legislation for those States which have not yet provided their citizens with such laws.

Re Section 1.201(7) the finance charge does not include charges or premiums for credit life, accident, and health insurance.

Comment

Credit life, accident, and health insurance costs to the debtor should be included or the principle of full disclosure is negated. The consumer should be able to compare the credit costs of prospective creditors, with all charges included in the computation of the approximate annual percentage rate. Since insurance costs are measurable expenses, the prospective buyer must be told of such costs if he is to know his total money outlay for credit. Testimony given at hearings before the Subcommittee on Antitrust and Monopoly Legislation, Senate Committee on Judiciary which began November 27, 1967, give evidence that premiums charged in many jurisdictions are excessive, although advices from the Superintendent of Insurance for the District of Columbia report that the average premium charged for credit life insurance in Washington, D.C. is $.49 per $100 per annum—the lowest or equaling the lowest in the Nation.

TITLE II—REGULATIONS AND GENERAL AUTHORITY TO COMMISSIONER AND COUNCIL

Title II provides for administration of the statute by the issuance of implementing regulations by the Council after public hearings have been held thereon, and enables appropriate delegations of authority to carry out the functions vested in the Commissioner or the Council by the Act.

Comment

Title II remedies a serious omission in the present powers of the Government of the District of Columbia by enabling the Council to move against fraudulent practices suffered by consumers.

Of great potential benefit to the consumer is the wide authority given the Council to issue implementing regulations defining and proscribing certain kinds of objectionable advertising, sales, and collection practices with particular emphasis on regulations governing false, misleading, and deceptive advertising. Protection of the consumer begins by aiding him in making correct decisions prior to entering places of sale. A prerequisite to full disclosure in the marketplace is truthful disclosure in the media that brings him to the merchant so advertising.

TITLE III—PROVISIONS OF RETAIL INSTALLMENT CONTRACTS

Title III prescribes minimum standards for retail installment contracts as to composition and disclosure, prohibits the signing in blank of agreements and insures an additional safeguard of rendering completion certificates invalid unless true in the case of home improvement contracts. The detailed disclosure requirements of this Title are basically similar to the Truth-in-Lending bills as introduced in the 90th Congress in both the Senate and the House. Inclusion of such provisions in S. 2589 is fully consistent with the Administration position on full disclosure.

TITLE IV—RESTRICTIONS ON RETAIL INSTALLMENT CONTRACTS

Section 4.102, notwithstanding Sections 28: 3–301 through 307 of the District of Columbia Code, prohibits any instrument or series of instruments payable to order or to bearer which when negotiated will cut off as against third parties any right of action or defense which the buyer may have against the seller.

Comment

Commendably, S. 2589 takes the sensible course of recognizing that the "holder in due course" doctrine shall not apply to retail installment sales. This follows the example of Massachusetts where the holder in due course rule was abolished in 1961 (see Mass. Genl. Laws Ch. 255, Sec. 12C). The burden of proof should be on those credit lenders who may argue that retail credit will be damaged by such a step. In Massachusetts there has been no flight of consumer credit capital from the state, or any diminution of credit business.

Additionally, Section 4.102 will provide several beneficial effects not only in improving the consumers position but raising the general tone of the marketplace: