Development of low-cost credit unions.—In Washington, D.C., the United Planning Organization, the local Community Action Agency, has established nine credit unions. There are more than 70 credit unions around the country which have been made possible by the Economic Opportunity Act.

It should be made clear that our agency does not furnish loan capital for credit unions, nor do we provide operating capital for consumer cooperatives of the supermarket type. We supply funds necessary for the training of credit union personnel and for the overhead expenses involved in helping a credit union reach the self-supporting stage.

To promote establishment of credit unions in poverty target areas, we have contracted with the Bureau of Credit Unions in the Department of Health, Education, and Welfare to provide training, on a nationwide basis, of credit union personnel recruited from the neighborhoods. A 4-week course qualifies trainees to act as consumer advisers, and, to some degree, as budget counselors. In order to provide technical assistance to interested communities, we have contracted with CUNA International, the national credit union association. One of the problems involved in making a ghetto area a viable neighborhood is the lack of institutions, especially banks and stores, which have roots in the community. Credit unions, owned by poor people, are emerging as effective, community-rooted institutions.

Consumer information and education.—This program first trains community aides, usually those on the welfare rolls. These aides are taught the relationship between poverty and the low purchasing power of the poor's consumer dollars. These aides then go door to door to contact the people of the neighborhood. They take people on comparison shopping tours, advise them on the selection of responsible merchants, and help them to form informal buyers clubs, which permits them to buy some items, such as milk, at wholesale prices. Debt counseling is also offered by these programs.

Legal services program.—Legal protection is being furnished to consumers by the legal services program funded by our agency. We estimate that at least 20 percent of legal services cases are related to consumer matters.. Two examples of such legal service to poor consumers are the following:

First, there is the case of the woman who signed an installment contract calling for payment of $565 for an air conditioner and an additional $135 for aluminum windows. She paid $25 down and agreed to pay the rest in monthly installments of $13. Shortly thereafter, she received a payment book from a bank stating that the total amount due was $2,500. She immediately went to a legal services attorney. The attorney learned that a fourth deed of trust had been placed on her property as a result of the transaction. The woman had not signed this deed in the presence of a notary public and had no awareness of the fact that a trust was signed. The attorney referred the woman to the police, who prepared a case against the involved salesman and notary public for presentation to the grand jury. At that point, an attorney defending the salesman and the notary offered to settle the claim. The woman accepted the settlement, which returned her downpayment and canceled her obligation.

The second case involved a man who bought a television set, represented as new, for $398, plus a $108 carrying charge. The set actually was an old model selling for approximately $170 at many reputable stores in the area. The legal services attorney, looking into the buyer's complaint, received reports of similar complaints by other neighbors against the same store.

Our legal services programs have been successful in having some of these contracts rescinded and in reducing others in price. In many instances, this type of case is settled with a telephone call or a visit to the involved store.

Legal services offices are trying a number of approaches to solving the problem of consumer fraud. In Philadelphia, the legal services program has "consumer advocates," who, among other things, draft legislation designed to give poor people equal justice under the law. In Waterbury, Conn., the legal services program includes preventive education for consumers, a survey of consumer problems, and the establishment of credit unions for the poor.

Housing.—A number of programs have been designed to help the poor receive full value for dollars spent on housing. It is essential that poor people be aware of the choices available to them in the housing area. Without such information, choices do not exist. The poor need to know what subsidies are available, how to go about finding satisfactory housing, how much to pay, how to judge housing adequacy, and what respective responsibilities the landlord and tenant have.