

the apartment, we could see the pallet on the floor covered with clean white sheets.

The elderly woman explained that she had purchased a bed, a television set, and a chair from a store and for three years she had paid \$35 per month for this merchandise. When her daughter became ill, she had to take her three grandchildren to care for. She went to the store, explained her difficulties and asked that her payments be cut in half. The store said, "No, either pay the full amount or we will repossess."

She tried to make partial payments, but the store would not accept.

Several times the store tried to repossess the furniture, but when the grandmother saw the truck outside she refused to let them in.

One day a knock came at the door, the grandmother saw no truck on the street—looking through the window. She asked who was at the door, but did not understand what the person said. She opened the door anyway. At that moment a man braced the door open and beckoned toward the truck which was parked up the street and within minutes the company had repossessed all of the three peices she had bought from them, even though she had paid more than \$1,200 on the bill. The store continued to bill her for the unpaid balance.

Thousands of cases like this might give you some idea of how badly these bills are needed that would say that a seller cannot repossess and collect the balance, also that a person can only enter your home to repossess as a result of your giving him permission or by court order. These bills would also prevent the seller from using add-on contracts which mean that you do not own anything until you have paid everything.

Senator TYDINGS. In other words, they took back the grandmother's furniture which she had paid \$1,200 for, and then they sued her and tried to collect the balance, some \$200 or \$300, even though they had taken her furniture away and she had nothing for herself and the three children to sleep on but the floor.

Mrs. CLARK. Yes, sir; that is right.

These are problems where consumers have no legal recourse.

Senator TYDINGS. That is a technique called "balloon payments."

That is, when you buy a television set, for example, or a bed, and you are told that you only have to pay \$10 a week for, say, 52 weeks, but they put in the fine print in the contract that the last payment instead of being \$10, is \$100, and if you do not pay the \$100, then you loose all of your payments you have made, which may be \$500 out of \$600, as well as the furniture itself. So, you wind up with no furniture, no money, and a debt.

Mrs. CLARK. Yes, sir.

There is the big problem of the consumers having no legal recourse when the product or service they have purchased from a fly-by-night company is unsatisfactory, because the contract has been sold to a third party loan company which has no responsibility to the buyer. This part of the bill certainly needs to become law, because it eliminates the legal protection a third-party finance company enjoys now and shifts the risk from the consumer to the finance company, where it belongs.

Senator TYDINGS. Let me explain, because I think this is important: We have as a part of the commercial code a law which goes back