

Then, we believe, this committee will not accept the discriminatory provisions of S. 5, but will require all consumer credit transactions to disclose credit service charges on a similar basis.

Our six associations, and the more than 45,000 members we represent, will support any of the four credit disclosure proposals that is given universal application to all consumer credit transactions.

We urge the committee to support our recommendations for fair-play and to put all stores, both the giant merchantile establishments and the small independent noncomputer specialty stores, on an equal footing in the method of disclosing credit service charges. In this way, customers can be given a basis to compare and determine which is the cheapest rate available in the marketplace.

(The full statement of Mr. Stapp follows:)

STATEMENT OF CHARLES D. STAPP, PRESIDENT, KOOS BROS., RAHWAY, N.J.,
AND PRESIDENT, NATIONAL RETAIL FURNITURE ASSOCIATION

I am Charles D. Stapp, President of Koos Brothers of Rahway, New Jersey. I am a retail furniture dealer and President of the National Retail Furniture Association whose members operate more than 9,000 independent home furnishings specialty stores throughout the United States.

Today, I am appearing in behalf of the National Retail Furniture Association and five other national Associations: the National Appliance Radio & TV Dealers Association, the National Association of House to House Installment Companies, the National Association of Music Merchants, Inc., the National Retail Hardware Association, and the National Sporting Goods Association. I am speaking for a group of independent retail merchants who operate more than 45,000 stores up and down the main streets of cities and towns throughout the United States. They are the home-town merchants who support the local little league baseball teams, who serve as block captains for the United Fund campaigns, and who buy the ads in the High School yearbook. Most of these 45,000 stores are and always have been family-owned businesses.

Our Associations agree with the idea of full disclosure of credit service charges. We support the basic objectives of the Truth In Lending bills. We encourage our members to provide a detailed expression of credit charges to all customers.

We have joined together to represent the non-computer retail stores who are concerned about the unfair treatment that would be arbitrarily thrust upon them under the provisions of the Truth In Lending bill passed by the U.S. Senate, S. 5.

Because we are presenting the common views of six Associations, we are prepared to discuss only the features of the bills that concern credit disclosure. We have not had time to fully study and reach inter-association agreement on the other provisions of H.R. 11601.

Our non-computer stores are concerned about the revolving credit compromise which built into S. 5 a special formula that gives those who offer revolving credit a competitive advantage over those who sell on instalment credit. In effect, S. 5 is a regulation of instalment credit only and does not offer customers the opportunity to compare credit service charges offered under different credit plans. Our non-computer stores are also concerned about the way that S. 5 discriminates between two types of revolving credit.

And so we are here today to do three things. First, to ask the committee to put all consumer credit transactions on an equal footing by requiring stores using credit service charges of any type to disclose these charges on an identical basis. A common denominator applied to all forms of credit is the only standard which will enable consumers to compare and determine which is cheapest. Second, we are here to suggest methods for eliminating the discrimination contained in S. 5. And third, we are here to offer the support of the more than 45,000 independent retail stores for a consumer credit disclosure bill that applies universally to all consumer credit transactions.

During the past seven years, there has been much discussion about the need to give the customer information about consumer credit charges that will let her compare credit costs so she can make wise use of credit. Any bill to assist the customer to do this should be based on two underlying characteristics: Consumer Understanding and Universal Application.