

1 Civil Rights Commission
2 June 27, 1974
3 Volume I
4

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PROCEEDINGS

THE CHAIRMAN: Ladies and Gentlemen, this open hearing of the Utah State Advisory Committee to the United States Commission on Civil Rights will come to order.

I am Raymond S. Uno, Chairman, Utah Advisory Committee. The other members of this committee are, all to my left: Ms. Casey Merrill Weech and Jeff Bingham, Rose Van Digglen, Alberta Henry, Fred Oswald, Bill Loos, Ofelia Valencia and Ricardo Barbero, all straight to my left across the table here.

Those that are absent that I could see are Gifford Price. Is he the only one that's absent today? Oh, and Shirley Reed.

Appearing with us today are Joseph Brooks, Acting Director of the Commission, Mountain States Regional Office. Mr. Brooks is sitting back there raising his hand; Ms. Norma Jones, Equal Opportunity Specialist, she's sitting in the orange suit over there; William Levis, sitting next to her on her right, State Regional Attorney; Mr. Dean Spader is sitting in the back, Summer Intern; William Muldrow, Equal Opportunity Specialist is sitting in the front next to Ms. Rampton; Phyllis Brekke, Secretary, she's sitting in the back over there; and James Bouley, who is our reporter, sitting in the front.

1 This informal hearing is being held pursuant to
2 the rules applicable to the State Advisory Committees and
3 other requirements promulgated by the United States Com-
4 mission on Civil Rights.

5 The Commission on Civil Rights is an independent
6 bipartisan agency of the United States government established
7 by congress in 1957, and authorized by Civil Rights Acts
8 passed in 1957, 1960, 1964, '67, '70 and '72, to:

9 1. Investigate complaints alleging that citizens
10 are being deprived of their right to vote by reason of their
11 race, color, sex or religion, or national origin.

12 2. Collect and study information concerning legal
13 developments which constitute a denial of equal protection
14 of the laws under the Constitution.

15 3. Appraise federal laws and policies with respect
16 to denials of equal protection of the laws.

17 4. Serve as a national clearing-house for civil
18 rights information.

19 5. Investigate allegations of voter fraud in
20 federal elections.

21 The Commission has constituted State Advisory
22 Committees to advise the Commission of all relevant informa-
23 tion concerning their respective states on matters within
24 the jurisdiction of the Commission.

25 To advise the Commission upon matters of mutual

1 concern in the preparation of reports of the Commission to
2 the President and Congress.

3 To receive reports, suggestions and recommendations
4 from individuals, public and private organizations, and
5 public officials upon matters pertinent to inquiries
6 conducted by the state committees and to attend as observers
7 any open hearings or conferences which the Commission may
8 hold within the state.

9 This is an informal open meeting and not an
10 adversary proceeding or court of law. The State Advisory
11 Committee does not have the power to take oral testimony
12 under oath or to issue subpoenas.

13 Individuals have been invited to share with the
14 Committee, information relating to the availability of credit
15 to women. Each person who will participate has voluntarily
16 agreed to meet with the Committee.

17 Effort has been made to invite persons who are
18 knowledgeable about the problems and progress in the area
19 to be dealt with here today.

20 In an effort to get a well-balanced picture of
21 credit opportunities for women in Salt Lake City, Ogden,
22 and Provo area, we have invited state officials, credit card
23 managers, loan officers, and mortgage loan representatives.
24 We will also hear testimony from women who feel their rights
25 to credit have been violated.

1 Since this is a public hearing, the press, the radio,
2 television stations, as well as individuals are welcome.
3 However, no witness shall be televised, filmed, or photo-
4 graphed during the hearing, nor shall testimony be broadcast
5 or recorded for broadcasting if a witness objects.

6 We are very concerned that we bring out all of the
7 information relating to matters under inquiry. We are also
8 concerned, however, that no individual be the victim of
9 slander or libelous statements, and as a precaution against
10 this happening, each person making a statement here today
11 or answering questions, has been interviewed prior to this
12 meeting. However, in the unlikely event that such a situa-
13 tion should develop, it will be necessary for me to call this
14 to the attention of the person making the statement and
15 request that he desist in his action. If the testimony the
16 person is offering, however, is of sufficient importance, it
17 may be necessary for the Committee to hear the information
18 in a closed session. The person against whom the allegations
19 are being made also will have ample opportunity to make a
20 statement in closed session before the Committee if he so
21 desires. In any event, prior to the time that the Committee
22 submits its written report to the Commission every effort
23 will be made to obtain a complete picture of the credit
24 availability to women as it exists in Utah today.

25 Any person who would like to submit documents into

1 the record of this open meeting may do so within a 30-day
2 period.

3 The matter under inquiry today is a very serious one.
4 It should be as much of a concern to men as it is to women.
5 The issue to be discussed is one that has been growing into
6 public consciousness ever since the National Commission on
7 Consumer Finance held hearings in 1972, on the availability
8 of credit to women.

9 The inability to secure credit has the widest rami-
10 fications for women because it affects such matters as quality
11 and location of housing, educational opportunities, and
12 pursuit of a business or profession. The nonfinancial reasons
13 behind many credit policies of financial institutions often
14 result in a denial of credit to women. These nonfinancial
15 reasons are factors with which this committee is concerned
16 today.

17 The first participant in our open meeting today will
18 be the Dean of the law school, Samuel D. Thurman.

19 Will you please come and give your statement.

20

21 SAMUEL D. THURMAN

22

23 Thank you, Mr. Uno. I am sure my participation
24 here is strictly as a neutral observer, although I may have
25 various ideas on the subject of discussion for today.

1 I may be getting a biased viewpoint. We have a
2 good many women who are on the staff here of the law school
3 and I hear from them very frequently about some of the
4 problems you are going to be talking about today, and I
5 guess maybe I don't talk to quite as many bankers and credit
6 people, and so on, as to what their problems are.

7 I was interested in noticing on the United States
8 Commission on Civil Rights, I thought my first comment would
9 be, "It seems a little peculiar on members appointed by the
10 President, and I didn't see that any one of them was a
11 woman," but I did finally learn that Frank S. Freeman of
12 St. Louis is a woman, so that made it at least a little mor
13 legitimate.

14 It is always a pleasure to have our First Lady
15 here, and she is one of our very favorites and it is a
16 great pleasure to welcome you to the college of law. We
17 are pleased to make available to you our facilities.

18 We at the law school have taken pride in the fact
19 that so many women are today interested in studying law.
20 And there was a time a few years back when they were admitted
21 on a double track. They were given at least a few advantages
22 and this no longer is true. They come in on the merits now
23 and we are very pleased that in this year's first-year class
24 we have 20 percent women and this coming fall it will be pro
25 ably up to 25 percent women in the entering class.

1 And these are women that are particularly concerned,
2 I think, about the topic for discussion today. I was taken
3 back a little just a couple of days ago when I received a
4 letter from a young woman from, just graduating from the law
5 school of the University of Texas. She said that, "I have
6 just completed my law school here at the University of Texas.
7 One of my courses this past semester was a course on the
8 legal profession and we used your textbook."

9 This was a book that came out just about three or
10 four years ago and was a book I spent many years on. She
11 says, "I read the entire book during the course of the
12 semester." It was good to hear that. All of our students
13 don't do that, and she says, "Nowhere did I find any
14 reference to the fact that there are women in the legal
15 profession."

16 Well, this really caught me short. I have an entire
17 book devoted to what lawyers do, excerpts from some of the
18 great leaders of the Bar and from judges over a long period
19 of time, and I went back through it and there was just almost
20 no reference to the fact that a lawyer might be a woman.

21 Well, I immediately -- and she furthermore went on
22 to say this, she says, "I think that you might find a
23 replacement for an excerpt by a gentleman who is one of the
24 very eminent presidents of the American Bar when he said this:
25 she says, "I particularly disliked this sentence:

1 'This activity will broaden him, make him a better and more
2 useful lawyer, and with good luck and the aid of a good wife
3 and alert children, may keep him from becoming too stuffy!'"

4 Well, there you are. This book was written five
5 years ago. At the time I must confess it didn't even occur
6 to me that I ought to start looking around to make sure that
7 women knew that there were women, and eminent women, practicing
8 law. And she concludes, my correspondent from Texas, with
9 these words. She says: "I hope that in the next edition you
10 will also include articles by women."

11 Well, I wrote her immediately, told her this was
12 the finest suggestion I had had and I certainly was going to
13 comply with the criticism which she had so properly made.

14 We do want to welcome you here today, and hope to
15 have the opportunity to stop in from time to time and hear
16 what is going on. Thank you. - (Applause)

17 THE CHAIRMAN: Thank you very much, Dean. Next we
18 have the First Lady of Utah, Lucybeth Rampton.

19
20 LUCYBETH RAMPTON

21 Thank you, Ray.

22 I am sorry Sam left, because one of the things that
23 drives me -- he didn't? good? -- straight up the wall is being
24 introduced at a banquet as my husband's good wife. The next
25 time that happens there's going to be an explosion in the

1 State of Utah.

2 I can't help kidding the Commission just a little
3 bit about why I am here today. I am here as my husband's
4 wife, of course, but I am also here because when they called
5 me and asked me if I would make an opening remark at the
6 meeting, they said, "You know, we've checked our program and
7 we find we don't have any women on the program," so I am a
8 token.

9 I have had little personal experiences with credit
10 problems because being of an older generation I have run
11 along in the old track of getting my credit through my husband,
12 but I have an outspoken daughter who is both a professional
13 social worker and a married women, and she had a little problem
14 with credit in her own name a couple of years ago.

15 So I called her yesterday and I said, "Where do you
16 stand?" and she said, "Well, I haven't gone back to it since
17 I tried because I applied first for a Master Charge in my
18 own name and was told I had to have it in my husband's name,
19 so I said, "Don't bother, I don't want one, and I did the
20 same with ZCMI." So she hasn't gone back to trying to get
21 credit in her own name, hasn't needed to, still having her
22 husband with her at the present moment.

23 Just for fun, as I have been sitting here I have
24 been running through my own credit cards in my wallet.
25 They are simple credit cards, you know, charge accounts and

1 things of that sort, and I find that this run-down on them
2 in my husband's name, not mine, are two from ZCMI and Paris.
3 In my married name, Mrs. Calvin Rampton, are four department
4 stores, Makoff -- well, Felt-Buchorn, Castleton's and Auer-
5 bach's. One bank credit card, my Master Charge, is Mrs.
6 Calvin Rampton. In my personal married name, Lucybeth Rampton,
7 I have my state driver's license, my Salt Lake City Public
8 Library card, and an American Express card, which I have
9 never used, and my membership in the American Legion Auxil-
10 iary, the Democratic Women's Club, and so on. One I have in
11 my maiden name still, my Social Security card, which dates
12 back to the time before I was married.

13 So I am fascinated by what goes on here today. I
14 will learn why it is that my credit cards are listed in
15 this way. Thank you. (Applause)

16 THE CHAIRMAN: Thank you very much, Mrs. Rampton.
17 Next we have William G. Bruhn, and I don't see him here. Is
18 there a representative from Mr. Bruhn?

19 We'll have him come up when he arrives then.

20 Following Mr. Bruhn we'll have Fred S. Ball,
21 Executive Vice-President, Salt Lake City Area Chamber of
22 Commerce.

23

24

25

FRED S. BALL

1
2
3 Thank you, Ray. Ladies and Gentlemen, I am delighted
4 to be here this morning and I, like Mrs. Rampton, when I
5 first received the invitation, started asking around in my
6 office and with my family regarding credit to women, and the
7 first one I talked to, first lady I talked to, was the head
8 of the Women's Council of the Salt Lake City Area Chamber of
9 Commerce, Betty Barry, United States Steel.

10 She very quickly told me there is a definite
11 problem and we should come and start talking very specifically
12 about these things, and she is very delighted that you are
13 going to be here.

14 I also talked to the head of our Retail Merchants'
15 Association, the President of our Retail Merchants'. That
16 is a part of the Chamber of Commerce. He says that he has
17 been in the business for many, many years and until about
18 the last 18 months he had never had any complaints, or
19 heard anything about discrimination of credit to women, but
20 "Yes," they are hearing a great deal about it, and "Yes,"
21 they are doing something about it.

22 I then talked to my number one daughter who is 20
23 years old and a very liberated young lady, university student
24 here and she emphasized to me that there is a great deal of
25 talk on the campus and with her counterparts about this

1 problem of credit to women.

2 I then talked to one of my bosses at the Chamber
3 of Commerce, a President of one of our largest banks, and
4 he was very much aware of the problem, so I think that
5 recently, and all of them indicated to me that it was some-
6 thing rather recent, but all of them are aware of it.

7 All of them recognize that there is some things that
8 that definitely has to be done and we are very, very happy
9 that you are here today to discuss these problems.

10 I think every financial institution and lending
11 institution in the valley belong to our organization, so if
12 any of the findings of this proceeding today comes up with
13 an idea or suggestions that we as a Chamber of Commerce
14 might be able to help, implement or bring together, or start
15 dialogue, we'd be just more than happy to do it.

16 We welcome you here today. We are very happy
17 that you are here, and we hope that we will be able to help
18 you implement some of your findings. Thank you very much.

19 (Applause)

20 THE CHAIRMAN: Thank you very much, Fred.

21 We have fortunately been able to stick to our
22 schedule, so next we will start a little bit early on our
23 next speaker, and I don't see Mr. Bruhn here yet, so we will
24 have an economic overview on women in Utah, Norma Jones,
25 Equal Opportunity Specialist, Mountain States Regional Office,

1 United States Commission on Civil Rights.

2

3

NORMA JONES

4

5

Thank you. Mr. Chairman and members of the Utah
6 Advisory Committee to the United States Commission on Civil
7 Rights, and guests.

8

9

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11

If the outcome of this meeting is to determine if
credit-worthy women are treated substantially the same as
credit-worthy men, then it is important that certain attempts
be made to clearly define the term "credit-worthy".

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This hearing has been designed to hear oral testimony
as relates to women and their obtaining of credit cards,
mortgage loans and personal loans. An individual must be
credit-worthy in order to qualify for these particular types
of credit.

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Many women, like many men, are not credit-worthy.
It is because they have no income or they have been poor
credit risks in the past. The purpose of this hearing today
is not to determine if credit can be made available to those
women who are housewives and have no independent income of
their own, but rather the question before the Committee is
whether those women who are gainly employed and have a credit
history have been systematically denied credit because of
their marital status.

1 If this Committee will accept the premise that a
2 woman becomes credit worthy when she obtains an income and a
3 credit history, then it is important that we look at the
4 income and its sources.

5 Although many women obtain income through courses
6 other than employment, for example, alimony and child support
7 payments, the most common income sources for a woman is a
8 job. It is essential then to look at the employment statistics
9 of women in Utah in order to determine the approximate
10 number of potentially credit-worthy women.

11 According to the 1970 census, there are 351,169,000
12 women 18 years of age and over in Utah. Of those, 145,638,
13 or 41.5 percent are in the civilian labor force. On the
14 national level, 43 percent of women 16 years of age and
15 over were in the civilian labor force. Thus the percentage
16 of women in Utah who work is almost identical to the national
17 percentage. The 145,638 working women constitute 36.1
18 percent of the total civilian labor force in Utah.

19 Of the women who are in the Utah civilian labor
20 force, 136,988, or 94 percent are employed, and 8,650 or
21 6 percent are unemployed. Primary occupations of the
22 136,988 employed women are as follows: Fifty-one thousand,
23 eight hundred seventy-eight, or 37.9 percent are clerical
24 and kindred workers; 36,628 or 19.4 percent are service
25 workers, excluding private household workers; 23,027 or 16.

1 percent are professional, technical and kindred workers; ;
 2 12,350 or 9 percent are operatives, excluding transport
 3 operatives; 10,608 or 7.7 percent are sales workers; the
 4 remaining 9.2 percent are employed in various other occupations.

5 In terms of marital status of women workers, the
 6 Utah statistics are very similar to national statistics.
 7 Of the 145,638 women in the Utah civilian labor force, 64.4
 8 percent or 93,960 are married, and this compares with 64
 9 percent on the national level. Twenty-two point nine percent
 10 or 33,382 are single and this compares with 21.7 percent on
 11 the national level; 6.3 percent or 9,306 are divorced and
 12 this compares with 6 percent on the national level; 6.4
 13 percent or 5,003 are widowed, and this compares with 8.4
 14 percent on the national level.

15 In short, Utah has slightly higher percentages
 16 than the national percentage of married and divorced women
 17 in the labor force and a slightly lower percentage of
 18 widowed and single women than the national percentage. In
 19 Utah, 40 percent of married women work. Of those married
 20 women who work, 50 percent have children under the age of
 21 17; 36 percent have no children; and the remaining 8 percent
 22 are married women in the labor force whose husband's are
 23 absent. Thus, the majority of married women who work have
 24 children under the age of 17. The statistics I have just quoted reveal that Utah
 25

1 statistics are nearly identical to national statistics. We
 2 can expect therefore, that national trends and in other
 3 domestic areas would also be duplicated in Utah. For
 4 example, the average number of years a woman works has more
 5 than tripled between 1900 and 1960, so that the average
 6 expected work life of working women in 1960 was 20.1 years,
 7 and that number certainly is higher now.

8 Women make up two fifths of the work force, yet
 9 they account for three fifths of the increase in the civilian
 10 labor force in the decade between 1960 and 1970. Women are
 11 entering the work force at a faster rate than men. The
 12 average woman worker has the same education as the male
 13 worker, a median of 12.4 years of schooling, and most women
 14 who work before marriage continue to work after marriage.
 15 In 1968 the figure was 89 percent; in 1974, 84 percent of
 16 the women who worked before marriage continued to work after
 17 marriage; and finally, the percentage of families in which
 18 both wife and husband bring home a paycheck has risen from
 19 15 percent in 1945, to 46 percent in 1970.

20 In conclusion, Mr. Chairman and members of the
 21 State Advisory Committee, these statistics which have been
 22 transcribed into the record point out that approximately
 23 40 percent of all women in Utah, 16 years and older, are
 24 employed and have an income. Trends indicate that this
 25 percentage is growing rapidly. Most of these women have the

1 potential to obtain credit in proportion to their income.
 2 Today this committee will hear testimony which will cover
 3 the many complex factors affecting credit availability to
 4 these potentially credit-worthy women.

5 Thank you, Mr. Chairman.

6 THE CHAIRMAN: Thank you very much, Norma.

7 I see that Bill Bruhn is now here, and we can go
 8 back to our opening remarks and hear from Mr. Bruhn, Executive
 9 Director of Utah Department of Community Affairs, who is
 10 representing Governor Rampton at this hearing.

11 Will you make your opening remark, Mr. Bruhn?

12

13

WILLIAM G. BRUHN,

14

15 Mr. Chairman, Ladies and Gentlemen, I am delighted
 16 to be here this morning to extend to you a greeting from
 17 Governor Rampton. It's been said wisely, so I believe, that
 18 the only person who can fill another man's shoes directly is
 19 a shoe salesman. I am certainly not a shoe salesman and I
 20 feel very inadequate anytime I am asked to represent the
 21 Governor, but I do so very, very happily this morning as you
 22 address a very, very serious matter and one that is of import
 23 to everyone in this room, is of import to the people of the
 24 State of Utah, the matter of discrimination and that's really
 25 what we are talking about when we talk about credit policies

1 as they affect women is a matter that has certainly taken
2 a good deal of our Governor's time, and I suspect that is
3 one of the things that has distinguished him as Governor of
4 our great state, is that he has created mechanisms within
5 state government that deal with the several problems
6 surrounding problems of discrimination.

7 I think members of the Advisory Council would be
8 pleased to know that within our state in addition to a
9 Commission on Women, we have a Governor's Advisory Council
10 on Spanish-speaking, we have a Governor's Advisory Council
11 on black, in addition to an Indian Commission and those are
12 not unrelated matters to the issue that you address, because
13 certainly the question of obtaining credit on one's own
14 right and being able to address the problems of making
15 one's own way in the world and expecting the same kind of
16 treatment from financial institutions, irrespective of race,
17 sex, or any other factor, is certainly a very, very important
18 thing for us to deal with.

19 I don't know whether you have had a chance to hear
20 Mrs. Rampton, but I am sure that she would relate to you
21 that there is an instance in the governor's own family of
22 his daughter attempting to obtain credit as a married woman
23 and I -- it becomes a matter of personal interest.

24 May I say to you that as an individual who has
25 dealt with credit as a Regional Director of the Small Business

1 Administration, I also feel very, very strongly on this
2 factor and could relate also that within my personal family,
3 I have a sister who is a divorcee, who is in business, and
4 without some strong interjection on my part and that of the
5 other male members of my family, she still would be denied
6 the opportunity to raise her family in a home that she
7 provides with her own resources, and I think that's speci-
8 fically the problem that you choose to address today.

9 So my message is a brief one. My message is that,
10 to say to you, you are indeed, Advisory Council, most
11 welcome as you address this serious issue in Utah. You
12 certainly have the support, the backing of the State of
13 Utah, the Governor, and the institutions that can impact
14 on this very, very vital subject, and we wish you very well
15 as you deliberate today.

