Mrs. SULLIVAN. Third, it would not require an annual percentage rate disclosure on open-end credit plans such as department store revolving charges and gasoline and other credit card plans; is that not right?

Mr. GREENBERG. That's correct.

Mr. DIXON. That is right.

Mrs. SULLIVAN. Fourth, it would require an annual percentage rate disclosure only for large ticket items—installment transactions like automobiles, television sets, sizable loans, second and third mortgages, and so forth. But none of those would have to give an annual percentage rate until July of 1972, which is 5 years away. All right, so no one would be covered and nothing would be covered that would mean anything to anyone in terms of an annual percentage rate for 5 years; is that right?

Mr. DIXON. That is right.

Mrs. SULLIVAN. Is dollars per hundred on the average unpaid balance the same as the annual percentage rate which they would have to show after 1972?

Mr. GREENBERG. It isn't clear.

Mr. DIXON. It is not the same?

Mrs. SULLIVAN. I think it was testified that when they said $12 per hundred per year on the average unpaid balance it meant 12 percent.

Mr. GREENBERG. On the average unpaid balance—if you consider a hundred as a basis for percentage, conceivably this might be so. I would have to sit down and figure that out.

Mrs. SULLIVAN. This is the interpretation we were given—that it means the same thing. If so, then why did the Senate provide a 5-year moratorium on stating the percentage rate if this phraseology means exactly the same thing? We were told it was because of the State usury laws.

In your statement I think you made it clear that this fear was unfounded and I think Secretary Barr did the same thing—thus making this provision of the Senate bill unnecessary; is that true?

Mr. GREENBERG. That appears to be correct.

Mrs. SULLIVAN. I am worried, however, that this is possibly subject to a different interpretation; that is, that under the language of S. 5 they could for 5 years quote a discount rate as $6 per hundred per year instead of the actual rate of 12 percent.

Mr. DIXON. I think you could. Six dollars per hundred per year.

Mr. GREENBERG. I would have to study that.

Mrs. SULLIVAN. When you get a copy of the transcript—let me read that once more.

I want to know if the provision of S. 5 is possibly subject to a different interpretation than the one we were given; that is, that under the language they could for 5 years quote the discount rate as $6 per hundred per year, when it is actually a 12-percent rate.

Mr. DIXON. I think I would want to look at that and want my bookkeeper to give me some advice.

Mrs. SULLIVAN. I wish you would go over these last few questions because we have been told that dollars per hundred per year on the average unpaid balance, as provided for 5 years in S. 5, actually is the same as the annual percentage rate specified in H.R. 11601.