(Hon. Frank Annunzio, member of the Subcommittee on Consumer Affairs, submitted the following study of credit litigation in the Circuit Court of Cook County for inclusion in the record:)

CITY OF CHICAGO,
DEPARTMENT OF LAW.

Hon. RICHARD J. DALEY,
Mayor of Chicago,
City Hall, Chicago, Ill.

Hon. JOHN S. BOYLE,
Chief Judge of the Circuit Court of Cook County,
Chicago Civic Center, Chicago, Ill.

DEAR MAYOR DALEY AND CHIEF JUDGE BOYLE: I am pleased to submit to you a study of credit litigation in the Circuit Court of Cook County. This study should be helpful in understanding current credit practices, in analysing court procedures, and in framing and evaluating proposed legislation.

I would like to thank each of you for the wonderful cooperation I have received from you in this and in other endeavors. I would also like to thank the Court personnel and Corporation Counsel Simon and his staff.

Specifically my thanks are due to the following people for their assistance in the arduous work of collecting, tabulating, and analysing the material used in this report: Allan Nathan, Ann Lousin, and La Donna Tittle.

Very truly yours,

JEROME SCHUR,
Special Assistant to Chief Judge Boyle for Consumer Credit.

A STUDY OF CONSUMER CREDIT LITIGATION

It is believed that this study is the first intensive analysis of consumer credit litigation undertaken in a major metropolitan center.

SCOPE OF STUDY

The study included every confession of judgment complaint filed in the Municipal Division of the Circuit Court of Cook County for the two week period from June 20, 1966 through July 1, 1966, inclusive. This period was chosen at random.

The total number of suits studied was 1305. This caseload is about average for the first months of 1966, since confession suits were filed at a rate of 646 per week through June 30, 1966.

In the suits studied, the total amount claimed for principal, interest, and attorney's fees was $848,338.44, of which $743,970.15 was principal.

DEFINITION OF TERMS

The suits studied were all confession of judgment suits. This means that each suit was based upon a note or contract containing a confession of judgment clause similar to the following:

> "I hereby irrevocably appoint any attorney of any court of record attorney for me and in my name from time to time to waive the issuance of process and service thereof, to waive trial by jury, to confess judgment in favor of seller his heirs or assigns, and against me for the amount which may be then due by virtue of the terms hereof together with costs and reasonable attorney's fees and to waive and release all errors which may intervene in such proceeding, hereby ratifying and confirming all that said attorney may do by virtue hereof".

Such a clause appears in almost every contract, lease or mortgage executed in Cook County. Since there is no notice of filing to the defendant, the study is based solely on the complaint and accompanying documents filed by the plaintiff. Unless there is some gross irregularity, judgment is normally entered for the plaintiff as a matter of course.

In confession suits the plaintiff is asked to state the principal amount claimed, which is the amount still owing on the debt. Interest and attorney's fees are normally provided for in the confession instrument and are often included in the judgment. Court costs are also added to the judgment, but are not itemized in the complaint and were *not* included in the study.