is in such form that it can be technically administered and applies to all extenders of credit.

The organization I represent, composed of some 6,500 National- and State-chartered community banks throughout the United States, believes strongly in the public's right to know the facts of a financial transaction.

We believe there is no valid reason why a customer or borrower should not have an accurate and understandable statement of the cost of borrowing and credit. We also believe this is in the public interest.

Presently, commercial banks effectively inform the consumer-borrower of financing charges. Comptroller of the Currency William B. Camp has testified before the Senate Banking and Currency Committee in praise of national bank performance in this area. We believe State banks have much the same performance record.

A subcommittee of our Federal Legislative Committee was appointed to study H.R. 11601 and H.R. 11602. Conclusions reached by this group at a meeting in Chicago on August 4 form the basis of this testimony.

Provisions of section 203 in the Sullivan bill, H.R. 11601, regarding disclosure of finance charges, follow generally S. 5 as adopted by the Senate and embodied here in the Widnall bill, H.R. 11602.

In both proposals, the Federal Reserve Board is designated as the agency to prepare regulations for implementing the legislation.

Should either bill become law, we are confident that the Board would promulgate fair and workable disclosure regulations. Such regulations would ease the burden of compliance by our member banks.

Section 204 of the Sullivan bill includes guidelines to the Board for writing regulations. These provide for tolerances, adjustments, and exceptions. Perhaps most important, so far as our member banks are concerned, is that the Board would prepare tables and charts for quick calculation of interest rate charges.

The Board should not, however, be made the policeman for all violations of all types of creditors as provided in the Sullivan bill section on administrative enforcement. These duties are not in keeping with its functions and it is not equipped to handle them. The testimony of the Board in the Senate on this point should be carefully reviewed. We believe the enforcement procedure of the Widnall bill is preferable.

As to the period for which the finance charge is to be disclosed, whether monthly or annually, it is the position of our association that the requirements should apply uniformly and equally to all types of creditors. Thus, whether the rate is disclosed on a monthly or annual basis, there would be for the borrower an ease of understanding exactly what he is paying.

Certainly the dollar amounts of finance charges should be disclosed on consumer loans. We recognize that it is difficult to arrive at an annual interest rate on credits containing variable terms. It is our sincere desire that the small banks forming the bulk of our association's membership could, under this legislation, continue to offer loans tailored to specific and particular needs of customers.

Section 211 of the Sullivan bill specifies July 1, 1968 as the effective date. We believe this date is too early and does not allow sufficient time for development of regulations that would be equitable for all segments of the credit industry.