

clear in the reduction from 35 to 24, the elimination of the transaction fees. Correct?

SENATOR DeCAMP: That is correct.

SENATOR BARRETT: My question then simply is the latter section of the committee amendment which speaks to apparently the circumvention of the most favored lender doctrine. I guess my question is essentially this. Why? What is the philosophy, the need for this particular section of the amendment?

SENATOR DeCAMP: Okay, I dealt with that a little while ago but I will state it briefly again. Senator Landis and at least five members of the committee felt they wanted to make a public declaration, rhetoric if you will, in which they denounced the method that this particular bank had utilized on their credit cards in which they had made it appear as if they were trying to help poor President Jimmy Carter control inflation when, in fact, they were taking a very unprofitable credit card operation and overnight, by making it retroactive, 24% charges when you used the card, your whole account went to 24%, whatever you owed, going back and for the future 24%, bypassing state law. The committee was somewhat outraged because they had never really told us in committee, we felt at least, the true situation and that this was contemplated and, of course, there have been major news articles in almost all the big financial magazines about the propriety of this, the legitimacy, the morality of it and it did go to court and they said, yes, this loophole is allowed because of the various circumstances. So, the committee put this on to express their outrage I guess. And Senator Landis maybe could explain it better because he was the one that wrote the amendment and sponsored it and, quite frankly, it was necessary to put that amendment on to get it out of committee. That is as simple as I can put it.

SENATOR BARRETT: Mr. Speaker.

SPEAKER MARVEL: Yes, sir.

SENATOR BARRETT: Mr. Speaker, could we defer to Senator Landis for additional commentary on that subject? Is there time?

SPEAKER MARVEL: Okay, there are two and a half minutes left on this, so I recognize Senator Landis.

SENATOR LANDIS: Senator Barrett, would you restate the question that you want answered and I will be happy to do so as best I can.