

Congressman HALPERN. I ask if you would favor a Federal garnishment provision such as, say, in this bill, which was limited as the New York State is to 10 percent?

Mr. RUBEL. I don't think any state permits more than 10 percent.

Congressman HALPERN. Would you favor a Federal law to this extent?

Mr. RUBEL. I don't see how you can operate too well under a Federal law when you have got the Courts here set up to do a job like this in New York State.

Congressman HALPERN. Do you believe the other states should have similar provisions which a Federal law would require?

Mr. RUBEL. I don't see how you can eliminate one state and take all the rest of them in.

Congressman HALPERN. You would not eliminate New York. I merely said to provide the same provisions New York State has in a Federal law.

Mr. RUBEL. Are you familiar with what a person has to go through to get a garnishment under the New York State law?

Congressman HALPERN. You said you weren't opposed to the New York State law.

Mr. RUBEL. I am not opposed. I am telling you the involvement you would get into with a Federal law. First, you have got to get an execution, then it has to be sent on the judgment day, then the Marshal must wait 20 days before he files it. You get terribly involved. You would get terribly involved if you tried to involve all this, because in this State, the Marshal is operating in the City and they may not operate out of it, and the Sheriff is operating all over, and I don't want to say anything about changing the law, but they have been trying to get rid of Marshals and I am in favor of them.

Congressman HALPERN. Didn't you say you favored New York State law with limitation of 10 percent?

Mr. RUBEL. Positively.

Congressman HALPERN. You would not object if this is employed in the law we are now advocating?

Mr. RUBEL. I would not object. I have no objection to a 10 percent limitation.

I will get back to that because under the Personal Property Law, Section 45(a) is the one that forbids State employees to sign on wages; 46 through 49 of the Personal Property law relegates that wage assignments up to a thousand dollars should be restricted to 10 percent.

Do you follow me?

Congressman HALPERN. Yes, I follow you.

Mr. RUBEL. Now, there is no limitation on a loan made by a bank or trust company; if the loan is over a thousand dollars. So, you may take an assignment in excess, but any bank or credit union would never take more than one payment a month out of an employee's check. He wouldn't have a job, because he would quit. That may be the end of that. The law is so strict in protecting the consumer and I like the strictness. Don't think that I don't because I have introduced 98 percent of the law affecting credit in this State, drafting them. I'm in favor of the consumer law on the books. I'm against 18 percent interest. I think it's outrageous. In fact, most credit unions charge a lot less than the legal limitation. In fact, the Municipal Credit Union charges somewhere, perhaps, between 7 or 8 percent and it's not discounted and we don't have any problems and we don't pay rent tax to the State, don't pay to the Federal government, and we don't pay for collections, and it does a job. And I can tell you now, if that bill passes in the form it's in with respect to garnishments, you can forget credit unions, because they won't exist.

I'm being very frank with you.

Congressman HALPERN. I think I differ with you on that score. As a matter of fact, if a borrower can be made to pay only through garnishments, does this not indicate that the lender should have a more careful examination of the borrower's background?

Mr. RUBEL. 98 percent of the people pay, but you don't know they exist, because that other 2 percent can ruin you.

Do you follow me?

Congressman HALPERN. I follow you, but I don't necessarily agree.

Mr. RUBEL. My experience tells me that over 50 years of dealing with people, all kinds of people, that all the investigation you want to do won't do any good if they lie to you, and this is all under oath.