16 Thank you, Mr. Chairman. (Applause)

17 THE CHAIRMAN: Thank you very much, Mr. Bruhn.

18 I'd like to just briefly recite the format for the
19 benefit of those who may not have an opportunity, or did
20 not have an opportunity to review what the program would be,
21 but initially at 9:30 a.m., which that's scheduled for,
22 we're a little early, we have witnesses on mortgage loans.
23 At 10:00 we have mortgage loan officers; at 11:00 we will
24 have a break; at 11:15 we will have witnesses on credit cards;
25 at 12:30 we will break for lunch; at 1:30 we will resume

1 with credit card managers, interbank cards; at 2:15 we will
2 have credit card managers, department stores; at 3:10 we
3 will take a break; at 3:25 we will have witnesses on personal
4 installment loans; at 4:10 personal loans and installment
5 loan officers; at 5:00 we will take a break; at 5:15 we will
6 have credit bureau managers; at 6:00 we will have remarks on
7 current state legislation by representative Rita Urie; and
8 at 6:30 we will have closing remarks and adjournment. And
9 hopefully we will try to stick to this schedule.

10 We are a little flexible so if we fall behind on
11 one, hopefully we can catch up on another, but we will try
12 to make it so everyone will have an opportunity to speak
13 that's on the agenda.

14 We'd like to take just a brief five-minute break.
15 There is, I understand, the possibility that we may be able
16 to get some parking stickers for those that may have parked
17 outside and I will check on this and if we come up with some
18 parking stickers, those members that are officially invited
19 here, we hope we will be able to make some arrangement for
20 you so we will just take a brief break right now.

21 (Break)

22 I would like to resume the hearing. The next part
23 of our hearing will be on mortgage loans. We have two
24 witnesses. The first will be Freida McCoy, and we'd like to
25 have Freida come up to the table over here on her right.

1 Perhaps we can have Joanne Whitcomb, come up to the table too.

2 We have on our panel for witnesses on mortgage
3 loans: Fred Oswald, Alberta Henry, Ricardo Barbero, and
4 myself, and we will follow a general format of first identi-
5 fying the witnesses and having them state their name, address
6 and occupation. So we'd like to have Freida McCoy first state
7 your full name, your address and your occupation.

8
9

FREIDA MCGOY

10

11 A Freida McCoy, 1192 South 9th East, librarian at
12 the University of Utah.

13 Q (By Mr. Uno) And could you please get the micro-
14 phone and perhaps you can bring it right up close to you.

15 A (By Ms. McCoy) Okay, is that better?

16 Q Right. Will you please describe in detail your
17 experiences in trying to obtain a mortgage loan?

18 A About three years ago in August, my husband and I
19 were trying to buy a house. At the time he had just graduated
20 from school and was not employed, but I had been employed
21 here at the university for three years with no indication
22 that I would not continue to be employed.

23 We applied for a loan and I was asked by a bank to
24 make out a statement and sign it saying that I would not have
25 any children for five years and then they would consider

1 giving me the loan. We didn't, of course, sign that. I
2 felt that I shouldn't have to make that kind of statement,
3 so we tried some other banks.

4 One bank said that they possibly might loan money
5 on my husband's potential earning power, but not on what I
6 was presently earning, and then we did go to a bank who
7 did loan us the money.

8 Q What was your credit rating and job stability at
9 the time of the loan application?

10 A I'm not sure about my credit rating. The job
11 stability was very good. There was no indication that I
12 would not continue to have the job that I was in.

13 Q Mrs. McCoy, one mortgage institution required that
14 you sign a letter outlining your parental plans. What was
15 your reaction to the requirement of the letter concerning
16 your parental plans?

17 A I felt that it was unfair to ask me to sign any
18 kind of statement like that, so I just refused to do it.

19 Q Was a similar letter requested of your husband
20 regarding his health or ability to continue working?

21 A No, there was nothing asked of my husband.

22 Q (By Mr. Oswald) Mrs. McCoy, you suggested that
23 you did do some shopping around. Were there other institut
24 who asked the same type of questions?

25 A As far as the -- what I call a "baby letter"?

1 Q Yes.

2 A No, that was the only bank that asked me to do that.

3 Q Were you able finally to secure a loan without
4 signing such a document?

5 A Yes, about three weeks later we did secure the
6 loan.

7 Q (By Ms. Henry) Joan, will you tell us what is
8 your personal feeling, or opinion, toward all of these events?

9 A At the time I was much more angry about it than I
10 am now since we do have the house, but I feel that it is very
11 unfair to ask of women something that they do not ask of men.
12 They don't ask men to sign papers saying they will stay with
13 the job for a certain length of time, or to guarantee their
14 health or anything, but because I was in my child-bearing
15 years, which to this particular bank extended until I was
16 into my forties, then they were asking me to sign something
17 saying that I would not become a parent for at least five
18 years. And I felt that was unfair to ask that of me.

19 THE CHAIRMAN: For the time being, that's all the
20 questions we have for you. Next, Joanne Whitcomb.

21

22

JOAN WHITCOMB

23

24 A (By Ms. Whitcomb) Okay, my name is Joan Whitcomb.
25 My address is 8085 South 1475 East, Sandy, Utah. I am the

1 District Administrator for Dictaphone Corporation in Salt
2 Lake City.

3 Last year my husband and I were transferred here
4 from Portland. He was promoted to a one-man office here.
5 We had owned a home in Portland which we sold, and when we
6 came out he found a house that we wanted to purchase.

7 We went through a major savings and loan institution
8 and they requested that I write them a letter stating that I
9 had no intention of having children, and what I was doing to
10 protect myself from having children. In order for us to
11 get the loan I did write the letter to them.

12 In it I told them that I wasn't planning on having
13 children. I had been working as an office manager. I do
14 have a college degree, I planned on continuing to work, and
15 that in this day and age it's really not necessary for them
16 to ask that. I take preventive measures about having children.

17 Q (By Mr. Oswald) Joan, did you feel that it was
18 important for you, or essential for you in obtaining the loan
19 to send the letter?

20 A No, I really don't, because my husband's income
21 was such that it shouldn't have even come up.

22 Q Did it come up? What period of time did it come up
23 during the time?

24 A At the time -- well, he was here in Salt Lake and
25 he had found the house, and he was going through the loan

1 institution and they requested, before they approved the
2 loan, that they have a written letter from me.

3 Q (By Mr. Barbero) I would like to ask you again,
4 one other question. Did they show you their forms, their
5 regular forms to apply for a loan, and would you mind telling
6 us if you understood the forms? Were they clear to you?

7 A I didn't -- I didn't see the forms. My husband
8 was in Salt Lake, I was still in Portland and he filled out
9 the forms. But they verbally asked him at that time, before
10 they accepted and gave him a loan, they requested that I
11 submit a written letter to them, but I did not fill out forms
12 myself.

13 THE CHAIRMAN: Mr. Levis, are there any questions
14 that you wish to ask at this time?

15 Q (By Mr. Levis) Ms. Whitcomb, did your husband shop
16 around for the loan or was this the only institution at
17 which he and you applied?

18 A I -- I assume this is the only one. I, of course,
19 was not here, but he apparently, this was the normal mortgage
20 and loan company that our real estate agent goes through, or
21 something to that effect. I believe it was the first one
22 he approached.

23 Q Did they require, or request, any written letters from
24 your husband as to his health in the future, or his plans?

25 A No, they did not.

1 MR. LEVIS: I have no further questions of this
2 witness.

3 THE CHAIRMAN: Are there any other questions that
4 any of the panelists would like to ask at this time?

5 Thank you very much for your participation, and
6 we invite you to stay and listen to other people who have
7 had similar experiences in different ways.

8 Next we have mortgage loans and we have as
9 witnesses, and taking the place of Mr. Kennedy of the real
10 estate division of the Bank of Utah, we have Jerry West.
11 Mr. West?

12

13

JERRY WEST

14

15 Q (By Ms. Alberta Henry) Mr. West, will you please
16 state your name, address and occupation?

17 A (By Mr. West) Jerry West, 4338 Porter Avenue, of
18 Ogden, Utah. I am Vice-President and Bank Manager of the
19 Bank of Utah.

20 Q Will you please describe the screening procedures
21 used by the Bank of Utah to insure qualified applicants
22 for mortgage?

23 A We have a normal application, real estate application
24 that they fill out indicating their employment, where they
25 live, how long they have been employed, and their salary,

*Note Credit
Bureau response*

1 other credit information where they have had previous credit,
2 how long on the job, just pertinent information pertaining
3 to a credit application.

4 Q Do you feel that these procedures may in any way
5 adversely affect a woman's opportunity to get a mortgage?

6 A No, I don't believe so.

7 Q When a divorced woman applies for a mortgage loan,
8 do you regularly send for the marriage credit record if she
9 worked while married?

10 A Normally we do. It's usually in your credit bureaus
11 we find that that information is usually combined until we
12 ask them to break it out on an individual basis.

13 Q Then how do you account -- determine what accounts
14 are paid by her salary?

15 A Normally through the credit bureau they will pull
16 that information out from various credit departments and
17 will give us that information.

18 Q Who is presumed to have paid the accounts, the
19 husband or the wife?

20 A Well, it's really hard to determine. We kind of
21 go on the character of the individual in telling us who has
22 actually handled the account.

23 Q (By Mr. Oswald) Mr. West, we appreciate your being
24 with us this morning and taking time from your work to appear
25 before the Committee.

Joint
credit
*

1 A Thank you.

2 Q I have just a couple of questions. Again, referring
3 to divorced women who are anxious to secure a mortgage loan,
4 do you ever consider alimony or child support payments as
5 total effective income when those divorced women apply for
6 a loan?

7 A Not usually total because you're going into mortgage
8 loans, your going usually into 25 and 30 year categories and
9 child support money usually ends at the age of 18 or 21,
10 depending on the individual, the child, so we can't take that
11 in the long term. We do take it into consideration of the
12 total income, however.

13 Q Would there be any conditions in which a divorced
14 woman is receiving alimony or child support that you would
15 consider that as total effective income?

16 A Well, it's hard to say in any condition. I think
17 in some instances depending on the person's category where
18 this is coming and the age of the children, this would be
19 taken into consideration.

20 Q There is a possibility that a divorced woman could
21 be granted a mortgage loan if her sole source of income
22 came from alimony or child support payments?

23 A Yes, we'd have to look into the background of
24 where those payments are coming and the credit worthiness
25 of that to make sure that the availability of those payments

1 would be there.

2 Q Thank you. Let me ask a question on another topic.
3 In referring to professional or nonprofessional women's
4 salaries, under your screening procedures would you give
5 more credit to a woman who was considered to be professionally
6 employed rather than a woman who is considered an unprofes-
7 sional in her employment?

8 A No, I think we'd look at the creditability to them
9 as far as their ability to pay, how long they have been on
10 the job and the opportunity they have to continue with their job

11 I don't really feel as professionalism to nonprofes-
12 sionalism has any category there.

13 Q So, whether a woman was a waitress or a technician
14 would not make a difference in your decision?

15 A Other than the amount of income normally that would
16 be derived from those occupations.

17 MR. OSWALD: Thank you.

18 Q (By Mr. Barbero) Mr. West, do you require a wife's
19 signature if a married man applies for a mortgage loan?

20 A Yes, we do.

21 Q Does the Utah state law require her signature?

22 A My understanding, under the Dower Act in the State
23 of Utah that in a marriage a wife has opportunity for that
24 property, so we require where the property is in both names,
25 we require that the wife does sign because she does have

1 a certain right to that property under the Dower Act.

2 Q Do you know if there is any law specifying that she
3 has to sign?

4 A I'm not that familiar with it, it's just my under-
5 standing through our legal department of the bank that there
6 is a law which they call the dower right of a woman, right
7 to personal property and real estate property.

8 Q Does Utah state law require a husband's signature
9 if a married woman qualifies for a mortgage?

10 A No, I know of none.

11 Q One more question. What procedures do you use when
12 mortgage payments are more than three months delinquent?

13 A You mean collection procedures or --

14 Q Well, the general procedure once you are confronted
15 with a situation like that, what is your general procedure?

16 A Well, generally we hope they don't get that far
17 delinquent. Normally we catch them after they are 15 days
18 delinquent which they have the grace period. We contact
19 them then to determine what the problem is and what can we do
20 to solve the problem before it gets into a 90-day category.
21 We have no definite, oh, things, that we do at that period
22 of time in determining what the individual's problem is, and
23 what can be done to rectify the delinquency.

24 Q Would you mind also elaborating, that's your number
25 one step, 16 days, then after that when you have established

1 that they are delinquent what would you do?

2 A Normally at that time we make a phone call to the
3 individual to determine why the delinquency, what can be
4 done to eliminate the delinquency, if, from promises there,
5 normally a letter will go out to them indicating that we're
6 giving them a certain period of time to bring it up to date
7 or contact us, what their intentions are, we know what we can
8 do to eliminate the delinquency.

9 Q And then what would be the next step? Would you
10 wait another five days, a week?

11 A Normally we'd go until the loan is 30 days delin-
12 quent. At that time I say this isn't a matter of policy,
13 depending on the individual, but at that time we probably send
14 a letter to them indicating that they have a certain period
15 of time to bring the loan to current, or we would have to
16 resort to other actions.

17 Q What would be that period of time of another action,
18 30 day?

19 A No, usually 45 to 60 days before we would go to,
20 say, legal action or something like that, an attorney to
21 write a letter or something of this nature.

22 MR. BARBERO: Thank you very much, Mr. West.

23 Q (By Mr. Uno) If a woman is otherwise qualified in
24 all respects for a mortgage loan, but she's separated from
25 her husband, could you grant her a loan?

1 A Yes.

2 Q Now, what risk do you foresee in granting a loan
3 to such a person?

4 A A divorced person?

5 Q Right, or a separated, legally or otherwise?

6 A Or separated. Normally we find that there is quite
7 an emotional situation in some divorces, so we want to
8 determine for ourselves, and in the interview with them, how
9 they are accepting the divorce or the separation, so that
10 there will be no problem in maintaining their employment and
11 this type of thing, otherwise, if they were credit worthy
12 to receive credit we would have no problem.

13 Q And then do you require the husband's signature
14 in this event?

15 A Not if they are legally separated or divorced.

16 Q Let me ask you this question, like you mentioned
17 something about their stability. How do you determine
18 stability?

19 A Well, sometimes it's difficult, but in talking to
20 the individual you can find their maturity and how they have
21 accepted the facts and how long they have been on the job,
22 this type of thing, to determine whether there would be any
23 unforeseeable problems.

24 THE CHAIRMAN: Are there any other questions that
25 anyone would like to ask?

1 Q (By Mr. Oswald) Just one more question, Mr. West.
2 In terms of the subject that the Committee is approaching
3 today, and that is the credit worthy woman who has difficulty
4 in obtaining mortgage loans in your case, can you see any
5 specific reasons why a woman, whether she's divorced, married,
6 single, or separated, should have more difficulty than a
7 credit worthy man in obtaining a mortgage loan from your
8 institution?

9 A Can't see any real problem. I know the case of
10 children being born sometimes does create a problem for
11 young ladies and we have to look beyond there job to see
12 whether in the event they are off due to a pregnancy, they
13 can go back to work. Most employers now will give them a
14 leave of absence and they can return to full employment.
15 We have to determine that from the employer. Make sure in
16 the event of a pregnancy the job is still available and
17 whether they can handle payments during this period of time
18 if they're going to be off 30 days, 90 days, or whatever this
19 case would be. This is something we'd want to determine,
20 what income they're going to have during that period of time
21 to maintain the loan in a current status.

22 Q Would that mean if the woman couldn't go back to
23 the specific job that she had before child bearing that that
24 would be grounds to refuse her loan?

25 A I don't know whether it would be grounds to refuse,

1 but it would be a consideration in making the loan, depending
2 on what her ability was to go to another job or something
3 like this.

4 MR. OSWALD: Thank you, a pleasure your being with
5 us this morning.

6 Q (By Mr. Barbero) I have one more question, Mr.
7 West. How many women do you have on your loan committee
8 and how many minorities?

9 A We have one minority working for the bank as Loan
10 Officers; we have two women who are Loan Officers; we have
11 three officers of the bank that are women.

12 MR. BARBERO: Thank you very much.

13 MS. HENRY: I have two more questions here.

14 Q (By Ms. Henry) In your opinion do the attitudes of
15 your credit granting colleagues as a whole make it more
16 difficult for women to get credit? Will you please explain?

17 A No, I think the bank, and I can only speak for our
18 bank being involved just with our bank, as we look at the
19 credit worthiness of the individual and the ability for that
20 individual to repay any credit obligation that they take
21 upon themselves.

22 Q What are you doing individually to insure that
23 women receive equal credit with men when credit qualifications
24 are equal?

25 A Personally our --

1 Q Personally.

2 A As a loan officer, as they come in we just try to look
3 at it as a loan application not as whether it's male or
4 female. I have quite a few people and we find managing the
5 bank that I do, is in Roy, Utah, which is right near Hill
6 Air Force Base, and we find quite a few of the women that
7 come in for loan applications are making as much or more than
8 their husbands sometimes in their job. So we look at it as
9 that basis. It's just a loan application, not that it's man
10 or female.

11 Q (By Mr. Oswald) Mr. West, one of the things we are
12 exploring today is the relationship between the institution
13 such as the one you are employed by and the credit bureaus
14 themselves. And I am wondering when you ask for information
15 from the credit bureau, for example, on a divorced woman who
16 worked while she was married and at the time she applied for
17 a loan was divorced, how would you determine her credit
18 history? Would you simply rely on what the credit bureau
19 sent to you?

20 A No, this is kind of difficult because you don't
21 know really who has handled those various credit that is
22 given to you through the credit bureau. We have had to go
23 back to the individual and to the credit bureau in some
24 instances and have them call the various creditants where
25 they have had credit and determine actually who set up the

1 credit, who handled the credit, who paid the credit in order
2 to determine credit rating for the young lady.

3 Q Is that standard operating procedure for you to do
4 that?

5 A Yes, if we're in a situation where we've got a
6 separated or a divorced individual.

7 Q In that type of a procedure how would you determine
8 who paid the bills if when the woman was married they had
9 a joint account?

10 A Well, we'd usually take, I say it's awful difficult
11 to determine. We have to go on the character of the individual
12 indicating that she was employed, that she did handle these
13 obligations.

14 Q What's your personal view of who you believe receives
15 the credit in a divorce situation? Do you believe the divorced
16 man benefits more than the divorced woman in terms of past
17 credit history if either one of them should apply for a
18 mortgage loan?

19 A I think in that the majority of your credit infor-
20 mation you receive from the bureau is listed in the husband's
21 name, I would tend to believe that it would fall toward the
22 husband other than the married woman.

23 Q Let me pursue that a little further. If, for
24 example, a single woman had a credit history under her
25 maiden name and then married, how is this reported on the

1 joint credit report after she's married?

2 A His and hers.

3 Q Under both?

4 A It would come that way.

5 Q Are there ever occasions when you might request
6 both the woman's single record and her married record?

7 A Usually that is a combined record. If she had
8 previous credit experience it will come to you from the bureau
9 listed as his record and her record.

10 Q Your experience has been that it is standard proce-
11 dure for the bureau without a special request to give to you
12 both her single record as well as her married record?

13 A Yes, if she's had a previous credit experience
14 established prior to her marriage.

15 MR. OSWALD: I have no further questions.

16 Q (By Mr. Levis) Mr. West, I just have a few
17 questions. You stated that you consider alimony and child
18 support towards total effective income. Is there a percentage
19 that you consider or does it depend on other variables?

20 A I think other variables. As I indicated before, on
21 considering these as total income we have to look back to the
22 individual that is paying these and what his credit status
23 and ability to pay is. It isn't something that's coming
24 from employers, it's coming from an individual. We have got
25 to determine whether that individual can continue those type

1 of payments over a period of time.

2 Q Do you count a hundred percent or do you have a per-
3 centage that you count on that?

4 A No, I don't believe at any time we would count 100
5 percent that type of income.

6 Q What are you looking at, 50 percent, 75 percent?

7 A I would imagine probably 50 to 60 percent.

8 Q And why is that?

9 A I think because of the -- well, it's really hard
10 to -- to explain why. In looking over the total picture I
11 think a certain percentage of that has to go just to the
12 individuals themselves as broken down as child support goes
13 to the various children. In alimony, and I haven't run into
14 very many instances where we find alimony involved in a
15 separation, so I haven't been that involved in it, but we
16 would discount it to some degree because of the fact that
17 this could be a -- going or it could stop at any given time.

18 Q Isn't that also true with a job though?

19 A That's true.

20 Q But you don't discount a salary?

21 A Well, we'd have to look at the long term of it and
22 the availability of that salary.

23 Q But there are some instances then when you discount
24 a salary?

25 A IRS seasonal we discount somewhat because this

1 isn't ongoing it's usually six to seven months. This type
2 of salary we take into consideration.

3 Q Do you discount salaries of those women who you
4 characterize in child-bearing age or --

5 A No, not normally.

6 Q Now, you indicated that a wife has an interest in
7 both the real and personal property of the husband.

8 A The real property under the Dower Act as my under-
9 standing, they do have a right or an interest to that
10 property.

11 Q It's my understanding that both Dower and Courtesy
12 which is the same for a man as it would be for a woman, has
13 been abolished in Utah and that a woman only has a one third
14 interest in the real estate property and not the personal
15 property of the husband.

16 A Right, the real property.

17 Q I think you mentioned earlier also the personal
18 property.

19 A Oh, did I? I meant just the real property.

20 Q I think you also stated that you make a determination
21 whether an employer will re-hire a woman who is pregnant
22 before you will determine whether you'll count her salary,
23 is that correct?

24 A Yes.

25 Q Are you aware that there are federal regulations

1 which make it a violation of the law to fire someone because
2 she is pregnant and not re-hire her because she is pregnant?

3 A I'm not aware of that, no.

4 Q Well, the equal opportunity, Equal Employment
5 Opportunity Commission has promulgated regulations which
6 have been upheld by the Supreme Court which state that it is
7 up to the woman and her doctor to determine when she will
8 take her leave of absence, and that that leave of absence
9 should be characterized the same as a short term illness,
10 and that the employer must make provisions to re-hire that
11 person after she has her child. Were you aware of that?

12 A No.

13 Q Would this make a difference as far as your
14 determination then if an employer said that he would not
15 re-hire a woman who is pregnant?

16 A We would determine what her income would be proceeding
17 the pregnancy.

18 Q My concern is that it is illegal for an employer
19 not to re-hire a woman who has taken a leave of absence
20 because she is pregnant and if the employer said they would
21 not re-hire, what would your reaction be, since this is a
22 violation of the law?

23 A Well, then they're in violation of the law. I would
24 inform her then, knowing then that's what the situation is,
25 that she should contact whoever necessary to rectify her

1 problem there.

2 MR. LEVIS: Thank you.

3 Q (By Mr. Uno) Do you think it's harder for women to
4 get credit than men?

5 A I think it's -- it's beginning to loosen up. I
6 think it's just been the last few years that women have come
7 to a situation where they are requesting credit, where
8 several years ago it wasn't a problem.

9 Q Do you think maybe in order to expedite, or remedy
10 this situation that it would be necessary to maybe revamp the
11 whole credit procedure?

12 A I don't think it's necessary. I think as far as
13 banks and most credit departments realizing the need for
14 this credit, that being on a competitive basis as credit is,
15 that they should be able to handle this themselves.

16 THE CHAIRMAN: Any other questions?

17 Q (By Mr. Loos) Mr. West, you mentioned that you
18 discounted child support and alimony. Is one of the reasons
19 for that is because sometimes the wife is not always in
20 receipt of it, that is, the husband's delinquent, she may
21 not receive it, is that a consideration?

22 A Yes.

23 THE CHAIRMAN: Okay, any others? Okay, fine.
24 Thank you very much, we appreciate your attendance here.

25 And I'd like to just remind those who are witnesses

1 that if they do not wish to have their statements recorded,
2 or to be used on radio or other means, if they would just
3 so state, then the law provides that it cannot be used. So,
4 if you have any statements that you do not wish to have
5 repeated through any of the mass media just advise us.

6 Then also I'd like to, for the benefit of those
7 people that are here, if there are any women who feel they
8 have any complaints, we have staff members here who will
9 gladly take any statements that you have and these can be
10 incorporated into the proceedings and sent on with our
11 official report.

12 Next we'd like to have Mr. Young, oh, that's Ida
13 Young, I'm sorry. Is there any representative for Ida Young
14 that's present?

15 Next we have Mr. Thatcher, that's D. S. Thatcher.
16 And following Mr. Thatcher we have Gary Jorgenson.

17 I notice and am reminded that we are a little bit
18 early on our panel for mortgage loans and perhaps these
19 two individuals may show up, and so for the record we will
20 wait until the appropriate time and if they do show up then
21 we can put them on.

22 Mr. Jorgenson has been a loan counsellor for three
23 years with Prudential Federal Savings and Loan Association
24 in Salt Lake City and we'd like to just have you state your
25 name, your address and your occupation.

1 GARY JORGENSON

2
3 A Gary Jorgenson, I live at 4567 West 50-55 South,
4 in Kerns, and I work with Prudential Federal Savings, and
5 I'm a loan counseling supervisor.

6 Q (By Mr. Oswald) Mr. Jorgenson, if I might, I'd
7 like to refer to the loan underwriting guide which your
8 institution uses in determining loan eligibility. Could you
9 please explain your loan underwriting guide for us?

10 A Certainly. First off, we have our underwriting
11 guide which is a requirement for every loan that we make.
12 It must be filled out and it must be signed, and if there
13 are particular reasons why it is rated the way it is they
14 must be stated and everything there must be verified.

15 Prudential has felt that in approving loans that we
16 should, say, rate every one of our borrowers on the categories
17 of their capacity. This would be their income ratio, their
18 income stability, the number of dependents they have, their
19 credit report, their net worth as a ratio to their indebted-
20 ness, the property itself, the equity of the applicant, the
21 age and stability of the applicant, and the purpose of the
22 loan.

23 Would you like me to go into it in a little more
24 detail on each of these and what they mean?

25 Q I think I have a question or two about a couple of

1 those different categories, but before I ask those, could
2 you tell me what weight you give in terms of determining
3 the -- whether to give the loan or not in terms of the final
4 score on the guide? Is that the only determining factor?

5 A Yes, sir, it is. A total perfect score would rate
6 you 60 points. For a conventional loan you must score 45
7 points or more for approval. On an FHA or VA loan you can
8 score 43 points and be approved.

9 Q So this is your guide for determining loan eligibility?

10 A Yes, sir.

11 Q Let me refer you to Section 3, of the guide in terms
12 of the number of dependent children, and ask the question,
13 a young married couple with one or two dependents is given
14 more points on the guide than a young married couple with
15 no dependents. Could you explain why that is so?

16 A Yes, sir. It has been our experience that one or
17 two children, or children in general, seem to force a
18 stability to people to want a house and to have pride in
19 homeownership.

20 People without children perhaps it is not quite
21 that strong. I can't say that this would be true in each
22 individual case, but on a whole we believe that's true,
23 that children do have a certain stability factor in a family
24 situation.

25 Q Have you done any empirical research in order to,

1 determine if that's the case or is this just kind of off the
2 top of your head?

3 A No, sir, we have done empirical research and it
4 was files. I believe they pulled 300 files at random that
5 Prudential had made and determined this underwriting sheet
6 from the statistics of those files.

7 Q Including that information about dependent children?

8 A Yes, sir.

9 Q Let me refer you to Section 8, of the form "Age and
10 Stability of Applicant" and if I might quote from it, "If
11 the applicant has been married to the same spouse for over
12 five years the rating would be as indicated above. If either
13 husband or wife have been previously divorced the rating
14 should be lowered one full point. More than one divorce
15 should lower the rating two full points from its age bracket
16 rating.

17 "Unmarried divorced applicants should be rated one
18 point lower than the rating under their appropriate age
19 bracket if they have dependent children living with them,
20 and two points lower if they do not have any dependent
21 children."

22 Do the studies that you referred to show that
23 divorcees are greater credit risks than nondivorced women?

24 A A divorce is a very serious situation as far as we
25 consider pay back on a loan. It's one of the major causes

1 we look at for delinquency, and so on. I would say it would
 2 be probably we would look at a divorce situation, a previous
 3 divorce, as to its nearness to the loan applicant. If he
 4 was just divorced and now he is coming in to buy a house, if
 5 she was just divorced, if the divorce was 10 years ago we
 6 probably wouldn't consider it that strongly if at all. If
 7 it's very previous we would be possibly a little bit skeptical
 8 or we would investigate a little bit more thoroughly than
 9 would be the natural situation, and yes it would have to be
 10 rated the way that is read.

11 Q You have indicated that you are fairly stringent
 12 about using the underwriting guide in terms of determining
 13 the loan and recognizing the seriousness of a divorce, I
 14 think also recognizing the seriousness of a divorcee in te. a
 15 of having to support family and perhaps obtain that type of
 16 a loan.

17 Could you foresee the situation where simply being
 18 divorced might in the final outcome be the determination on
 19 your credit guide of whether that person received the loan
 20 or not?

21 A I would say yes, it possibly could.

22 MR. OSWALD: Thank you, appreciate your coming.

23 Q (By Ms. Henry) Mr. Jorgenson, when a young
 24 married couple applies for a mortgage, do you regularly
 25 request the wife's premarriage credit record?

SLC

1 A Yes, ma'am.

2 Q Do you get her premarried record with a report under
3 her husband's name?

4 A I would say more times "no" than "yes" to that
5 answer, and often times on a young married couple it takes
6 a little more investigative work to get the necessary facts.
7 Obviously you want to get as much credit information as
8 possible and so usually you would have to ask her name, her
9 maiden name and her social security number, and her address
10 at that point, and order it under those conditions, also
11 ordering it on her husband, on his name and his social
12 security number and then together, getting as much information
13 as you can. It does not always come in if you order it under
14 his name. I would say it most likely does not.

NB

15 Q If not, then do you have to make a separate request
16 for her premarriage credit record?

17 A Yes. SCC

18 Q Do you require cosigners on potentially risky loans?

19 A We use cosigners, yes. We don't require cosigners
20 if a loan would be, let's say a marginal situation and we're
21 trying to make it, we may suggest and ask them, "Is there a
22 possibility of a cosigner?" but we never -- we wouldn't
23 require one.

24 Q Well now, in your opinion, do you think the attitude
25 of your credit granting colleagues as a whole make it more

1 difficult for women to get credit?

2 A I'm not sure I understand what you asked me, Mrs.
3 Henry.

4 Q Well, in your opinion do your attitude, or the
5 attitude of your company make it more difficult?

6 A Definitely not.

7 Q (By Mr. Barbero) Mr. Jorgenson, what percentage
8 of the mortgage loan term would you define as the early
9 period of the loan risk?

10 A I'm sorry, I didn't hear you, sir.

11 Q What percentage of the mortgage loan term would
12 you define as the early period of the loan risk?

13 A In other words, what part of the loan period would
14 be the most risky --

15 Q The most risky.

16 A -- to Prudential? Possibly the -- well, definitely
17 the first portion of it, sir, the first two, maybe three
18 years.

19 Q Would you include a wife's part-time salary that
20 would continue during the early period of the loan risk?

21 A Yes, sir.

22 Q What are the risks of qualifying a separated person
23 for a mortgage loan?

24 A Separated person? I -- in looking at a separation,
25 Prudential would probably in most cases require that the

1 divorce be final before we would actually grant the loan
2 and it is for this reason, in that when you have an appli-
3 cation we grade each applicant as to their net worth, their
4 assets versus their liabilities. And if the divorce is not
5 final yet it's very hard to determine that.

6 The wife, for example, or the husband does not
7 finally know or does not definitely know what portion of
8 those assets will be his, for example, and what portion
9 would be hers.

10 The wife at that point is not definite as to the
11 amount of support or alimony monies that she will get, and
12 until the divorce is final I doubt, I say "doubt", we could
13 make exceptions in this, but most likely we would not close
14 the loan and have them sign it until the divorce was final
15 and we did have a divorce decree.

16 Q Okay, I am going to change the tenor of the question:
17 How many women and how many minorities do you have in your
18 loan office?

19 A In our loan office counsellors are the people that
20 take applications and close loans. There are five of those,
21 there are three women and two men. Our loan counseling
22 supervisors include myself and a woman. The loan committee
23 includes all men with the exception there is one woman.
24 She's got the counterpart of my job.

25 Q No minorities?

1 A I'm trying to think, sir. They don't all work in
2 the same office is what I am saying. We have the Provo
3 Branch and Ogden and Butte, Montana, and so on. Right offhand
4 I can't think of any.

5 Q Not even the janitor?

6 A Oh, we have -- oh, certainly in the company we
7 have a lot of minorities.

8 MR. BARBERO: Thank you very much.

9 Q (By Mr. Oswald) Mr. Jorgenson, I don't know whether
10 you have been with us since the beginning, but a member of
11 our staff here outlined in the initial remarks that we're
12 interested in determining the difficulties that credit worth
13 women have in obtaining loans and especially in your case
14 mortgage loans.

15 You indicate that on your guide in determining
16 credit worthiness and determining those loans, you do look
17 at such factors in a woman's background as to whether --
18 what her marital status, divorced, separated, married or
19 single.

20 Do you feel that that really is a determination
21 of credit worthiness, and should be included on a financial
22 guide in determining whether that woman should receive a
23 mortgage loan?

24 A Yes, sir, I do. We're looking at a history of
25 this person at the time they are coming in to borrow money.

1 If a person has had two or three divorces and they have been
2 in rapid succession, I would say that would point very
3 strongly to an unstable situation. The chances are that
4 that may continue. If she has been divorced and there is
5 problems, I do not think that a divorce is a factor which
6 would definitely turn her down assuming everything else was
7 fine. Two divorces definitely does point to a pattern, and
8 after all, that's what they're looking at on histories, to
9 establish a pattern to see what would happen for the future.

10 The divorce thing is not that big of a deterrent
11 factor here. We definitely, though, I think, should ask
12 that question.

13 Q Aren't you really interested in the credit history
14 of either a divorced woman or a divorced man in determining
15 whether the loan ought to be given?

16 A Definitely, surely. And that possibly -- well, it
17 does, that carries a credit record or a report, or a credit
18 history carries more weight as you can see with my under-
19 writing sheet. It carries twice the weight as would be
20 accounted for in a divorce.

21 Q Well, if we're simply talking about establishing
22 credit histories, whether the person who is divorced was a
23 male or female, how would you determine, or how do you
24 determine the credit history for a divorced woman?

25 A Number one, I would get the credit report of her

1 husband. I would ask her ex-husband's name and I would get
2 his credit report. I would also ask if she has established
3 credit in her own name either before the marriage or since
4 the divorce. If this is too new then I would ask if she had
5 ever borrowed money under her own name, does she presently
6 have a loan and if that is not on a credit report I would call
7 there personally and ask them what their experience has been
8 even though it may be a very short experience.

9 Q Do you have difficulty getting that type of infor-
10 mation on a divorced woman from the credit bureau?

11 A No, sir. It sometimes, oftentimes we have trouble
12 getting credit on anybody, married situations, single people,
13 divorced, whatever. That's part of our job is to investigat
14 that credit and it does take sometimes personal phone calls
15 to various institutions.

16 I think the credit bureau is getting much better
17 geared to help us in handling this situation.

18 Q And you feel that they do supply you with that
19 information, especially if that woman previous to her
20 marriage had established a credit record as a single woman?

21 A You bet, surely.

22 Q What if when she was married she had a joint account
23 with her husband, how would you determine her credit rating
24 if the, during the marriage their account was a joint one?

25 A The credit report I would get back which would show

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1 the joint accounts obviously it would be very hard to
2 determine who was principally responsible. They possibly
3 were both responsible for either keeping a good report or
4 a bad report. So, if for example, the credit report was bad,
5 under the marriage situation, I might ask her or talk to her
6 about it and ask her why it was bad, what was the situation
7 and get her answer.

8 This could be verbally or if she would like she
9 could actually write it for me on a letter and explain why
10 they had this situation. If the credit was good they went
11 through their divorce and kept their credit good, I think
12 that is a very strong indication that they both are credit
13 conscious people and they do pay their bills back, that's
14 very strong.

15 Q Is there anything that the credit bureaus could do
16 to assist you in terms of more and better information in
17 determining the credit or credibility of a woman no matter what
18 her situation is in establishing a loan?

19 A Well, yes, I could say it would be fine, you know,
20 it would be really great if we could get an accurate credit
21 report back, fully, with all of the ratings and so on. This
22 is a tremendous job and I think they have done an excellent
23 job at this point. I realize the situations they are under
24 and it's very difficult when you call another bank to, well,
25 they cannot divulge information over the phone to me because

1 I am not a credit reporting agency.

2 I can often ask if they have the account and then
3 have them report it through the credit bureau and get it
4 back to me, some such thing as this. I think they do an
5 excellent job, yes. They are increasing their service to us
6 they are doing better work, they have installed a computer
7 system, people are probably aware of this, and so on. We
8 get a much faster feedback of credit, it's on a national
9 basis, and I think they are progressing very well. I think
10 they are doing a very good job.

11 Q It just appears to me from your remarks that on
12 the surface of it you have to do a lot more scrambling ab
13 to determine the credit eligibility of a woman, especially
14 if she's been through a divorce, or if she is married and
15 had established a viable credit record while she was single.

16 It would seem to me that that type of information
17 is not as readily available and especially in an instance
18 where the credit of her husband is not as good as hers, and
19 yet she had established a credit record as a single woman
20 which was worthy and -- of a loan from your institution.

21 Could the credit bureaus be more helpful to you in
22 terms of, for example, that example of assisting you in
23 determining whether the woman before she was married had
24 established a worthy credit record?

25 A Well, I believe that the credit bureaus are at

1 present doing this and I did not mean to infer that it's
2 very difficult to get credit information back on a divorced
3 woman or a single woman, or any type of situation.

4 Oftentimes this will come through as readily as
5 any other type of information. You can see the problems in t
6 that the credit reporting system now is based with a social
7 security number. I suppose they could use both of them
8 but then you're getting into a tremendous amount of numbers
9 involved on a computer system.

10 I think it's up to the bank and the leading insti-
11 tutions if they see a situation to ask the questions so that
12 you can order the credit report through the proper social
13 security name -- number, the name, her maiden name as to
14 how she borrowed that money and to her address, and that's
15 the -- that's the factors that determine the credit.

16 In other words, the computer will get the credit
17 with that information. No, it's no more -- it's no more
18 difficult, sometimes it's hard to get a credit report back
19 on very established people who have been married for 20 years
20 and lived here in Salt Lake City. It's a rare case, but it
21 does happen.

22 MR. OSWALD: Thank you.

23 Q (By Mr. Barbero) Mr. Jorgenson, is it a policy of
24 your company to keep separate records for married men and
25 married working women?

1 A No, sir, our records are kept in a particular loan
 2 file and whoever had signed those documents and received the
 3 loan from us, that is where the records are kept. Single,
 4 married -- married man, if he signed the loan himself, the
 5 documents would be there; married woman the same. If they
 6 signed together it would be jointly.

7 Q Could you identify the creditability of especially
 8 the married woman within your file?

9 A No, sir, you cannot.

10 Q Would that add substantially to your cause if you
 11 kept separate records?

12 A Well, if the woman had obtained credit, a married
 13 woman, and she had obtained this credit on her own, and it
 14 was in some kind of a distinguished form whereby it would
 15 take this loan situation out of the married circle so that
 16 the bank that was reporting, or whoever it was reporting this
 17 could say it was strictly her account and she paid it, then
 18 I would say, "Yes, we could get a separate account."

19 If a family situation has handled their finances in
 20 this way, yes, you can get two credit reports, one would
 21 reflect repayment on one deal and one would go the other way.
 22 I think you will find 99 percent of the time a loan is made
 23 to husband and wife and the payback is rated accordingly. ???
 24 Now, it usually is set up in his name and there is no
 25 distinguishing factors and we do not ask who makes the payr t

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1 Sometimes it would be him; sometimes it would be her. But
2 I don't see how we could distinguish that fact at the very
3 first, or how we could distinguish it at all.

4 Q Yes, but my question was related to separate files
5 and if it would add to your -- substantially to your cost,
6 and I don't think you answered my question.

7 A I don't think I understand it, Mr. Barbero.

8 Q Well, if the -- the way you explain it, you keep only
9 one file for both, both of them, and there is no way of
10 distinguishing the creditability especially of the woman,
11 even though she may be working and producing a salary.
12 So, if -- our question is, if you kept them separate in order
13 that you can determine the creditability of her, would it
14 add substantially to your cost?

15 A Yes, sir, it would add substantially to the cost if
16 we had to make two separate files for every loan we make.

17 MR. BARBERO: Fine, thank you.

18 Q (By Ms. Henry) I'd like to follow up on something
19 I'm not really clear about. When I asked you about the
20 premarriage credit record --

21 A Yes, Ma'am.

22 Q -- that, I'm worried about that. Do you see that
23 that's a kind of a discriminatory thing for a woman to have
24 to fill out one of those things and say what she's going to
25 do? What is your feeling about asking them for the premarriage

1 credit record?

2 A Well, Mrs. Henry, when you take an application
3 you're taking it with the idea that you are going to make the
4 loan and usually the people involved are very excited about a
5 big and new house and they are more than helpful in giving
6 you any questions or information that you may require.

7 I don't feel that we are really out of line or we are
8 putting somebody through something we shouldn't by asking them
9 information pertaining to credit history, especially if they
10 had been married for a short time, and this information
11 obtained right at the first of the loan will facilitate a fast
12 and efficient closing of this loan and get them the loan
13 quick and into that house quickly.

14 I don't believe that we are forcing them, or her, to
15 go through something that is not right or is discriminatory.
16 I believe asking credit questions where they have borrowed money
17 and so on, is not, and that's part of our job is to ask those
18 questions and get that information out.

19 Q And I don't know whether I missed this question
20 about, in your loans, do you include a wife's part-time
21 salaries?

22 A Surely we do.

23 Q And what conditions would you qualify a wife's
24 part-time salary, you know, how much?

25 A Prudential looks at it in the -- in the general

1 sense. Now, maybe I should clarify our underwriting guide
2 you have. This is not an ironclad situation. It is filled
3 out each time, it is filled out to facilitate a junior
4 officer approving loans rather than having a senior officer
5 having to go through each one.

6 We can and we do daily make exceptions on these
7 situations, but the loan then has to go to one of the
8 higher officers in the company to make that decision. None
9 of these factors here are to a degree that would rule out
10 somebody. And if we feel that the loan has merit, we do then
11 take it to a senior officer and have him approve it for us.

12 Now, let me answer your question, Mrs. Henry, can you
13 repeat again for me --

14 Q Well, I was wondering what condition would you
15 qualify a wife's part-time salary?

16 A Part-time income? The policy that we look at
17 usually what we would like to see her continue this income
18 for 20 percent of the loan term. That's 30 years, so that we
19 would make it six years. We would like it to continue
20 possibly that long.

