

garnishment becomes only one of many factors for the creditor to consider in appraising the loss potential of credit as it is being extended. If the creditor is denied the use of garnishment, he will not become disadvantaged, but relieved of considering this in establishing the credit worthiness of credit applicants.

3. I am not a student of wage assignment and garnishment. However, I am impressed by the abuses of present procedures affecting both the consumer and the employer. Furthermore, I am impressed by the recommendation of the Committee of the Ontario Legislation on Consumer Credit made June 10, 1965 opposing "blanket or automatic type of wage assignment" and recommending legislation "prohibiting any assignment or order, for payment of any salary, wage or other compensation for services or any part thereof earned or to be earned." (See recommendation number 15, paragraph 308 on page 44).

In conclusion, I do not think it proper to view garnishment strictly as a "protection" for the creditor without also considering the rate; both relate to risk assessment.

Sincerely yours,

RICHARD L. D. MORSE, *Professor and Head.*

Mrs. SULLIVAN. Mr. Annunzio?

Mr. ANNUNZIO. Thank you, Madam Chairman. The hour is late so I just will ask two questions that I want answered for the record.

Before I ask the questions I want to extend my deep appreciation to Mr. Margolius for his very constructive statement and the worthwhile cases that he brought to the attention of this committee. I want to extend my appreciation to my friend Professor Morse who has aided us so much on the Domestic Finance Subcommittee when we were studying the high usurious interest rates being charged to servicemen on automobiles.

I want Mr. Margolius to know my own feeling on garnishment of wages. There are four titles to H.R. 11601. If we lose all the titles and retained only the garnishment section we would be doing more for the consumers of America than has been done at any time during the history of this country. The record bears this out.

I think in your articles, that the American Federation of Labor does need a little bit of prodding. They have State organizations if we leave out Alaska and Hawaii, you have 48 States that have State organizations. Every one of these organizations have conventions. I am quite certain in every one of these State conventions they have already passed a garnishment of wages resolution and it is unfortunate that the national body in Washington has no policy.

Professor Morse, I know that you have made a study of the DOD directive on truth in lending. Will you tell this committee what some of the results of that study have been? Will you also tell us about the loopholes in this directive?

I specifically want you to mention the mandatory provision, and to dwell on this provision. I want to assure you that I am still pursuing the DOD on the mandatory disclosure provision.

Mrs. SULLIVAN. Did you say he could submit that for the record?

Mr. ANNUNZIO. Yes

Mrs. SULLIVAN. When you get the transcript you may answer it.

Mr. MORSE. If I may just submit the recommendations and first seven pages of this report on the DOD directive.

Mrs. SULLIVAN. All right, if you will do that.

(The material referred to may be found in the appendix, p. 1097.)

Mrs. SULLIVAN. Mr. Bingham?

Mr. BINGHAM. Thank you, Madam Chairman, and I would like to thank my colleague for yielding me time.