

subsection designation "(a)" immediately before the first word of such section, and by adding the following:

"(b) Notwithstanding any other provision of law and notwithstanding any provision in a mortgage, deed of trust, or other instrument to the contrary, no action to enforce a security interest in any real property in the District of Columbia, including but not limited to mortgages and deeds of trust, shall be effective except pursuant to an order issued by the United States District Court of the District of Columbia."

U.S. SENATE,
COMMITTEE ON THE DISTRICT OF COLUMBIA,
Washington, D.C., December 2, 1967.

MEMORANDUM FOR MEMBERS OF THE BUSINESS AND COMMERCE SUBCOMMITTEE

In re S. 316, to provide for the regulation in the District of Columbia of retail installment sales of consumer goods (other than motor vehicles) and services, and for other purposes.

Dates of hearings: Tuesday, December 5, 1967, 9 a.m.; Tuesday, December 12, 1967, 10 a.m.; Wednesday, December 13, 1967, 10 a.m.

S. 316 is similar in purpose to S. 2589. The objective is to permit the District government to regulate retail installment sales so as to provide the buyer fullest disclosure of contract terms and finance charges. This proposed District of Columbia Retail Installment Sales Act is in part patterned after the Act relating to retail installment sales of motor vehicles, but adapted to the retail sale of consumer goods and services. S. 316 is identical to S. 3795, introduced late in the 89th Congress.

S. 316 grants specific authority to the District government to regulate—

- a. insurance requirements;
 - b. size and interval of payments; conditions for cancellation of contracts, prepayment of debts and refunding of unearned charges, repossession of goods, and rights of redemption by the buyer.
- S. 316 prohibits or modifies various types of contract provisions relating to—
- a. acceleration of payments;
 - b. balloon payments;
 - c. goods purchased under one contract to be security for other indebtedness, by providing that the only collateral shall be the goods covered by that contract;
 - d. waiver of claims or defenses of buyer;
 - e. modifies holder in due course doctrine by requiring promissory notes in retail installment contracts to contain a certificate dated and signed by both buyer and seller stating the contract was performed. Without such certificate the third-party note holder would take the note subject to the same defenses the buyer has against the seller—fraud, forgery, or failure of consideration.

HOWARD A. ABRAHAMS,
Assistant Counsel.

U.S. SENATE,
COMMITTEE ON THE DISTRICT OF COLUMBIA,
Washington, D.C.

MEMORANDUM FOR MEMBERS OF THE SUBCOMMITTEE ON BUSINESS AND COMMERCE

In re S. 2589, To provide for the regulation in the District of Columbia of retail installment sales of consumer goods (other than motor vehicles) and services, and for other purposes.

Dates of hearings: Tuesday, December 5, 1967, 9 a.m.; Tuesday, December 12, 1967, 10 a.m.; Wednesday, December 13, 1967, 10 a.m.

S. 2589, the "District of Columbia Retail Installment Sales Act", would provide regulation of several aspects of retail installment sales transactions. It would also establish in the District of Columbia government a Department of Consumer Protection, to protect consumers against fraudulent or deceptive retail practices. The Department would conduct investigations and hearings, and issue orders to enforce regulations.