Aftermath:

2-Pronged Move On Adjusters Near

By MIRIAM OTTENBERG
Star Staff Writer

A Maryland Senator and a Virginia Congressman yesterday announced plans to push for legislation to outlaw the commercial debt adjusters now preying on Washington area debtors.

At the same time, the business community moved forward with its plans to replace the commercial pro-raters with a nonprofit Consumer Credit Counseling Service similar to services now aiding the debt-ridden in 63 communities across the country.

The two-pronged move to improve both the debtors' and the city's economic health was the immediate response to The Star's "Debtor Beware" series of last week.

Plans to Offer Bill

On the Senate side, Senator Joseph C. Tydings (D-Md.), chairman of the Senate District Committee's business and finance subcommittee, said he was shocked to learn of the practices taking advantage of those in need of financial counseling.

He said he will introduce legislation "to outlaw these deceptive practices." This will be one of the measures included when he opens hearings soon on the need for consumer protection in a number of activities here.

In the House, Representative Joel Broyhill (R-Va.) said The Star had pinpointed a problem which should have been corrected years ago "and which I attempted to do at the time through legislation."

Broyhill recalled that at earlier hearings on legislation to outlaw commercial debt managers, a "smoke screen was built up around the old argument of regulation versus prohibition and enough confusion was generated to prevent any positive action."

"We have now had enough time since the hearings," he said, "for evidence to be collected that protection of the public desperately requires outlawing rather than regulating the commercial debt adjusters."

Predicts Co-Sponsors

He predicted that there would be co-sponsors for the legislation because of the number of victims of the debt consolidators.

Recalling instances where he had personally counseled people who had got into financial jams, Broyhill also emphasized the need for a nonprofit, community-sponsored debt counseling service here.