EXTENSIONS OF REMARKS

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OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
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Mrs. ROUKEMA. Mr. Speaker, millions of consumers today routinely conduct business over the Internet, buying and selling a myriad of products and services from companies large and small, near and far. Many of these consumers already conduct much of their banking business over the web, checking balances, transferring funds and paying bills without leaving their homes. This explosion of on-line banking offers great benefits on both sides of the transactions: even the tiniest small-town bank can have access to a national marketplace, while consumers can comparison shop for the best interest rates or services. Nonetheless, the delivery of many financial disclosures to consumers, such as loans and mortgages, are limited by antiquated laws requiring paper documents or other information over the Internet. On-line disclosures will provide consumers with a number of benefits:

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- Convenience and time-saving—Consumers can conduct transactions virtually anywhere and at any time, 7-days-a-week, 24-hours-a-day.
- User friendly information—Legalist jargon in on-line disclosure forms can be linked to plain-English definitions, making them much more readable and understandable. Consumers can electronically search documents rather than reading through reams of paper.
- Enhanced services for under-served communities—Rural and urban communities will have enhanced access to financial services, even where brick and mortar branches are not available. In areas where residents cannot afford computers, libraries and schools provide on-line access.
- Reduced cost—Electronic delivery of disclosures will cost less than providing the same information on paper or paying employees to handle face-to-face disclosures. Competition should encourage business to pass on these savings to consumers.

Congressional guidance on electronic disclosures is needed immediately, given that most of the consumer protection laws now on the books were enacted before the Internet became popular. Congress should provide uniform standards so that disclosures will be delivered to consumers under the same set of rules by all financial service providers.

Some regulators, notably the Federal Reserve, have begun to address these issues. But others have not, as in the case of the Department of Housing and Urban Development with respect to the Real Estate Settlement Procedures Act. Congressional action would provide uniformity and clarity among the agencies and provide guidance from the only body with the authority to amend the laws in question.

In sponsoring this legislation, we want to make clear that we do not intend to discourage the Federal Reserve from moving ahead. Instead, we want to encourage other agencies to follow suit. As I have said before, we hope the pace of regulatory activity in this area will be stimulated by congressional interest and action.

Congress and the regulators must play a leadership role in updating many of the consumer protection laws to reflect new technologies and establish a coherent legislative framework for the delivery of financial services through electronic commerce. With the introduction of this legislation, we can begin the debate that set us on the path to enacting responsible legislation that will enhance consumer access to financial services while maintaining appropriate consumer protections.

SUMMARY OF THE ELECTRONIC DISCLOSURES DELIVERY ACT OF 1999

The “Electronic Disclosures Delivery Act of 1999” (the Act) amends the Truth in Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Real Estate Settlement Procedures Act, the Truth in Savings Act and the Consumer Leasing Act to provide for the electronic delivery of disclosures, notices, and any other information that is required to be given to consumers under these acts. The legislation provides that acknowledgments given in connection with disclosures or notices may also be provided electronically.