

was typically buried in fine print or couched in legalese. TILA addressed these problems by providing a standardized finance cost calculation—a simple, or actuarial annual percentage rate (APR)—to provide a comparable calculation of total financing costs for all credit transactions. It also required creditors to provide clear and accurate disclosure of all credit terms and costs.

Over the past thirty years, TILA has played a dual role in the financial marketplace. It has been the primary source of financial consumer protection, recognizing the rights of consumers to be informed and to be protected against fraudulent, deceitful, or grossly misleading information and advertising. It has also stimulated market competition by forcing creditors to openly compete for borrowers and by protecting ethical and efficient lenders from deceitful competitors. Congress believed in 1968 that an informed consumer credit market would help stabilize the economy by encouraging consumer restraint when credit costs increase. The need for an informed consumer market is as important today as it was thirty years ago.

Unfortunately, key consumer protections and remedies that Congress stated in dollar amounts in 1968 have not been updated to provide comparable protections today. The effects of thirty years of inflation have permitted increasing numbers of credit and lease transactions to fall outside the scope of TILA protections and have weakened the deterrent value of the penalties available to injured consumers. The Truth in Lending Modernization Act that I am introducing today would remedy these problems in several important areas.

TILA disclosure requirements and protections currently apply to all credit transactions secured by home equity and to other non-business consumer loans under \$25,000. In 1968 this \$25,000 limit on unsecured credit transactions was considered more than adequate to ensure that most automobile, credit card and personal loan transactions would be covered. This is clearly not the case today, particularly in the area of automobile loans. A January Washington Post article estimated that the average price of new automobiles sold today is \$22,000. This means that increasing numbers of automobile transactions are falling outside the scope of TILA, with no requirements to provide consumers with full and accurate credit disclosure. Many consumers also routinely receive offers of unsecured credit and debt consolidation loans that can easily approach or exceed \$25,000. These transactions also will increasingly fall outside the scope of TILA.

The Congressional Budget Office estimates that the value of the dollar has declined by 75 percent since 1968, which means that it would require an exception over four times larger than the \$25,000 in the 1968 Act (or over \$108,000) to provide a comparable level of exempted transactions today. However, this fully adjusted amount is clearly excessive for today's marketplace. My bill would double the amount of this statutory exception, from \$25,000 to \$50,000, to assure that all typical credit transactions will continue to be accorded TILA protections.

A similar problem exists with the transaction exemption in the Consumer Leasing Act sections of TILA that restricts application of con-

sumer disclosure and advertising requirements only to leases with total contractual obligation below \$25,000. Again, this was considered more than adequate when Congress enacted the Consumer Leasing Act in 1976, but it is clearly inadequate today, particularly for automobile leases. Congress could not have anticipated the enormous role of leasing in our current auto markets. Leases now account for over 40 percent of all new automobile transactions, and an even more substantial percentage of transactions involving high-end luxury automobiles. My bill would assure that increasing numbers of automobile leases do not fall outside the scope of TILA by increasing the level of exempted leases from \$25,000 to \$50,000.

As a primary enforcement mechanism, TILA provides individual consumers with a right of action against creditors that engage in misleading or deceitful practices. Creditors that violate any TILA requirement are liable for actual damages, additional statutory damages and court costs. TILA permits statutory damages, in credit transactions of twice the amount of any finance charge and, in lease transactions, of 25 percent of the total amount of monthly payments under the lease. In both instances, however, these damages are limited by the requirement that damages "not be less than \$100 nor greater than \$1,000.

These statutory liability provisions were included in the statute in 1968 to provide ample economic incentive to deter violations. This is clearly not the case today. From my own analysis of abusive automobile leases, for example, I find that a clever and unethical dealer can easily exact thousands of dollars just in the initial stages of an auto lease, simply by not crediting trade-ins, adding undisclosed fees and including higher finance charges than disclosed to the consumer. A \$1,000 maximum statutory damage clearly would not deter these and other actions that can cheat consumers out of thousands of dollars over the term of a loan or lease. My bill would increase the statutory damage limit to \$5,000 for both credit and lease transactions.

It would also raise the statutory damages available to consumers in class action litigation. Currently, TILA limits statutory damages in class actions that arise out of the same violation to the lesser of \$500,000 or 1 percent of the creditor's net worth. For most of today's financial corporations this \$500,000 limit represents a fraction of 1 percent of their net worth. The bill would raise this statutory damage limit to \$1 million for all credit and lease transactions.

