

finance companies. We ----- (the) public should have some protection along the line. We believe the finance company is better able to bear the risk of the dealers insolvency than the buyer and is in a far better position to protect his interest against unscrupulous and insolvent dealers".

We urge this Honorable Committee to work for the passage of a Bill that will benefit all of the people in the District of Columbia.

Senator TYDINGS. Mr. Warren Hanna, Acacia Mutual Life Insurance Co.

STATEMENT OF WARREN L. HANNA, ASSISTANT COUNSEL, ACACIA MUTUAL LIFE INSURANCE CO.

Senator TYDINGS. We are happy to have you with us.

Mr. HANNA. Thank you.

Mr. Chairman, and members of the subcommittee, my name is Warren L. Hanna, and I am assistant counsel of Acacia Mutual Life Insurance Co. in Washington, D.C.

This statement relates to S. 2592 and is made on behalf of, and represents the viewpoint of, the five domestic District of Columbia life insurance companies: Acacia Mutual Life Insurance Co.; Equitable Life Insurance Co.; Government Employees Life Insurance Co.; Peoples Life Insurance Co.; and United Services Life Insurance Co.

Inasmuch as our five companies have a uniform position with respect to the S. 2592, this joint statement is made in the interest of conserving the time of your committee.

Together, these five local area companies have mortgage loan investments in District of Columbia property in approximately the amount of \$70 million. Therefore, the subcommittee can easily see the very vital and real concern and interest that we have in connection with legislation such as S. 2592.

It is our understanding that S. 2592, as introduced by yourself, is a part of a consumer protection package of bills introduced by you. S. 2592 proposes an amendment to District of Columbia Code, section 45-601, by adding subsection (b) to provide that no action to enforce a security interest in any real property in the District of Columbia, including foreclosure under a mortgage or deed of trust, shall be effective except pursuant to an order issued by the U.S. District Court of the District of Columbia.

We have given careful consideration to the bill, Mr. Chairman. We feel that if an amendment to the code is necessary to prevent the abuses referred to by you in the October 26, 1967, issue of the Congressional Record, then a much simpler and more direct approach can be used than is proposed to be provided by the present bill.

Previous statements have been presented to the subcommittee on the burdens resulting from foreclosure through court proceedings.

As testimony before the subcommittee has stated, a court foreclosure is usually a time-consuming and costly process. This can be a disadvantage to both the proper owner and the lender. Not only does it cause the owner additional costs in the way of legal fees and court costs, but the delay involved increases the amount of interest owing by the time the property actually goes to sale, all of which costs reduce the owner's equity in the property. The lender in turn must face the prospect of property deterioration and decrease in value, and the possibility of being required to advance amounts toward protection of its security which may never be recovered.