General of Kansas that such advertisements are misleading. The jurisdiction of his office over the practices of National Banks is not as clear as that of the Federal agencies, thus again leaving an inconsistency in existing prohibitions.

Therefore, the Consumer Advisory Council recommends that Mrs. Peterson direct letters of inquiry to all those Federal agencies which have some administrative authority over the National and other banks, asking each to reply by August 15.

1. Can they issue regulations which would bar National and other banks from representing the cost of credit as an add-on or discount percentage rate? If not, why not?

2. What specific legislative authority would be needed to sustain such regulations?

3. What administrative agency other than their own presently has authority to effect this prohibition?

Among those to whom this letter should be directed, should be the Comptroller of the Currency, Chairman of the Federal Reserve Board, and Chairman of the Federal Deposit Insurance Corporation.

4. NATIONAL BANKS

It is the understanding of the Consumer Advisory Council that *National Banks* are required to comply with existing State anti-usury laws or other State laws establishing maximum credit charges for various types and classes of credit transactions.

Furthermore, it is understood that the State officials do not have the right of visitation in regard to National Banks to insure that State laws are being complied with.

Therefore, in behalf of consumers who use the services of the National Banks throughout the Nation, the Consumer Advisory Council wishes clarification regarding their protection by the Federal agencies concerned, and requests the Special Assistant for Consumer Affairs to obtain the following information:

1. Do the standard procedures of Federal examiners of National Banks include the examination of individual consumer notes to insure that:
   a. the State laws are being complied with, and
   b. the consumer is not being charged in excess of the terms of the note
2. How many cases have been reported in the past five years of noncompliance with State laws in regard to rate of charge?
3. What action has been taken in respect to any such violation of State laws which have been discovered?
4. If a loan is discovered to be contrary to State law, what steps are followed to inform the consumer involved so he may seek appropriate legal remedies?
5. What remedies does a consumer have under Federal law if a loan contrary to applicable State law is discovered by the examiners?
6. And, how recently was there a policy-level discussion of these matters by the agency? Are there any position papers available for study?

Furthermore, in order that the Consumer Advisory Council may be better informed concerning the consumers position in securing consumer credit from *National Banks*, the CAC requests Mrs. Peterson to secure from the Comptroller of the Currency a compilation of the information used by bank examiners to determine compliance with anti-usury statutes in each of the states.

1. The maximum rate that may be charged on contract single payment and installment payment loans, and on open credit revolving credit accounts. If the rate is expressed in a form other than a simple nominal annual rate, this should be noted.

2. The method by which examiners compute in each state the rate from the dollar off charge if the statute limiting the charge uses a rate expression.
3. Those charges which are considered incident to the loan and those which are not, for the purpose of distinguishing interest from other charges.

The Consumer Advisory Council requests that this be directed to all the Federal agencies which have direct or indirect regulatory authority over the National Banks, particularly, Comptroller of the Currency, Federal Reserve Board, Federal Deposit Insurance Corporation.

5. CLOSING COSTS

The Consumer Advisory Council has taken cognizance of the wide variation in Closing Costs assessed in Federally financed home purchases. It notes, furthermore, that the charges are widely different for essentially the same services.