families are least likely to approach banks for loans or receive them if they do, in a scarcity situation.

Many colleges have demonstrated competence and skill in administering loans according to need. (Although Tufts has loaned over $1.5 million to 1,500 students at last report only 21 Tufts students were $2,626 overdue on defense loans.) We urge that colleges be permitted to continue to assist deserving students by awarding aid packages that include long-term loans, as well as scholarships and jobs.

GRANT E. CURTIS,
Director of Financial Aid, Tufts University.

TAMPA, FLA.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.:

The University of South Florida has 900 students who borrowed $500,000 of NDEA loans this year. Next year we need $600,000 for 1,100 students. Total enrollment 8,000 this year, 9,000 next year. Appreciate your support for continuing NDEA program.

JOHN S. ALLEN,
President, University of South Florida.

BRUNSWICK, MAINE.

Hon. EDITH GREEN,
House Office Building, Washington, D.C.;

Colleges and universities administering NDEA loan programs greatly involved in detailed planning for administration of program during academic year 1966–67. In view of the necessity for them to make operational plans and the lateness of the calendar, I urge continuation of NDEA loan program unchanged for coming year.

JAMES S. COLES,
President, Bowdoin College.

WASHINGTON, D.C.

Hon. EDITH GREEN,
House Office Building,
Washington, D.C.:

The National Association of Women Deans and Counselors unanimously adopted the following resolution in its 1966 national convention in Washington, D.C.:

Whereas the NAWDC recognizes with appreciation the vital contribution made to the education of needy youth by Federal funds under the National Defense Education Act student loan program, and feels that the Federal Government has thereby incurred an obligation to continue assistance to students studying under this program; and

Whereas the college work-study program and the educational opportunity grant program were predicated upon the continuation of the NDEA loan program and

Whereas decisions by students and colleges as to educational plans for 1966–67 must be made this spring and it is clear that no comparable nationwide program providing low-interest loans for needy students is now available: Therefore be it

Resolved, that the NAWDC urgently requests the Members of Congress to appropriate immediately the full amount of $190 million for satisfactory continuation of the NDEA student loan program during the fiscal year 1967, as authorized by Congress in 1964 and requested by unanimous vote of the House Subcommittee on Education on March 17, 1966; and be it further

Resolved, That the NAWDC instruct its executive board to send copies of this resolution to the chairman of the Appropriations Committees of the House and the Senate and to other appropriate officials of the Government.

Whereas the NAWDC has much appreciation of the actions taken by the Federal Government in providing loan funds to assist needy students with their education, and believes that continued financial assistance is essential; and

Whereas the experience of colleges and universities in administering student loans throws considerable doubt on the possibility of providing adequate financial aid to the most needy students by the new program to be administered through commercial banks and other private agencies; and

Whereas the House Subcommittee on Education under the chairmanship of Congresswoman Edith Green has shown creative leadership in its sensitivity to the needs of students and its vigorous determination to provide adequate funds for aid: Therefore be it

Resolved, That the NAWDC commends the House Subcommittee on Education and urges it and other appropriate committees of the House and the Senate to continue their efforts to determine the best means of providing student loan programs beyond the fiscal year 1967.

MARTHA PETERSON,
President, National Association of Women Deans and Counselors.

MOORHEAD, MINN.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.:

Request you reestablish NDSL at full $194 million at least for this year. H.R. 13174 not practical. Too much redtape. Private sector credit too tight. We need to commit financial aid now.

Guarantee loan program sounds interesting but to expect it to work this year is just not reasonable. Please advise me of your position.

EDWARD N. ELLENSON,
Director of Financial Aids, Concordia College.

INDIANAPOLIS, IND.

Hon. EDITH GREEN,
U.S. Congress, Washington, D.C.:

Urge continuation of NDSL in tax through authorization in amount of $194 million for 1967 fiscal year. Strongly recommend Congress appropriate such funds. H.R. 13174 not adequate. Substitute timing problems make sections 202 and 203 provisions of alternate proposal impractical.

