

(Excerpts from Conference Report on the Consumer Credit Protection Act, S.5; H. Rept. 1397, 90th Cong., 2d sess., May 20, 1968)

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 5) to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extension of credit, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

General Statement

This conference report represents the culmination of a long and arduous struggle. The House Committee on Banking and Currency, on December 13, 1967, reported favorably on the Sullivan bill, H.R. 11601, which passed the House overwhelmingly on February 1, 1968. The House then took up S. 5, struck all after the enacting clause, inserted the text of the House bill, and returned it to the Senate, which asked for a conference.

All of the major provisions of the House bill are retained in the accompanying conference report. In addition to the requirement of disclosure of credit costs in individual transactions, which was all the Senate bill dealt with, the House bill contained provisions relating to credit advertising, loan sharking, and garnishment. The House bill also provided for administrative enforcement by the Federal Trade Commission as to businesses generally, and by the specialized regulatory agencies with respect to those under their respective jurisdictions. The House bill created a study commission on consumer credit generally with full investigative powers, and directed it to report its recommendations for further legislation in this area. Not only does the conference substitute retain all these major affirmative provisions; it also omits or substantially modifies the Senate exemption for first mortgages and the Senate exemptions from annual rate disclosure. In sum, your conferees were able substantially to sustain the position of the House.

SHORT TITLES

Section 1 of the conference substitute retains the "Consumer Credit Protection Act" as the short title for the entire act, as contained in the House bill. Title I of the conference substitute, dealing entirely with the subject matter of S. 5 as it passed the Senate, with the additional disclosure requirements recommended by the House, is designated as the "Truth in Lending Act" under section 101 of the conference substitute.

Title I—Consumer Credit Cost Disclosure

FIRST MORTGAGES

Section 8(4) of the Senate bill exempted first mortgages on real estate from all of the provisions of the act. There was no corresponding provision in the House bill. In the conference substitute, the total finance charge over the life of the mortgage is not required to be