21 Now, if we felt that it would probably go that long
22 and cease, or it would cease before that time, we would use
23 that part-time income to offset maybe their high liabilities
24 that they have established at that point, a car payment or
25 whatever else they would have. If we feel that that income

1 will continue for over the six-year period, then depending
2 upon what the job would be or the quality of the income and
3 the job, we would use 50 percent of it, or 100 percent of
4 it. And that again, comes down to judgment, but we do use
5 her part-time income.

6 Q If a woman is working as a domestic servant, just
7 part-time, could she secure a loan, doing maid work, house-
8 work?

9 A Oh, certainly, you bet.

10 Q Part-time?

11 A Surely. She would have to have income, of course,
12 to qualify for the payments. You know, she would have to
13 have sufficient income to make the house payment, but
14 certainly, that would be fine.

15 Q (By Mr. Oswald) Mr. Jorgenson, could you explain
16 for us how the underwriting policy of the secondary investor
17 that you deal with would affect in any way your policy
18 regarding the counting of the wife's salary?

19 A It definitely does affect it very strongly. We're
20 getting into a situation, Prudential as a company has not
21 leaned to the secondary market that strongly, but we are
22 very strongly now into that situation. We definitely do.
23 They give us manuals and books of how they will count income
24 and how they will underwrite a loan, and we definitely
25 consider their policies as they apply to ours when we approve

1 a loan.

2 I have found that they are parallel. Usually the
3 secondary market's policies are pretty close to what we
4 have been underwriting our loans all along as. There have
5 not been many, many changes or corrections we have had to
6 make.

7 Q Can you think of any examples offhand of where that
8 situation would affect the granting of a mortgage loan
9 with regard to counting the wife's salary if that was a
10 major factor?

11 A No, sir, I cannot. I can say that Prudential
12 would make the loan. We may not be looking at a secondary
13 market with this loan, but if we felt it qualified we
14 would make the loan and possibly not put it into a partic-
15 ular programmage at a secondary market.

16 Q What about the distinction between professional
17 and semiprofessional, or nonprofessional working wives,
18 would this have any effect?

19 A Yes, sir, we definitely look at that. Professional
20 working wife, her income is counted 100 percent always.
21 School teacher, nurse, college degree type thing. If you
22 get into unprofessional, I think the determining factor
23 would be what her employer would say about her on employ-
24 ment verification, if anything, how long she has worked
25 at this job, and what position she has.

1 Q What percentage would you use for a semi-professional?

2 A We would use a hundred percent down to zero, depending
3 upon the conditions I just mentioned.

4 Q Could a nonprofessional job receive a hundred per-
5 cent?

6 A Surely, you bet.

7 Q So that the example that Mrs. Henry gave in terms
8 of a domestic worker could be eligible for a hundred per-
9 cent in terms of what you record?

10 A Yes, sir.

11 Q How do you define the difference between professional
12 and semi-professional?

13 A Professional, looking at it on the woman's side is
14 school teacher, a nurse, somebody that would have a college
15 degree or would have a high technical skill in a technical
16 field, I would consider that professional, attorney, women
17 are into everything now, so an attorney, a doctor, that
18 definitely would be professional.

19 Q What's a semi-professional?

20 A Semi-professional would be somebody I would say
21 that would be a secretarial-type situation, a loan officer,
22 if you will, maybe not a college degree to get that job,
23 but skill.

24 Q Do you feel that that is a credit worthy way to
25 establish whether a working wife should be counted eligible

1 in terms of professional, semiprofessional, and putting
2 percentage on that, especially when that definition of
3 professional and semiprofessional seems to be so hazy.

4 A Well, I don't, you know, when you look at a wife's
5 income, I don't think the terms professional and semiprofes-
6 sional and so on, have that much relevance.

7 Obviously, if a young woman is just starting and
8 she is a school teacher, that's -- that is a professional-
9 type situation, and she has gone to school for four years
10 to train for this. On the other hand, you could take the
11 same young lady that is just starting out as a secretary,
12 that does not carry with it the same professional training
13 and so on, and she's starting there, she's going to learn
14 her skills and whatever, I think we have to count the
15 percentage of the wife's income as it relates to her
16 ability to continue, and to whether, let's say, the economy
17 when things get bad, and business cuts back, is she going
18 to be laid off, or has she been there a long time and she
19 will stay?

20 We have to obviously look at those things.

21 Q But whether you -- whether the distinction is
22 nonprofessional, semiprofessional or professional, you do
23 not use that arbitrary ruling in establishing a percentage
24 of that married woman's income for the loan?

25 In other words, a nonprofessional or semiprofessionals

1 Q What percentage would you use for a semi-professional?

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3 upon the conditions I just mentioned.

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5 cent?

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17 are into everything now, so an attorney, a doctor, that
18 definitely would be professional.

19 Q What's a semi-professional?

20 A Semi-professional would be somebody I would say
21 that would be a secretarial-type situation, a loan officer,
22 if you will, maybe not a college degree to get that job,
23 but skill.

24 Q Do you feel that that is a credit worthy way to
25 establish whether a working wife should be counted eligible

1 woman regardless of what the underwriting policy of your
2 secondary investigators is, you would be prepared and in
3 fact could use a hundred percent of a nonprofessional
4 or semi-professional woman's income --

5 A Yes, sir.

6 Q -- in determining the loan?

7 A Yes, sir.

8 MR. OSWALD: Thank you.

9 Q (By Mr. Levis) Mr. Jorgenson, do you look at a
10 wife's salary differently than you look at a husband's
11 salary?

12 A Yes, sir.

13 Q Could you explain the difference?

14 A Yes, sir. A family situation oftentimes is such
15 that the wife is not intending to continue work. She
16 would rather stay at home and she would raise a family and
17 she may be working for a short period of time with which
18 to perhaps buy the necessities and then she's going to
19 quit. The man at this point, the husband, he is usually
20 always guaranteed that he will continue to earn the money
21 and to support his family.

22 Q How do you know this?

23 A I ask them.

24 Q You ask them particularly about their parental plans

25 A No, sir.

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1 Q Then what do you ask them?

2 A If -- if the wife is working, and she wants me
3 to count her income and usually they will volunteer this
4 information to me, she's very enthused about her job and
5 so on. I would go ahead and use it accordingly and I
6 would think that she would continue to work. Oftentimes
7 there is nothing asked this way and you don't know the
8 answer to that question. You can look at the type of job
9 that she has and perhaps tell. I am not saying that you
10 can tell this way, but oftentimes you just have to look at
11 the loan itself and judge it on its merits.

12 We do not ask parental plans and if she will quit.
13 I feel that usually if they have a house payment and we
14 need her income possibly to make that house payment and they
15 are credit worthy people and everything on the loan looks
16 good, that if she needs to she will work to make that
17 payment.

18 So, no, possibly we don't get too specific on her
19 continuance of work.

20 Q Is this based on a presumption that you have that
21 some of the women who apply for loans may not work for a
22 long time, or is it -- what is it based on particularly?
23 It seems to be more of a feeling than anything else.

24 A Well, obviously you can't ask anybody, I don't
25 think, "How long will you be at that job?" because they

1 couldn't answer you even if they wanted to, you know,
2 "I would like to be there thirty years," but maybe they
3 will not. I think what we look at is if the wife is at
4 present working, and we need her income with which to
5 establish our policies as far as adequate capacity to repay
6 the loan, and if she should quit, this is fine, but we feel
7 that she would go back to work in the event that they did
8 become in a financial situation that they needed more income.

9 Q Do you rely primarily then on only one income in
10 qualifying married persons for a loan?

11 A We count the husband's income first and we would use
12 the wife's income to supplement that.

13 Q Why is that? We're getting into an area where
14 you're treating the husband differently than you're treating
15 the wife, or the wife differently than you're treating the
16 husband.

17 A Well, perhaps the wife is such that she's not
18 planning to work every day of her life throughout the loan.

19 Q How do you know that?

20 A I don't.

21 Q Then how can you make that assumption?

22 A I'm not assuming, I am saying maybe this is the case.

23 Q Well, you said that you rely primarily on the husband
24 and you only use the wife's income to supplement the husband's
25 income in determining if they qualify for the loan.

1 A Well, okay, let me -- perhaps let me rephrase this.
2 I would look at their present income at that point and I
3 don't ask either him or her if this income will continue
4 for 30 years that we're making in the loan and I am assuming
5 they have adequate income now and a capacity to pay now, and
6 that capacity will continue through the life of the loan,
7 and perhaps he will stay home and she would work, I don't
8 ask that question.

9 I don't think it -- I could get an answer out of it
10 if I did.

11 Q So, why do you first count the husband's salary in
12 determining if they qualify for the loan?

13 A His is first on the application so you come to his
14 first and then you count hers. No, perhaps --

15 Q Okay. But why is his first on the application,
16 because he's a man, is that the reason?

17 A The way it's -- it's strictly because the way the
18 application is designed, and I think you will find, sir,
19 that usually the husband has the major job, he has the
20 most income of the family unit. Not always, but usually
21 he has the major portion of income which will qualify them
22 for the loan.

23 Q But aren't we concerned with individuals and not with
24 stereotypes? Usually you will find the husband this or the
25 wife that, aren't we concerned with whether the individual

1 on their own merits qualify for the loan, and you're making
2 assumptions that the husband is the one who will qualify
3 for the loan.

4 A When a husband and wife come in to borrow money and
5 to buy a house, they are treated as a unit, they are one.
6 We obviously take his income and possibly look at it more
7 critically because usually his is the major income which
8 will qualify them for the loan.

9 Q Again, I think you're drawing an assumption which
10 is not always correct and you're assuming that it's the
11 husband and not the wife who is liable for the loan.

12 A No, sir, I didn't mean to impart that. I can give
13 you also the example where the wife has the majority of
14 the income and then I would mostly look at that more
15 critically and determine the quality of that income.

16 Q If we could go to your form for one second, on
17 Section A, of Section 8, says, age and, of head of household.
18 How do you determine who is the head of the household?

19 A Is the man.

20 Q And why is that? Why is the man the head of house-
21 hold?

22 A I can't answer that, I don't know. If -- if the lady
23 is not married at the time she obviously is the head of the
24 household.

25 Q No, if they are married why is the man the head of

1 the household?

2 A That's the way that my thing has been designed. I
3 can't tell you, I can't define that. Usually he is the head
4 of the household because he has the majority of income and
5 I would say that was why we would count that. He has the
6 factors which are possibly the strongest in qualifying the
7 for the loan.

8 I'm not saying that's always true and I could prob-
9 ably quote cases whereby the wife had that type of situat-
10 in which case possibly we would use her age and count her
11 as head of the household. It is just the usual situation
12 I would say, you get in the habit of commenting this way
13 because most of the situations on a married family, the hus-
14 band is the head of the household.

15 Q What is the definition of "head of household"?

16 A As far as my definition on this application, or on
17 their application, he is head of the household because he
18 has the strongest qualifying factors which we are looking
19 at, primarily to income. He usually makes the majority of
20 the income by which they can qualify for the loan.

21 Q What happens if the husband is not making the
22 majority of the income? Who is the head of household?

23 A I suppose we could say that his wife was the head
24 of the household at that time.

25 Q But who is the head of household? I suppose

1 could say that, you know, the son or the daughter was the
2 head of the household.

3 A I can't answer that.

4 Q Why can't you answer that question? You said that
5 before you assume that the husband is making the majority of
6 the income so therefore he's head of the household, what
7 happens if the wife is making the majority of the income?
8 To treat the wife differently than you treat the husband is
9 discrimination. You treat them differently because of
10 their sex.

11 A I can't see where it makes any difference how we define
12 who is head of the household.

13 Q Well it certainly makes a difference if you're
14 talking about how they qualify for the loan when you're
15 primarily relying on one income and you only use the spouse's
16 income to supplement that if it's needed.

17 A Well, the way -- the way item number 8, on my
18 underwriting guide is designed, it's designed to give me an
19 age of which I can qualify these people. If you have a big
20 variance in a man and a wife's ages, we would probably use
21 the age which would qualify them the strongest on this and
22 I suppose at that point we have defined who is head of the
23 household by how we can give them possibly the best break
24 in qualifying for the loan.

25 Q My concern still gets back to, if the wife earns

1 the majority of the income, why is she not automatically
2 the head of the household? If the husband earns the majority
3 of income he's automatically the head of the household.
4 To treat them differently would be discrimination, would it
5 not?

6 A I can't see where we have treated, and we do not
7 define in this situation, who is head of the household.

8 Q I was just asking a question based on what you said
9 that you assume that the husband earns the majority of the
10 salary and therefore he's the head of the household, and if
11 a woman earned the majority of the household you would
12 suppose that she might be the head of the household. It
13 seems that you're treating the man and the wife, the husband
14 and the wife that is, differently.

15 A No, sir, we're treating them as a unit of which to
16 qualify for the loan. If the wife has the majority of
17 the income and she's 19 years old and the husband would be
18 40, I would see where we may have to define who would be
19 head of the household. You'll find in most cases and for
20 our particular purpose here their ages are usually close
21 enough that it does not matter who we would define as the
22 head of the household.

23 What we are trying to determine here is their age
24 and their experience, and the time that they've been on the
25 job, and so on, in qualifying the loan.

1 Q Let me give you one example. If the wife is working
2 and the husband is going to school, who is the head of the
3 household? She's working full-time.

4 A Well, I think -- I think you're trying to make me
5 define something, sir, that I really can't.

6 Q I don't see that we have a definition except that
7 the husband is the head of the household.

8 A Well, okay, we would use, if she was working, obvi-
9 ously we're using her income so we would possibly look --
10 at her age as head of the household. If she was 20 years
11 older than him this possibly could make a difference, but it
12 would seem to me they would be approximately the same age
13 and so it wouldn't, we wouldn't have to define it and quite
14 frankly I never have thought about defining it as to who
15 was head of the household.

16 Q So, there's more of an assumption that the husband
17 is the head of the household?

18 A It's usually the case.

19 Q (By Mr. Uno) Have you noticed any increase in the
20 number of single women applying for mortgage loans, or single
21 men?

22 A Yes, sir, I would say that I have.

23 Q Is there any difference if it's single men or single
24 women, or --

25 A No, sir.

1 Q -- or is it both? There's an increase in both
2 single men and single women?

3 A Both, yes, sir.

4 Q Do you define the term "professional" differently
5 for men than you do for women?

6 A No, sir.

7 Q The reason I asked it is you talked about a woman
8 professional being a nurse or possibly a secretary. How
9 would you define "professional" for a man, and why would you
10 -- or would you define it differently?

11 A No, it would be defined in essence the same.
12 Obviously, if he's a doctor, an attorney, it has taken a
13 high degree of education and so on, then I think he has
14 professional -- a certain amount of training which was
15 specialized him in his job, and so on. I consider that
16 "professional" and I consider that whether it was man or
17 woman, so they are graded the same.

18 Q If a man were a nurse or a secretary, would he be
19 defined the same way as a woman who is a nurse or a secretary?

20 A Yes, sir.

21 Q And they would both be professional or semiprofes-
22 sional?

23 A Yes, sir.

24 Q You stated that you may not count 100 percent of
25 the salary of a semiprofessional or nonprofessional

1 woman. How would you define the term "nonprofessional" or
2 "semiprofessional" for a man, and is it different than that
3 of a woman?

4 A It would be the same for a man "nonprofessional".
5 "Semiprofessional" would be possibly a job that he has
6 started that he has not had a great deal of expertise in
7 learning it, he's just starting it. He obviously is not
8 professional in that job, and so on, and so he would be
9 categorized the same as a woman would be.

10 Q So "professional" depends on how long a person has
11 been in a job?

12 A I think that denotes a certain amount of profes-
13 sionalism.

14 Q So, if a person were a sanitation worker for 20
15 years, they would be professional?

16 A I would say as far as what we're looking at for
17 stability of income, he definitely would be.

18 Q So, if someone were on a job for that length of
19 time you would count 100 percent of his or her salary?

20 A Yes, sir.

21 Q Because I think earlier you stated that you would
22 not count 100 percent of a nonprofessional salary in all
23 cases, if that person were a woman.

24 A We would not count it if it was a woman or a man,
25 but anybody that has been in a job for 20 years, or a long

1 length of time it would be counted 100 percent.

2 Q Now, you also stated that a woman would have to
3 work,--I think, approximately six years to count 100 percent
4 of her part-time salary.

5 A This is what we would like to see. As I mentioned,
6 we are not ironclad to this. This is a key that we would
7 like to have filled out. We would like to fit the people
8 on to this. Yes, as far as what we look for, we would like
9 to set the wife's income to last for at least five years
10 or six years, which is 20 percent of the term of our mortgage.

11 Q How about the husband's salary, do you ask him the
12 same question, or are you concerned --

13 A We don't ask her this question, this is -- this is
14 a judgment we look at when we look at her job.

15 THE CHAIRMAN: Let me interrupt here just a moment.
16 I am wondering if Ida Young is here right now, or a repre-
17 sentative, or is D. S. Thatcher here?

18 Q (By Mr. Levis) Mr. Jorgenson you said it was a
19 judgment, then, as to whether a woman would be working six
20 years at 20 year loans?

21 A Yes, sir.

22 Q Do you make the same judgment with a man --

23 A Yes, sir.

24 Q -- based on the criteria that you have discussed
25 earlier?

1 A Yes, sir.

2 Q You talked about your loan underwriting guide and
3 that you had surveyed, I think, 300 different files at
4 random. What type of files were these? Were these appli-
5 cation files or were these persons who had qualified for
6 a loan?

7 A These were -- now, let me clarify this a little bit
8 so you can get the tone of my reply. I was not working with
9 Prudential at the time they had done this, and this was in
10 coordination with the United States Savings and Loan League
11 which we then fed information out.

12 They were files that we had made, they were on our
13 books, and they had been aged to a certain degree. I can't
14 give you specifics other than that, and they pulled the
15 files at random.

16 Q So, you don't know if they were just applicants
17 or just persons who qualified for loans, or both?'

18 A They were persons that definitely had qualified at
19 the time we made the loans because we had made the loans to
20 them. They were files that were on our books. They were
21 made loans.

22 Q So, the loan guide was drawn up based on those
23 persons who had qualified for loans at that time?

24 A Yes, sir.

25 Q And do you happen to know at what time this loan

1 guide was made?

2 A No, sir, I don't. Now, I believe we would go back
3 seven or eight years when they determined that, but I can't
4 be sure of it.

5 Q So, it's possible that this loan guide is out of
6 date considering the changes in some of the federal and
7 state laws concerning discrimination against women?

8 A I don't believe that it would be possible that it's
9 out of date because I don't really believe there's any
10 discrimination on this towards women, men, or anything. I
11 think -- I think it asks that we grade the things that we
12 have to know in order to qualify a loan.

13 Q But your loan guide is based on the experiences
14 you had in qualifying people for loans approximately seven
15 or eight years ago.

16 A I don't believe that people as far as borrowing
17 money have changed any today from what they were seven
18 years ago when they borrowed money.

19 Q You're not getting more applications from women
20 today than you were seven or eight years ago?

21 A Certainly we are.

22 Q Then how do you know that the applicants have not
23 changed in the last seven or eight years?

24 A I can't say where -- or I can't see where the fact
25 that we get more women making loans changes any of the

1 factors that are asked on this sheet, if they can make the
2 payment, their income is adequate, and their credit is
3 investigated, and so on. What difference does that make
4 in the terms that I have here?

5 Q Well, it might make a difference in that the Equal
6 Employment Opportunity Act did not go into effect until
7 July 1, 1965, or approximately nine years ago and before
8 that there was no law that says it was illegal to discrimi-
9 nate on account of sex. And there have been many cases,
10 especially in the last four years, which have shown that
11 some employers have discriminated and do discriminate against
12 persons because of their sex.

13 And therefore, it is possible that the form that
14 you drew up seven or eight years ago reflected the fact that
15 women were not as likely to be hired for certain jobs as
16 men were and since that time there have been many cases where
17 persons, because of their race and/or sex, have received
18 much back pay because they weren't paid equally for the same
19 or similar job, as men or other persons. And this is true
20 in the nation and in Utah.

21 A That possibly accounts for why we get more women
22 coming in and making applications to buy houses, but I
23 think what our underwriting guide has primarily tried to
24 make us account for, is their chance to pay the money back,
25 to handle that payment and I can't see where that has

1 changed now from what it would be seven years ago.

2 Q It gets to the fact that until nine years ago there
3 was not a law that says you could not discriminate on the
4 basis of sex. And that law has been in effect for nine
5 years and hopefully it has had some effect in those nine
6 years.

7 A I am sure that it has, but as I say, that only then
8 points out that the nondiscrimination has made more affluent
9 women and given them an opportunity which would make them
10 score all the much heavier on there. I can't see where we
11 would have to change any of the items that we ask her
12 because of changes --

13 Q Well, it gets to the discussion we had previously
14 on who is the head of household, and a few other questions
15 that we had. Could you tell me what types of loans you
16 request a cosigner on? We've talked about that there are
17 some loans that you request it, but not require it. What
18 types of loans do you request it?

19 A Where I would suggest a cosigner would be in a
20 situation where I had probably a very young person applying
21 for the loan who had just started a job and possibly his
22 father or his father-in-law to give him a little stability
23 and history, would sign the note with him and guarantee it
24 for him, and this would give him an opportunity to start,
25 get started.