Mrs. JOSEPHINE FERGUSON,
Executive Secretary, State Scholarship Commission of Indiana.

ALBANY, N.Y.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.:

On behalf of 157 colleges and universities in the State of New York, urgently request national defense student loan program remain unchanged for this year continuing $190 million appropriation.

LESTER W. INGALL,
Executive Secretary, Association of Colleges and Universities of the State of New York.

NEW YORK, N.Y.

Mrs. EDITH GREEN,
Rayburn House Office Building,
Washington, D.C.:

Because of lateness of date and imminence of time for financial aid commitment by colleges and scholarship sponsoring agencies like ours, we urge that full NDEA student loan allocations be continued for the coming academic year. We also

urge that direct allocations to colleges for student loans be continued permanently for low-income students.

RICHARD L. PLAUT,
President, National Scholarship Service, and Fund for Negro Students.

BANGOR, MAINE.

Representative EDITH GREEN,
Chairman, House Special Subcommittee on Education,
Washington, D.C.:

Husson Colege accredited by the Accrediting Commission for Business Schools participates in NDEA student loan program. We are opposed to its discontinuance. Many young people being educated who otherwise would not have opportunity.

JAMES L. WRIGHT,
Director of Guidance, Husson College.

CHICAGO, ILL.

Congresswoman EDITH GREEN,
U.S. Capitol, Washington, D.C.:

The Association for Higher Education NEA urges continuation of NDEA loans program for the coming year while thoroughly studying the feasibility of the administration proposal.

C. R. CARPENTER,
Association for Higher Education.

PORTLAND, OREG.

Hon. EDITH GREEN,
Special Subcommittee on Education,
Washington, D.C.:

In view of possible delay of other kinds of student aid, we urge continuation of NDSL for 1966–67.

Rev. PAUL E. WALDSCHMIDT,
President, University of Portland.

EUGENE, OREG.

Hon. EDITH GREEN, M.C.,
Rayburn House Office Building,
Washington, D.C.:

Strongly urge continuation of NDEA zone program. If phaseout contemplated urge delay of 1 academic year to permit developments of regulations and operational details and suggest 3-year operational period to permit most students presently financing college through the plan to complete study for degree sought.

HOWARD L. RAMEY,
Director of Financial Aid, University of Oregon.

EUGENE, OREG.

Hon. EDITH GREEN,
Chairman, Subcommittee on Education,
House of Representatives,
Washington, D.C.:

I urge your vigorous support to preserve the national defense student loan program. To discontinue or change this excellent source of student financial aid without careful planning could be disastrous for Oregon students.

R. E. LIEUALLEN,
Chancellor, Oregon State System of Higher Education.

CORVALLIS, OREG.

Mrs. EDITH GREEN,
House or Representatives, Washington D.C.:

Modification of present NDEA loan program detrimental to our financial aid operation. Strong urge continuance of present program.

JAMES H. JENSEN,
President, Oregon State University.

RALEIGH, N.C., *March 19, 1966.*

Representative EDITH GREEN,
Chairman, House Special Subcommittee on Education,
Washington, D.C.

Respectfully urge that every effort be made to continue the national defense student loan program which has been both a stimulus and an invaluable source of aid to worthy and deserving students. Our current aid recipients have obvious expectations of being able to continue to borrow as needed until degree programs are completed. With respect to prospective students since Congress has encouraged educational institutions to search out and bring to the campus students who would not otherwise attend failure to continue national defense student loan program would appear to be a breach of trust between the Congress and worthy and deserving students. No other source currently has sufficient funds to meet our institutional financial aid obligations to students. The national defense student loan program is backbone of student financial aid at North Carolina State University.

JOHN T. CALDWELL,
Chancellor, North Carolina State University.

