

I urge your attention to these matters in your consideration of truth-in-lending legislation and when you make your report to the House.

Thank you.

Mrs. SULLIVAN. That completes the statements I have from Members of Congress for inclusion in the record at this point. There are additional statements for the record which will be inserted either at this point or in the appendix. With that, the hearings are recessed subject to the call of the Chair.

(Whereupon, at 12 noon, the subcommittee adjourned, subject to call of the Chair.)

(The following statements and letters were submitted for inclusion in the record:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 25, 1967.

Mrs. LEONOR K. SULLIVAN,
Chairman, Subcommittee on Consumer Affairs, House Banking and Currency Committee, Rayburn House Office Building.

DEAR MADAME CHAIRMAN: I am writing with respect to the disclosure terms of the Truth-In-Lending legislation now being considered by your Subcommittee. I am concerned about a change made in the original Senate bill and I want to express my hope that the same change will not be made in H.R. 11601. After studying the Senate hearings, I have come to the conclusion that exempting certain credit grantors from annual-percentage-rate disclosure is discriminatory, confusing and unjustified.

This exemption would discriminate against small, independent specialty store retailers in favor of large department and chain stores. It would be confusing to the consumer and defeat the basic purpose of the bill—to make it easier for a prospective customer to compare credit service charges. Small business should not be placed at a disadvantage particularly when the result is less protection to the consumer.

I support Truth-In-Lending legislation but I cannot support the Senate provision of differential disclosure methods. Uniform methods of disclosure would enable consumer comparison and determination of the best available rate on the market. As you know, California already has consumer protection laws insofar as credit rate disclosure is concerned, and I would oppose any federal legislation which operated in a discriminatory way against the smaller retailer.

Sincerely,

DON EDWARDS,
Member of Congress.

STATEMENT OF U.S. SAVINGS & LOAN LEAGUE

The United States Savings and Loan League¹ supports the principle of truth-in-lending and the general objectives of H.R. 11601 and H.R. 11602 (S. 5). Most Americans are not experts in computing interest rates and it is important that they be advised of interest charges on some basis of uniformity that permits comparison of the competing financing arrangements.

The U.S. League has specifically endorsed H.R. 11602 (S. 5), the Senate passed measure and would specifically endorse H.R. 11601 if it were amended to (a) exempt first mortgage lending and (b) eliminate the 18 percent usury provision.

¹ The United States Savings & Loan League has a membership of 5,100 savings and loan associations, representing over 95% of the assets of the savings and loan business. League membership includes all types of associations—Federal and state chartered, insured and uninsured, stock and mutual. The principal officers are Otto Preisler, President, Chicago, Illinois; Hans Gehrke, Jr., Vice President, Detroit, Michigan; C. R. Mitchell, Legislative Chairman, Kansas City, Missouri; Norman Strunk, Executive Vice President, Chicago, Illinois; and Steve Slipper, Legislative Director, Washington, D.C. League headquarters is at 221 N. LaSalle Street, Chicago, Illinois; and the Washington Office is maintained at 425 13th Street, N.W., Washington, D.C. Telephone: 638-6334.