

Mrs. SULLIVAN. Thank you, and it has been most enlightening to hear from all three of you. Mr. Stone, we will place your entire statement in the record at this point.

(The complete statement of Mr. Stone follows:)

STATEMENT OF CUNA INTERNATIONAL, INC., BY JULIUS STONE, CHAIRMAN, LEGAL AND LEGISLATIVE COMMITTEE

Mr. Chairman, members of the Committee, my name is Julius Stone. I am chairman of the Legal and Legislative Committee of CUNA International, Inc., and I am a Director and Past President of CUNA. CUNA International, Inc., is a non-profit association of credit union leagues. In this country, there are 48 state credit union leagues which represent approximately 22,000 credit unions and which comprise approximately 18 million members.

I am appearing before you today to testify in support of H.R. 11601, the Consumer Credit Protection Act.

As you know, credit unions are non-profit mutual membership organizations chartered for the purpose of promoting thrift and providing provident and productive loans. They are chartered by either the Federal government or by one of the state governments, and they are supervised and examined by a state or Federal agency. They are exempt from Federal income taxes. Credit unions do not deal with the general public. They must have a common bond of membership and they can only deal with members.

Each member of the credit union has one vote which he is free to exercise for the election of officers and for many other purposes. In order to become a member, an individual must pay a 25 cent admission fee and he must agree to subscribe to one 5 dollar share. These facts are stated as a means of indicating the unique structure of a credit union as compared to other lenders.

We in the credit union movement like to believe that credit unions exist for one purpose—that purpose is to serve the members. Traditionally, we have fulfilled a substantial need for those who have been unable to obtain credit. We like to believe that we have been responsible for proving to other lenders that the "average man", whether he is a factory worker, an enlisted man in the military, a teacher, a civil servant, or a welfare recipient, has the capacity and the character to repay his loans if he is dealt with fairly and counseled wisely.

To this end, we like to think of ourselves as more than just a savings and lending institution. We believe that we are also an educational institution and a considerable amount of our time is devoted to educating our members. We justify this undertaking on the theory that our members save money not only by depositing a specific amount in the credit union each month, but, equally important, by becoming knowledgeable buyers and by having adequate information with which to make decisions in the market place. This consumer orientation is reflected in many of the publications which are produced by CUNA International and by the various state credit union leagues. We publish a series of pamphlets known as Consumer Facts which attempt to give the facts to our members so that they will be able to get more for their money. These pamphlets cover everything from "How to Save On Meat Purchases" to the "Veteran's Benefits Available Under the Cold War GI Bill".

Moreover, we publish a consumer's magazine known as *Everybody's Money* which has a circulation in excess of 1,500,000. This magazine is sent only to credit union members and its specific purpose is to provide them with facts so that they will be able to get more for their money. In addition, we carry on all kinds of educational programs for credit union volunteers and professionals. Among the more important of these programs is our family financial counseling course which, in many cases, is available to credit union officials and members through a correspondence course.

We point all of this out so that you will understand our position on H.R. 11601. We believe that H.R. 11601 contains many provisions which are necessary for the consumer credit user to know the facts which will allow him to get more for his money. We also believe that H.R. 11601 introduced many new provisions which must be examined more thoroughly before being acted upon. We have taken a favorable position on the Truth-in-Lending bill ever since it was first introduced by Senator Douglas, and we have wholeheartedly supported it. We continue to do so, even though we realize that the approximate annual interest rate disclosure