

although States like Colorado, Illinois, and Ohio don't have "sewer service" because when you have cognovit notes, who needs sewer service. The debtor already has waived his defenses.

In States like New York there are instances which the U.S. Attorney General is now investigating. This woman never received proper court notice. All she got was a notice that her wages had been garnisheed.

Mrs. SULLIVAN. What do you mean by "sewer service"?

Mr. MARGOLIUS. The process server is supposed to serve the notice on the debtor that he is being sued on this contract but he never actually sees the debtor. This happens many times. They found, for example, cases in which process servers had served notices on debtors in New York at addresses where they hadn't lived for years. In this typical case of the vacuum cleaner the woman agreed to pay \$80 for, she finally had to pay \$120 for that and doesn't have the vacuum cleaner to show for it.

Let me tell you about this woman worker on the East Side of New York who bought furniture for \$800. She had paid \$350 off on it when she fell ill and fell behind in the payments. The furniture was repossessed. She was then presented with a new bill for \$800 because the furniture brought very little on the resale and with the repossession and legal costs and warehousing costs she now owed \$800 and didn't even have the furniture to show for it. She not only lost the \$350 but had to pay for the full balance. That happens time and time again.

Mrs. SULLIVAN. There is no way, you say, for them to cope with this at all?

Mr. MARGOLIUS. No way at all.

In Colorado one of the vacuum cleaner companies selling vacuum cleaners on referral plans for \$400, no less, ran their ads under job wanted ads. This woman answered an ad thinking she could make a little extra money to help her husband. The salesman came and told her all she had to do was send them customers and they would give her \$20 for each referral but he asked her to take the cleaner and sign the receipt to show she had the vacuum cleaner. They found 70 cases like that with the seller advertising in the Denver Post, a fine respectable newspaper.

The reputable businessman doesn't use garnishment as much as the disreputable ones. But respectable institutions are financing high-pressure sellers all the time. A big bank in Buffalo, N.Y., had a half million dollars of food freezer contracts. A big bank in Detroit financed referral-plan carpet sellers. So did a large bank in Texas and so on. So the respectable institutions seem to close their eyes to what is going on.

Mrs. SULLIVAN. One way they might have some help in coping with this is if we give them the tools through this legislation to be