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L.A. lawyer discusses consumer credit code at U

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L.A. LAWYER DISCUSSES
CONSUMER CREDIT CODE AT U

MISSOULA---

In the fourth in a series of lectures sponsored by a grant to the University of
Montana School of Law, George R. Richter, an attorney from Los Angeles, Thursday night
discussed the seventh working draft of legislation which would benefit both consumer
and creditor.

Richter discussed "The Proposed Uniform Consumer Credit Code" in the last lecture
sponsored through a $2,000 grant from the Sperry and Hutchinson Foundation Lectureship
Program.

The California lawyer and Robert E. Sullivan, UM law school dean, are two of
eight members of a special committee which has been involved 3 1/2 years with more than
six drafts of the proposed legislation.

Richter said the project of preparing the code was launched in 1957 when the
Council of State Governments suggested to the National Council of Commissioners on
Uniform State Laws (NCCUSL) that it draft a uniform or model retail installment sales act.

Since then, more than a half dozen drafts of the proposed legislation have been
prepared and re-evaluated, Richter indicated. The final draft will be presented to
the annual meeting of the NCCUSL in July and, if approved, will be recommended for
submission to state legislatures in 1969 for possible adoption by various states.

Richter said the credit code was prepared to simplify lending and borrowing
regulations and to consolidate and remove existing differences between various laws
involving consumer credit.

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The code would set various loan interest rates for borrowers and would also curtail creditors' collection remedies, including exemption of all wages from garnishment before judgment.

But creditors also will be protected, Richter indicated. The code would permit a great deal of flexibility in the interest rates that could be charged to borrowers.

"On installments consumer credit sales," Richter said, "the ceiling rates would be 36 per cent on the unpaid principal balance to $300, 21 percent above to $1,000, and 15 per cent above $1,000.

"Our economic advisers recommended ceiling rates high enough to permit competitive forces to bring actual costs to the consumer well under the ceiling," Richter said.

The code also would make it mandatory that creditors specify exact loan charges to borrowers.

A panel discussion was heard Thursday afternoon in conjunction with Richter's lecture. Title of the discussion was "Uniform Laws as a Means of Legal Reform and Modernization." Panelists included Frank F. Jestrab, a lawyer from Williston, N.D.; Alex Blewett Jr., a lawyer from Great Falls, and H.O. Worden, Missoula, a state representative from Missoula County during the 1967 State Legislative Session.

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