1 Q Is this true also of a woman who is applying for
2 a loan?

3 A Certainly.

4 Q You're talking about asking for a father and father-
5 in-law.

6 A Well, we would ask for any qualified person who
7 could add strength to this loan to cosign. I would not
8 require it in any way, but I would suggest that this would
9 be a way that perhaps they could get the loan.

10 Q And you're talking about qualified as based on the
11 standard that you had already talked about in the manual as
12 to who is qualified?

13 A Yes, sir.

14 Q Do you discount the eligibility of a potential
15 borrower, person who is going to borrow money, because of
16 their age, either a woman or a man, a person let's say,
17 between 20 and 30 and 40?

18 A Do we --

19 Q Discount their ability to borrow money because of
20 their age, and it gets again to your Section 8, when you're
21 talking about head and stability of applicant.

22 A That's true.

23 Q Why is that?

24 A Why is that?

25 Q Yes.

1 A It has been an experience that a more -- an older
2 person is usually a more established person and I'm not
3 saying this is always the case, but is usually the case,
4 that on a general run an older person between the ages of
5 35 and 55 has established himself, has a history and he has
6 become a more stable person and does develop a pride in
7 home ownership. Perhaps a younger person does not have that
8 ability at this point. I'm not saying he doesn't, but it
9 has yet to be proven. It does add an additional risk to
10 our loan.

11 Q Does the sex of the applicant make a difference as
12 far as their age is concerned?

13 A No, sir.

14 Q You would not discount a woman who was 25 versus a
15 man who was 25 who is working full-time?

16 A No, sir.

17 Q You would not discount their salary if they were
18 married? Would you count 100 percent of a woman's salary if
19 she were married and she were 25 years old?

20 A The age would not be any qualifying factor, it would
21 be her salary, it would be her job.

22 Q That would be the only qualifying factor as far as --

23 A That would be the only thing.

24 Q You'd count 50 percent or a hundred percent or --

25 A Correct.

1 Q And the same is true with a man?

2 A Surely.

3 Q Based on your experience does instability of marital
4 status imply income instability for most men and women,
5 the fact that a person gets married and gets divorced and
6 then gets married again? Does that imply that?

7 A Does that imply that --

8 Q They're economically unstable?

9 A No, sir.

10 Q Is this based on your experience?

11 A It's based on my judgment. I can't say that I've
12 had an awful lot of experience with this type of deal, but
13 I would say as far as their income it would have nothing to
14 do with their marriages.

15 Q Or if they were divorced, or --

16 A Correct.

17 MR. LEVIS: I have no further questions of this
18 witness.

19 THE CHAIRMAN: Are either Ida Young or D. S. Thatcher
20 here now?

21 Then officially for the record we will note that they
22 were invited and they did not wish to participate, or for
23 some reason did not come.

24 Are there any questions that any other panel member
25 would like to ask?

1 Then we'd like to thank you very much for your
2 participation and the input that you have given this hearing
3 here. We hope that you will stay and listen to the rest of
4 this hearing.

5 Thank you very much.

6 Since we've finished a little early, what we will
7 do is take our break, the 11 o'clock break, and then we
8 will reconvene again and start on credit card witnesses.

9 We will reconvene at 5 after 11:00.

10 And again I'd like to state for people who may
11 wish to file complaints or have statements taken, that we
12 have staff people here who will hear you and take down
13 your statements.

14 (Recess)

15
16 THE CHAIRMAN: I'd like to call the meeting to
17 order again and resume taking testimony.

18 Prior to starting on the testimony I would like
19 for the record to state that in the absence of two witnesses
20 on the mortgage loans, Ida Young and D. S. Thatcher, that
21 their statements have been previously taken and that these
22 will officially be in lieu of their oral testimony, inserted
23 into the record.

24 On credit card witnesses we will first have Rita
25 Urie. Would you please take the mike over there and sit

1 down?

2 And we have broken this up into panels and there
3 may be other witnesses who have arrived since we started
4 and we have just had the panel members direct questions to
5 you and we would first like to have you identify yourself
6 by giving your name, your address, and your occupation,
7 and thereafter the panel members will direct questions to
8 you.

9

10

RITA URIE

11

12

A My name is Rita Urie, my address is 118 First
13 Avenue, my occupation is computer programmer.

14

15

MR. BINGHAM: The panel members who are member of
16 the State Advisory Committee who will be questioning these
17 witnesses include myself, Jeff Bingham; Bill Loos; Alberta
18 Henry, and Ricardo Barbero.

19

20

Q (By Mr. Bingham) Rita, first could you please
21 describe in detail your experiences in trying to receive a
22 credit card in your own name here in Salt Lake City.

23

24

A I suppose really what you'd like is what happened
25 five years ago and what happened in the last few months.
There is quite a contrast.

26

Q Yes, please.

27

A Okay. When I came here five years ago one of the

1 first things that I did was to go to a couple of the retail
2 stores and ask to have credit cards since I was used to doing
3 the purchasing for the entire household, I was accustomed
4 to having credit cards in my name.

5 When I asked the credit managers for applications
6 they gave me this, this piece of paper and said, "Take it
7 home for your husband to sign," and I said, "Well, I really
8 don't think you understand. I am gainly employed and the
9 credit card is for me." They said, "I don't care, lady,
10 if you want a credit card then your husband will have to
11 sign that he is going to be responsible for you and it
12 will be in his name," And having lived in Utah before I
13 remember that there was a difference in attitude toward
14 women, so I thought that it must be a state law and at
15 that point went stomping out and took the paper home for
16 my husband to sign that he was responsible for me, which
17 he thought was hilarious.

18 Anyway, the credit cards were issued in his name and
19 I was allowed to use his credit essentially. About two or
20 three months ago I decided that it was time to challenge
21 the credit cards being in my husband's name, and essentially
22 we had had a change in the law and that I was once more
23 employed full-time. So I went to the retail stores where
24 I had held credit cards where my husband had credit cards
25 and I informed them that I wanted to have his name removed,

1 my name placed on it and all references to his name and
2 occupation removed from the credit statement which they
3 kept.

4 One of the department stores said, "Are you -- are
5 you divorced?" and I said, "No, I merely wish it in my
6 name, my husband does not want it." And they said, "Well,
7 I'm sorry, in that case it will have to be in your husband's
8 name, that is our policy." And I was trying to keep my
9 temper and said, "Well, the laws have changed, other estab-
10 lishments are changing their policies. I assumed that you
11 also would be changing yours." And she says, " Well, I
12 haven't been told about any change in the law and our
13 policies are that the credit will be in your husband's
14 name." And at that point I didn't hold my temper much
✓ 15 longer and said, "Well, lady, there has been a law change
16 and I happen to know about it, and I suggest you find out."

17 Apparently they did. I got my credit card in my
18 name about three days later. A couple of the other stores
19 merely looked at me like I was slightly nuts, but shrugged
20 their shoulders when I told them that I was employed and
21 how much my salary was, and that it was a seemingly honest
22 progression, and so they would give me the credit cards.

23 Now I do have the local credit cards of retail
24 stores in my name.

25 Q What were the specific reasons that were given for

1 originally denying you a credit card except that it was
2 just their policy not to? Were they more specific?

3 A I didn't question them as I said, I assumed that --
4 I found it so prevalent that I assumed that it must have
5 -- must be a state law. I didn't question them any further
6 at the time.

7 Q So you don't have any knowledge now of specific
8 reasons that they --

9 A It was just their policy and apparently, and I have
10 talked with one credit manager since then and they said
11 that this has been their policy for, you know, so many,
12 many, many years that that's just sort of the way things
13 were.

14 Q Did they have an indication or -- of their under-
15 standing of the law in this most recent effort to get credit
16 cards?

17 A No, they didn't.

18 MR. BINGHAM: Those are all the questions I have.

19 Q (By Mr. Barbero) Ms. Urie, have you made an inquiry
20 at the credit bureau of, say how you stand on your credit
21 rating?

22 A I had them separate the credit file which they did.

23 Q Was it favorable?

24 A I assume so. Right after I had it separated the
25 bank gave me a loan on my own name.

1 Q You mean they didn't --

2 A I didn't ask.

3 Q You didn't ask?

4 A I didn't, you know, I knew that regardless of which
5 name it was in or how it had been, our credit was good
6 regardless. There has been nothing that would have marred
7 our credit rating so I didn't really inquire. It didn't
8 really occur to me to inquire of our standing. It had been
9 sort of obvious, that, to me, that it was good, and as I
10 testified, the bank checked immediately thereafter because
11 I applied for a loan in my name, a personal loan in fact,
12 and they checked with the credit bureau and they gave me
13 the loan immediately. So it must be good.

14 MR. BARBERO: Thank you.

15 Q (By Ms. Henry) Just one question. Besides these
16 three places that you mentioned, have you ever had a credit
17 card issued to you in any other city or any other place,
18 and did you have the same problems that you had here?

19 A I have had credit cards in other cities and other
20 places. We've been in the aerospace business and I was
21 bounced around this country quite a bit, and I had never
22 really met the problem because I have, ever since I graduated
23 from college, I have been employed and making salary not
24 quite equal to a man, but almost. So I had never really
25 run into this problem before of looking at me rather than

1 looking at my income and my position. Looking at me as
2 a female as opposed to as a person.

3 Q Do you resent being looked at as a female?

4 A It depends on who's doing the looking.

5 Q (By Mr. Loos) Mrs. Urie, what advice have you offered
6 to other women who face this same problem? Do you have any
7 specific advice as to what recourse they should take?

8 A Well, they do have some specific recourse now
9 because the Civil Rights Act of the State of Utah has been
10 changed, so that now forbids discrimination because of sex,
11 and it did before because of race, nationality, et cetera.
12 Also, added to that was the provision that no establishment
13 which is regulated by a state agency may discriminate
14 because of sex. And specifically included are those under
15 the Uniform Consumer Credit Code, the public utilities,
16 the State Liquor Commission, and there are a couple of others.
17 But they do have recourse.

18 There are, in fact, some lawyers here in town who
19 are gathering cases to test under this law. So you know,
20 I think that the first approach is to approach the store
21 and the credit bureau also and say that you wish it in
22 your own name, and then if you have any difficulty, to
23 document it very well as to whom you were speaking, on what
24 day, the specifics involved.

25 If they really will not cooperate at all, in that

1 case the alternative is to bring suit. It can go through
2 a private attorney at the -- the Attorney General's Office
3 is the one designated in the law to handle such complaints
4 also.

5 MR. LOOS: Thank you.

6 Q (By Mr. Oswald) Mrs. Urie, do you think that
7 perhaps there is a need for the Civil Rights Law to be
8 amended or added to, to include marital status rather than
9 just sex?

10 A I certainly do. I am sorry that I didn't do it
11 at the time, you know, and I came in just in time to hear
12 the one gentleman testifying about giving a house loan
13 and that they did not consider marital status. His establish'
14 ment is apparently different than the one that I consulted,
15 because I had bought a home in another state. Since my
16 husband was not employed we bought it on my income. When
17 we came to Utah we were facing a similar situation.

18 I explained to the bank that we were considering
19 buying a home, that it would probably be on my salary
20 entirely because at that point my husband was considering
21 going back to school. I said, "Would you grant me the
22 loan under those conditions?" and they said, "Yes." And
23 I said, "What if I get divorced?" and they said, "No."
24 I said, "Why not?" and they said, "Because we consider the
25 divorced person to be less stable."

1 Q Well, do you think that such a change in the law
2 to include marital status would require that credit bureaus
3 drastically change the way that they record credit?

4 A You mean as opposed to the way that they frequently
5 keep it now as a joint --

6 Q That's right.

7 A -- a joint account? I don't think that's going to
8 pose all that much problem for them because as I said, I
9 had my own separate file while I was married. There are some
10 holdings that were joint, there were some which were not
11 joint, and this did not appear to give them all that much
12 difficulty.

13 MR. OSWALD: Thank you.

14 Q (By Mr. Barbero) Mrs. Urie, would you elaborate
15 a little bit more about your feelings when this situation
16 occurred to you, and also would you add a little bit of
17 touch on how these feelings led you to initiate this bill
18 that was passed? I think that it would be rather interesting.

19 A Well, I will have to think about it. I was more
20 than a little bit furious. I felt that I had been put down
21 and, you know, very definitely a sex class situation, since
22 when I -- if I cannot present to them what my position is,
23 the salary that I make, and have them consider me as a
24 person, and instead of that saying, "No, you are" --
25 essentially what I felt that they were saying was, "No, you

1 are your husband's chattel and he is responsible for you."
2 And that furor in fact, didn't die for about a good four
3 years, and that's what was partly behind the sponsoring of
4 the bill to change it. Because I don't -- I understand,
5 you know, when the bankers explained to me that a man pays
6 -- "Tends to pay all of his bills except his alimony and
7 that's why we don't give the credit to the women," et cetera
8 and so forth. My objection is that they do not look at each
9 and every applicant as a person and instead they tend to
10 look at you and immediately you're dropped into this
11 particular slot. It's a lack of sensitivity completely.

12 Q Well, I thank you very much and I personally
13 congratulate you for your success in the whole thing.

14 A Thank you. It's been a personal feeling of satis-
15 faction to say the least.

16 THE CHAIRMAN: We appreciate your attendance and
17 your participation, and I'd like to announce that she will
18 be back this afternoon and give a concluding remark on the
19 legislation that she introduced and had successfully passed
20 at the State Legislature.

21 We'd like to change the format because we have one
22 individual that will be substituting for another party that
23 was unavailable to make the hearing today, and we would like
24 to have her testimony right now, because she does have to
25 leave early and this is Karol Kumpfer and those

1 members of the panel who were assigned to Gloria L. Schick,
2 and the questions that were to be directed to her will have
3 to more-or-less revise your questions and direct it to
4 Karol Kumpfer, it's doctor.

5 Now, before you start on that I do have the two
6 reports from D. S. Thatcher, Branch Manager, American Savings
7 and Loan, 310 North University, Provo, Utah, and Gordon
8 Belnap (Phonetic) and Ida Young, Commercial Security, Salt
9 Lake City, Utah, and I would like to have these introduced
10 as Exhibits 1 and 2 for the record.

11 (Exhibits 1 and 2 introduced.)

12 And these were the two people that were asked to
13 testify but did not show up.

14 ()

15 KAROL KUMPFER

16
17 Q (By Ms. Henry) Karol, will you please state your
18 name, occupation and address?

19 A (By Ms. Kumpfer) Okay. My name is Karol Kumpfer,
20 my occupation is mainly as a psychologist, I'm an adjunction
21 assistant professor in the Psych Ed Department, but my
22 main job right now is as academic planner for the University
23 of Utah and my address is 657 South 6th East.

24 Q Would you please describe to us your experiences
25 that you have had?

1 A Well, what happened to me was that, this is a very
2 recent case, about three months ago I applied to two major,
3 two banks for major credit cards, and the reason that I
4 did this is I am not a person who -- who uses a lot of
5 credit. I usually pay cash for everything, but that last
6 year I had been on a trip and my -- the engine in my car
7 had blown up and I needed money, you know, very fast to
8 pay for it and it was in a foreign country, it was in Canada.
9 And the person that I was with happened to have one major
10 credit card and they were able to take that.

11 It was difficult for me to transfer money from my
12 savings account, so I decided that if I was going to do
13 more traveling like that I would like to have a credit
14 card with at least \$500.00 credit on it in case that some-
15 thing like this should happen again. So I applied for two
16 cards and have recently been told that I was turned down
17 for both of them.

18 Now, this was quite a surprise to me because on
19 *with* both of the forms when you fill out the, where you get
20 points for them, I mean I'm at the top of the scale, because
21 my salary is over \$17,000.00 and I have a Ph.D, I don't have
22 children, I am single, I don't have any debts whatsoever,
23 things like that. So I, you know, it was hard for me to
24 believe.

25 Q Were you told why you were turned down?

1 A The one bank told me that I was turned down because
2 I had not been continuously employed at my present position
3 for more than one year. I am lacking three weeks of that.
4 I have been employed at the university for a year and three
5 months, but for a while, for this other three months it was
6 as a research associate.

7 Q One more question. Had you ever applied before
8 this for any kind of card, credit card?

9 A No, I never had. I have been sent one major oil
10 company card when I was in college and I have been a member
11 in good standing with that company for seven years, and
12 I have used that card extensively, so I would assume I would
13 have a very good credit rating with that card.

14 Q (By Mr. Bingham) Just one quick question too. Do
15 you have other accounts by which you could have established
16 credit, charge cards or --

17 A No, I don't have any charge accounts, but I have
18 taken out loans before on cars and paid them off immediately.
19 They are usually short term loans for like five months and
20 I have paid them off exactly according to the schedule. I
21 had two of those with banks.

22 Q (By Mr. Loos) You have never had then, any credit
23 problems at all?

24 A I have never had a credit problem.

25 Q And have you ever done business with these banks

1 before the time you applied for a card?

2 A Yes, with one bank. That's the bank that I bank at.
3 That's where I have my savings account.

4 Q (By Mr. Barbero) One last question. Do you want
5 to elaborate about your feelings on this situation of not
6 obtaining the credit card so it will go on the record for
7 the people?

8 A Well, my immediate feeling was of course, that I
9 just couldn't believe it because according to the point
10 system, like at one of the banks, I had 23 out of 25 points
11 and they say don't bother to turn this in unless you're
12 something like over 11, 15 points. I thought, "Well it's
13 a cinch," you know. I certainly qualify by all standards.
14 And then to find out that they give me this one little
15 ruling, it makes me feel that it's some kind of discrimina-
16 tion of some -- of some type. And you know, then I stop and
17 wonder, "Well, is it just because I'm a single woman," that,
18 you know, "that they're concerned that I won't be continuing
19 with my employment?"

20 MR. BARBERO: Thank you very much.

21 Q (By Mr. Oswald) You mentioned that one of the banks
22 suggested that they would not give you credit because of
23 your length of employment?

24 A Yes.

25 Q Did you get any feeling from the other bank that

1 you asked for a card from?

2 A I haven't contacted them yet. I just got back from
3 vacation. This just happened, and I was going to go back
4 and call them today.

5 Q So you don't know why, the reasons for their denying
6 you the card?

7 A No.

8 Q Do you know, or have you had the opportunity to
9 check with the credit bureau to find out what your credit
10 rating is, or if in fact they do have you listed with some
11 type of credit rating?

12 A I was just checking with members of the Commission
13 on that about how I could get my credit rating, because
14 that was something I would like to know, because now there
15 is a possibility that there could be something wrong with
16 it. There's nothing that I know of, but maybe they've
17 inaccurately reported something on that rating that would
18 then make, the banks not at fault, because it would be some
19 fault of the credit bureau. But I have never, not paid a
20 bill.

21 Q And you are aware that current legislation allowed
22 you access to that information?

23 A Yes, I am going to get it.

24 MR. BINGHAM: Mr. Chairman, I think that because
25 there are some questions still remaining in this, that we

1 should request of -- of K. Kumpfer that she provide the
2 Committee with the -- whatever information she obtains in
3 the future in response to questions about the reasons for
4 denial of these cards, and that those be entered into the
5 record of this hearing if those can be received within 30
6 days.

7 That the staff also be asked to follow up with her
8 and -- in interviews and make sure that we have all pertinent
9 information before we attempt to make our report.

10 THE CHAIRMAN: The statement was taken into the
11 record so that will be reinforced by the chair's concurrence
12 with that.

13 Thank you very much, Dr. Kumpfer.

14 Next we have Susan Elias.

15
16 SUSAN ELIAS

17
18 Q (By Mr. Loos) Will you state your name and occu-
19 pation and address, please?

20 A My name is Susan Elias. I am a student housewife,
21 my address is 3671 Millbrook Terrace.

22 Q And have you attempted to obtain a credit card in
23 your own name?

24 A Yes, I have. It was rather, I think, a little bit
25 different experience than the previous two women have had.

1 I, in fact, had applied while I was divorced and received
2 a credit card from one of the major banks in town. I was
3 currently employed at the university, had one child, and
4 was not making anywhere near \$17,000.00. However, when I
5 remarried was when I ran into trouble.

6 I had had the credit card for at least eight months,
7 had used it not very frequently, but had never incurred an
8 interest penalty on that. However, when I requested that
9 the bank change the name on the card they indicated that they
10 would no longer be able to accept my credit but I would have
11 to reapply under my husband's name, and credit for a new
12 card and new account.

13 I then contacted the credit department of that
14 particular bank and questioned them as to why, suddenly,
15 my credit was no longer any good in as much as his name
16 was not to be on the account, that I in fact, would be the
17 only one using the card. He had a card with another bank
18 and so he would not be using the account, I was still
19 responsible for it.

20 They indicated that they absolutely could not accept
21 my credit. This was, it will be two years ago in October,
22 I believe, and they refused to accept my application. I,
23 at the time, did not know if I had any other recourse and so
24 I did in fact have my husband sign the application and
25 returned it to the bank. I have since been the only one

1 using the account, responsible for it, and they have just
2 upped my credit limitation to \$500.00 on the card.

3 Q What was your husband's income at the time you
4 applied?

5 A Twenty-seven thousand dollars a year.

6 Q That was your husband's income?

7 A Yes.

8 Q He was not a student then?

9 A No.

10 MR. LOOS: That's all I have.

11 Q (By Mr. Bingham) What was your credit rating and
12 your job stability at that time?

13 A At the time that I applied I had -- I was just
14 terminating my employment. However, they did not ask me if
15 I was still employed at the time of the name change. I did
16 have money in the bank. The interesting thing was that
17 when I was -- when I was divorced I requested a separation
18 of my credit through the credit bureau. I wrote a letter
19 to them indicating the accounts for which I was responsible
20 and those for which my ex-husband was responsible and I
21 have never had any difficulty getting any credit. I have had
22 loans in my name, I have had other credit cards, that's
23 why I was so confused that they had to change the card
24 sort of after I got married instead of while I was divorced
25 and supposedly as Mrs. Urie said, "an unstable divorced woman."

