

cannot compare today's legislation with what may have existed prior to that legislation."

I do know, however, that because there was a lack of such state regulation in Nevada our office in Reno has many complaints about debt prorating services. However, those complaints were mainly against one or two proraters and were not evenly spread amongst all of those in the field.

The major problem, as I recall, was in regard to a firm who advertised nationally in various types of publications listing a Reno address which was simply a mail drop with all mail and phone calls routed to a Rhode Island office.

What I am attempting to point out is that in the states where there has been strict regulation controlling the activity, and enforcement thereof, there have been no complaints.

I have heard the comment that in Maryland and in Washington because there have been convictions of individuals in this field that this field should be eliminated. I merely ask this committee—and I may set this forth now—that I feel every regulated legitimate business has its place, whether it be the banking, the credit unions, the loan companies or what-not. But because certain loan companies in Boston, Massachusetts, were convicted of conspiracy and bribery, should they be eliminated?

I say no. I say regulate them and regulate them tightly. We are opposed to excessive fees. We are not looking for any more legislation or regulation than any other service or business, but as we are fiduciary agent and we are handling the needs of the individual and the consumer who is the backbone of this country, we must—whether we enjoy it or not—protect that consumer, and it is therefore that we ask legislation that will control every phase of our operation from a state audit that we pay for, an independent audit, and a complete control.

As to excessive charges, if they were made, as pointed out in California, that we return a portion of our fee, this is not true. First of all, our own outside auditor must audit and submit a report to the state. The state auditor comes in at a cost factor to us of \$50 per day, which we pay, and in the event there is an overcharge, the entire fee charged on that account is refundable to the client.

As far as financial responsibility is concerned, this is one of the things that we require, and we ask that the licensee be financially sound and financially reliable and subject to any law suit or any other action that may be necessary to protect the consumer.

Over the 15 years, in the past 15 years, a study has been made by members of this industry throughout the country. We have done this with correspondence, including the National Better Business Bureau, of which I will submit letters, the local Better Business Bureaus, the Legal Aid Societies, the business firms, and through their endorsement and support have we been able to grow and deliver a service.

It has been brought out that there is a question of securing the rights or preventing the individual from losing his opportunity to file a Chapter 13 proceeding. I have certain reservations regarding Chapter 13 proceedings. Not on its purpose, not on its effectiveness, but in some areas unfortunately it has been abused by certain individuals and we are concerned with the cost factor to the individual.