

exemptions from the disclosure requirement for small credit transactions and first mortgages, and also exempts credit insurance from inclusion in the finance charge. In addition, the Senate bill permits the rate on regular revolving credit accounts to be stated on a monthly rather than an annual basis.

As we advised the committee in our report on H.R. 11601, we believe that all types of creditors and all credit transactions should be treated equally and impartially to the greatest extent possible. We therefore support the provisions of H.R. 11601 which would eliminate these special exemptions.

The bill before this committee also would extend the disclosure requirement to cover advertising of credit. This would more fully implement the President's recommendations, and would more effectively inform consumers of the comparative costs of different types of credit. We therefore also support this provision of H.R. 11601.

There are a number of other proposals included in H.R. 11601. These include an 18-percent limitation on credit charges; a prohibition against "confession of judgment" notes; an authorization for regulation of credit for commodity futures contracts; authority to restrict consumer credit during national emergencies; and a prohibition against garnishment of wages. Finally, the bill would establish a National Commission on Consumer Finance.

The issues presented by these proposed provisions are many and complex. Unlike the disclosure requirements I discussed earlier, these issues have not yet been subjected to the careful study they merit. We are dealing here—in the area of credit—with a subject that vitally affects the successful operation of our Nation's economy. I therefore believe that these major new issues should receive a good deal of exploration before any final action is taken. Whether this study is conducted by the Congress, by an existing agency of the executive branch, or by the proposed new Commission, I am certain that this committee will avoid precipitous action in this important area.

Moreover, I hope that the committee will not permit the need for study of these other issues to delay action on the truth-in-lending portions of H.R. 11601. After long years of effort, and longer years of need, we should postpone no further providing the American consumer with the information he needs to make intelligent use of our vital consumer credit system.

Mrs. SULLIVAN. We will have witnesses, Mr. Secretary, who will testify on all of the various provisions of the bill, and I hope we can establish a good case for some of the new provisions.

Mr. BARR. Thank you, Madam Chairman.

Madam Chairman, to move into the specific provisions of the bill, I can read through this portion of the statement or stop here. If you think that your committee is adequately informed on the provisions of the bill, I would stop. I will be guided by your judgment.

Mrs. SULLIVAN. I believe, Mr. Secretary, since you are the first witness, it would be good to go through these provisions.

Mr. BARR. Thank you, Madam Chairman. I will be glad to do so. H.R. 11601 would—

(1) Require every individual or firm engaged in the business of extending credit to furnish every prospective consumer of credit