1 Q The credit bureau did honor your request then, to
2 separate?

3 A Yes, as far as I know.

4 Q Did you say you requested a name change from Master
5 Charge?

6 A Yes, I did, and that was all I requested. I just
7 wanted them to change the last name on the card.

8 Q And that was not granted, is that correct?

9 A That is true.

10 Q Did they state specific reasons for that denial?

11 A Just that they could not process a name change, it
12 would have -- in as much as I had remarried I would have to
13 reapply.

14 Q You say after you got married you requested the
15 name change?

16 A Yes.

17 Q What name is on your card at the present?

18 A At present it is Susan L. Elias, previously it was
19 Susan Crow, C-r-o-w.

20 Q Did the account number change?

21 A Not that I recall. I checked them and either --
22 they were so close I don't recall any account change that
23 came through. I could go back and check if you'd like. I
24 believe I have some old records, but I don't remember if
25 it did or not.

1 Q Are you planning any additional steps, or are you
2 contented with the way it is now?

3 A Well, if -- I was not content because at the time
4 I felt that perhaps it will be a difficulty now in as much
5 as I am not working and I am a full-time student, but I was
6 quite unhappy with the fact that it was a name change and
7 not a change of credit, because even though I was a student
8 I had part-time employment, had been paying all of my bills,
9 was not delinquent on anything.

10 Q What was your personal reaction when you found out
11 you couldn't get what you wanted?

12 A Well, quite similar to Mrs. Urie. I was very furious
13 and I felt highly insulted that I had worked for 12 years
14 or so at varying salaries, had never had any bad credit
15 rating, was able to purchase automobiles, have charge
16 accounts, and had paid off my bills. And then to be
17 highly insulted that it had to be my husband's credit instead
18 of mine.

19 Q (By Mr. Levis) Mrs. Elias, I have two questions.
20 To whom does your bank, card billing at this time?

21 A To me.

22 Q It goes to you?

23 A Yes, it does.

24 Q Based on your experience, does the change in your
25 marital status mean a change in your income status?

1 A Well, \$27,000 does make a difference, yes. However,
2 I, prior to my marriage, I had my life situation income
3 set up so that I could put myself through school and support
4 my son without additional outside help. I had a scholarship,
5 a loan, and was working part-time, and had enough to pay
6 for my housing, child care, tuition, books, clothing, et
7 cetera.

8 Q Was there a change in your income status from being
9 married to being divorced?

10 A None at all. I was working prior to my divorce and
11 I was working after I was divorced. My ex-husband's credit
12 was terrible, and in fact, all of the loans that we ever
13 received had to be done through my credit.

14 Q So in a sense you were a better credit risk after
15 your divorce than before your divorce?

16 A Yes, I was.

17 Q So you were a more stable person rather than a less
18 stable person?

19 A Well, I have always felt the same.

20 Q I didn't mean it exactly that way.

21 MR. LEVIS: I have no further questions.

22 THE CHAIRMAN: Does any other panel member have
23 any questions?

24 We thank you very much for your attendance here today
25 and if you wish you can stay for the rest of the hearings.

1 Next is Barbara White.

2

3

BARBARA WHITE

4

5 Q (By Mr. Barbero) Mrs. White, please state your
6 name, occupation, and address for the record?

7

8 A I am Barbara White, I am an occupational therapist
9 at the University of Utah, and my address is 4941 South
Lake Pines Drive, Murray.

10

11 Q Will you give us some detail on what your experience
is in trying to obtain credit cards?

12

13 A I came to Utah in 1967. At that time I was single.
14 I had been working for two years in Philadelphia. I had had
15 credit in Philadelphia at department stores, and I had never
16 had any difficulty in getting credit. I decided I wanted
17 credit in Salt Lake and I proceeded to get credit cards from
18 two department stores as well as from two oil companies. I
had no difficulty in getting this credit.

19

20 Shortly after that the bank that I had a checking
21 account with sent me a card, which I believe was for a
\$500.00 limit. Again, I didn't even apply for that. I
22 bought my TV on time over a period of a few months. I had
23 no difficulty in getting that. Everything was fine until
24 I got married a little bit -- well, it was last April,
25 April of '73, that is, and I wished to change my credit

1 cards into my married name. The one department store
2 changed my name very readily. They gave it to me in the
3 name of Barbara Jean White. There was no difficulty.

4 The second department store told me that I would
5 have to resubmit an application although I had had credit
6 with them for five and a half years. I would have to resubmit
7 the application filling it in with my husband's information.

8 I took the form home, having heard this about this
9 particular store, and being determined that I was going to
10 get credit in my own name to prevent any problems in the
11 future. I filled it out with my name. I did refer to my
12 husband as where it asked for the spouse, I gave his name.
13 I used all credit references which were mine, I provided
14 them with my salary, my social security number, my changes
15 of address, my employment, et cetera, my signature of course.
16 We were living in Ogden at this point.

17 Approximately two weeks after that my husband received
18 in the mail a form stating that he would -- or which stated
19 that he would take responsibility for my credit, requesting
20 his signature and his social security number. Once again I
21 put my social security number down and I signed it and I
22 sent it back, because my husband had no interest in having
23 the credit card with this department store.

24 Approximately two weeks after that we got two
25 credit cards in the mail in my husband's name. They have

1 absolutely no information on him. They don't really know
2 that he exists except that they have looked him up in the
3 phone book. They haven't done that because we're not listed
4 in the Salt Lake phone book.

5 I have had similar troubles with the bank card. I
6 went to them before I was married and said that I wished
7 to have a change into my married name and they said that
8 I would have to resubmit the card, or resubmit an application,
9 rather, and I did this, and the card came to us in my
10 husband's name. This has not particularly bothered me. He
11 does use the card and we do have a joint account at the
12 particular bank that was involved.

13 I had the same problem with a national -- well,
14 not the same problem, a similar problem with a national
15 oil company that I had also had credit with for approximately
16 five and a half years. I had to fill in a new application.
17 They denied credit to me after I filled it out. I filled
18 it out again as I had done with the department store with
19 no information regarding my husband, and I believe that I
20 did not even put his first name down on the application
21 because by this time I had already fought the department
22 store. I was denied credit, and when we went down and
23 looked at the Ogden credit report it was determined that
24 the reason I had been denied credit was that I was not
25 listed on my husband's credit listing, and they had therefore,

1 no knowledge of me in the City of Ogden, and the fact that
2 I had had credit with this company, good credit, for five
3 and a half years did not mean anything. I did not pursue
4 that further. I was angry enough that I -- I just kind of
5 decided that they could keep their credit card.

6 Q (By Mr. Loos) Prior to your marriage, did you ever
7 have any credit difficulties of any nature at all?

8 A No, I had never been denied credit. I had never
9 had any delay in getting credit. I had bought my car with
10 cash, I did buy a TV on time.

11 Q But whatever you had bought on time you had always
12 paid on time, I assume?

13 A Yes, I had never had a penalty except for where there
14 had been a billing error and I straightened that out with
15 the department store and was not charged for it.

16 Q You mentioned that you had had five and half years
17 which they didn't take into account. Was that because they
18 just didn't receive the information or because they just
19 didn't acknowledge it?

20 A Are you referring to the oil company?

21 Q Yes.

22 A The fact that I had had credit with them since 1967,
23 was stated on the application form along with my maiden
24 name.

25 MR. LOOS: Thank you.

1 Q (By Ms. Henry) Can you just tell us or -- this may
2 be a little personal, can you give us your reasons why that
3 you just went through all of that just giving your name
4 and your credit and not your husband's?

5 A The basic reason was that for several years I have
6 heard about how much difficulty divorced and widowed women
7 have in getting credit, and I did not wish to have this
8 problem in the event that I were either divorced or widowed.

9 I felt that if I established credit during my
10 marriage in my own name, that this would solve the problem.
11 I found out yesterday that that's not true.

12 Q You have not received a card from the oil company?

13 A No. I was denied that and I did not pursue it
14 further.

15 Q What's your personal feelings now toward all of
16 these events?

17 * A I resent the fact that I was not allowed to have
18 the department store card in my own name. It made me very
19 angry at the time, it made me very frustrated. It frus-
20 trated me in efforts to gain my own good name in my married
21 name, which I was proud of. I will go back to the depart-
22 ment store and tell them of the change in the laws since
23 Ms. Urie's testimony, and see what I can do about that.

24 MS. HENRY: Thank you.

25 Q (By Mr. Levis) Ms. White, you talked about the

1 responsibility which was acknowledgement which was sent
2 to your husband by the department store.

3 A Yes.

4 Q What was the wording of that responsibility note to
5 the best of your --

6 A I do not really remember. I couldn't state except
7 that I know that it was a statement of his intent to pay
8 any bills which were incurred in this account. It did not
9 make reference to me, I don't believe. I believe it was
10 just a statement that he would pay all bills incurred, and
11 it requested his social security number and his signature.

12 Q So in a sense they did not want you to be responsible
13 for the bills they sent?

14 A Correct.

15 Q You also talked about the problems that you have
16 heard concerning widowed and divorced women getting credit.
17 Could you just explain those problems a little bit further?

18 A I had heard for several years that especially with
19 divorced women, that they are unable to get credit, basically
20 because they had never had it in their maiden -- or at least
21 I assumed that it was basically because they had never had
22 credit in their own name. And I just determined for my
23 own -- my own belief was that if I had credit in my own
24 married name that this would help to eliminate the problem
25 for me in the future.

1 Q Then you said you heard that it wouldn't eliminate
2 the problem.

3 A I heard what?

4 Q You said you heard yesterday that that would not
5 eliminate the problem.

6 A I didn't hear it yesterday, yesterday I went down
7 to the credit bureau and having had all of this credit in
8 the past I suspected that there would be a record of it down
9 at the credit bureau, and of course I have heard on news
10 reports and through the President of the United States,
11 et cetera, et cetera, how we should all be aware of our
12 credit ratings and what they have recorded regarding our
13 credit status. I kind of visualized a two-page report on
14 all the credit that I had had and what my standing was.

15 When I got down there they looked up both under my
16 maiden name and my married name. The only references to any
17 credit that they had under my maiden name was to the fact
18 that I had bought my TV on time. The only reference that
19 they had to any credit in my married name was the one
20 department store which read only changed the credit card
21 to my married name.

22 I assume that the fact that I had the bank card,
23 that when that was put into my husband's name it was
24 eliminated from the record and put under my husband's credit
25 listing. I was told that the fact that I had had credit

1 with the other department store that refused to give it to
2 me in my maiden, or in my married name, was told that
3 when they switched to my married name, was told that when
4 they switched to my husband's name, that they would elim-
5 inate that from my maiden name credit report and put it
6 under his name, and that therefore it would not show under
7 my maiden name.

8 I requested that they transfer the information from
9 the record of my maiden name to my married name record.
10 They said they could not do that, that all they could do was
11 to state on my married file, so to speak, that I was also
12 known by the name of Barbara Jack, which was my maiden name,
13 which I resented that too, because I felt that it made it
14 sound like I was assuming an alias.

15 Q So you had two separate files as such?

16 A Yes.

17 Q Plus your husband had an individual file separate
18 from yours?

19 A My husband has a file of his own, I am quite sure.
20 I did not wish to fork out another \$2.50 to look up his
21 name, which they require \$2.50 for every name that is looked
22 up.

23 Q Do you have any joint accounts with your husband?

24 A Yes.

25 Q And they were not listed in your married file?

1 A I have not looked up the married -- they were not
2 listed under my name, no. I also have my own single -- I
3 have my own married name account in Sale Lake City. I have
4 a savings account, a large savings account in another state.
5 None of this was listed. The oil companies were not listed
6 in my credit record and I asked the man about this, and he
7 said that they do not record any information about national
8 credit cards, that they only record information about local
9 credit, and that only if the store requests information is
10 it listed in the credit report.

11 Q Do you happen to know if that credit bureau is a
12 manual operation or an automated?

13 A It was computer. They punched buttons for about
14 15 minutes.

15 Q And the person you talked to said that they only
16 had information on your local accounts?

17 A Yes.

18 MR. LEVIS: I have no further questions.

19 THE CHAIRMAN: Are there any other questions that
20 any panel member would like to make?

21 Q (By Mr. Bingham) I just want to clarify my under-
22 standing of one thing you said about this request for
23 information transfer to another file, that was -- you
24 requested that it be changed to your married name file,
25 is that correct?

1 A Yes.

2 Q And they denied that, saying they could not?

3 A They said that they could not put the information
4 that I had had this account regarding the TV set, and that
5 the account was closed. That was under my maiden name file
6 and they said they could not transfer that to the other file,
7 but that they could make a reference on the other file to
8 the fact that I was also known by Barbara -- by the name of
9 Barbara Jack, that if anybody wished to pay extra to look
10 up under my Barbara Jack file that they could do so, and
11 doubted that they would, but that they could.

12 Q Did they say why other than -- did they give any
13 reason why?

14 A They didn't give a reason why.

15 MR. BINGHAM: Thank you.

16 MR. OSWALD: Mr. Chairman, I wondered if we could
17 make the same request of this witness as we did the last
18 one. That if you do have additional information regarding
19 any of your attempts within the next 30 days, we would
20 appreciate hearing from you about that.

21 A Yes.

22 MR. OSWALD: Thank you.

23 THE CHAIRMAN: That will be so entered as a request
24 of the chairman.

25 Q (By Mr. Levis) Just one more question. You indicated

1 that you had a married file under your individual name.

2 A Yes.

3 Q You had an individual file under your maiden name.
4 Do you have a joint file under your husband's name and your
5 name together for your joint accounts?

* 6 A I did not ask to see this because of the cost, but
7 I do assume that there is such a file. We have just
8 assumed an FHA loan to buy a house, so obviously our credit
9 rating is quite adequate. We have national credit cards,
10 two national credit cards in my husband's name, and I am
11 sure that this is -- my name would probably be on record
12 as also being a legal user of those credit cards.

13 Q And the question I was concerned about was whether
14 you possibly have a file in your joint name, your husband's
15 name and your name together, and then if he has a file in
16 his own name, so in a sense, between the two of you, you
17 would have four files, your maiden name file, your individual
18 married file, your joint married file, and his individual
19 file?

20 A I do not know. I did not realize that this was
21 possible. I -- I had the understanding that a wife would
22 be listed under her husband's file, but I didn't know that
23 there were, as such, joint files.

24 Q I am asking if you know? -- I'd like to know

25 A I really -- I'd have to inquire of the credit bureau

1 people. I do not know.

2 Q What do you do, you give them \$2.50 to see all your
3 files, or what happens when you --

4 A I went into the place, I actually was undercharged
5 and I think it's because they didn't quite know how to handle
6 my situation. You go in and you fill out an application
7 form for looking at files. I gather that they're supposed
8 to look at identification, but they did not do this with me.
9 I signed my permission for them to look at my file in my
10 presence. They took my \$2.50 and said, "Which name do you
11 want us to look it up under?" I said, "I'd like you to look
12 it up under both," and she said, "Well, we have to charge
13 you an extra \$2.50 for each name." And I said, "Well, I
14 really don't know which name it should be looked up under
15 because I have had all this credit under my maiden name,
16 but I have been married for over a year and I have credit
17 under that name."

18 And they were taking bets as to which name would
19 have the most information under it. And I thought that
20 the man was going to look it up under my maiden name and it
21 turned out that he looked it up under both the names, and I
22 was not charged for both names.

23 Q So he did look under your married name too?

24 A Yes.

25 Q Presumably you should have gotten all the information

1 recently about a credit problem I had encountered here in
2 Salt Lake City and asked that I make a statement about the
3 matter. The following is my statement and you may use it at
4 your discretion.

5 "It all began in December of 1972, when I decided
6 to marry a fellow credit card holder and to change my name
7 to his. When I requested by mail that the" -- and we have
8 taken the name of the bank out, "that the bank credit card
9 division change my name on my account, I received a respon-
10 sive telephone call. The woman on the line asked my new
11 husband's name, which I gave her, and then confirmed that
12 he too had a credit card. She then informed me that from
13 that time forward I was to use his card and his account,
14 and that my account was being closed.

15 "I protested and asked why that was being done.
16 She explained that it was the bank's policy to place
17 accounts in the man's name whenever a female credit card
18 user was married. I then asked her the reasons behind the
19 policy, and the most memorable things she told me were:
20 * First, that women such as I, who are employed and then get
21 married also often get pregnant, quit their jobs and thus
22 have no means for paying their account. Second, that women
23 of my sort, that is those who have previously been divorced,
24 were apt to marry convicts and other disreputable kinds of
25 people and in general were not too stable. Thus, when it

1 was found that a woman of my sort was currently going to
2 marry someone who had an established account, that she was
3 made to use that person's account since it was a much safer
4 arrangement for the bank."

5 "In my increasingly heated dispute with this
6 amazing woman I explained to her the facts that should have
7 been relevant to the credit card assessment of my credit
8 and they were: Number 1, that I had maintained a credit
9 card account for four years, using it extensively and yet
10 paying so promptly that never once had I accrued an interest
11 charge. That I owned my own home and had for four years
12 and was willing to give the mortgage company as a reference.
13 That my income was approximately \$700.00 a month. That
14 during the time that I had maintained my account with the
15 bank I had also maintained as I still did, a checking account
16 at the bank with a lily-white record. That during the time
17 I had been using my credit card I had been a law student,
18 and further, that I would soon be a member of the Utah Bar
19 and could assure the bank that I would be capable of earning
20 a respectable and steady income."

21 "My credit, however, did not seem to be the issue
22 with the bank, for I soon received a letter repeating the
23 bank's humiliating policy of closing a woman's account
24 upon her marriage to someone who also held an account with
25 the credit card division. I was, in that letter, asked to

1 return my charge card, and so I did."

2 "At the same time I wrote to the bank and I assured
3 them that I would never use my husband's account. It seemed
4 that the only recourse was to sue" -- the expletive deleted,
5 "people. Ironically, while actual preparations were going
6 to be done, a man from the bank called me. He again
7 explained the bank's policy, leaving out the colorful and
8 dire stories of my possible pregnancies, marriages to
9 convicts, and other pitfalls of womanhood, and simply told
10 me that I could not have a credit card."

11 "When I told him that I had already got that idea
12 long ago and that I had resigned myself to doing without
13 the bank's services, he responded that their services were
14 open to me through my husband's account. I believe that I
15 hung up on him. I am sorry, I cannot remember his name.
16 He called me back a few days later and again asked me if
17 I would use my husband's account. I repeated that I would
18 never do so."

19 "At that point he explained that it was much more
20 practical for the bank to maintain one account rather than
21 two, for one family. I answered that the bank's economy
22 was not my concern, but my credit was. He then reluctantly
23 told me that he would send me my very own credit card in
24 my very own name. I received it in the mail some time in
25 early 1973.

1 * "Incredibly enough, I use it with the same sense of
2 responsibility that I had as a single woman. Investigations
3 should be made as to whether this policy continues. I rather
4 imagine that it does, and that I was a stubborn exception.
5 Sincerely, Linda A. Shepard, "Attorney at Law."

6 Mr. Chairman, I would like to submit this letter to
7 the Committee.

8 THE CHAIRMAN: Fine, we will accept that statement
9 that was read into the record and we'd like to have that
10 identified as Exhibit 3.

11 Thank you very much, Ms. Jones.

12 (Commission Exhibit 3, entered in the record.)

13 That completes all the testimony of the credit card
14 witnesses, and we will take a break for lunch.

15 The Panorama Room at the Union Building will serve
16 lunch and this will be a no-host lunch and we will reconvene
17 here at 1:15.

18 Thank you very much.

19 (Recess for lunch.)
20
21
22
23
24
25

1 AFTERNOON SESSION

2 June 27, 1974

3 1:15 p.m.

4
5 THE CHAIRMAN: I believe that we have all the
6 committee members present at the table up in front, so I'd
7 like to officially reconvene the hearing, and our next
8 panel consists of credit card managers, interbank cards.

9 The members of this panel are: Jeff Bingham,
10 Alberta Henry, Ricardo Barbero, and Bill Loos. And was
11 there another member that was added on to that?

12 MS. KASAI: I was

13 THE CHAIRMAN: Alice Kasai. Our first witness on
14 this will be David C. Keyser.

15 Is Mr. Folger here?

16 We will proceed with Mr. Keyser, then.

17
18 DAVID C. KEYSER

19
20 Q (By Ms. Henry) Mr. Keyser, will you please state
21 your name, address and occupation?

22 A Yes, my name is David C. Keyser, my address is 2310
23 Walker Lane, Salt Lake City, Utah, I am a banker. First of
24 all I would also like to say that I wouldn't like any of my
25 testimony quoted without prior permission.

1 THE CHAIRMAN: This witness has indicated that he
2 could not like to have any of his testimony recorded with-
3 out prior permission so --

4 MR. KEYSER: Not recorded, quoted.

5 THE CHAIRMAN: Quoted. So if anyone is going to
6 quote him, will you please check with him first so that he
7 can determine whether he would like to have that statement
8 quoted or not, and I would appreciate that based on the --
9 your statement as far as what you state here will be for
10 the record as far as the committee is concerned.

