

MINUTES
SAVINGS & LOAN COMMITTEE
Tuesday, March 16, 1965

Meeting of this Committee was at 9 a.m. in Room 528, with the Chairman, C. A. Strowig, presiding.

All members were present.

Mr. Stanley Linn, representing consumer loan companies, was present to analyze suggested amendments.(attached)

HE 758, pertaining to maximum rate of charge of certain loans - Representative Griffith, one of the authors, appeared in its behalf. His proposal substitutes a 2% rate instead of 3% on the first \$300 of a loan. At present, this amounts to 36% annually on the \$300 portion and this bill will reduce it to 24%. Mr. Linn stated that the net profit of companies is about 19% per year and that this reduction by 12% would mean only 7% profit and finance companies would cease to exist. He pointed out that the larger the loan, the less the average percentage becomes - citing that on \$2100, it is about 15½%. He also said that since World War II, their business has grown into a \$75,000,000,000 one; that banks get the upper category of risk; that 35-40% of their loans represent consolidation of previous indebtedness, and that their loans are from \$3,000 - \$7,500. He further stated that their profit compares favorably with top corporations.

Meeting adjourned.


Secretary