

at 271, I noted that 271 struck those time frames entirely. They just aren't there, and I noted that 271 doesn't deal with equal monthly payments of a preauthorized loan. Why? Because that is the nature of revolving credit. All 271 deals with is with preauthorized loan that can be paid back however the borrower wants to pay it back so long as the borrower meets a minimum payment but the minimum payment will be something that will be agreed upon between the borrower and the small loan industry. Now I said, "Well, you know I get a little nervous about that because the minimum payment that is agreed upon between the borrower and the small loan industry could be so small that in effect the borrower is going to spend a lifetime retiring interest and never retiring principal." I thought that would be a bad deal so I went to the people that are carrying this bill, I shouldn't say "carrying this bill", people that are proposing this bill, the lobbyists essentially from the small loan industry and I said, "You know, that gets me nervous that this type of a transaction could keep low and moderate income people on a string forever and a day". And they explained...I explained what my problems were and they said, "You know, we doubt that that could happen for one reason or another but we suggest an amendment" and the amendment...it is included in your packet of material that Senator DeCamp has on the desk. It is an amendment which says, which by statute establishes at least what the minimum payback requirement had got to be. Now it doesn't mean that the minimum payback requirement won't be more than that because whatever the minimum payback will be will be agreed upon between the borrower and the lender. On the other hand, the borrower and the lender cannot set a minimum balance or a minimum payback requirement which would be less than that contained in the amendment. Now the amendment says that if the loan is for \$3,000 or less, you have got to payback at least one and a half percent of the principal, one and a half percent of the average daily unpaid principal balance...I am sorry, if it is more than \$3,000...each month, and if the average daily unpaid balance is less than \$3,000, then your minimum payback has got to be at least two percent of the average daily unpaid principal balance monthly, and so what that does, that will tend... that can stretch the time frame, that can stretch the time frame for the payback of the loan greater then the time frame presently allowed by the small loan lending laws. On the other hand in terms of stretching the time frame, it does not stretch the time frame unreasonably. I mean it goes beyond the three years presently allowed under the small loan act for a loan less than \$3,000. I think it is a reasonable amendment. I think it is the kind of amendment that will make this concept a more meaningful and a