

Our Customers are Satisfied

Our group of companies is the largest debt counselling enterprise in the country. Credit Advisors of Washington, D.C., is the largest local debt counselling concern. Our survival and growth locally and nationally can only be attributable to satisfied clients. A few statistics about our local operations support this conclusion. We have helped thousands of burdened debtors since we began operations here in 1962. Credit Advisors last year returned on behalf of District debtors over \$800,000 to credit organizations. Without question, we have been the subject of complaints. In correspondence with the local Better Business Bureau in May, we were informed that since June, 1962, the Bureau had received 59 written complaints from our customers—complaints, incidentally, about which we co-operated with the Bureau. During that period of time, Credit Advisors of Washington, D.C. opened over 17,000 accounts! I might also note that after a series of articles were published here about practices in this industry, we received more than 125 letters of endorsement from our customers. We have submitted a sample of those letters, without signature, as an exhibit, and would be pleased to make the originals of these samples and of other letters received available on request. Along with the many other professional debt counsellors in this industry, we are proud to stand on our records of accomplishment and service.

Conclusion

Finally, in the course of these deliberations on debt management, I refer this Subcommittee to the findings of Professor Edward W. Reed of the Banking and Financing Department of the University of Oregon, and Professor Robert Dolphin of Michigan State University. Reed, in commenting on the too easy solution of bankruptcy, stated: "Adult education courses along with debt counselling services and debt proration arrangements should be encouraged, but such programs do not reach sufficient numbers of people. Something is needed in addition to these very commendable attempts to solve an important economic and social problem. The need is now." Dolphin, in a comprehensive study entitled "An Analysis of Economic and Personal Factors Leading to Consumer Bankruptcy" stated: "The combination of denial of bankruptcy when not financially needed and financial counselling should be an effective way to curb the rapid growth of personal bankruptcy."

Just as there are no easy legislative solutions to the urban problems, such as I recently observed near our main office in Detroit, and which I know so well, there are no easy solutions in arriving at an equation of debtor needs and debtor protection, as related to the debt management industry. The oppressed debtor, suffering from too-ready credit, subject to current creditor campaigns for more restrictive bankruptcy legislation, vulnerable to garnishments, wage assignments, and confession of judgment notes, should not be denied the fair services of the professional debt counsellor. This debtor should not be denied his own choice of who will help him. The availability of the professional debt counsellor, who serves the debtor's interest exclusively, offers the debtor a meaningful alternative to the so-called helping hand of the credit establishment.

Thank you very much for this opportunity to testify.

RESUME OF ELLIOTT HOLLAND

1953-1954: Military Service.

1955-1958: Northwestern University, B.A. Business Administration.

1958-1960: Auditor, Herbert Schoenbrod & Co., C.P.A.

1960-1961: Controller, Dormeyer-Webcor.

1961-1965: Auditor, then Treasurer, Barden Investment Management Corporation.

January to November 1966: Chief of Business Loans, Midwest Area Office Economic Development Administration.

November, 1966 to date: General Manager, Barden Investment Management Corporation.

Mr. SISK. The Chair recognizes the gentleman from Indiana, Mr. Jacobs.

Mr. JACOBS. I might preface my questions, Mr. Holland, by saying my knowledge about your business is limited to ground zero and, secondly, I think your extemporaneous statement was most eloquent.