

Federal Reserve Board, under this bill, should be able to specify that no type size smaller than, say, 8 point type, can be used on any credit contract? Just add your thoughts on that in your transcripts.

(The reply of Mr. Barber follows:)

Concerning your question regarding type size we have no objection to specifying the type size be large enough to be clearly legible to a person with normal vision.

Mrs. SULLIVAN. Before we close, I want to take care of a few details for the record.

I received a letter from the attorney general of the State of New York, Mr. Louis J. Lefkowitz, who has been very active in behalf of consumer causes. He urges the passage of those provisions of H.R. 11601 dealing with disclosure of credit costs in preference to the provisions of the bill passed by the Senate.

Congressman Halpern, a cosponsor of H.R. 11601, has asked me to place Mr. Lefkowitz' letter in the record at this point. He was unable to be here this morning or he would have read it into the record, for it is an excellent letter from a public official with wide experience in the subject matter of this legislation.

(The letter referred to follows:)

NEW YORK, N.Y., August 10, 1967.

HON. LEONOR K. SULLIVAN,
House of Representatives,
Washington, D.C.

DEAR MRS. SULLIVAN: The "truth in lending" bill, passed by the United States Senate, or the bill proposed by you, both of which are now before your committee, is a most urgently needed step toward protecting consumers and borrowers. Your bill offers, in my opinion, more protection to the public inasmuch as it calls for full disclosure of the cost of revolving credit and full disclosure on other interest rates, such as those on first mortgages. I urge your committee, if it reports out the Senate bill, to include therein a provision requiring full disclosure of the annual interest rates with respect to revolving charge accounts.

The purpose of these bills—to make sure that the borrower or installment buyer or anyone using credit will know exactly how much he is paying in interest, add-ons or other carrying charges—is essential to the achievement of adequate consumer protection.

Consumer credit is essential to the nation's economy and use of credit is responsible for much of the standard of living Americans enjoy. It is only fair, therefore, that the installment purchaser or borrower should be told by the leading institution his credit charges. This information should permit consumers to make more intelligent decisions about what they buy and borrow and on what terms.

It has been the experience of the Bureau of Consumer Frauds and Protection of my office that there is a glaring lack of knowledge on the part of most consumers of the actual cost of credit to them. Few families know how much interest they are paying and, tragically, the binge of borrowing has emboldened loan sharks and slippery salesmen to take advantage of an often too-trusting public.

The proposed legislation will be of primary benefit to the poor, who are the ones credit sharks find easiest to gouge. It won't eliminate unscrupulous salesman, but it will crimp their style and help to generate a new credit-consciousness among shoppers.

In hundreds of cases brought to the attention of my office, consumers who, being unaware of the full interest and credit charges, undertook payments far beyond their financial means. This resulted often in defaults by consumers after some payments had been made followed by the repossession of the merchandise and also the payment of deficiency judgments.

I have previously supported similar bills introduced in the Congress in recent years and I strongly urge support of the present measures with the revolving