COLUMBIA, MO., *March 17, 1966.*

Representative EDITH GREEN,
Chairman, Subcommittee on Education,
House Office Building, Washington, D.C:

We strongly urge that the national defense student loan program be funded at the full $190 million authorized for 1966–67. A marked reduction at this time would cause widespread disruption and the students with the greatest need would be the ones hardest hit. In 1965–66, our Missouri banks are loaning more money to University of Missouri students than we have had available from NDSL. Hence if NDSL is continued as authorized and the banks pick up the ever-increasing demands for loans, we would have a working combination which would more nearly meet the students needs.

ELMER ELLIS,
President, University of Missouri.

COLUMBUS, OHIO, *March 16, 1966.*

Representative EDITH GREEN,
House Office Building, Washington, D.C.:

The scholarship and loan committee of the Ohio State University has requested that I inform you of our concern over the possible discontinuation of the national defense student loan program. We do not believe that the bank programs for students can be fully operative in time to serve students next fall. We respectfully encourage you to consider a 1-year continuation of the national defense loan program as it now exists and also suggest that procedures be established for an orderly transition to the bank loan program.

NOVICE G. FAWCETT,
President, Ohio State University.

NEW ORLEANS, LA., *March 17, 1966.*

Mrs. EDITH GREEN,
House of Representatives,
Washington, D.C.:

Essential that NDEA loan program continue unchanged. Commitments must be made immediately to assure financial support for deserving students.

H. E. LONGENECKER,
President, Tulane University.

NEW HAVEN, CONN., *March 17, 1966.*

Hon. EDITH GREEN,
House Office Building,
Washington, D.C.:

Title II of H.R. 13174 seems to us an awkward and unduly complicated way to assure the availability of student loans for 1966–67 on national defense student loan program terms. We understand the need for these mechanisms would be obviated if Congress would appropriate for fiscal year 1967 the full amounts authorized by title II of the National Defense Education Act. It seems to us that the Office of Education, the banks, and colleges and universities are going to have more than enough to do in the year ahead to implement the insured loan program under title IV, part B, of the Higher Education Act of 1965 without having to worry about discontinuity or cumbersome new features of the national defense student loan program accordingly, we urge that title II of H.R. 13174 not be enacted and that the full amounts authorized under title II of the National Defense Education Act of 1958 be appropriated for fiscal year 1967.

YALE UNIVERSITY,
By DAVID B. H. MARTIN,
Assistant to the President for Government Relations.

MOUNT PLEASANT, MICH.

Representative EDITH GREEN,
House of Representatives,
Washington, D.C.:

It is the confirmed opinion of Central Michigan University that the national defense student loan is essential to our financial aids package. If this were discontinued or reduced at the present time there would be no substitute available on a local State or National level. The guaranteed State loan is not progressing as rapidly as was expected and at the present time less than one-half of the State banks are participating members. This therefore cannot possibly pick up the deficit of funds which would develop if the national defense loan is phased out. We therefore request your firm support for total funding of the national defense student loan program and fervently trust there will be no phaseout until a suitable substitute is guaranteed.

JUDSON W. FOUST,
President, Central Michigan University.

BLOOMINGTON, IND.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.:

Urgently request on behalf of large number of our students that every possible effort be made to continue national defense student loan program full scale through next fiscal year. It appears to us simply impossible otherwise to avoid chaotic situation and severe cutback in educational opportunities for needy students both old and new. I assure you this is of major and serious importance. If planning could begin soon for fiscal 1968, it might be possible to be ready in time, but fiscal 1967 is already an emergency problem.

Respectfully,

ELVIS J. STAHR,
President, Indiana University.

NEW YORK, N.Y.

Hon. EDITH GREEN,
Special Subcommittee on Education of House Committee on Education and Labor, House of Representatives, Washington, D.C.:

Urgently request you use your best efforts to extend NDEA student loan program in present form for at least 1 year even if new form is desirable. Time is needed to perfect Bankins arrangements for our students who require commitments now or very soon. Current interest rate rise make situation more difficult.

JAMES M. HESTER,
President, New York University.

