Thank you, Mr. Chairman.

Mr. CAPLOVITZ. With your permission, I would like to edit my comment as I go along.

Mr. ROSENTHAL. Go ahead, Professor. We welcome that.

Mr. CAPLOVITZ. I could go on describing more incidents and more techniques by which low-income consumers are, in my opinion, exploited, but by now these exploitive schemes are rather well known. But there are some other points that I would like to make.

Many poor people find themselves overextended in credit obligations and unable to maintain payments. But many others stop paying on their purchases not because they are unable to pay, but because they refuse to pay on faulty merchandise. Instead of gaining retribution, however, they are more often than not subjected to legal sanctions brought upon them by the merchant. In my statement, I describe an incident in which a man refused to pay on a set of pots and pans that he had bought because they were of such inferior quality. This led to his salary being garnisheed at every job he had. He goes on to describe that he had several jobs and they are finally taking payments from his current job. I point out that as a result of this kind of consumer problem, many consumers find that they end up losing their jobs as a result of garnishees. Many employers simply will not be bothered with garnishments and do not hesitate to fire workers whose salaries are attached.

We are accustomed to thinking that these difficulties arise because these people are poor. But it is also true that some families become poor because they have these problems. To lose a job because of a garnishment is certainly one way of entering the ranks of the impoverished.

Another point I would like to make is that legal procedures are violated with some frequency in consumer matters, and these violations are carried out by some of the attorneys handling the creditors' interest, and also by the various collection agents of the law, such as in New York City, marshals.

For example, almost all the lawsuits against consumers who do not pay result in judgments by default, that is, the consumers do not show up in court to defend themselves.

Mr. ROSENTHAL. Why don't they show up, Professor?

Mr. CAPLOVITZ. I am going to go into that.

The assumption commonly made is that these default judgments simply mean that the consumer has no case; that he indeed owes the money and, therefore, chooses not to answer the complaint and risk further court costs. But the legal unit of Mobilization for Youth in New York City has come across a number of cases in which the defendant was never served with a summons. Process servers—and this may be unique in New York, I do not know—process servers often evade their responsibility and simply throw the summons away. This happens with sufficient frequency that a special term has evolved in legal circles to refer to it—"sewer service." Low-income families are especially likely to be victims of this practice since they are not apt to know their legal rights or how to protect them.

I could cite another example: In New York State, the law requires that the city marshal send a notice 20 days in advance before attaching the wages of a debtor. The purpose of this law is to give the defendant