

down the amount that was going to interest and the amount going to pay for credit life and I would be reasonably sure that the bank in question would feel the same way. You object to their inclusion of credit life premiums and interest as a single figure and yet in your bill you would require that disclosure of interest and credit life be included as a single rate. This is all we object to. We think they should be disclosed but should be separate and we think further that credit life premiums should not be related to a percentage figure anymore than any other insurance premium should be related to a percentage figure.

Mrs. SULLIVAN. Mr. Greathouse, you can answer this question also for the record when you go over your transcript:

How do we get across to the public the full story of predatory consumer credit practices so that we can deal with them? The District of Columbia Commissioners announced yesterday that they now want to do something about the problem here in Washington but I think we need national laws with teeth, such as H.R. 11601.

Can you help us get some real support for it?

If we were to pass the Senate bill, Mr. Greathouse, with no annual percentage rate required on revolving charge, no percentage rate disclosure requirement on most transactions under \$100, no disclosure of any kind required on first mortgages, no disclosure required on anything until July 1969, and then no required disclosure on an annual percentage rate on anything whatsoever until 5 years from now, what would that bill actually do for the consumer?

I wish you would answer those for the record, Mr. Greathouse. I want to say again that Mr. Annunzio was most disappointed not to be here to hear you this morning. He was most faithful, as Mr. Stephens has also been, in attending nearly all of these hearings. Mr. Annunzio has been one of the best advocates on the subcommittee of the garnishment provision of H.R. 11601 and he will be delighted with your support on this, and the support also of the industrial union department of the AFL-CIO. He was very unhappy, as were some of the others of us, when Mr. Beimiller testified about the lack of an AFL-CIO position on this.

There has been mention made here of the packaging bill. As weak as it is, it nevertheless allows the Food and Drug Administration and the Federal Trade Commission to specify the sizes of type for information required on labels. I think that is one of the most important things the packaging law does.

(Mr. Greathouse submitted the following comments in reply to Mrs. Sullivan's questions:)

I believe that the loopholes now existing in the Senate passed version of truth-in-lending would no doubt cost the American consumer hundreds of millions of dollars yearly. Total interest on consumer credit amounts to some \$13 billion yearly, and a substantial portion of that credit relates to areas such as first mortgages, purchases under \$100 and revolving credit accounts that are excluded from coverage in the Senate passed bill. Disclosure provisions should have the effect of compelling creditors who charge high interest rates to reduce their charges, and the availability of adequate information should lead the typical consumer to utilize credit sources with lower interest charges. These hundreds of millions of dollars will largely come out of the pockets of the disadvantaged, the least educated, those with incomes well below the poverty line, where the presence or absence of a few dollars can have a significant impact on their lives.

As I indicated in my prepared statement, the UAW and the IUD would wholeheartedly support legislation to eliminate small print in credit contracts by requiring that no type smaller than 8 point type be used in such contracts.

Mrs. SULLIVAN. Do you gentlemen think—I would like to have both of you answer this for the record—do you gentlemen think that the