money in another place—the bifurcation transaction that we now have all lumped in one.

Senator TYDINGS. We will get into chattel mortgages in some cases—but only to a moderate degree. What makes a chattel mortgage, if it is secured by an item sold under fraudulent conditions to the purchaser.

Miss HALLORAN. My first comment is I think it is a difficult area.

Senator TYDINGS. A what?

Miss HALLORAN. I think it is a very difficult area. I have a hesitancy to strike into the area of chattel mortgage. The traditional loan from a bank on an automobile—well, I suppose that really does not have any effect on it, because I am talking about purchase money chattel mortgages, which is the type of thing you are talking about.

I do not know. I think it is an area we should look into, because I know the problem Massachusetts is having, and I know it is an easy way to evade the effect of this protective legislation that you would like to enact regarding holder-in-due-course.

I think I would support that kind of a provision in spirit.

Senator TYDINGS. What you are saying is it might be more complicated than appears on the surface.

Miss HALLORAN. I think it might be.

Senator TYDINGS. Extending commercial banking practices where a purchaser goes right to the bank when he wants to buy a television set—he might pay cash to the seller, but would go right to the bank, borrow under a chattel mortgage type situation.

Miss HALLORAN. I think, though, you could distinguish the two situations—one where finance company and seller are really engaging in a joint enterprise—where the seller likes to use a preferred finance company. The seller is perhaps getting some kind of a rebate on the financing arrangement that is being made through his friend at the finance company. Distinguish that situation from the credit union situation, a simple purchase money type of loan, based on the potential ties between seller and finance company.

Senator TYDINGS. I think perhaps we will recess at this time, since we are going to have another day of hearings tomorrow. Let me say I am very appreciative of you, Miss Halloran, and your associates for being with us, and for the tremendous public service you have rendered in pointing out some of the problems which the poor consumer faces.

Miss HALLORAN. Senator Tydings, I would like your permission to submit an analysis of some of the more difficult provisions in our bill.

Senator TYDINGS. I would appreciate that. We might call you back again if some more problems arise, which no doubt they will.

Senator TYDINGS. We will now recess until tomorrow morning at 10 o'clock.

(Whereupon, at 3:45 p.m., the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, December 13, 1967.)