Mrs. SULLIVAN. These were Federal court officials who have over 50 years of experience as referees in bankruptcy.

Mr. WILLIAMS. Permit me to say I hope their statements have been substantiated to a greater extent than some of the things I have heard here this morning.

Mrs. SULLIVAN. Dr. Morse, you will certainly be interested—and perhaps a bit surprised, too—to know that the American Retail Federation has been using your data on revolving charges in an effort to prove to us that it is impossible to figure the annual percentage rate on such charges. They have sent around an excerpt from one of your publications, showing at least six different methods used by retailers in making the 1½-percent monthly charge—on the beginning balance, on the end-of-the-month balance, on the previous month's balance counting payments during the month, or not counting them, and so on.

Does all this add up to the federation's claim that 1½ percent per month is not 18 percent a year?

Mr. MORSE. They have not honored me with a copy——

(The information referred to follows:)

AMERICAN RETAIL FEDERATION,
Washington, D.C., August 11, 1967.

HON. LEONOR K. SULLIVAN,
Chairman, Consumer Affairs Subcommittee,
Rayburn Building,
Washington, D.C.

DEAR CHAIRMAN SULLIVAN: As a result of the American Retail Federation testimony on truth-in-lending, some Subcommittee members apparently have the impression that all retailers use the same method for computing service charges on revolving credit accounts. This is not correct. The attached will clarify the situation.

H.R. 11601 will force retailers to tell customers they will be charged 18 percent per year on revolving credit when, in fact, this is not so. Dr. Richard Morse has indicated six different methods used to compute 1½ percent monthly service charges on revolving credit accounts and we feel that the Committee should be aware of these independent systems.

Cordially,

EUGENE A. KEENEY.