at 9 a.m. that these gentlemen have agreed to answer in writing questions that we would like to ask them now, and, they can answer in the record when they receive their transcripts in the next few days. If they will reply by the first part of the week to any question that we put to them, we can have time to go over it and study it.

Mr. DeShazor. Madam Chairman, may I make one comment? There is one closing comment here which I would like to read to you because I think it is terribly important in another area of your consideration and I will omit everything else and I would like to make that.

Mrs. Sullivan. All right, just one moment before you do.

Mr. Fino. One question for a yes or no answer. That is all.

What in your opinion is more important to the customer, annual rates or the annual charge as a percentage of the amounts purchased?

Dr. Wooley. Run that through once more.

Mr. Fino. What is more important to the customer, the annual rate or the annual charges of the percentage of the amounts purchased?

Dr. Wooley. The dollar charge has to be the most important.

Mr. Fino. Thank you.

Mr. Hanna. Madam Chairman?

Mrs. Sullivan. If you could read in your question that would be all right. Would you do that?

Mr. Hanna. I would like to have the gentleman prepare a comment on the applied rate versus the effective rate. I think the committee needs to get very clear the position on this.

Mr. DeShazor. I think you are absolutely right and I have a note here that one of my examples did touch on that when I referred to closed end versus open end. You see the real problem here that any one of us has is that in figuring, as Madam Chairman referred to this, what the rate is going to be; there are several factors you have to know. One of those, obviously, is the rate itself. In a mortgage, for example, you know what the rate is, you know what the amount of the transaction is and you know what the time is. I think they are the three significant elements of any figuring of interest—or carrying charge, or whatever you want to call it.

Now, you don't have that in revolving charges and that is basic, that is the basic thing we are still stumbling over here this morning in this question.

Mr. Hanna. If you will just make that clear and avoid any kind of technical language about open end or closed end or anything like that, but just the three things we are talking about and figure out this both as applied and effective.

Then the other thing that I would like to ask you, if you would please answer these two questions for me in regard to the exemptions of the $10 charge.

Mr. DeShazor. That is the point that I would like to read to the committee, if I may.

Mr. Hanna. Let me ask you a question and you can say to the committee what you will.

My question is, Is there any reason why that should not be $5, No. 1, and No. 2, would you object to any language which would be added into this section to make it clear that it would be illegal to split sales for the purpose of evading disclosure?