Finally, my bill seeks to prohibit in credit transactions a little known accounting procedure, known as the Rule of 78, that is used whenever possible by creditors because it maximizes interest income to the creditor at the expense of consumers. TILA requires that consumers receive a refund of any unearned interest on precomputed installment loans when they prepay or refinance their loan. Until recently, most creditors used Rule of 78 accounting for calculating these refunds, a method that heavily favors creditors by counting interest paid in the early phases of the loan more heavily than actuarial accounting methods. While justified in the 1930s as helping to reduce costs of computing interest, modern calculators and computers have rendered the

Rule of 78 obsolete and unjustifiable. It serves no other purpose today than to maximize interest income to creditors.

Bank regulators and the IRS have banned banks from using the Rule of 78 in reporting interest income. In 1992 Congress prohibited its use in calculating interest refunds on mortgages and other installment loans with terms over 61 months. In 1994, the Home Owners and Equity Protection Act ended the use of Rule of 78 accounting in all high costs home equity loans. My bill would complete the task of eliminating Rule of 78 accounting in all remaining consumer credit transactions by prohibiting its use for calculating consumer interest refunds for precomputed installment loans with terms of less than 61 months, and also be requiring that creditors compute interest refunds using methods that are as favorable to the consumer as widely used actuarial methods.

Mr. Speaker, in enacting TILA Congress recognized the consumer's right to be informed and to be protected from deceitful and misleading credit practices. The "Truth In Lending Modernization Act" will assure that these basic consumer protections remain effective in the future. I urge my colleagues to join me as co-sponsors of this legislation and work with me toward its adoption.

IN HONOR OF SHIRLEY K. SMALL

**HON. SCOTT McINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 25, 1999*

Mr. McINNIS. Mr. Speaker, with a heavy and sad heart I take this moment to recognize the life and contributions of Shirley K. Small, one of five daughters of Paul and Lucille Krier.

Shirley was a strong and patriotic American. She took immense pride in being a home maker and mother to her children Robbie, Darcy and Amy. She brought her children up with strong reverence for our great country. Often she would discuss with me her concerns for the direction of our country, its needs and its accomplishments over time. Shirley was a graduate of the University of Colorado and was preceded in death by her husband John.

Shirley's children have moved on to their own success in western Colorado and they too share their parents' love of and dedication to our country. Shirley's children's success is not only realized with accomplished careers, but above all with wonderful spouses and children of their own.

Even in the twilight of her life, Shirley took on her terrible disease with vigor and determination. In her last months, she attended numerous medical clinics, not for her own sake, but in the hopes she could help provide information that would lead to the cure of the disease that promised to take her life. Shirley willed her body to science so that doctors could continue to seek out a remedy for the infirmity that ailed her once she passed.

Mr. Speaker, I am proud to have been Shirley's Congressman and nephew. Her unconditional love for family and country will be greatly missed.

HONORING BOB CURRAN UPON HIS  
RETIREMENT**HON. JACK QUINN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 25, 1999*

Mr. QUINN. Mr. Speaker, I rise today to honor Mr. Bob Curran, Columnist for the Buffalo News on the occasion of his retirement.

Bob Curran was born in Boston to Irish immigrants. World War II interrupted his football career at Cornell University. Bob was a Sergeant with the 95th Infantry Division and fought in France, Belgium and into Germany. Gen. George Patton personally gave him the Silver Star. Bob also received 2 Purple Hearts, Bronze Star and Combat Infantryman's Badge. His wounds kept him from playing football when he returned to Cornell.

Bob worked for Fawcett Publications in New York, becoming editor of Cavalier before resigning in 1961. He was director of college football's Gotham Bowl, head of sports publicity for NBC and syndicated columnist before moving to Buffalo in 1967.

Bob has been a columnist for the Buffalo News for 32 years. His columns are famous for telling readers how to "win friends and influence him," asking trivia questions and telling backward jokes.

What has set Bob apart from other columnists has been his strong advocacy on behalf of veterans. He wrote about real heroes, the veterans in Western New York. As Chairman of the House Veterans' Benefits Subcommittee, I have greatly benefited from his insight and advice on veterans' issues.

As everyone in Western New York is aware, Bob has been a vocal advocate of the designation of December 7th, Pearl Harbor Day, as a national holiday. It was through Bob's passion, encouragement and support that he generated in the veteran's community, that persuaded me to submit legislation in the House of Representatives, H.R. 965, to designate Pearl Harbor Day as a federal holiday in the same manner as November 11, Veterans Day.

I and the many members of the Western New York veteran's community look forward to Bob's continued support for veteran issues.

Mr. Speaker, today I would like to join with the Curran family, the Buffalo News, our veterans and their families as well as the entire Western New York community in tribute to Mr. Bob Curran.

With retirement comes many new opportunities. May Bob meet each new opportunity with the same enthusiasm and vigor in which he demonstrated throughout his brilliant career, and may those opportunities be as fruitful as those in his past.

Thank you, Bob, for your advocacy, tireless effort and personal commitment to our community, and for your friendship.