NOTRE DAME, IND.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.:

Absolutely crucial that national defense loan program be continued 1 more year so as not to leave a complete blank this year. Ninety banks invited to discuss program and only two appeared.

Regards,

Father TED HESBURGH, C.S.C.

EAST LANSING MICH.,
March 16, 1966.

Mrs. EDITH GREEN,
Chairman, Education and Labor Committee,
House of Representatives, Washington, D.C.:

We urge your committee to extend the student loan provisions of the National Defense Education Act for at least 1 more year.

JOHN A. HANNAH,
President, Michigan State University.

PORTLAND, OREG.

Hon. EDITH GREEN,
Congress, Washington, D.C.:

Cascade would encounter numerous problems with NDSL amendments. Strongly urge defeat. Thank you.

THOMAS A. LEUPP,
President, Cascade College.

CORVALLIS, OREG.

Representative EDITH GREEN,
Washington, D.C.:

Very strongly urge continuation of present national defense student loan program. Amendments being considered detrimental to progress gained by Public Law 89–329. Present NDSL program designed to assist students. Vital to continue student emphasis.

FRANK JONASSON,
Assistant Dean of Men, Student Loan Officer,
Oregon State University.

PORTLAND, OREG.

Congresswoman EDITH GREEN,
House of Representatives, Washington, D.C.:

Urge congressional approval national defense student loan program in present form for at least 2 additional years until realistic procedures can be developed for orderly phaseout in favor of proposed guaranteed loan program for students.

CHANNING M. BRIGGS,
Dean of Students, Portland State College.

PORTLAND, OREG.

Mrs. EDITH GREEN,
Rayburn Office Building, Washington, D.C.:

Strongly urge defeat NDSL amendment legislation; present program great. We need it as is.

Sincerely,

MILES H. BARBUR,
Financial Aid Officer, Cascade College.

MOUNT ANGEL, OREG.

Hon. EDITH GREEN,
Congress United States, Washington, D.C.:

Extremely important that the national defense student loan program continue for the new few years or until suitable agency has been established to replace it. It will be impossible for many of our students to attend college next year should the loan program be curtailed now. We strongly favor the continuance of the present program until another at least as adequate can be provided.

Sister ALBERT DIEKER,
Mount Angel College.

PORTLAND, OREG.

Hon. EDITH GREEN,
Chairman, Subcommittee on Education,
House of Representatives, Washington, D.C.:

Strongly favor continuation of NDEA loans for year or two until guaranteed loans are available in the State.

Sister MARION GERARD,
Financial Aid Officer Maryhurst College.

PORTLAND, OREG.

Hon. EDITH GREEN,
Rayburn Office Building, Washington, D.C.:

Respectfully request your efforts to preserve existing NDSL program at $190 million. Very helpful here. Urge deletion NDEA provisions from 1966 amendments.

JOHN R. HOWARD,
President, Lewis and Clark College.

PORTLAND, OREG.

Hon. EDITH GREEN,
Rayburn Office Building, Washington, D.C.:

Oregon financial aid officers need funds available at once under national defense student loan program as amended November 1965. Higher education amendments 1966 not feasible in time to save 1966–67 aid program.

JEAN HUNT,
Financial Aid Administrator, Lewis and Clark College.

EUGENE, OREG.

Hon. EDITH GREEN,
Chairman, Subcommittee on Education,
House of Representatives, Washington, D.C.:

Amendments to the national defense student loan program now being considered by your subcommittee leave institutions without sufficient loan funds at a crucial time in the financial aid calendar. Not only will students seeking loans for next year be left without definite sources of funds but also institutions will experience impossible problems in packaging financial aid as is required, for example, in the granting of educational opportunity grants. To amend the pro-

gram now without careful thought and planning, will throw Oregon's financial aid community into complete chaos and will render it incapable of serving students in their quest for educational funds. National defense student loans, a Federal commitment to students, must be preserved. Please support the program with all your energy and ability.

DAVID JOHNSON,
Executive Secretary,
Oregon State Scholarship Commission.

