

*Item 13*

*Page 15, Lines 8-9—Sec. 230. (i) (2)—Revise to read:*

“(2) After December 31, 1971, all rates required to be disclosed by this section shall be expressed as percentage rates.”

*Purpose of Revisions (Items 12 and 13):* To conform to SEC. (i) (2) of S. 5. and H.R. 11602, at p. 23, Line 24 of S. 5 [Report No. 392], and p. 14, Line 4 of H.R. 11602.

*Item 14*

*Page 15, Lines 10-25; Page 16, Lines 1-24; Page 17, Lines 1-3—Sec. 203. (j) and (k)—Delete in their entirety and insert:*

“(j) (1) No person in an advertisement containing specific credit terms shall state—

“(A) a rate or rates of finance charge unless expressed in terms of an annual percentage rate or equivalent annual percentage rate; or

“(B) the amount of any finance charge, which is not a minimum or fixed amount imposed as a finance charge under an open end credit plan, or, otherwise, \$10.00 or more, unless the annual percentage rate or equivalent annual percentage rate is also stated; or

“(C) the amount of any installment payment unless the number, amount, and due dates or periods, and the total amount of installment and other payments are also stated;

“(2) No person shall state in an advertisement—

“(A) that specified amounts of credit or specified installment payment terms can be arranged, unless he usually and customarily extends credit in such amounts or upon such payment terms.

“(B) that, in a consumer credit sale, no down payment is or will be required, unless he usually and customarily requires no part payment of the price; or

“(C) that, in a consumer credit sale, a down payment no larger than a specified amount is required, unless he usually and customarily requires down payments no larger than the amount specified.

“(3) This subsection does not apply to any television or sound broadcasting station or to any publisher or printer of a newspaper, magazine, or other form of printed advertising, who broadcasts, publishes or prints an advertisement.”

*Purpose of Revision:* 1. To state clear and precise rules as to advertising which can be enforced by criminal sanctions only; 2. not to require so much disclosure in advertisements that the disclosure of the annual percentage rate or equivalent annual percentage rate will be lost in a maze of fine print and escape the attention of the reader or watcher; 3. in (j) (1) (C) to prohibit “a dollar down and a dollar a week” advertising, without disclosing the number of weeks and the total amount of installments; and 4. in (j) (3), to make the subsection inapplicable to printers, publishers and broadcasters who past experience shows will strenuously oppose any legislation which places upon them the burden of policing the content of advertisements.

*Item 15*

*Page 17, Lines 4-13—Sec. 203. (l) and (m)—Delete in their entirety.*

*Purpose of Revision:* 1. To delete from the bill provisions for ceilings on finance charges and prohibitions against confession of judgment provisions which many consider unwise and unconstitutional and which at the very least are highly controversial. Many of our consumers are not eligible for sales or loan credit at 18% per annum. Confession of judgment provisions in debt obligations must be considered in the light of the entire package of creditors' remedies and debtors' rights in a particular jurisdiction.

*Item 16*

*Page 17, Line 14—Sec. 203. (n)—Revise to read:*

“(k) The provisions of this section shall not apply to”.

*Purpose of Revision:* To reletter this subsection to reflect the omission of subsections (k), (l) and (m).

*Item 17*

*Page 20—Sec. 204. (e)—Revise Line 13 to read: “to advise and consult with it in the exercise of its functions”.*

*Purpose of Revision:* To correct typographical error.