### COMPLIANCE WITH RETAIL INSTALLMENT SALES ACT AND OTHER LAWS

The retail installment sales contracts which were attached to the complaints, were carefully scrutinized. These departures from the strict terms of the Retail Installment Sales Act of 1957 were found:

| | |
|---|---|
| Purchased goods not clearly described | 15 |
| Principal balance not stated | 8 |
| Time balance not stated | 9 |
| Amount of each payment not stated | 8 |
| Time sale price not stated | 40 |
| Number of payments not stated | 20 |
| No blank in printed contract form for number of installments | 9 |
| Schedule of payments blank or illegible | 7 |
| Due date for first payment not stated | 3 |
| Miscellaneous defects | 9 |

The above figures contain some duplication, but they do indicate a considerable number of contracts which disregard the Retail Installment Sales Act. That Act has both civil and criminal penalties, but its observance by many credit sellers leaves much to be desired.

Many of the contracts sued on were not within the purview of the Retail Installment Sales Act. Departures from sound business practice which may or may not affect the legality of the contract were noted. For instance, in 10 of the contracts addresses for the buyers or sellers were not stated. 8 contracts were undated. In 4 contracts the number of payments multiplied by the amount of each payment, equalled a sum in excess of the balance due. In 7 there were other mathematical errors. In 29 cases, there were blanks found in the judgment note where the suit was based upon a note rather than a retail installment contract.

There were other findings which might give rise to the suspicion that contracts were altered or alterable. In 34 cases the contract was completed in more than one color ink. In 4 cases the contract was completed with both print and script. In 26 cases, the contract was filled out in pencil.

### CONCLUSION

No specific recommendations are made in this report. My purpose was to reduce to useable form some of the mass of information available from court records. In some instances merely setting forth the facts gives voice to a clear and compelling call for action. In other instances, a subsequent report will set forth my specific recommendations.

Respectfully submitted.

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TABLE I.—IDENTITY OF PLAINTIFFS

| Type of suit | Plaintiff: Original seller | Plaintiff: Finance company—holder | Bank-holder or assignee |
|---|---|---|---|
| Used car | 41 | 71 | 40 |
| New car | 3 | 18 | 29 |
| Radio, TV, hi-fi | 48 | 68 | |
| Other appliances | 14 | 6 | |
| Furniture and rugs | 67 | 27 | |
| Furniture cover | 10 | 3 | |
| Clothing | 73 | 4 | |
| Jewelry | 28 | 2 | |
| Wigs | 20 | 2 | |
| Health club | 17 | | |
| Modeling school | 11 | 2 | |
| Pots and pans | 7 | 2 | |
| Insurance premiums | 34 | 45 | |
| Employment service | 9 | | |
| Debt consolidators | 7 | | |
| Total | 389 | 256 | 69 |