NATIONAL ASSOCIATION OF HOUSE TO HOUSE INSTALLMENT COS., INC.,
New York, N.Y., August 4, 1967.

Hon. LEONOR K. SULLIVAN,
Chairman, Subcommittee on Consumer Affairs, House Banking and Currency Committee, House Office Building, Washington, D.C.

DEAR CONGRESSMAN SULLIVAN: I am writing to you on behalf of the more than 370 direct selling credit companies that are members of the National Association of House to House Installment Companies, all of whom have a vital interest in the "Truth-In-Lending" Bill.

I think it is a basic concept that Federal legislation should not discriminate against one group as opposed to another. It should be basic, therefore, that all retail creditors should be treated equally and kept on equal footing. Any disclosure legislation should not, in the way terms are to be stated, discriminate against retailers using any particular method of extending credit and should not favor other retailers such as department stores using other methods of giving credit.

For example, the "Truth-In-Lending" Bill now allows typical department store revolving credit to give service charge as monthly rate only but requires revolving accounts with title-retention and conventional installment accounts to give annual percentage rates, such as 18 per cent if monthly rate is 1½ per cent. This puts independent retailers who are in competition with department stores on big ticket items at a tremendous disadvantage.

In our type of *continuous* credit relationship with a customer, there are weekly payments plus add-on sales so that it is both a practical and a mathematical impossibility to establish the so-called "true" annual rate of interest. What our customers are interested in is the dollar cost of the credit that they obtain.

The purpose of the "Truth-In-Lending" Bill is to protect the consumer. Its purpose is not to protect one class of retailers against another and discriminatory protection of this type does nothing to enhance the protection given to the consumer in any way.

Sincerely yours,

EDWARD L. SARD,
Executive Director.

NATIONAL LEAGUE OF INSURED SAVINGS ASSOCIATIONS,
Washington, D.C., August 8, 1967.

Hon. LEONOR K. SULLIVAN,
Chairman, Subcommittee on Consumer Affairs, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR CHAIRMAN SULLIVAN: The National League of Insured Savings Associations is a nationwide trade association serving the savings and loan industry. Its 1967 Legislative Conference in Washington, D.C. on February 14 voted to support the principle of Federal Truth-in-Lending legislation.

This action was consistent with the National League's past support of the principle of such legislation introduced in earlier Congresses.

As you know, it has been the historical practice of the savings and loan industry to quote costs of interest on loans secured by mortgage of real property in terms of a simple annual rate of interest. Nearly all other financing costs of real estate loans are payable in cash at the time of closing the loan transaction. While certain of these payments at closing may at times be destined for the lending institution, most such payments are for the benefit of third parties other than the lender or the borrower. In cases where the loan is to aid in purchase of real estate as distinguished from other uses of the loan proceeds, there are likely to be several cash payments to be made at the closing.

Again, it is a fairly common practice among our members to give the borrower-mortgagor a statement in writing at the closing setting forth the sales price, the principal sum of the mortgage, the schedule of mortgage payments, the interest rate, and amounts to be paid by the borrower at the closing.

While payments at closing form an essential part of the loan transaction, they do not themselves constitute a credit transaction, because they are handled on a cash basis.

It would appear, therefore, that in a real estate mortgage transaction, truth-in-lending is accomplished as long as the potential borrower is furnished information as to the basic cost to him of the loan he agrees to repay. He should, of