IN HONOR OF SHANNON MELENDI

**HON. ILEANA ROS-LEHTINEN**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 25, 1999*

Ms. ROS-LEHTINEN. Mr. Speaker, I wish to share with my colleagues the tragic cir-

cumstances of a constituent, Shannon Melendi, a 19 year-old sophomore at Emory University in Atlanta.

Almost 5 years ago to the day, on March 26, 1994, Shannon disappeared on a Saturday afternoon from the Softball Country Club where she worked as a scorekeeper, during games.

Shannon took a work break from which she never returned and no one has seen her since that day.

The prime suspect, a part-time umpire at the park, was previously convicted of kidnapping and taking indecent liberties with a child and served only 2 years of a 4-year prison sentence.

This was his third sexual offense.

Perhaps if this man had served his full prison sentence, Shannon would not have disappeared.

Or, perhaps if he had received a harsher sentence, due to the fact that it was his third sexual offense and committed against a child, Shannon would still be here today.

Mr. Speaker, when sexual crimes are committed, we need to ensure that these criminals spend many years incarcerated so that women and children are safe from sexual predators who prey upon them.

I urge my colleagues to work together to enact legislation that will keep people who have committed sexual crimes off our streets so that what happened to Shannon will never have to happen again.

Shannon's father, Luis, summed it up the best when he said, "What happened to us cannot be changed, but because of what happened to us, changes can be made."

TRIBUTE TO EAGLEVILLE, TN

**HON. BART GORDON**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 25, 1999*

Mr. GORDON. Mr. Speaker, I rise today to recognize the 50th Anniversary of Eagleville, TN. Historically, the first known settlers arrived in the Eagleville area in 1790. There are indications that Native Americans also camped near the local springs. The town derives its name from a legend about an unusually large eagle that was killed near the village. This name was officially adopted on August 16, 1836. Eagleville received its charter of incorporation on March 31, 1949.

Today, the tradition of this historic city continues to grow with a nationally recognized school, the community churches and its businesses. The city government consists of an elected mayor, Nolan S. Barham, Sr., and six elected council members. Eagleville's population has steadily grown through the years and today stands at 501 people.

On Saturday, March 27, the town of Eagleville will celebrate their 50th anniversary. They will be holding a community dinner from 4:00 P.M. until 7:00 P.M. Some members of the community, who were present for the original incorporation ceremony, will be recognized during this event. Please join me in congratulating Eagleville for reaching this milestone.

FORT BENNING, GEORGIA—1999  
ARMY COMMUNITIES OF EXCELLENCE  
COMMANDER-IN-CHIEF'S  
AWARD**HON. MAC COLLINS**

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 25, 1999*

Mr. COLLINS. Mr. Speaker, it is with great pride that I rise today to recognize Fort Benning, GA, the "Home of the Infantry" and the Army's premier installation, for being recognized with the 1999 Army Communities of Excellence Commander-in-Chief's Award.

This is the fourth Commander in Chief's Award Fort Benning has received in the last five years. The annual award recognizes the best Army installation in the world. Fort Benning has also been awarded, for the seventh consecutive year, the Chief of Staff, Army Award which recognizes the best Army installation in the continental United States.

The ability and professionalism of the tens of thousands of soldiers and nearly 7,000 civilians who pass through Fort Benning's gate each and every year are responsible for this recognition. The awards are also indicative of the successful partnership that has been developed over the years between Fort Benning, Columbus, Georgia, and Phenix City, Alabama.

Major General Ernst, Commanding General, and his able staff continue to reinforce Fort Benning's longstanding commitment to military quality, focusing on the watchwords "first in training, first in readiness, and first in quality of life." As the home of the infantry, Fort Benning's mission is to produce the world's finest combat-ready infantry and to continue to be the Army's premier installation and home for soldiers, families, civilian employees, and military retirees. This mission is achieved with distinction on a daily basis by Fort Benning soldiers who constitute a cornerstone of our Nation's Armed Forces.

While the infantry remains the central focus of activity at Fort Benning, other specialized units have been added over the years, enhancing the ability of the installation to accomplish its mission. Fort Benning houses, among others, the 11th and 29th Infantry Regiments, the 36th Engineer Group, the Ranger Training Brigade and the 75th Ranger Regiment, the U.S. Army Marksmanship Unit, the Drill Sergeant School, the Henry Caro Non-Commissioned Officer Academy, and the U.S. Army School of the Americas. Each of these units work tirelessly to defend our national interests around the world and to serve our communities at home.

To the military and civilian personnel of Fort Benning, I offer my sincere thanks and congratulations for a job well done.

MARCH IS NATIONAL SOCIAL  
WORK MONTH**HON. EDOLPHUS TOWNS**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 25, 1999*

Mr. TOWNS. Mr. Speaker, I want to remind my colleagues as we adjourn for the district work period that March is "Social Work