

his defense against payment to the finance company. This means the elimination of the so-called holder-in-due-course doctrine.

We are supporting S. 2590 because it provides maximum finance and other charges in connection with retail installment credit sales in the District of Columbia. At present in the District of Columbia, there is no regulation of maximum interest rates for consumer credit sales generally. As a result, some merchants impose sky-high interest rates and other hidden charges which amount to exorbitant and wholly unreasonable expenses to consumers all out of proportion to the risks which sellers are taking, and to the returns which reputable businessmen are obtaining for the same transaction. As recently as last week, we were informed of a popular neighborhood store which is charging 300-percent interest.

S. 2590 would provide for the regulation of credit insurance charges and other charges which are often imposed as disguised forms of interest.

Many salesmen engage in high-pressure, deceptive sales techniques which are especially hard for consumers to avoid when they are pursued in their homes.

S. 2591 provides for a 3-day cooling off period for such sales in which the buyer can calmly consider his contract and talk it over with his family. During this time he is free to cancel his contract.

A number of homeowners in our vicinity have been victimized and have been dispossessed of their homes because they have either unwittingly or unknowingly signed a deed of trust which can be foreclosed at will without benefit of court procedure.

Some people only know of the foreclosure of their home when the auctioneer arrives. Then they don't know what is happening and why, and the homeowner has no opportunity to protect himself.

S. 2592 would require a court order before a security interest could be enforced.

In supporting the need for consumer protection legislation in the District of Columbia, I speak for the people of the outlying metropolitan areas who work and shop in downtown Washington, as well as the residents of the inner city. Victims of consumer exploitation are to be found in all income groups.

Whether they be teachers, social workers, clergymen, doctors, construction workers, government workers, porters, maids, household employees or welfare clients, Washington, D.C., residents are victimized daily by unscrupulous merchants, door-to-door salesmen and even so-called respectable financial institutions.

Senator TYDINGS. Miss Myers, I wonder if you would be kind enough to hold up your testimony and let us take a 5-minute recess. Thank you. (Short recess.)

Senator TYDINGS. We will reconvene the hearing now. You may proceed, if you would, please.

Miss MYERS. The outrages suffered by the poor, who are forced to spend more than they earn are measurable and demonstrative. The poor are given one of two choices, either to do without or be exploited. The system shuttles the poor as consumers of major durables to a class of sellers who can endure high risks because they exact high payment for it. There is no use to tell the poor to pay cash, for this amounts to