

I am Charles E. Walker, executive vice president of the American Bankers Association. I plan to make a brief statement on behalf of the association and to submit a detailed statement on the disclosure bills for the information of the committee.

Mrs. SULLIVAN. Without objection, your full statement will be made a part of the record.

Mr. WALKER. We have also developed a statement on technical problems involved in the legislation which we will have available for you before the hearings end.

Mr. SULLIVAN. That will be fine.

Mr. WALKER. Before I identify my associates I want to apologize for a few typographical errors in the statement. I will identify those as I go along. They have been corrected in the statement brought up today in our desire to get the statement before you as early as possible, and there were some unavoidable typographical errors.

Mr. Thomas L. Bailey of the Marine Midland Corp. of New York has worked extensively with installment credit and bank credit cards and related matters and will answer questions in this field. Mr. John F. Rolph is a member of the ABA staff and will answer questions on legal and technical matters concerning these bills and related State laws.

Consumer credit is vital to our productive and distributive systems and to the health of the economy. Total consumer credit outstanding is over \$90 billion, of which banks hold more than \$30 billion. Consumer credit is being extended at the rate of \$6 to \$7 billion a month, and repayments are almost as large, the net increase during the past year amounting to almost \$5 billion. First mortgages, which would also be affected by H.R. 11601, are equally vital to the homebuilding industry and to the economy, and they involve even more money. The total of residential mortgages outstanding is over \$200 billion and the amount invested in them in recent years has been in the neighborhood of \$35 billion per year—that is a gross figure, not a net figure.

The ABA has historically endorsed the principle of full disclosure of consumer finance charges and we have strongly supported efforts to improve State laws in this field. As evidence of this we would call the committee's attention to the very substantial support both in time and money which the ABA has given over the past 4 years to the Uniform Consumer Credit Code project of the National Conference of Commissioners on Uniform State Laws. Other segments of the consumer credit industry, consumer groups and foundations have also contributed significantly to this project. Approximately \$250,000 has been spent on this project. Our contribution has been approximately \$62,500, not counting thousands of dollars of ABA staff time.

However, in spite of ABA's support of the principle of full disclosure, we have been deeply concerned about the possible effect of earlier versions of the consumer credit disclosure proposal on consumers and on the consumer credit industry, practically by reason of the relation between those proposals and the many different State laws applying to various aspects of the consumer credit business. We have also been deeply concerned about the workability of these earlier proposals and the administrative burdens they might impose on the Federal Reserve Board.