SALEM, OREG.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.:

The national events loans programs has worked well for our institution. Would urge its continuance in its present form.

RICHARD PETRIE,
Financial Vice President, Willamette University.

CORVALLIS, OREG.

Mrs. EDITH GREEN,
House of Representatives, Washington, D.C.:

Believe certain proposals to national defense student loan program would be extremely detrimental to our financial assistance program. Our experience leads us to oppose any modifications in national defense student loan program as provided in Higher Education Act, 1965. Strongly urge, therefore, resistance to any changes now under discussion.

DAN W. POLING,
Dean of Men and Chairman, Financial
Aids Committee, Oregon State University.

MONMOUTH, OREG.

Congresswoman EDITH GREEN,
House of Representatives, Washington, D.C.

DEAR MRS. GREEN: I hope you will support NDEA student loans as they are, until actual establishment of an alternative guaranteed loan program. All indications are that such an alternative program cannot be established to protect students for fall of 1966.

LEONARD W. RICE,
President, Oregon College of Education.

LA GRANDE, OREG.

Congresswoman EDITH GREEN,
Chairman, Subcommittee on Education,
House of Representatives, Washington, D.C.

Eastern Oregon College strongly recommends continuation of NDEA loans for 1966–67.

ROY L. SKEEN,
Financial Aids Officer, Eastern Oregon College.

KLAMATH FALLS, OREG.

Hon. EDITH GREEN,
Chairman, Subcommittee on Education,
House of Representatives, Washington, D.C.:

At Oregon Technical Institute we are in dire need of national defense student loan funds for the next year as we are planning commitments on these types of loans at this time. This is our only source of long-term loan funds. Therefore, it is very important to our students as a financial aid, helping them in their educational endeavors. Your assistance in this respect will be greatly appreciated.

FRANK D. STANKO,
Director of Placement and Director of Financial Aids,
Oregon Technical Institute.

ASHLAND, OREG.

EDITH GREEN,
House of Representatives, Washington, D.C.:

Nearly 10 percent Southern Oregon College students in all classes are depending on NDEA loans. At Southern Oregon College it would be catastrophic to lose this program. Institutionally, we have no resources to fill even a small fraction of the need.

MABLE WINSTON,
Associate Dean of Students,
Financial Aids Institutional Representative.

FOREST GROVE, OREG., *March 17, 1966.*

Hon. EDITH GREEN,
Rayburn House Office Building, Washington, D.C.:

Any assistance which you can give to clouded issue of National Student Defense Loan program will be appreciated. Those of us working with students are very frustrated concerning the financing for next September. We need to make firm commitments now and are unable to do so under present conditions. Keep up the good work.

G. E. REESE,
Dean of Admissions, Pacific University.

VANDERBILT UNIVERSITY,
Nashville, Tenn., March 18, 1966.

Hon. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE GREEN: I appreciate your Sub-Committee's stand in behalf of employing the full $190 million authorized for the NDEA loan program.

Thank you.

Sincerely,

H. ALAN ARFKEN, Jr.

BLOOMINGTON, IND.

Hon. JOHN E. BRADEMAS,
House of Representatives, Washington, D.C.:

Urgently request on behalf of large number of our students that every possible effort be made to continue National Defense Student Loan Program full scale through next fiscal year. It appears to us simply impossible otherwise to avoid chaotic situation and severe cutback in educational opportunities for needy students both old and new. I assure you this is of major and serious importance. If planning could begin soon for fiscal 1968, it might be possible to be ready in time, but fiscal 1967 is already an emergency problem.

Respectfully,

ELVIS J. STAHR,
President, Indiana University.

ST. PETERSBURG, FLA.

Representative EDITH GREEN,
House of Representatives, Washington, D.C.:

Please accept sincere appreciation for your efforts on behalf of the full appropriation of the national defense student loan funds. At this time it is critical and deeply important to a significant number of young people who attend our college that the full amount of the funds be appropriated for this year. Probably a very worthy and needy student will have his life changed if he does not receive continued NDSL funds in September 1966. I fear any reductions at this time may leave a number of such students at home and change the course of their lives. Our students have been tremendously aided and the country will be a better place because of that aid. Your personal efforts are most gratifying.

