40-year mortgages for retirement villages, I think they understood it as equity. A person in the 55 to 65 age is not really looking forward to paying off a 40-year mortgage. Have we not moved into the field of really equity in ownership?

Mr. STEPHENS. Would you yield back to me now?

Mr. HANNA. I certainly would.

Mr. STEPHENS. I take it, Mr. Brownstein, what Mr. Hanna mentioned there is like the experience I had in closing a sale for a man. I told the purchaser: "Here is the warranty deed." He said, "I don't want that, I want the mortgage deed." I said, "Why?" He said: "The last time I had the warranty deed the fellow who had the mortgage deed got the house."

What I want to ask you about, in S. 5 and in H.R. 11602, and the similar bill that I introduced, first mortgages have been exempt. What was the reasoning, in your understanding, in the Senate for leaving first mortgages out?

Mr. BROWNSTEIN. I think probably because, Mr. Stephens, it was believed on the part of many that the interest rate which is stated in the first mortgage is the true interest rate that the buyer pays and that there probably was not the need for the full disclosure in the case of the first mortgage as there was in other types of credit.

Mr. STEPHENS. Would not the effect of that be that in the FHA rules a statement has to show the true interest rate?

Mr. BROWNSTEIN. As a matter of fact, as I have testified earlier and have introduced into the record, the FHA has gone beyond that and lets the buyer know exactly what he is paying, both in terms of rate and in dollar amount.

Mr. STEPHENS. In Mr. Weaver's statement and in yours, but I think Mr. Weaver primarily pointed this out. He said that H.R. 11601 would take in more truth-in-lending provisions. Then he cites that putting an arbitrary limit on financing charges, to authorize consumer credit control during national emergencies, prohibit garnishment of wages, establish a National Commission on Consumer Finance, and prohibiting confession of judgment notes, that ought to be looked into further.

But nothing was mentioned about the proposal made in H.R. 11601 of truth in advertising. Do you all have any comments you would like to make on the proposals in H.R. 11601 about advertising true rates, and so forth?

Mr. BROWNSTEIN. Well, I believe that the important thing, Mr. Stephens, is that the prospective borrower know what the true rate is and the amount that he is paying, and our concern would be that a mechanism be provided that would assure him of this kind of information.

Mr. STEPHENS. I would like to make a comment in respect to the points that are charged.

As you pointed out, it is reflective of the marketplace. But if we begin to try and make some kind of regulation in that we are going to have to go further than just the mortgage business, because that is the essence of the bond business—the yield. A stockbroker will counsel with his client and tell him that if he buys a certain municipal bond at a given price with this interest rate, then the yield that he will receive will be so much. We would have to go into that kind of borrowing as well when we get into points. Then we become involved in the