

To forestall a multiplicity of nuisance suits against creditors, we would also urge that a provision be inserted in the bill which would hold an unsuccessful plaintiff liable for the defendant's reasonable attorneys' fees and court costs. Thus, both parties would be placed on the same footing and the litigious-minded would be forced to give pause before instituting a frivolous suit in the hope of a quick settlement.

This could be done by deleting the sentence beginning at line 8 of page 23 of H.R. 11601 and substituting the following:

"In any such action to recover a penalty as prescribed in paragraph (1), the losing party shall be liable for the reasonable attorneys' fees of the prevailing party and court costs as determined by the court."

Finally, as regards the civil penalties section, we would recommend the deletion of the words "and prior to the institution of an action hereunder or the receipt of written notice of the error" in lines 23 through 25 on page 22 of H.R. 11601. The present civil penalties section provides an adequate remedy to all debtors without making a game out of the discovery of errors. Every creditor should be given the opportunity to correct his error as soon as it is discovered, no matter who discovers it.

4. Inclusion of Agricultural Transactions.

In the Executive Session of the Senate Subcommittee on Financial Institutions, agricultural transactions were specifically brought within the scope of S. 5 and adopted by the Senate. They are also included in H.R. 11601. The inclusion of agricultural transactions raises many problems for our dealers.

The income of most farmers is seasonal and highly variable. Repayment schedules must be adapted to income patterns. Agricultural transactions probably involve the most complex and difficult computations of any installment credits. The bill should protect farmers as consumers, and exempt farmers as businessmen. The specific addition of credits extended for agricultural purposes, whether or not for personal, family, or household purposes, would have the effect of giving businessmen who are farmers protections which they have not requested. These protections will only serve to increase the cost of credit to farmers and make it more difficult for them to obtain credit. This Subcommittee is urged to exclude from the scope of H.R. 11601 business transactions entered into by businessmen whose business is agriculture.

5. The "Truth-in-Credit Advertising" Provisions of H.R. 11601.

As mentioned at the outset, NADA is pleased to see H.R. 11601 include requirements with respect to the advertisement of credit. While we recognize that this bill will not cure all the ills of advertising, it nevertheless offers a good beginning, at least as regards the advertisement of credit to which it is specifically directed.

By the way of background, NADA has been engaged in the battle against false, misleading and deceptive automobile advertising since 1954. It has pioneered in this field and is today without peer in its programs and efforts.

The initial "Recommended Standards of Practice for Advertising and Selling Automobiles" were compiled jointly by NADA and the Association of Better Business Bureaus twelve years ago with the aid of a grant of \$25,000 by NADA's Board of Directors for this purpose.

The Standards are reviewed periodically by the NADA Advertising Standards and Practices Committee with the Automobile Advertising Committee of the ABBB in order to keep them current with changing business conditions and new concepts in advertising. As an example, provisions of the code were extended two years ago to include the advertising of rental and leasing of automobiles, phases of the business which have grown considerably in recent years.

During this period, NADA has spent, by a conservative estimate, well in excess of a half million dollars promoting the adoption of its advertising standards by members, automobile dealers generally, the manufacturers, advertising agencies and the media. We have sponsored extensive advertising campaigns in the media trade press urging their adoption of these standards, or acceptable adaptations; we have provided speakers for a variety of meetings of advertising representatives of the media, explaining our objectives and seeking their cooperation; we have distributed thousands upon thousands of copies of the standards and have provided additional thousands to Better Business Bureaus throughout the country for supplemental distribution on their part.

Copies of these standards have also been made available to the public, schools and colleges, research libraries, individual consumers and others.