

Although the standard credit life rate outside New York is \$1, apparently New York insurance companies and banks are finding business profitable at half that rate. One banker tells of a New York bank that used to pay employees a commission if they'd sell auto loans that included credit life insurance. The banker says he's not sure if the practice still exists.

Most New York banks also offer life insurance with "passbook loans"—when the borrower uses the money in his savings account as collateral. Some bankers and insurance executives sharply question the practice of selling life insurance when the loan is fully backed by cash in the bank.

In the May Congressional hearings James Hunt, Vermont's commissioner of banking and insurance, estimated that borrowers nationwide are being overcharged \$175 million annually for insurance.

(Mr. Paul H. Douglas, Chairman, Commission on Urban Problems, submitted the following exhibits for inclusion in the record:)