11 MR. KEYSER: Yes.

12 THE CHAIRMAN: But anyone else would have to have
13 that cleared, right?

14 MR. KEYSER: Yes.

15 MS. HENRY: Thank you.

16 MR. KEYSER: Thank you.

17 Q (By Ms. Henry) Would you briefly describe the
18 operation of the Walker Bank Card?

19 A Yes. The Walker Bank Card is a regional, local-
20 type credit card, Walker Bank issued. It's two types of
21 credit cards combined into one. It's a check guarantee
22 guard for customers who maintain checking accounts with the
23 banks, it's also a charge card. It can be used either way
24 for customers who have checking accounts, and it's for
25 customers who do not have checking accounts. It can be u d

1 as a straight charge card.

2 Q Can you also explain the use and purpose of your
3 credit rating application forms?

4 A Our credit applications ask the normal credit
5 information, or information that is necessary to base a
6 credit decision, the name, address, occupation, length of
7 employment, and so forth.

8 Q Do you use husband's name?---

9 A Well --

10 Q -- or spouse?

11 A Name, spouse, whoever is applying is whoever fills
12 out the application.

13 MS. HENRY: Thank you.

14 Q (By Mr. Loos) Mr. Keyser, I know that under the
15 Walker Bank Card program that you give more points for
16 being married than single, is that correct?

17 A Well, first of all let me explain. I think what
18 you are referring to is a zip application.--

19 Q Yes.

20 A -- is that correct? That zip application is a
21 marketing device that we use. We do not use those points
22 for credit qualifying our customers. From a marketing stand-
23 point it is a self eliminator. I think we say there, if you
24 have 16 points or more, you know, we will talk about it. I
25 think that to get over -- under those 16 points is pretty mu

1 a self eliminator. It would be a person under one year of
2 employment, or income under \$400.00 a month, and so forth.
3 But we don't use those points to credit qualify.

4 Q In regard to just, say, over-all credit, if you
5 had a woman come in who was a widow and she was making the
6 same amount of money as say, a woman who was married, or as
7 her husband was making, would there be any difference in
8 who got the credit in that situation?

9 A No.

10 Q (By Mr. Barbero) Your application form requests
11 the name of the husband in the case of a married woman.
12 Can you tell us why?

13 A The intent, I think, is for a -- if it is a husband
14 and wife applying for an application together, the -- just
15 husband's name, but -- spouse's name. If it is a single
16 person applying for an application, and if it's a man,
17 his name would go on that line. If it is a woman and her
18 name would go on that line. There is -- I don't make any
19 differentiation between whether it is a husband or a wife.

20 Q You mean you prefer the husband's name, or it
21 doesn't make any difference when you were answering that?

22 A Doesn't make any difference. We have joint appli-
23 cations where the woman fills it out and she puts her name
24 up on the top line, and then where it says "Spouse" his
25 name goes down below. It doesn't make any difference to .

1 Q Do you request a wife's maiden name to go on the
2 form?

3 A I think the form asks for it, and in that case it's
4 put there.

5 Q Now, do you know why it is requested?

6 A Yes. The only reason for that is for skip tracing
7 information. Our application doesn't provide for name and
8 address of nearest relative which a lot of applications do.
9 In the event a person doesn't pay and they skip, which is
10 a portion of the credit losses, you like to have a means of
11 finding out possibly where they went. Sometimes a wife's
12 maiden name helps. You contact her parents, or I mean,
13 you'd have his name you can find -- you can contact his
14 parents.

15 MR. BARBERO: That's all.

16 Q (By Mr. Bingham) I have some questions regarding
17 accounts for married persons, Mr. Keyser. Do you prefer
18 joint accounts or separate accounts for married persons?

19 A It doesn't matter.

20 Q You have no preference?

21 A We have no preference.

22 Q In the case of a joint account who is liable?

23 A Both. Both individuals.

24 Q Both parties. Is there any circumstances whereby
25 one of those parties would be liable as opposed to both?

1 A Not that I can think of. In case just one died.

2 Q Who do you consider the principal cardholder on a
3 joint account?

4 A Whoever -- our cardholder agreement provides a space
5 on there for principal cardholder. The only reason for that
6 is that our credit card provides for credit life insurance
7 and there is a premium charge, and the insurance is paid on
8 the life or -- on the life of one individual only.

9 In the agreement it says the life of the person
10 who signed as the principal cardholder's life will be
11 insured. So it doesn't matter to us who signs on line one,
12 it's whoever does sign that is the life, or that person is
13 the one whose life will be insured under the insurance
14 premium.

15 Q If someone asks you how to fill out that form do you
16 recommend that one or the other fill in that line?

17 A Not necessarily, no.

18 Q When a joint account is opened how is the bill sent?
19 Is that sent to one or the other, or to both? How is the
20 billing procedure handled?

21 A The billing procedure depends on how the customer
22 opens the account. The bill is sent in the name, actually
23 names, if it's a joint account it's sent in the names of the
24 individuals who's on the account. If there is just one name
25 on the account it just goes out in that one name.

1 Q If there is a divorce situation, a couple is
2 divorced, who becomes liable for the balance on the account
3 at the time of a divorce?

4 A Well, people who are liable for it prior to the
5 divorce. If there's -- it's a joint account and both
6 husband and wife are on the -- on it and they're both liable
7 for it, they're both liable for it after the divorce.

8 Q How do you apportion the liability, equally? Do
9 you enter into any kind of an agreement with them? --

10 A No.

11 Q -- or do you request that they determine how they
12 will pay the balance, the unpaid balance?

13 A No, no. We -- actually the only time you run into
14 any problem is if they don't pay and both parties as far as
15 we're concerned are obligated for that note.

16 Q Do you bill both separately for the total?

17 A Not bill both separately, we send out one bill in
18 the name of the account and if the name of the account is
19 joint it goes out that way, they're both responsible.

20 MR. BINGHAM: Okay, thank you.

21 Q (By Mr. Loos) When you have a divorce situation,
22 do you require both the husband and wife to send their
23 card back in?

24 A We ask that the cards be returned and we consider
25 then each party a separate applicant. If both of them want

1 to retain the card, then we make our credit decision sepa-
2 rately. Each one has to meet the qualifications to be
3 issued a card. If one doesn't meet it, we don't issue a
4 card.

5 Q Let me ask you two questions. If they both meet
6 the minimum amount to receive a card, would the woman have
7 any more difficulty in obtaining it because she's a
8 divorced woman than would her divorced husband?

9 A No.

10 Q And would it come out in her, would it say "Mrs.
11 John Doe", or would it say her own name such as "Sally Doe"?

12 A Our cards are personalized to the individual. It
13 doesn't matter what their marital status is, we send, we issue
14 our cards personalized in the woman's name and in the husband's
15 name, whether they're married, divorced, or however it is.

16 MR. LOOS: Thank you.

17 Q (By Mr. Barbero) What is your general policy for
18 women that are widowed?

19 A The same as it is for any applicant.

20 Q There is no distinction?

21 A No distinction.

22 Q (By Ms. Henry) When an applicant is denied credit
23 due to bad credit report, what procedures are required by
24 the Fair Credit Reporting Act?

25 A The requirements are to notify that individual as

1 to why they were declined for credit. If the information
2 comes through a consumer reporting agency you have to inform
3 them that they were declined because of the information
4 received from them and state their address, where they may
5 look -- where the individual might contact them. If the
6 information is gained directly from an institution, a finan-
7 cial institution other than the consumer reporting agency,
8 you have to notify the customer that they have the right to
9 obtain from you within writing, within, I believe it's a
10 90-day period, who that person was so that they can go to
11 them and find out the information we gave you.

12 Q We've heard testimony this morning about a lot of
13 the women being denied. In your opinion what is the best
14 means for the applicant to receive a review of the details?

15 A Let's assume it's from a consumer reporting agency.
16 I would -- their recourse would be to go to that agency,
17 find out what the derogatory information is, and then
18 approach the company that reported that information and if
19 it can't be cleared up to their satisfaction, then the only
20 other alternative that I could see would be for them to
21 consult legal counsel. However, it shouldn't need to go
22 to that extent, I wouldn't think.

23 Q In your procedure, do you call them and you write
24 them?

25 A Our normal procedure is that we inform them in

1 writing as to why they were declined for credit, if they were
2 declined.

3 Q Are there any other additional methods that you
4 can use to inform them?

5 A Yes, we inform them in person or -- either directly
6 while they are at your office, or over the telephone.

7 MS. HENRY: Thank you.

8 Q (By Mr. Levis) Mr. Keyser, is your credit department
9 automated?

10 A What do you mean by that? You mean accountingwise
11 or --

12 Q As far as determining -- well, there's probably
13 several methods of determining who gets a credit card and
14 also keeping the information about that person after he or
15 she has applied for a credit card and has credit with your
16 bank.

17 A As far as "automated", anyone who has an account
18 with us, the accounting, the name of the account, all the
19 accounting information is contained on the computer. It's
20 automated, yes.

21 Q That would include the payment record and --

22 A Payment record.

23 Q Now, is this information transferred to the credit
24 bureau?

25 A Yes.

1 Q Is that done by automation as such?

2 A Yes.

3 Q And how is it kept? If a woman applied for a credit
4 card, she is accepted, is it kept under her married name,
5 her maiden name, her husband's married name, or how is it
6 fed to the credit bureau?

7 A I can't answer that because I really don't know
8 how that is. I think, I'm not exactly sure of the integral
9 workings of that, whether it's transmitted by name or
10 account number, or exactly -- I don't think social security
11 number, because we don't have social security numbers on
12 everybody yet.

13 Q We heard testimony this morning from one of the
14 witnesses that she had two, as such, at the credit bureau,
15 one in her maiden name, and one in her married name, and
16 possibly one with her husband in her joint married name,
17 and I just wondered how the credit bureau would get that
18 information from you if it wasn't sent to them under the
19 credit cardholder's name?

20 A Like I say, I am not exactly sure. I know how our
21 own accounts are maintained, both by account number and by
22 name, and if it's a joint account both names are there.
23 So -- and like I say, I don't know the integral workings of
24 how we are transmitting to the credit bureau.

25 If it's by name, assuming it is by name, then it

1 would be by every name that is on that account. If it's
2 by account number it would be by account number only, or
3 a combination of the two of them.

4 Q Does your automated process indicate who pays the
5 bills as such?

6 A You mean, assuming it was a joint account? Are we
7 receiving payments from the husband or are we receiving
8 payments from the wife? Is that what you mean?

9 Q That's correct.

10 A No, we don't differentiate.

11 Q It only indicates a payment was received and if
12 it's delinquent or not?

13 A Yes.

14 Q When a wife applies for a credit card with your
15 bank, do you send out a responsibility note to the husband
16 asking for him to sign?

17 A No.

18 Q Referring to your little checklist that I think you
19 indicated in a sense was a procedure where a person could
20 determine whether they met your minimal qualifications, is
21 that correct?

22 A You mean the zip application?

23 Q The zip application, the one where you needed 16
24 points and then you should come in and talk to a Walker
25 Bank counsellor. It does indicate, it says, "Complete belc

WB

1 this is on the right, upper right-hand corner. And then
2 it says, "Name", and then in parenthesis it says, "If
3 married use husband's first name." Why is that?

4 A I can't answer that, I don't know. Like I say,
5 that application is a marketing device. It is also a
6 registered trademark application purchased from a company
7 out of state, and there was no basis behind that. At
8 least we certainly don't use that in determining credit
9 worthiness.

10 Q I think the committee's concern is that although
11 you say you don't use that as far as determining credit
12 worthiness, it does have the effect of discouraging women
13 from applying in their own name.

14 A Now you bring that up, I can appreciate that.

15 Q And I just wondered what your views would be as
16 to changing that form so it did not have the effect of
17 discouraging women to apply because of their sex?

18 A And I agree, it should be.

19 Q Is that also true with the next line which asks
20 for "Wife's maiden name?"

21 A Uh-huh.

22 Q Are you in the position to request such a change
23 at the bank, or communicate such a change?

24 A Yes.

25 Q And the other questions refer to "marital status",

1 and I think you get two points if you are married and one
2 point for everything else. There has been some concern about
3 the fact that --

4 A I can -- yes, same type of response.

5 Q (By Mr. Oswald) One other point that came up this
6 morning concerned a witness who talked about the fact that
7 she felt she had been denied the card even though she
8 qualified for a card, because of the fact that she had not
9 been employed for a year. Could you relate to us your
10 position concerning employment?

11 A Yes, one of our general rules of thumb to go by is
12 length of employment, and maybe I should say length of
13 occupation-type employment. We require, at least we like
14 to consider an application to have -- a person's been
15 employed for at least one year. This means, not a job
16 shifting type situation where you go from one type of occu-
17 pation to another, this means employed in the same line of
18 work at least one year. We don't penalize people from
19 changing an employer just to get better income and things
20 of this nature.

21 And the reason for that is that our loss percentages
22 are such that the great majority of our losses are involved
23 with people who have been on their job less than that period
24 of time.

25 Q Is that a rigid policy, or does it depend on the

1 type --

2 A That's a flexible policy, as a general rule.

3 Q I think the witness who testified this morning was
4 -- related that she was a Ph.D, and I think you were here
5 when she testified?

6 A There is no reason in the world why she shouldn't
7 have been granted credit.

8 Q We've heard some testimony also about reports from
9 the credit bureau, and I just wondered what your experience
10 has been in getting reports concerning divorced persons,
11 widowed persons, from the credit bureau, and if there is
12 any problems that you see in this area as far as determining
13 whether a person is credit worthy?

14 A I think there is -- I think there are problems.
15 I think that it's both a problem and in the method of
16 reporting to the credit bureau, and the method of the
17 credit bureau reporting to the institution. Because they
18 should be, credit records should be separated, and I learned
19 this morning that some institutions do get credit reports
20 separately, but they have to request them, but I don't know
21 how accurate that is.

22 I am under the impression that the credit bureau
23 combines the ratings. If it's a joint account, it's both
24 husband and wife. They don't say, "Well on this account
25 the husband pays this bill, and on that account the wife

1 pays this one," because in our own institution we don't --
2 we couldn't keep track of if it's a joint account, who's
3 paying that bill, whether it's the husband or the wife. I
4 imagine the only way they would separate those would be
5 either by name or by social security number. Something --
6 something it appears, should be done along those lines.

7 As far as going -- I might also say that when a
8 single person applies there is generally no problem because
9 the credit record is already there in that person's name.
10 When they get married, then it seems to be combined, and
11 then there seems to be a problem if they are separated or
12 divorced to break that record out again.

13 Q Has it been your experience that the credit record
14 follows one person more than another? That is, the husband
15 more than the wife?

16 A I think that is true.

17 Q (By Mr. Levis) What is your suggestion as how
18 this could be changed to correct this practice?

19 A I would suggest that through the method of reporting
20 that if there be a method to do that, and I imagine the only
21 way to do it, and it has to be done on an automated basis,
22 is possibly by a social security number which we all seem
23 to be going towards, using that number, and maybe tying
24 everything with that individual to that number, because
25 name is too confusing --

1 Q Is there any way --

2 A -- unfortunately.

3 Q -- to separate a joint account, though, after those
4 persons are divorced?

5 A Most certainly.

6 Q The reporting of the joint account?

7 A Certainly, I would think so. Now you see, if they
8 are divorced, now I think if you separate it, then it just
9 goes in one name. I think it is up to the credit granter.
10 If a person is divorced and he wants to hold both persons
11 responsible, unless they are sued in the divorce, my under-
12 standing, hold them both responsible. If they want to separate
13 it and one party wants to assume that obligation that's owing
14 that time, then it should be reported in that party's name
15 and not the other's.

16 Q How about reporting it as far as credit history,
17 assuming that a couple is divorced that they had a good
18 credit record while they were married, but it was in joint
19 accounts, how do you separate the fact that the joint account
20 had a good credit history? In the past, it appears that it
21 has gone to one individual and not to both.

22 A I don't know how you do that. I guess you would
23 have to maintain records, so you report it up to that time
24 and then after that date you would report it how the account
25 went after that.

1 I imagine you'd have to control it by a date
2 situation too.

3 Q So you would indicate that one time there was a
4 joint account and --

5 A Yes, up to a certain date, let's say the rating would
6 be based on the history from, let's say, the date the account
7 opened up to the date of that change, and you have to get a
8 rating for that period of time, and then you'd have to give
9 another rating for after that period of time.

10 MR. LEVIS: I have no further questions.

11 Q (By Mr. Barbero) Mr. Keyser, how many women does your
12 bank hire?

13 A Well, I can't answer that exactly for you because I
14 don't know. Typically, banks have more women working for
15 them than they do men. Just walk in the lobby and the teller
16 line seems to be full of women.

17 Q And the credit section, credit card section, which
18 probably you are more familiar, how many -- what is the ratio
19 of women and men?

20 A Well, our bank operates a little differently than
21 some other banks. Our credit card operation is not central-
22 ized in one, as a separate division apart from everything
23 else. All of our branches are involved in that function as
24 well.

25 In my own department, which is part administrati-

1 as well as an office-type operation. Let's see, there's
2 about four, five men and about nine or some odd females,
3 one of which is a minority and also a supervisor.

4 Q You say you have one minority. Is that in the
5 decision-making position?

6 A She is an assistant to our -- she is in our account
7 maintenance area of our credit card operation. She is
8 assistant to the person in charge of that.

9 Q Could you guess what is the percentage of men and
10 women over-all, just roughly?

11 A I'd say about one-quarter men to two-thirds women,
12 and I might be way off.

13 Q You mean three-fourths?

14 A I might be way off on that.

15 Q You mean one-fourth and three-fourths? One-fourth
16 men and three-fourths women?

17 A As an outside guess, yes.

18 MR. BARBERO: Thank you very much.

19 Q (By Mr. Bingham) Mr. Keyser, I had a question again
20 following up a previous question I asked regarding the joint
21 account and upon separation of the individuals. The question
22 arose as to how that is handled, and you, as I recall, sug-
23 gested that both cards are requested to be sent in. I have
24 an understanding that that is not necessarily the case, that
25 the man is allowed to keep his card, but the woman in that

1 case is invited to reapply for a card. Can you clarify that
2 discrepancy?

3 A Well, the policy is that upon a divorce situation,
4 that if someone is -- if either the account is going to
5 cease to be, and the balance paid off and both parties respon-
6 sible for that balance, or that balance is going to be
7 separated, and one person is going to assume that responsi-
8 bility and the other one not. It depends really upon the
9 customer's intentions.

10 Do they want to continue an account with us? If
11 they do then we want to know if they are going to be --
12 if they can maintain that account. So, we look at it, at
13 each individual separately, and if both of them can qualify,
14 fine. Who's going to take care of the balance that's already
15 due? Are they both going to be responsible for it? If
16 they are both going to be responsible for it, maybe we
17 feel enough credit is extended until that has been reduced.
18 It's -- you know, maybe not. It depends. I hope that
19 answers your question.

20 Q Well, do you enter into a discussion with them
21 then as to how they want to handle it? Do you become aware
22 of their changing status then, and you --

23 A We're aware of their status, who's going to pay for
24 it, do they want the account separated, are they going to
25 maintain the -- that balance together, or do they want it

1 over here? We want to know who is going to pay for it.
2 Somebody says, "Well, I'll pay for it," we have to know that
3 they have the ability to pay for it.

4 Q Would your policy be different in the case of a
5 separation, marriage separation, would you handle that
6 differently than a divorce?

7 A No, until they are really divorced, or until they
8 bring it to our attention and say, "Well I want off this
9 account," a lot of times we will have a customer say, "I
10 want off this account." Well, fine, is the other person
11 at that time capable of paying off that balance? If they
12 are, fine, we will separate it.

13 MR. BINGHAM: Thank you.

14 THE CHAIRMAN: We will have to limit the questioning
15 on this witness here, because we have three others scheduled
16 and we only have 20 minutes left.

17 So, we appreciate very much your coming here and
18 answering the questions, and you are welcome to stay to
19 listen to the rest of the testimony. Thank you very much.

20 Is Mr. Bart Folger here right now?

21 Next we'd like to have Judy Frye.

22

23

JUDY FRYE

24

25 Q (By Mr. Loos) Would you state your name and address

1 and occupation, please?

2 A My name is Judy Frye, my address is 1497 East --
3 I mean South 8th East. I am a credit manager.

4 Q Are you with First Security Bank?

5 A Yes.

6 Q Could you briefly describe how the Bankamericard
7 applications are processed?

8 A Most of them we receive by mail and we obtain a
9 credit bureau report and verify employment.

10 Q Excuse me, I didn't hear that last part.

11 A We verify the employment.

12 Q And then you send a card out?

13 A If it is approved.

14 Q As you evaluate the various applications for Bank-
15 americard, do you primarily rely on credit reports, or do
16 you directly check or exactly how do you find out your infor-
17 mation?

✓ 18 A Basically on the credit bureau. Since balances
19 are not given on the credit bureau we do direct check other
20 credit cards.

21 Q Of other credit cards?

22 A Yes, mainly.

23 Q And what if a particular person didn't have other
24 credit cards, where would you check then?

25 A Well, we mainly use what's on the credit bureau

1 because there are installment loans and you can pretty well
2 figure out what the balance would be.

3 Q So you request a credit report for every applicant,
4 is that correct?

5 A Yes.

6 MR. LOOS: Thank you.

7 Q (By Mr. Bingham) Miss Frye, if a married couple
8 has a joint account, again, and both refuse to pay for that
9 account, who do you go after to pay for the account?

