

that we understandably wish to avoid a duplication of existing requirements and added paper work, where the substance is covered by another route.

Cordially yours,

GEORGE L. BLISS,
President.

AUGUST 24, 1967.

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

DEAR CONGRESSWOMAN SULLIVAN: We are writing to you on behalf of the American Life Convention and the Life Insurance Association of America, two associations with a joint membership of 349 companies accounting for approximately 92% of the life insurance in force in the United States.

We did not request an opportunity to appear before your Subcommittee during the current hearings on the proposed Consumer Credit Protection Act (H.R. 11601, H.R. 11602, S.5). However, we wish to go on record with respect to the proposed legislation as it would apply to real estate mortgage loans.

We find merit in the recommendation made to your Subcommittee by Federal Reserve Board Governor, J. L. Robertson, that an exemption should be provided for first mortgage loans on real estate. We concur in the finding of the Senate Committee on Banking and Currency that adequate disclosure is already being made in this area of credit. (Senate Report 392).

Accordingly, we urge that first mortgage real estate loans be exempted from any bill which your Subcommittee may favorably recommend.

It will be appreciated if this letter could be made a part of the hearing record.

Sincerely,

AMERICAN LIFE CONVENTION,
ARTHUR S. FEFERMAN, *Director of Economic Analysis.*
LIFE INSURANCE ASSOCIATION OF AMERICA,
RALPH J. MCNAIR, *Vice President.*

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CONSUMER AFFAIRS OF THE
COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C., August 25, 1967.

MR. ARTHUR S. FEFERMAN,
Director of Economic Analysis,
American Life Convention,
MR. RALPH J. MCNAIR,
Vice President,
Life Insurance Association of America,
Washington, D.C.

DEAR MR. FEFERMAN AND MR. MCNAIR: The letter you have submitted to me for inclusion in the record of the hearings on H.R. 11601 and related bills merely expresses the opposition of your two organizations to the inclusion of first mortgage credit under the legislation. Since you are familiar with the statement made by the witness from the Federal Reserve Board of Governors, Mr. James L. Robertson, which you mentioned in your letter, I am wondering if you are also familiar with the extensive testimony we received on the other side of this issue from Under Secretary of the Treasury Barr, Miss Betty Furness, the Secretary of Commerce, the Administrator of the Small Business Administration and other witnesses.

It is true that most first mortgage loans are issued by legitimate financial institutions which make full disclosure as to the terms and the rate of interest, but we are deeply concerned over the transactions which also occur in the first mortgage field by unscrupulous operators who, under the terms of S. 5 as it passed the Senate, would not have to make any disclosure whatsoever of any charges they make as long as the instrument used in the transaction could be defined as a "first mortgage."

My purpose in writing this letter is to ask if there is any reason why you would exempt from the disclosure requirements the kind of first mortgage frequently obtained by what some of our witnesses referred to as "the suede shoe boys"