

CONSUMER CREDIT PROTECTION ACT

FRIDAY, AUGUST 11, 1967

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CONSUMER AFFAIRS OF THE
COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:15 a.m. in room 2128, Rayburn House Office Building, Hon. Leonor K. Sullivan (chairman of the subcommittee) presiding.

Present: Representatives Sullivan, Gonzalez, Hanna, Annunzio, Bingham, and Dwyer.

Mrs. SULLIVAN. The Subcommittee on Consumer Affairs will come to order.

I would like to just make a brief opening statement before we start this morning's hearing.

The Subcommittee on Consumer Affairs has held seven sessions during the past 4 days on the consumer credit legislation now before us—every morning and every afternoon except Tuesday when we could not obtain House permission to sit. We have begun as early as 9 o'clock in the morning and worked late into the afternoons. And we still have much ground to cover.

I want to express my appreciation to the members of the subcommittee who have been so conscientious in attending the hearing and participating in the questioning. With so much work in our own offices, plus our responsibilities on legislation before the House, it is a real sacrifice to carve out so large a part of each day for so many days in a row for hearings on a specific piece of legislation.

On the other hand, this legislation does indeed deserve such attention. Even the mildest bill before us on "truth in lending" would require a great deal of change in methodology and even in the language of the consumer credit industry, which now has loans outstanding amounting almost to the size of the Federal budget, in the neighborhood of \$100 billion. And this, of course, does not include the hundreds of billions in real estate consumer credit.

So we are dealing with a subject which affects nearly every business in the country, directly or indirectly, and every consumer, whether he pays cash for his purchases or defers payment through one or another of a great variety of devices for enjoying today what you possibly cannot afford today to pay for. We have heard from Cabinet officers, agency administrators, consumer representatives, and spokesmen for the merchants and bankers covered by the legislation.

This morning we are fortunate in having with us four men who daily confront the problems of those consumers who have used too