

Mrs. SULLIVAN. I cannot help but point out that there really is more than one way to skin a cat, and I think these cats have proven that the American consumer has been skinned a number of times.

Mr. Fino?

Mr. FINO. Thank you, Madam Chairman.

Mr. Brownstein, regarding the requirement for full disclosure of finance charges for homebuyers, is it not a fact that a homebuyer will purchase the home whether or not he is apprised of the entire interest cost because in most cases, and I will speak as a lawyer, there are three important factors entering his mind.

No. 1, a desire to own his own home. No. 2, whether the rent he is now paying for his apartment will be sufficient to cover the carrying charges on the mortgage. And No. 3, the knowledge that at the end of the mortgage period he will own his own home. So that if you tell him that his mortgage is going to cost him \$10,000 more at the end of 30 years than what it was in the beginning, this is not going to change his mind about buying a home. Do you agree?

Mr. BROWNSTEIN. I think that the three elements that you mentioned, Mr. Fino, are all very important considerations. However, I don't think really there is any such thing as a typical homebuyer. I think that the typical homebuyer is about as typical as any other American citizen—there will be various patterns that are developed among homebuyers the same as in any other walk of life. There are people who decide that this may not be the time that they want to buy because they think that perhaps if they wait a little while they can get either a better price on the unit they want to buy or a little better deal on the financing. This is entirely a matter of personal belief and personal preference.

Mr. FINO. Getting to the garnishment of salaries. Is it not true that if we were to eliminate the garnishment of salaries that the poor people would be the ones that would be the most affected?

Mr. BROWNSTEIN. What we are suggesting, Mr. Fino, on that is that it ought to be considered because it could possibly have this kind of consequence.

Mr. FINO. H.R. 11601, the bill introduced by Mrs. Sullivan, provides for a ceiling of 18 percent on revolving charge accounts. We had testimony before this committee which has shown service charges run 10, 11, 12, 15 percent. Do you not feel that if we were to set a ceiling at 18 percent, that that might encourage businessmen to go to that figure and use that figure in the operation of their business?

Mr. BROWNSTEIN. Well, we believe that this, too, is something that ought to be looked at very carefully, Mr. Fino, so that it does not have a consequence opposite to that that is desired.

Mrs. SULLIVAN. May I interrupt just a moment, Mr. Fino?

Mr. FINO. Are you asking me to yield?

Mrs. SULLIVAN. Will you yield?

Mr. FINO. Yes.

Mrs. SULLIVAN. My bill does not set a ceiling of 18 percent on the revolving charges.

Mr. FINO. You have that in your bill.

Mrs. SULLIVAN. That is on all credit that we are talking about in this bill, not just revolving credit.