

5. Dollar, but not rate, disclosure of closing costs of loans secured by a mortgage or similar lien on real estate should be required. See Item 5 of the enclosed statement.

6. The effective date of the legislation should be postponed at least until July 1, 1969, except for the provision granting authority to the Board of Governors of the Federal Reserve System to adopt implementing regulations, which should be made effective upon enactment, to conform to S. 5 (Report No. 392) and H.R. 11602. In addition, the Board should be given power to postpone the effective date of the legislation for a 12-month period to encourage the States to enact comprehensive consumer credit legislation. In this connection, it should be noted that:

a. enactment of federal disclosure legislation will require a complete review and revision by the States of their existing consumer credit legislation, preferably along the lines of the proposed Uniform Consumer Credit Code to be promulgated by the National Conference of Commissioners on Uniform State Laws;

b. The National Conference will be unable to complete the final draft of its proposed Uniform Consumer Credit Code prior to mid-1968 for presentation to State Legislatures in their 1969 sessions; and

c. the Legislatures of some States do not have sessions, with plenary authority, meeting in 1969; to enable and encourage the Legislatures of those States to enact the proposed Uniform Consumer Credit Code, either the Board should have power to postpone the effective date of the legislation until July 1, 1970, or preferably, the effective date of the legislation should be July 1, 1970.

Considerations of time have precluded the submission of this letter and the accompanying statement to the members of the National Conference of Commissioners on Uniform State Laws or of this Special Committee for their approval. Consequently, this letter and the accompanying statement must be regarded as an expression of my personal views, although I believe that the views expressed will meet with the approval of the members of this Special Committee.

I shall be happy, if you wish, to meet with you or the staff of the Subcommittee on Consumer Affairs and the Committee on Banking and Currency to discuss further the contents of this letter and the accompanying statement.

We appreciate your request to comment on the above bill.

Very truly yours,

ALFRED A. BUEGER,
Chairman.

RECOMMENDED REVISIONS OF H.R. 11601

The following recommended revision of H.R. 11601 are submitted subject to the accompanying letter of transmittal, dated August 25, 1967, to Hon. Leonor K. Sullivan, Chairman of the Subcommittee on Consumer Affairs of the House of Representatives Committee on Banking and Currency.

The recommended revisions are divided into two classes, I and II. The Special Committee believes that the recommended revisions in each class are equally necessary and desirable, but has included in Class II revisions which might prove controversial and hence might delay enactment of a "Truth in Lending Act" or a "Consumer Credit Protection Act."

The supplementary comments following the recommended revisions further explain and elaborate upon the purposes and reasons for some of the revisions.

I

Item 1

Page I—Title of Bill—Delete all after "A BILL" and insert: "To assist in promoting the stabilization of the economy and of the value of money by requiring disclosure of finance charges in connection with extensions of credit and advertisements therefor."

Purpose of Revision: 1. To conform title of bill to title of S. 5 and H.R. 11602; 2. to add reference to "stabilization of the value of money" so as to invoke the constitutional powers of the Congress to regulate the value of money; and 3. to eliminate references to provisions of H.R. 11601 proposed to be deleted.