It will be appreciated if these views are included in the printed record of the hearing on this proposed legislation.

Sincerely,

REX G. BAKER, JR.,
President.

CALIFORNIA FARMER-CONSUMER INFORMATION COMMITTEE,
Santa Clara, Calif., August 8, 1967.

Hon. LEONOR K. SULLIVAN,
Chairman, House Consumer Affairs Subcommittee,
House Office Building,
Washington, D.C.

DEAR CONGRESSWOMAN SULLIVAN AND MEMBERS OF THE SUBCOMMITTEE: In behalf of our half a million members of affiliated groups, organizations, cooperatives and individuals, we place our wholehearted support for passage of H.R. 11601 relating to consumer credit and truth-in-lending, legislation.

We have followed the history of the truth-in-lending bill, first introduced by former Senator Paul Douglas some seven years ago, and continue to marvel at the audacity of the powerful and well-financed lobbies who oppose such legislation which would benefit the public at large.

The time was not too distant when reputable banks loaned money to reputable customers at reasonable rates in complete trust.

Gradually this procedure changed as more and more money lenders discovered that the interest paid on consumer credit is BIG, BIG BUSINESS.

The poor and uneducated are easy victims of unscrupulous operators. However, they are not alone. The educated too, are victims of unethical bankers and misleading and fraudulent advertising covering retail credit, new or used car loans or any type of modern merchandise.

Continued abuses in consumer credit practices produce a grave demoralizing effect on the public at large, particularly if such deceptive practices are condoned from the top.

We urge an immediate "Do Pass" for H.R. 11601, so that it may reach the House for a vote in this session of the 90th, Congress.

Very truly yours,

BORGHILD HAUGEN,
Consumer Consultant.

DEPARTMENT OF BANKING AND INSURANCE,
DIVISION OF BANKING,
Montpelier, Vt., August 10, 1967.

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

DEAR MRS. SULLIVAN: I have been following the progress of truth-in-lending with great interest both because of my position here in the State of Vermont and for more personal reasons.

As Commissioner of Insurance, I have spoken out several times against the pernicious practices existing in the sale of credit life insurance and credit health insurance. Most recently, I was the lead-off witness at a hearing convened by Senator Hart, the Chairman of the Senate Antitrust and Monopoly Subcommittee. I enclose a copy of my statement presented there. (See p. 914.)

Naturally, I have been especially interested in the disposition of the credit life charge as it relates to interest disclosure. Governor Robertson argues that the insurance premiums provide a benefit to the borrower over and above the use of credit and inclusion of the premium in the finance charge would overstate the actual charge for the credit itself.

Obviously, there is something to this. However, if the creditor is arranging for the insurance at, say, $1 per $100 borrowed repayable in one year—a common rate in many areas—he may well be receiving as much as 60% of that charge as a commission, dividend or in other more complicated ways. Clearly, this "kickback" is hardly a benefit to the borrower.

As the bill was progressing through the Senate, it occurred to me that a useful compromise between the pros and cons for inclusion of the insurance premium in the finance charge would be to require that anything in excess of 50¢ per $100