Up until this point in time these people really suffered pretty much in silence. They had no local way of expressing the difficulties that they were in. The legal service program is providing them not only with an opportunity to be heard, but actually an opportunity to have many of the injustices rectified.

I think that that about comes as near as we can to a factual basis for our belief that we do have, within the poverty area, an extremely serious problem involved in the matter of gouging, excessive interest rates, unfair garnishments, sales that should not have been made, and problems of this sort in the consumer credit area.

Mrs. SULLIVAN. Have you found that the very poor, in order to get some of these things that they would like to have in household articles—and many of them do need them—would go to some of these unscrupulous dealers in household furniture or appliances, rather than to a legitimate firm which would give them a more reasonable credit transaction?

Mr. HARDING. I don't think there is any doubt that this is really the sort of merchant that in many cases they are forced to deal with. The merchant who is willing to accept an admittedly poor credit risk on the theory that there will be repossession of the article. Many of these articles will turn over time after time—these people are by their circumstances forced into this environment. Then you add to that the fact that many of them, because of their educational level, really have no concept of what it is they are getting into in these sales contracts. So you've a double motivation working that puts these people in a tremendously disadvantaged position, vis-a-vis the rest of us.

Mrs. SULLIVAN. The repossession of many of these articles and then reselling them could account for some of the things Mr. Fino mentioned, too, where a firm will sell a television or something as a new article when it may be 1 or more years old and it may have been in two or three households.

Mr. HARDING. In many cases the obligation remains on the person, even though the article has been repossessed.

Mrs. SULLIVAN. Yes. Some of our witnesses have had the impression that the Consumer Credit Protection Act of 1967, H.R. 11601, or S. 5, the truth-in-lending bill, passed by the Senate is primarily for the urban population. Can you indicate to us the number of families living in the rural areas that you feel this legislation will help?

Mr. HARDING. We do have facts relative to the proportion of the poor that are in nonurban centers and the figures represent a very considerable percentage of the total 30 million poor people in this country. We will be happy to supply that for the record and we feel that directly or indirectly this bill will benefit all of these people.

(The material referred to follows:)

Of the total rural population (55 million), 15 million, or 26.9 percent, are poor; all of whom would benefit directly or indirectly.

Mrs. SULLIVAN. Do you provide legal service to the rural poor as well as the urban poor?

Mr. HARDING. Yes, Madam Chairman, we have the legal services—it is not as extensive in the rural areas. There is a consumer action demonstration that is just beginning in rural Ohio which should be able to give us more of this information.