TABLE III-9.—JUDGMENTS, GARNISHMENTS, AND REPOSSESSIONS ON DELINQUENT INSTALLMENT CONTRACTS REPORTED BY DISTRICT OF COLUMBIA RETAILERS, 1966

Type of retailer	Number of retailers reporting	Total judgments	Judgments resulting in—	
			Garnishments	Repossessions
Low-income market retailers	11	2,690	1,568	306
General market retailers:				
Appliance, radio, and television retailers	3			3
Furniture and home furnishings retailers	8	70	26	13
Department stores	1	29	9	
Total	23	2,789	1,603	322

Source: FTC survey.

Eleven low-income market retailers obtained 2,690 judgments in 1966. Their legal actions resulted in 1,568 garnishments and 306 repossessions (table III-9). In contrast, general market retailers reported very few judgments. The eight furniture and home furnishings stores providing such data reported only 70 judgments for the year 1966. Low-income market retailers obtained almost that number of judgments in an average *week*. One large department store, whose 1966 sales far exceeded the total for the entire low-income market group, reported only 29 judgments.

To gain additional perspective on the extent to which the courts are being used as a collection agency, the number of suits filed in 1966 by the surveyed retailers in their own names was determined from the records of the District of Columbia Court of General Sessions. These suits included actions for collection of 30-day, revolving credit, and installment contract accounts. They did *not* include suits filed by collection agencies as assignees of retailers' accounts. During 1966, the 18 low-income market retailers in this study filed 3,030 suits, the equivalent of one suit for every $2,599 of their net sales. Among the general market retailers in the sample, 22 appliance stores filed 53 suits; 22 furniture stores, 207; and 3 department stores, 356 (table III-10). All together, there were only 616 suits filed by the 47 general market retailers, which averaged one suit for every $232,299 of their net sales.

An additional unknown number of suits involving default on merchandise credit sales was filed by collection agencies. Various retailers may prefer to assign delinquent paper to a collection agency. This shifts the responsibility for obtaining legal assistance and minimizes whatever risk of bad publicity credit suits might incur.

TABLE III-10.—DEBT SUITS FILED IN THE DISTRICT OF COLUMBIA BY LOW-INCOME MARKET AND GENERAL MARKET RETAILERS, 1966

Type of retailer	Number of suits filed	Number of retailers	Net sales 1966 (thousands)	Net sales per debt suit
Total sample of low-income market and general market retailers	3,646	65	$150,970	$41,407
Low-income market retailers	3,030	18	7,874	2,599
General market retailers	616	47	143,096	232,299
Appliance, radio, and television	53	22	25,089	473,377
Furniture and home furnishings	207	22	26,643	128,710
Department stores	356	3	91,364	256,640

Source: District of Columbia Court of General Sessions, Debt Suit Files; FTC survey.

Nevertheless, it is clear that general market retailers resort to the courts, either directly or indirectly, much less frequently than do low-income market retailers. If the 47 general market retailers had obtained judgments at the same rate as did the low-income market retailers, a very large number of court cases would have occurred. Instead of the 616 judgments which they actually