problems caused buyers when their installment obligations are sold to finance companies. This section is justified in fact by the more reasonable re-allocation of risk on the finance company who is often the seller's partner in the joint-enterprise of retail installment selling.

Title VI affords significant protections to buyers after their default. The optional notice of seller's intent to repossess can result in a saving of time and money for both seller and buyer. The restrictions on collections costs contained in this title represent a remedy that is both fair and reasonable.

I firmly support the election between repossession and a claim for the unpaid balance imposed by § 6.105. Because of the rapid depreciation of most consumer goods, the buyer's simultaneous loss of all equity in his purchase and liability for amounts close to his unpaid balance violates concepts of fairness.

I support S. 2589 because of the strong private and public sanctions imposed on violators. Finally, I support this bill because of its creation of a consumer protection department, with strong tools to produce compliance with protections given consumer by the bill. The use of civil penalties and injunctions to enforce consumer protection was overlooked by S. 316, but I believe that they will be most useful to the public authority.

I firmly support S. 2590 with its essential limitations on finance charges, delinquency charges, insurance charges, court costs, and attorney's fees. The finance rate ceilings contained in the bill correspond to charges now made in the District by reputable retailers.

Finally, I support S. 2592 requiring the foreclosure of deeds of trusts through judicial process. Buyers have a right to be heard in defense of their property—but all too often this right is overridden by fast sale. This provision produces a necessary equality of treatment between the deed of trust and the more traditional mortgage. The need for this legislation has been most effectively pointed out by the excellent articles by David Jewell and Leonard Downie in the Washington Post exposing the frauds and abuses existing in the home-improvement and loan areas. Some of these cases were handled by attorneys with our project.

In summary, Mr. Chairman, I support without reservation S. 2589, 2590, and 2592. These bills provide the protection now needed by all buyers, and most particularly poor buyers, from the abuse that we in NLSP know to exist. These abuses destroy the faith of the poor in our legal system when they are faced with situations where they have no recourse against an insolvent merchant or home improvement contract. There are thousands of individuals in the District who have been the helpless victims of such practices, and who feel that their expectations of honest dealing with which they confronted local merchants are not enforced by the courts. In short, beset by wage attachments and other woes as a result of dealings with unscrupulous merchants, they perceive the courts and our legal system to be their enemy. The commendable efforts to expose consumer problems by governmental agencies, notably the FTC, diligent newspaper men, interested citizen groups, and now members of Congress, are, we hope now about to bear fruit in the form of this essential consumer protection legislation.

Senator TYDINGS. Thank you.

We will now hear from Mr. Nathaniel Vaughn. After that we will have to take a short intermission.

Mr. VAUGHN. Mr. Chairman, my name is Nathaniel Vaughn. I am a resident of the District of Columbia. I am the father of two sons. My wife and I bought a home in Southeast Washington for $7,500 20 years ago. I am the only one in the family working.

In October 1965 the District of Columbia inspectors came to my home and listed the following things which needed to be repaired or replaced.

1 Defective drain pipes, gutters, and downspouts.
2. Flushing apparatus in water closet.
3. Leaky faucet in water closet.
4. Putty around front windows.
5. Glass panes in windows and doors.