R. FRANK GARNER, Jr.,
Vice President for Business Affairs,
Florida Presbyterian College.

JACKSON, MICH.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.:

The NDEA loan should be continued in full force. Jackson Business University is a 2-year accredited business school approved by Accrediting Commission for Business Schools. Give all students of accredited schools equal loan rights.

A. C. HERMANN,
Jackson Business University.

INDIANA STATE UNIVERSITY,
Terre Haute, Ind., March 9, 1966.

Hon. JOHN BRADEMAS,
Longworth House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE BRADEMAS: We are greatly concerned over a recent administrative decision to "phase out" immediately the National Defense Loan Program and the Health Professions Loan Program. If our university is to participate in the packaging of financial aids, as provided in the Higher Education Act of 1965, it is essential to have the above mentioned loan funds available to use.

We believe it would be difficult for the banking institutions to provide the training necessary for member banks and adequate funds for the 1966–67 school year. Moreover, to withdraw the above two programs immediately would be a breach of our obligation to students who are borrowing from these programs to see them through to graduation.

As an alternative to the recent proposal, we suggest that the withdrawal of funds not start until after the matriculating freshman class of 1966. This would fulfill our commitment to next year's freshmen and to current borrowers as well as enable the banking system to take the necessary steps to provide adequate funds.

We appreciate any support you are able to give for the continuance of the NDEA Program and the Health Professions Program.

Very truly yours,

ALAN C. RANKIN, *President.*

NOTRE DAME, IND.

Hon. JOHN BRADEMAS
House of Representatives,
Washington, D.C.:

Absolutely crucial that national defense loan program be continued 1 more year so as not to leave a complete blank this year. Ninety banks invited to discuss program and only two appeared.

Regards,

FATHER TED HESBURGH, C.S.C.

LAFAYETTE, IND.

Hon. JOHN BRADEMAS,
House of Representatives,
Washington, D.C.:

I am contracting you as Indiana's voice on the House Education Committee. Your committee has been holding hearings on H.R. 13174 and it is relative to this bill that I am contacting you. After considerable study and discussion of this bill, the colleges and universities feel that it is not a good piece of legislation at any time, but it is most inappropriate at this time. The committee is aware that all educational institutions are in the midst of committing student financial aid for the next year. A bill at this time requiring a new procedure makes it impossible to make effective use of the various aid programs that are available during 1966–67. Purdue has over 500 new students waiting to learn whether or not they can get NDSL loan. Without an appropriation we are unable to give them an answer, with the result that many will decide not to go to college, and in each case another capable individual has been deterred from continuing his education. I would urge most strongly that the committees recommend the appropriation of $190 million for the loan fund, the amount authorized, and continue the present program

for the next school year. This will then give your committee and the institutions of higher learning the opportunity to give rational consideration to the best way of meeting the financial aids needs of the future rather than a crash program as H.R. 13174 which is poorly timed and inadequate in its provisions.

DONALD R. MALLET,
Vice President and Executive Dean, Purdue University.

INDIANAPOLIS, IND.

Hon. JOHN BRADEMAS,
U.S. Congress, Washington, D.C.:

Urge continuation of NDSL in tax through authorization in amount of $194 million for 1967 fiscal year. Strongly recommend Congress appropriate such funds. H.R. 13174 not adequate substitute. Timing problems make sections 202 and 203 provisions of alternate proposal impractical.

Mrs. JOSEPHINE FERGUSON,
Executive Secretary,
State Scholarship Commission of Indiana.

FRANKLIN, IND.

