

*Reason:*

The 18 per centum rate is unreasonably low. These rates would give full disclosure opportunity to operate without the interference of ceilings.

17. On page 18, Sec. 204(b), some revision of the tolerances is needed for clarification:

Delete on line 20 all after the word "installments." On page 19, change (2) to read: "(2) The use of rate tables or charts may be authorized. Such tables or charts..."

*Reason:*

This will eliminate any question as to how the creditor arrived at the quoted rate which is quite incidental to its accuracy. This establishes a method for rounding up figures, authorizes the use of tables, and establishes a tolerance for the tables.

19. Page 24, line 2, insert a modifying word so as to limit the excessiveness of this amount. Insert "not excessively greater."

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[From the Washington Daily News, June 11, 1964]

PROBE ASKED ON HIGH COST OF CREDIT

(By William Steif)

The President's Consumer Advisory Council has told the White House official in charge of consumer affairs to probe the high cost of credit.

In six resolutions passed yesterday, the 12-member council asked Mrs. Esther Peterson, Special Assistant for Consumer Affairs, to:

Set up "standards of such full disclosure of credit charges as consumers need to make intelligent decisions."

Crack down on "the very high interest rates charged for college loans by some financial institutions and the failure to disclose rates forthrightly."

Look into "possible abuses" in "closing costs, assessed home purchasers."

Call a conference of Federal executives because of "the rise in consumer bankruptcies, the abuse of wage assignments and garnishments and the failure of contracts to convey meaningfully essential facts to credit users."

Find out what laws are needed to close a gap in regulation of bank credit.

Ask that national banks obey state anti-usury laws.

In two days of meetings here, the CAC also drafted resolutions indorsing an Administration inquiry into the Food Distribution Industry, the President's anti-poverty program and the pesticide regulation bill introduced by Sen. Abraham Ribicoff (D. Conn.).

The Council suggested Mrs. Peterson "bring together representatives of all Federal agencies" regulating loans to set up the standards. Once standards are established, the Council urged quick application of "provisions which could be put into effect under existing authority." A new law might be needed for other provisions.

The council's interest in home buyers' closing costs was triggered by the "wide variation" in such cost around the U.S. "for essentially the same services." The CAC asked Mrs. Peterson to get data from Federal Housing Agencies for recommendations on new laws.