

purpose of opening a restaurant and lounge. The note they signed was for \$54,000, \$24,000 being added as "pre-computed interest" and, as it was explained to them, the interest was at the rate of \$3,000 a year. I have been attempting to salvage something for my clients and have delayed foreclosure proceedings for the moment in an attempt to sell the property.

When I asked for a pay-off figure on the \$30,000 loan, I was advised that the pay-off was \$31,500 based on the so-called 78 formula, in spite of having paid \$18,000 in three years. This figure was arrived at by the investment company granting a rebate of about \$4,500 against the unpaid interest for the balance of the eight year term of \$15,000.

I discussed this matter with the New Hampshire Banking Commissioner and his deputy, and was advised that it is all perfectly legal. If you wish any further details or documentation, I shall be glad to furnish the same.

I hope you are successful in legislation to limit this type of activity which causes more personal grief than anyone can realize. My clients are a classic case.

Sincerely,

JOHN J. WHOLEY,
Attorney at Law.

○