

of conventions or between conventions, executive council actions. So this is exactly the situation which now prevails.

Furthermore, one of the things that we agree with you on is, we think the Federal Government by now should have come up with some answers but we also think that one of the kinds of problems which your proposed National Commission could well go into is whether you might not run into even worse situations in clogged courts, and so on, if you had a Federal law on this subject. This is one of the problems that we want to thrash out and thrash out pretty thoroughly.

I would also add that I am delighted to learn Mr. Block, whom I also know, would like to see a garnishment law, but I would suggest that if Inland Steel would exert a little of its influence on the Indiana Legislature you might get some quicker action—he might get some quicker action than he would out of the Congress.

Mr. ANNUNZIO. He has been doing a good job with the Illinois Legislature. I am not familiar with what they are doing with the Indiana Legislature. But again, you made a statement about first mortgages and points.

Mr. BIEMILLER. Yes.

Mr. ANNUNZIO. Can I have about 2 minutes?

Mrs. SULLIVAN. Without objection.

Mr. ANNUNZIO. Mr. Biemiller, you made reference to points in your prepared statement to the committee. Points are extra charges made to people buying large apartment buildings and other types of real estate. As you know, many unions are investing in large real estate holdings and they are paying points. I am talking now about a steelworker who buys a \$20,000 or \$25,000 home, and if he is fortunate enough, his first mortgage is paid up and he owns the home. Then he finds that this home is in need of repairs.

So he goes out and they repair the roof and do many other things, and he has to go back to the bank and he has to get a first mortgage because he finds himself in the hands of unscrupulous outfits who are in the renovation business. I know you are familiar with them, and these outfits have to be paid once a commitment is made.

How can we write into this bill some sort of legislation to prevent a homeowner from being victimized by this unscrupulous operator who makes these repairs on a home that is already paid for, causing a steelworker to go out and get a first mortgage in order to pay for these repairs?

Mr. BIEMILLER. Are you referring now to the finance problem or to the gyp artist problem?

Mr. ANNUNZIO. Both. You say you have changed your position in the testimony?

Mr. BIEMILLER. The finance problem is very simple. Take a \$10,000 mortgage. If you pay 6 points, you get \$9,400. You don't get \$10,000 and the true interest rate then on a 30-year mortgage is 6.59 percent. That is the point that we are making.

Now as far as the gyp artist is concerned, that is a problem that I don't think you can approach by this kind of financial legislation. You have a problem there of just plain fraud and unfortunately if people get caught by the gyp artist who travels around, and there are even bands of them in some parts of the country who do this, you have