

APPENDIX A

(The following agency reports on H.R. 11601 were received for inclusion in the record:)

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C., July 27, 1967.

Re: H.R. 11601, 90th Congress.

Hon. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of July 22, 1967 requesting the Commission's comments on the above bill.

From our analysis of the bill it appears that under Section 203(n) (2) "transactions in securities or commodities in accounts by a broker-dealer registered with the Securities and Exchange Commission" would be exempt from the regulatory provisions of the bill which would apply to other parties who extend consumer credit. Since this exempted area is the only one in which the Commission has any direct or substantial concern with the extension of credit and since the bill would apparently not have any impact on any other aspects of the laws which the Commission administers, we do not care to comment on it.

Time has not permitted formal submission of our position on this bill to the Bureau of the Budget but we have been in touch with the Bureau by telephone and are advised informally that the Bureau has no objection to our position.

Notwithstanding our decision not to comment on this bill, we do appreciate your affording us the opportunity to consider it.

Sincerely yours,

HUGH F. OWENS, *Commissioner.*

THE GENERAL COUNSEL OF THE TREASURY,
Washington, D.C., July 31, 1967.

Hon. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on H.R. 11601, the proposed Consumer Credit Protection Act.

Title I of the proposed legislation is essentially a revised version of S. 5 which has passed the Senate and is now pending before your Committee. This title would add a new title II to the Federal Reserve Act. Most of the provisions in sections 201-206 of the proposed title II relating to disclosure of the cost of credit are similar to the provisions of the Senate-passed version of S. 5, with the following notable exceptions: (1) Section 203(d) of the proposed title would require disclosure of an annual percentage rate of a finance charge rather than a percentage rate per period with regard to open-end credit plans or revolving credit. (2) The exemptions which S. 5 would provide for transactions involving less than \$10 in credit charges and first mortgages in real estate transactions are omitted from H.R. 11601. (3) Subsections (j) and (k) of section 203 would extend certain disclosure provisions, including the requirement to set forth the finance charge, expressed as an annual percentage rate, to any advertisement of consumer credit. (4) The provisions of the proposed title would take effect on July 1, 1968 rather than on July 1, 1969.