

I hope that the committee will continue to insist on the inclusion of small loans and credits, including those where finance charges are less than \$10. Here we are dealing again in an area of the poor, and often ignorant, borrower who is limited in his opportunities to get credit.

Are we helping the poor by stating that they need no protection when they pay "only" \$10 for credit? How many \$10 charges must a man pay before he deserves such protection? I submit that this small borrower needs more, not less, protection.

Another reason for including these small transactions is to help the consumer make comparisons between the varieties of credit available. If the overall goal of this bill is comparative shopping for credit, the borrower needs information on all kinds of loans.

For example, the small credit seekers might decide that it is better to borrow \$100 at a true interest rate of 11 percent than to borrow \$50 twice when the rate is 20 percent. Yet the latter transaction, if they cost only \$9.90 each, would not be covered by the exclusion in S. 5.

I will not comment in detail on the other provisions of your bill, Madam Chairman. I believe you have produced a most progressive piece of legislation which will be remembered for its willingness to consider some of the hardest areas of consumer protection.

I believe the American consumer, and his advocates, in whose group I am proud to be counted, can take great satisfaction in your leadership.

Mrs. SULLIVAN. Next, we will have the statement of Congressman Ryan of New York, who is a cosponsor of H.R. 11806 introduced by Mr. Multer of New York which is identical to H.R. 11601. Congressman Ryan is vitally interested in the "truth-in-lending" issue and has long supported the legislation first introduced in 1960 by former Senator Paul Douglas.

**STATEMENT OF HON. WILLIAM F. RYAN, A REPRESENTATIVE IN
CONGRESS FROM THE 20TH CONGRESSIONAL DISTRICT OF THE
STATE OF NEW YORK**

Mr. RYAN. Madam Chairman, for a number of years I have introduced "truth-in-lending" legislation. I was pleased to join Senator Douglas in his early efforts for legislative action in this area. Now I have cosponsored the bill proposed by your committee, by introducing H.R. 11806.

The consumer credit bill which the subcommittee has drafted, recognizes that action must be taken in an area which has gone unregulated and in which abuse has grown as credit has expanded. The bill recognizes the necessity for a full disclosure of the facts about the cost of credit.

Consumers cannot rationally decide whether to incur debt or to save, and whether to take one credit offer or a competing offer, unless they are able to consider all the relevant facts: the total amount of the credit, the total charge for the credit, and the common denominator of the annual rate charged for the use of credit.

H.R. 11806 is superior to the credit disclosure bill passed by the Senate as a means of enabling consumers to use credit wisely; it makes no exceptions for revolving credit, for small-figure charges, or for first mortgages.