Hon. JOHN BRADEMAS,
House of Representatives, Washington, D.C.:

Strongly urge continued NDSL for $194 million. Sections 202 and 203 of H.R. 13174 will not be adequate to meet needs of students. NDSL commitments already made by many colleges. Out of necessity feel that sections 202 and 203 of H.R. 13174 for 1966–67 will hurt guaranteed loan plans through banks at later date. Recommend phaseout procedure as originally planned.

WESLEY N. HAINES,
President, Franklin College.

MOORHEAD, MINN.

Hon. JOHN BRADEMAS,
House of Representatives, Washington, D.C.:

Request you reestablish NDSL at full $194 million at least for this year. H.R. 13174 not practical. Too much redtape, private sector credit too tight. We need to commit financial aid now.

Guarantee loan program sounds interesting but to expect it to work this year is just not reasonable, please advise me of your position.

EDWARD N. ELLENSON,
Director of Financial Aids, Concordia College.

NORTH CENTRAL COLLEGE,
Naperville, Ill., March 10, 1966.

Congressman JOHN BRADEMAS,
Longworth Office Building, Washington, D.C.

DEAR MR. BRADEMAS: The Reverend Kennell from Elkhart, Indiana, has been in the office a couple of times and we have had some informative talks about the Government financial assistance programs to colleges. Last week when Mr. Kennell was in he told me of your concern and interest in Government legislation that would be the most helpful to colleges. After listening to my concern and bewildered thoughts concerning guide lines to those of us who are administrating the aid at the college level, he suggested I write you, stating briefly a few comments on my views of the Government programs at this time.

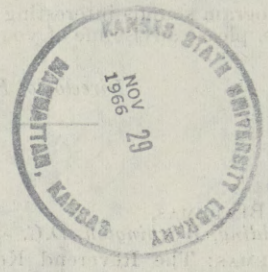
1. I am very concerned, as I understand all college administrators are, because the statement that the National Defense Student Loan program would be dissolved immediately was made at a most inopportune time, and how it was made. The colleges are always well into their recruitment program before February 1, and of course the National Defense Student Loan is an important factor in recruitment for 1966–67, just as it has been for the past five years. The scare put into students, parents and administrators is, I feel, very unnecessary. My feeling has of course been borne out by the fact that we have received notification

this week that the National Defense Student Loan program will be effective for 1966–67 and perhaps for three more years on a phase-out basis. This we all go along with, as this was a provision covered in the original NDEA legislation.

2. Even at this late date (late in respect to helping students plan financial assistance for 1966–67), we cannot, according to information from the Illinois State scholarship group, who will be an agency for the guaranteed loan program, give any constructive information to a student concerning application or a hope for a guaranteed loan for the school year 1966–67. As a summary statement to the National Defense Student Loan-guaranteed loan issue, I would like to go on record as saying that the National Defense Student Loan program has been and would continue to be the most desirable type of program to offer students interested in attending the college of their choice. From what I know of the guaranteed loan program, I shudder to think of the amount of debt a great many students will incur unless there are much tighter application requirements than it now appears there will be. In our experience here at the college, we know that we must hold the strings tight if we are to grant necessary loans and think in terms of counseling a student concerning his future chances to repay this debt. I am afraid the number of delinquent repayments for guaranteed loans will be great, due to the fact that unwise borrowing has been permitted. According to published reports, this seems to have been the case in the National Defense Student Loan program, although I maintain that this should not have been the case, the collections of the National Defense Student Loans being only as effective as the college administrators have been willing to put forth that extra effort. I personally would like to see the National Defense Student Loan program go on indefinitely, using, perhaps, a supplementary loan program through private financing as needed and recommended through the individual colleges.

I believe the Educational Opportunity grants will be very helpful to both colleges and students who are eligible for them. The administration of these grants seems manageable enough. Of course the timing of when we will know what amount we will receive, if any, is a bit late, but that too is forgiveable, especially this first year.

The Reverend Kennell has suggested that you might stop in and see us when you are in this area. We would be very pleased to meet you at any time. Thanks for your interest in and work in behalf of college students.

Yours very truly,

FLORENCE S. KOEDER,
Financial Aid Officer.