

If we want to go back to State's rights, then we must start carving Sears, Penney's and Ward's into 50 different parts so we can handle them on State's basis. They are national and their interests are national in scope. This is one of the chief reasons why we need national legislation.

Finally I want to compliment you for leaving out the installment open-end provision. This makes no consumer sense. If I know the rate is 18 percent or $1\frac{1}{2}$ percent a month, either way, there is no difference whether I have a lien on that property or don't have a lien on that property. From the consumer point of view it doesn't make any sense to have different kinds of credit. The \$10 minimum, that's wonderful that you knocked that out. Mr. Bennett in the Senate used to cite his famous battery case which was 104 percent as an example of a small credit transaction that should be exempt. Any service station could have said, "Here is the battery, our interest rate is 2 percent a week." He would have come out with the same answer.

If a service station attendant can figure 2 percent sales tax he can figure a 2-percent financing on the battery, too. I think it is a shame Mr. Bennett got through the long history of Senate hearings with that silly sort of case. That is a 104 percent annual rate.

Thirdly, with respect to first mortgages, I have quite a bit to say here, but I would like to say first that back in 1964 the Consumer Advisory Council was greatly concerned with home closing costs, and the variations of it around the country.

Specifically, our recommendation was that these variations in home closing costs throughout the United States be subject to study. How sensitive an issue it was is indicated by the fact that it was picked up by House and Home magazine, a very stable and sophisticated journal.

I have included a copy of that article from House and Home of August 1964. Specifically I thought their companion article, "How Bill Levitt Frees Buyers of Closings Costs" was most appropriate because it shows how Levitt was able to get closing costs down from \$576 to \$213.

This matter of closing cost has been kicking around for at least 3 years. We haven't done much about it, that I know of, except study it a little bit more. There is tremendous variation from place to place, but as I say in my testimony, what it boils down to is that the lender who can't make enough money through interest alone must make money some other way, and the result is points, discount, closing costs, and so forth.

I reviewed a case for the attorney general of Kansas in which the individual would have been better off if he had borrowed money for anything less than 200 percent after all of the costs were figured. But the individual needed the loan and the lender wanted to lend the