ments. They may not be connected with a note. A person may not sign a confession for more than the amount loaned. The law prescribes the method and manner of entering your judgment.

Take for instance, a man who borrows a thousand dollars from the credit union. When he pays $500 back, on the back of their judgment it shows the amount of the loan, the amount paid, the balance, the interest, and you may only charge half a bill of cost. If you have to serve a summons and complaint, you have to first locate the person who owes the money and serve him.

This credit union alone lends a million dollars a month to low and middle income people, and I can tell you now, gentlemen, if this bill passes with that elimination of garnishment, you can kiss over $11 billion dollars loaned to middle and low income people goodbye, that is, you can kiss the credit unions goodbye, because even though they may not use them to a great extent, it is something that you have got over their heads if they don't pay, and all you can get is 10 percent of the man's wages if he doesn't pay.

Now, in the credit union, you don't file the judgment until a man is at least three months' delinquent. If you are willing, as we did in the case I spoke of, Mr. Bingham, that you will possibly remember, the Attorney General said to me when I drew that bill—and I have been going to Albany for 50 years as a volunteer—if you will limit this strictly to supervised agencies, like banks, trust companies, we will go for the bill and ask the Governor to sign it.

Do you recall anything about that

The CHAIRMAN. I suspect that this conversation may have been with my colleague, Judge Gutman, who is counsel to the Governor.

Mr. RUBEL. Were you Secretary to the Governor?

The CHAIRMAN. I was Secretary to the Governor, yes.

Mr. RUBEL. You are the gentleman, because you are the one who called me.

Getting back—my memory is very, very good and I thought possibly you would remember this, and I would be very happy to let you know that only two have been filed in respect to confessions of judgment in New York State. They are so strictly controlled that it may not be connected with the note. It must be a separate instrument.

Now, if we eliminate garnishee, that would also eliminate the wage assignment, which must be approved in each individual case by the head of the department, board, or commission by the persons employed.

I won't take but two minutes more.

In the first place, when unions are strictly limited as to the amount of money they may receive on a loan, the New York State Law provides that you mak discount at a figure of 6 percent per annum maximum, or a charge of not more than 1 percent a month on an unpaid balance.

The Federal law provides that a payment may not exceed 1 percent a month on the unpaid balance, but that must include all charges, insurance, investigation, death insurance on the loan, insurance on the shares that he's got in the credit union.

In other words, in the Federal law if you have up to $2,000 in shares and you die, your estate gets the benefit of the $2,000 and you don't pay for it. That's paid by the credit union.

I see no reason in the world why any lender could not tell any person that borrows from him the rate in interest in dollars. Many people don't feel that way, but credit unions certainly have no objection. I'm sure every credit union in the United States with over $11 billion dollars represented in over 22,000 credit unions in the country, are in a great position to help little people. In fact, the Federal government is spending money organizing credit unions in the low-income localities so they may progress and help each other.

Now, if you wanted to pass these bills and eliminate credit unions, I see no objection, and I don't even object to banks and trust companies, because they are supervised and if they do anything wrong, you can rest assured that the supervisor's agency will certainly get on their neck.

I thank you very much.

The CHAIRMAN. Thank you very much, Mr. Rubel.

I would like to clarify one point. I take it that credit unions in New York State could get along with the kind of restrictions on garnishments that are imposed in New York State?

Mr. RUBEL. Positively. I like that law. In fact, it was my suggestion to the Attorney General that employers who dismissed employees because of a gar-