

disclosed and separately evaluated, as now provided in S. 5. Any regulation which would tend to treat insurance as an integral part of a credit transaction would make it very difficult, if not impossible, to maintain adequate policing of rates charged in relation to benefits provided. Consistent with Mr. Robertson of the Federal Reserve Board we urge you to amend H.R. 11601 to exclude insurance as a component of "finance charge."

NATIONAL FOUNDATION FOR CONSUMER CREDIT,
Washington, D.C., August 3, 1967.

HON. LEONOR K. SULLIVAN,
House of Representatives,
Washington, D.C.

DEAR MRS. SULLIVAN: I acknowledge your request for our appearance before the Consumer Affairs Subcommittee, Tuesday, August 8, 1967.

The National Foundation for Consumer Credit is composed of manufacturing, retailing, banking and other financial concerns dedicated to the purpose of making the consumer credit transaction better understood and more intelligently handled. With our membership so widely diversified and with each industrial, trade and financial group in our membership being represented specifically by the trade association or associations in its own field, we do not undertake to come to any common agreement on policy with respect to the intricacies of any legislation.

Our principal concern is with two major projects: (1) education, through the schools and colleges, in the area of consumer credit, to prepare the oncoming generation for its intelligent use; and (2) sponsorship of a nationwide network of non-profit Consumer Credit Counseling Services to help people who find themselves in credit and financial difficulty.

In more than 2,800 cities, the public schools have accepted our unit, using our credit intelligently for classroom teaching. Many parochial and other private secondary schools have done the same. Among those who edited it were fifty-five teachers, principals and superintendents who volunteered their time to help us make the study as impartial as possible.

This resulted, by the way, in 28 separate manuscripts before so many points of view could be meshed to the satisfaction of all.

In the Counseling area there are now more than seventy Services in operation with possibly 27,000 families under our wing at the moment. Private enterprise is investing close to two million dollars a year in this project alone, setting up the local Services. We believe before long there will be several hundred of these in operation.

I am taking the liberty of sending you a copy of both using our credit intelligently and the plans and working suggestions pertaining to the Counseling Service program.

These projects and the work involved in explaining them to all sorts of civic groups and to the teachers, to say nothing of persuading enterprise to support this effort take about all the time and money the Foundation has been able to generate.

So we respectfully suggest that we are really unable to contribute to the hearings on H.R. 11601 constructively; have not been instructed by our membership or officers as to their attitudes. These I expect could be varied and hardly within our province to seek to coordinate. I appreciate your thoughtfulness in suggesting that we testify.

I should like very much in the course of events to find that you may be interested personally in the work we are doing; should enjoy the opportunity to discuss it with you at your leisure.

Incidentally we are not a large organization and do not assume to represent any cross-section of business and banking opinion in the manner that the large trade associations can.

Cordially yours,

W. J. CHEYNEY,
Exec. Vice President.

P.S.—I thank you for the copy of the H.R. 11601 and the accompanying July 20 release.