

This does not require any court action by the trustees and the homeowner may find, too late, that he has unwittingly been victimized in the loss of his home.

The amendment made by this bill would eliminate automatic foreclosure under deeds of trust and require court proceedings before any such foreclosure could be perfected. In this way, the homeowner would be given an opportunity to attempt to save his property.

Requiring a judge of the United States District Court for the District of Columbia first to issue an order before foreclosure can be completed would, in my view, provide an important safeguard in the protection of District residents. It is an amendment of existing law that does not appear to be burdensome. The value that it would afford the community in protecting the equity of owners of real property would be highly beneficial. This is a valuable piece of legislation and I strongly urge its enactment.

Sincerely yours,

WALTER E. WASHINGTON,
Commissioner of the District of Columbia.

DISTRICT OF COLUMBIA
SAVINGS & LOAN LEAGUE,
Washington, D.C., November 30, 1967.

Hon. JOSEPH D. TYDINGS,
U.S. Senate, Washington, D.C.

DEAR SENATOR TYDINGS: This is in reference to S. 2592, a Bill which you introduced in the United States Senate on October 26, 1967 and which was referred to the Senate Committee on the District of Columbia.

The purpose of this Bill seems to be to prevent foreclosure sales without first obtaining an order of the U.S. District Court for the District of Columbia when the security property is located in the District of Columbia.

The District of Columbia Savings & Loan League, Inc., representing the 23 savings and loan institutions in the District of Columbia and seven in the two Maryland counties of this metropolitan area, voted unanimously at its regular monthly meeting held November 28 to oppose this Bill.

The Bill does not prescribe any procedure for obtaining the court order and is silent as to whether or not the court would retain jurisdiction after the sale is authorized. We believe it is designed to control the apparent sharp practices of some home improvements people who take second trusts to secure the payment of money due for home improvements. If this is the purpose, other measures would be more appropriate for certainly there is no reason to penalize the legitimate borrower or the legitimate financial institution.

Since obligors have an adequate remedy by seeking injunctive relief in the U.S. District Court, in an appropriate case of threatened foreclosure there would not seem to be any need for legislation on the subject.

In addition, the cost of foreclosure would be substantially increased if this Bill were to be enacted with the cost borne by the obligor.

Also, the time period would be broadened substantially. Because of the indefiniteness of the proposal, it could be assumed that the court would treat such a procedure as an ordinary civil action, requiring service of process, time for answer, a hearing, and other procedural steps, resulting in delays of up to probably six months if there is no objection and quite possibly up to three years if contested.

The District of Columbia Savings & Loan League believes no action should be taken on this Bill until the Commission on Uniform State Laws reports out a model consumer credit bill which we understand will be sometime in early 1968.

Sincerely,

BRUCE BRYAN.

Senator TYDINGS. We are delighted at this time to recognize as our first witness the distinguished new Mayor of the city of Washington, the Honorable Walter E. Washington.

I understand, Mr. Washington, that you have a prepared statement. We would appreciate it if you would present it.