

SENATOR DeCAMP: Diner's Club and American Express are under laws of a different state that specifically deal with those specific cards. They are sent to you under the laws of those states.

SENATOR MARESH: Thank you, Senator DeCamp.

SPEAKER MARVEL: Senator Vickers.

SENATOR VICKERS: Mr. President, members, I would like to ask Senator Clark a question if he would yield please.

SPEAKER MARVEL: Senator Clark.

SENATOR VICKERS: Senator Clark, you indicated that people don't have to use these cards if they don't desire. They don't have to pay interest if they simply want to pay cash. Now as a businessman, Senator Clark, let me ask a question of you. Supposing that I want to buy a piece of furniture from your store that is going to cost in the neighborhood of three to five hundred dollars. Now if I don't have that much cash then I have basically two choices. I can either charge it whether it be the credit card or whatever, or I could go to the bank or some other lending institution and try to take out a loan. Isn't that correct?

SENATOR CLARK: Yes, or you can have me carry the credit.

SENATOR VICKERS: Okay, now let's assume that I go to the bank or to some lending institution and take out an installment loan. Now if I take out an installment loan on a five hundred dollar purchase, what interest rate am I going to be charged?

SENATOR CLARK: Probably about 18%. You could be charged 24%.

SENATOR VICKERS: If I read the committee amendment, 45-137, it seems to me that the interest rate could be 24%.

SENATOR CLARK: It could be 24, depends on the (inaudible.)

SENATOR VICKERS: Okay now, I am going to pay 24% on this five hundred dollar purchase but I am going to pay you cash. I have made a commitment to some lending institution on an installment loan. I spelled out to this lending institution what I am spending the five hundred dollars for. On the other hand if I use the credit card and come in and buy it from you and it costs five hundred dollars, what type of interest am I going to be charged there under this law, under 150?