10 A They were both signed on the Bankamericard?

11 Q Pardon me?

12 A You mean they are both signed on the Bankamericard?

13 Q Yes, they have a joint account, both names appear
14 on the account and both refuse to pay. Do you go after one
15 as opposed to another?

16 A No, we would go after both parties.

17 Q Do you base that decision on any Utah law that
18 you are aware of?

19 A I think they would probably go after the main
20 applicant, whoever if -- if it was a man's name on the card
21 they would go after him, and if her name appeared on the
22 card they would probably go after her first.

23 MR. BINGHAM: Thank you.

24 Q (By Ms. Kasai) I would like to know, when an account
25 goes bad, what is your method of trying to collect from them?

1 A When they first miss a payment they are sent a
2 late notice, and then they are sent a second late notice,
3 and then they are contacted by telephone.

4 Q Well, how much time do you give them? At what
5 point do you charge it off?

6 A Do we charge off an account?

7 Q Yes.

8 A One hundred eighty days.

9 Q Eighty days?

10 A One hundred eighty days.

11 Q (By Mr. Barbero) Ms. Frye, if a divorced woman
12 applies for an account would you ever request a credit
13 record while she was married?

14 A We wouldn't have that information. We would put
15 the information from her application into the teleprinter
16 to the credit bureau and take that information.

17 Q But you put it in her married name, is that --

18 A No, we would put the information she has given us
19 on the application.

20 Q That she has given you. If -- can you separate
21 the credit history of a man and a woman by looking at the
22 credit report the way it is given to you?

23 A It would be given in the husband's name if they
24 are married on the credit bureau.

25 Q Then you couldn't separate the man from the woman?

1 A No.

2 Q (By Mr. Loos) If a woman had a Bankamericard in
3 her own name when she was single and then she married another
4 man who also had a Bankamericard, would you keep both cards
5 separate, or would you consolidate them into one account?

6 A Well, most often it would probably be consolidated.
7 If they requested that they each be able to keep their own
8 accounts, and they both still qualify, then we would keep
9 both accounts.

10 Q Is there an advantage to the bank in having them
11 consolidated?

12 WB A No. We feel it is an advantage to them to only
13 have one payment.

14 Q So it's more for their benefit and not so much
15 for the bank's?

16 A Yes.

17 MR. LOOS: Thank you.

18 Q (By Mr. Barbero) What are the disadvantages of
19 having a joint account for men and women?

20 A I don't feel like there is any.

21 Q What are the disadvantages of having a joint account
22 for married men and women?

23 A I don't feel that there is any disadvantage.

24 Q You don't think that there is any disadvantage?

25 A No.

1 Q What are the disadvantages of separate accounts?

2 A The fact that they would probably have two billing
3 statements to pay would be about the only one.

4 *f* Q Do you think that there would be a substantial
5 cost increase if you had separate accounts?

6 A No.

7 MR. BARBERO) Thank you.

8 Q (By Ms. Henry) We have heard several cases this
9 afternoon about single, I mean that have married and had
10 difficulties. Could you tell us what is the normal procedure
11 for handling these kinds of accounts when a single working
12 woman gets married, with an account, she has an account,
13 she gets married, what are your procedures?

14 A We generally send her a name change form and it
15 does request information on both parties. Unless she specifies
16 that she wants to retain it in her name we change it into
17 his name because our computer is only set up to accept one
18 name per account number.

19 Q She must request the name if she wants to keep her

20 A If she just wants to keep it in her name then she
21 needs to request it that way.

22 Q Should credit bureaus change their reporting
23 procedures to clarify individual credit histories during
24 marriage, and if so, how?

25 A Well, I feel like marriage is a partnership so t.

1 me it's not a problem, but it apparently is to other people.
2 So I'd say the majority of people want it, then it probably
3 should be reported that way. I don't know exactly how you
4 would report it because it's only one account and we don't
5 have any way of determining who is paying it.

6 Q (By Mr. Levis) Ms. Frye, you, I think, indicated
7 that your credit department is automated?

8 A Yes.

9 Q Would you briefly describe that, please?

10 A All our accounts are on computer.

11 Q And are these accounts transferred to the local
12 credit bureau?

13 A Yes, by a computer tape.

14 Q And how are your accounts kept on a married -- you
15 said generally the account of a married couple will be kept
16 as a joint account, is that correct?

17 A Yes, it will be under one name for the account
18 number, so it would be reported to the credit bureau under
19 that name.

20 Q How do you determine whose name it's reported under?

21 A That it's reported under? It would have to be
22 reported as how it shows on our computer.

23 Q And how do you determine that?

24 A Well, our computer only accepts one name per account
25 number, so it would depend on how we opened the account.

1 Q So there is no such thing then as a joint account
2 as far as the computer is concerned?

3 A Right. It will show two cards issued, but only
4 one name.

5 Q And is there a policy as to whose name that would be
6 shown under, the husband's or the wife's?

7 A It's generally in the husband's name.

8 Q Why is that?

9 A That's the way the accounts -- that's the way the
10 application shows. First thing is the first name.

11 Q So it's the first name on the account, is how you
12 determine that?

13 A Yes.

14 Q It doesn't make a difference if the wife is more
15 credit worthy than the husband, or does it?

16 A Well, on our application there is a first name,
17 the first name on the application is usually how it would be
18 set up.

19 Q So it's however is the person who put the name under
20 where it says "last name, please print"?

21 A And most generally it comes in in the husband's
22 name.

23 Q What would happen if the husband applied for the
24 account and he turned out not to be credit worthy, yet his
25 spouse was credit worthy? Would it revert to the spouse's

1 name or still be under the husband's name, the person who
2 applied for the account?

3 A We would turn him down if he --

4 Q Excuse me?

5 A If he applied under his name and he wasn't credit
6 worthy we would decline him.

7 Q But if both the husband and wife applied, it
8 depends, excuse me, and they're both credit worthy, it
9 depends who put their name first as to how you report it?

10 A Yes. See, he'd get a card in her name if they had
11 put down two cards and it was in her name. Then he would
12 carry a card in her name.

13 Q If the wife qualified for the card, do you send out
14 a responsibility notice asking the husband to sign and be
15 responsible for the account?

16 A No. In some cases if she doesn't have any
17 qualified source of income and requests it in her name then
18 we would, but that's an exception rather than a rule.

19 Q You would require a responsibility note saying the
20 husband is responsible?

21 A Yes.

22 Q Would you also do this if the husband did not have
23 any credit in his name and the wife had credit in her name?
24 Would you send her a responsibility note?

25 A We have -- if he is like a student and not working,

1 and she is the one that is working, we would require her
2 signature.

3 Q On the same responsibility note that you had
4 sent a husband?

5 A Well, we don't really have a responsibility note,
6 we just require their signature on the application.

7 Q And the same is true with the husband if the wife
8 doesn't qualify on her own?

9 A Yes.

10 Q If a married woman applies for an account, do you
11 ever request for her credit record while she was single?

12 A I'd say only if she had been married a short period
13 of time so that they were established together.

14 Q So you only request for it if she were not credit
15 worthy while she was married, is that correct?

16 A Well, say if we obtained a credit bureau under
17 their name and it came up with a "no record", then we would
18 ask them where we could obtain further credit information.
19 Lots of times she would list it on her application showing
20 it as her name.

21 Q Have you had any difficulty getting such information
22 about a married woman if she had been -- has not any credit
23 under her married name, but had credit under her single,
24 maiden name, say several years back, four or five years back?
25 Do you have any difficulty retrieving that information from

1 the credit bureau?

2 A I think we would, yes.

3 Q Why is that?

4 A Because they just went computerized last September
5 20th. I don't know if they would still retain any information
6 or not. I really couldn't say.

7 Q In determining whether a person is credit worthy,
8 do you count court ordered alimony or support payments?

9 A Preferably not.

10 Q Why is that?

11 A Because it is not guaranteed source of income.

12 Q Is that based on your experience, or --

13 A Yes. I think in the State of Utah the law doesn't
14 enforce that like they should.

15 Q One final question. If a qualifiable married
16 woman applied for a Bankamericard in her own name, would
17 you ask for the credit report on her husband?

18 A We would try and obtain a credit report in her
19 name and we probably wouldn't get it, so then we'd have
20 to telephone her and ask her if we could go ahead and get
21 it in his name.

22 Q But you would have first attempted to get it in
23 her name?

24 A Right.

25 Q And one final question for the final time. Do you

1 request separated couples to return both cards, or do you
2 wait until a divorce is final? How do you do that?

3 A Most generally we are notified by the customer
4 himself that he wants the account canceled because there
5 is a divorce problem, and we do request the return of both
6 cards and we cancel the account out.

7 Q And I take it you would take the request of the
8 person who is listed first on the credit card?

9 A If either one of them called in.

10 Q Either one?

11 A Yes, because then we know there is, you know, they
12 are having problems so we do cancel the account.

13 MR. LEVIS: I have no further questions.

14 Q (By Mr. Oswald) Ms. Frye, you indicated in your
15 testimony that it has been your experience that you foresaw
16 no problem in the way that you set up your credit system.
17 In testimony this morning we heard that in the State of Utah
18 there are, in the work force, over 9,000 women who are
19 divorced and currently working, and over 5,000 women who
20 are widowed and in the working force. And I'm wondering, how
21 you feel about the fact that over 12 percent of the working
22 force of women in Utah fall into the category of divorced,
23 or widowed? Don't you think that the system that you
24 function under now discriminates against those people, based
25 on circumstances that were not avoidable for them?

1 A Discriminate in what way? I don't think I quite
2 understand your --

3 Q Well, the system seems to be fine according to your
4 statement so long as people are married and they don't feel
5 like for one reason or another they need separate credit
6 cards, or separate record systems. But for a number of
7 people, as the statistics indicate, circumstances that are
8 unavoidable, divorce, or being widowed, happen to a number
9 of women in our state, and I'm wondering if you don't feel
10 like the credit card system is in operation now, discriminates
11 against those women in circumstances that they can't foresee
12 in the future?

13 A You mean because they don't have a credit rating?

14 Q That's right. L

15 A I'm divorced and I have never had any problems
16 getting credit any time, and every time they change my
17 accounts -- when they changed it to my husband's name when I
18 married, I didn't have any problem retaining them when I
19 got divorced.

20 Q What if your husband would have had a bad credit
21 rating, your former husband?

22 A Then I probably would.

23 Q Even if you had had a good credit rating before you
24 were married?

25 A Well, I'm sorry to say, yes.

1 THE CHAIRMAN: We're a bit late on our hearing on
2 this one here because we have taken a considerable amount
3 of time with the two witnesses we have had, so we won't be
4 able to have the panel members ask you any further questions.
5 But we do appreciate your attending and your participation,
6 and if you would like to stay, you are welcome to stay and
7 listen to the rest of the proceedings.

8 Thank you very much.

9 The next, Dave Francom.

10

11

DONELL FRANCOM

12

13 Q (By Mr. Barbero) Mr. Francom, please state your
14 name, address, and occupation?

15 A My name is Donell G. Francom. I reside at 13641
16 South, 2860 West, Riverton, Utah, and I am a banker in
17 credit card banking.

18 Q Mr. Francom, is it important for credit purposes
19 to know the marital status of the applicants?

20 VOICE: Mr. Barbero, I am Mr. Patten, representing
21 Continental Bank for whom Mr. Francom works, and Mr. Francom
22 forgot to mention it, but his testimony is not for quotation
23 also.

24 THE CHAIRMAN: That will be inserted into the record
25 then. Could you state your full name?

1 VOICE: Warren Patten, P-a-t-t-e-n, 800 Continental
2 Bank Building.

3 THE CHAIRMAN: And any person wishing to quote Mr.
4 Francom will have to clear through him before anything can
5 be used.

6 Q (By Mr. Barbero) Mr. Francom, you want me to
7 repeat the question?

8 A Would you, please?

9 Q Is it important for credit purposes to know the
10 marital status of applicants, and give us some reason,
11 please?

12 A I would think that depended upon the wishes of the
13 applicant. If the applicant wishes that his or her spouse
14 be included upon the account, if they wish two cards issued,
15 one to each individual on that one account, then it is
16 important for us to know the name of both parties and how
17 they wish their names to appear on the Master Charge card
18 which we would issue to them.

19 Q If a divorced woman applies for credit, do you
20 request the marriage credit record if she worked while
21 married?

22 A We request credit based upon the information that
23 she supplies to us upon the application. If she does not
24 tell us that she is divorced we have no way of knowing that.
25 We request, would request credit in her name. Most generally

1 we would request credit as the way she gives her name on
2 the application. If she indicates she is recently divorced
3 and tells us, as sometimes an applicant will, that we can
4 find credit in her previous married name, then we would
5 request credit accordingly.

6 Q So, if she tells you that she is divorced, then you
7 request her credit that way, separately?

8 A Yes, sir, and sometimes on newly divorced situations
9 the one party, or the other, would be unestablished for
10 credit perhaps, the record won't be at the credit bureau on
11 the one individual. It would be under the family, or the
12 previous name, so we would request it, and not find any
13 information.

14 And then we would go back to the applicant and tell
15 them that we were unable to locate any information, could
16 they clarify the application a little further. And based
17 upon what they told us we would then act accordingly.

18 Q Would it cost you to separate her credit rating
19 from her husband?

20 A Excuse me, I didn't hear.

21 Q How would you make a judgment, separate her credit
22 rating from her husband's since most likely the file is in
23 her husband's name?

24 A I don't think we make that judgment. That's --
25 that would be made for us by the applicant, the way she makes

1 out her application and by the way the credit bureau main-
 2 tains their records, and unless I had a specific case I
 3 couldn't tell you what we would do in that instance.

4 Q But if she, if you don't get any report from the
 5 credit bureau, then how would you make the judgment?

6 A Then we would tell her that we received no infor-
 7 mation from the credit bureau, and is there some other way,
 8 or is there any information there? And if she told us that
 9 she was previously divorced and gave us her ex-husband's
 10 name and wished us to do so, then we would inquire under
 11 that name.

12 Q (By Ms. Kasai) Mr. Francom, I would like to know
 13 if a married woman applied for credit, would her credit
 14 record be requested if she worked before her marriage?

15 A If a married woman requests one card in her name
 16 we would get the credit in the name of the applicant. Now,
 17 it depends what is given back to us by the credit bureau,
 18 what we would do from that point on.

19 Q Well, if her record is there prior to her marriage
 20 then you would go on that record?

21 A We would go on what the credit bureau would supply
 22 us and I just don't know what -- I would just go guessing
 23 to --

24 Q (By Mr. Bingham) Your application doesn't, or
 25 does it, request the maiden name?

*Remember
 credit record*

*automated
 doesn't know*

1 A I don't believe it does, it requests the name of the
2 spouse.

3 Q If it had a maiden name indicated there, would you
4 follow that up if you had nothing under her name as a
5 married -- as her married name?

6 A I really couldn't answer that because that's never
7 come up.

8 Q What procedure do you follow at your bank when you
9 learn that a woman had become widowed, do you have a standard
10 procedure, and if so, what is that?

11 A Yes, sir, we send a letter of sympathy after a
12 resonable length of time, to the widow, and state that if
13 she wishes her name, the account in her name, if it was,
14 I'm supposing now that the account was perhaps listed in
15 her husband's name, maybe it was in her name all the time,
16 but if it were in the name of the husband and we send a
17 letter to her stating that if she wishes her name changed
18 on the account, please let us know.

19 If she feels that there is other information that
20 would be pertinent to her account and to our helping her,
21 she is welcome to complete an application which we enclose.

22 Q If an applicant who comes to you has no previous
23 credit history that you can find, what is your policy? What
24 do you do with the application?

25 A We, in the Master Charge account it is totally

1 unsecured. It is a signature loan and we base our decision
2 upon things such as stability, length of employment, income
3 versus their outgo, and --

4 Q So you then would not simply deny or reject an
5 application simply because there was no history?

6 A No.

7 Q You would look at other factors?

8 A No, in other words we look at the total application
9 and if there are other -- if he has listed credit references
10 and we receive no information from the local credit bureau,
11 many times we will then make a personal telephone call to the
12 credit references that he has given us to try and determine
13 what his credit record has been, and however we do require
14 that a person, as I began to say, be established for credit
15 to qualify for an unsecured Master Charge account.

16 MR. BINGHAM: All right, thank you.

17 Q (By Mr. Loos) Mr. Francom, what procedures do
18 you follow when a single working woman with an account
19 marries and requests that her new husband be added to the
20 account?

21 A We, first of all we would never know of that
22 situation unless the applicant or the cardholder, our
23 customer, notified us that she was now married. And we would,
24 upon receiving that information, ask her if she desired a
25 card for her husband.

1 Q And so you would add the husband to the account
2 and there would be no problem, is that correct?

3 A Most generally, and we do provide an application
4 for him to fill out so that we have information in our -- in
5 our records so that we can -- we can serve them, and --

6 Q What if she asked for a larger credit amount, what
7 would she have to go through to get that?

8 A She would have to do the same as all our customers
9 do who request limit increases. We request that they com-
10 plete a new application to -- the information on our
11 application is -- it concerns income and debt, employment,
12 and property ownership, liabilities, and we would want to
13 know that information.

14 Q Now, would her husband have to sign that new
15 application along with her if she asked for a larger credit
16 amount?

✓ 17 A If it is her account, one card issued only to her,
18 her husband has had nothing to do with the account previously,
19 if she is basing the request for the limit increase upon an
20 increase in his income, she has had no change at all in her
21 income, we would probably ask for the husbands to participate
22 in the account.

23 Q What if it's one account?

24 A One card issued to the wife only?

25 Q Yes. Well, the husband and wife shared the same

1 account.

2 A And they both have Master Charge cards?

3 Q Yes, and if she asked for a larger credit amount,
4 would her husband then have to sign along with her?

5 A As I mentioned before, we ask for a new application
6 and it depends upon how -- what information they give us as
7 to whether or not we would come back to him and ask him for
8 additional information.

9 Q So it is possible?

10 A Many times, many times when we've opened an account,
11 for example, when we first started in Master Charge, we did
12 not have a great deal of information as to income and again,
13 income has increased over a period of time and maybe we --
14 we have never increased the card limit on that particular
15 person's account, and in the meantime their income has
16 increased substantially, her income. And --

17 Q If there was a joint account and then a subsequent
18 divorce, who would you hold liable for the bill?

19 A The parties who signed the application.

20 Q Both of them jointly?

21 A Yes.

22 Q Would you go after the man first?

23 A It depends upon the circumstances and I don't think
24 I could answer that without being presented a specific case,
25 it would depend upon perhaps the individual who's most

1 convenient to contact whom we would contact. And in many
2 cases we -- the individuals decide that themselves, who
3 will pay the bill, and many times the courts decide that for
4 them.

5 Q One last question. If a couple is married and
6 has a joint account, one account, and they divorce or
7 separate, and the woman asks for a new card, a separate
8 account, will she receive one in her own name, or in her
9 former married name?

10 A Could you clarify the marital status for me? Are
11 they separated or is the divorce final, or --

12 Q Both.

13 A The divorce is final and they are no longer living
14 together?

15 Q Yes.

16 A If she wishes a card in her -- now I am assuming
17 that they had a joint account previously --

18 Q That's correct.

19 A -- and they are divorced so he no longer has --
20 if the account was applied for in the husband's name and
21 listed her as a spouse, and he no longer -- they were divorced
22 and he no longer wished her on the account, then we would
23 delete her card from that account. And assuming if she wished
24 one and applied, we would consider that on the merits of her
25 financial and -- situation.

1 Q But it would be issued in her name such as Sally
2 Doe, and not just like Mrs. John Doe, is that correct?

3 A Oh, yes. Our application on the bottom states,
4 "Please sign your name as you wish your card embossed and
5 the account listed," so we let the applicant decide that.

6 MR. LOOS: No further questions. Thank you.

7 Q (By Mr. Levis) Mr. Francom, when husband and wife
8 apply for a joint account, in whose name is it billed? Is
9 it billed in both their names, the husband's name or the wife's
10 name, or what?

11 A We again, let the applicant decide that. Our
12 application states across the top, it has a place for
13 designating Mr., Mrs., or Miss, and the name, and then it
14 says "Spouse". The account would be listed in the person
15 whose name appears on that first line under the designation
16 Mr., Mrs., or Miss.

17 Q So it would be in one individual's name, not both?

18 A Yes, but our accounting system provides for two
19 cards to be issued and at the bottom of the application there
20 is a place for each party to sign and sign their name as
21 they wish the cards printed.

22 Q My question, is, the bill is then sent only to one
23 individual?

24 A And the bill is sent then to the person whose name
25 appears on the first line.

1 Q Why is there no provision for Ms.? You said there
2 was Mr., Mrs., and Miss.

3 A And Mrs.

4 Q There is no provision for Ms.?

5 A That has never come up at this point. Usually our
6 applicant tells us whether they are single or not. Our
7 cards are not printed with a Mr. or a Miss, unless the
8 applicant specifically required it to be printed that way.
9 They are, the second card on the account, if it's a joint
10 account, husband and wife, the second card is printed Mrs.
11 John Jones, if they desire.

12 In other words, if they are applying husband and
13 wife and the husband puts the account, lists his name on
14 the first line, the the first card would read John Jones,
15 and then the second card would read Mrs. John Jones, unless
16 they stipulated at the bottom they wished the cards printed
17 in different fashion. "Shirley Jones", we would print it
18 that way, or if they wish a card for their son we would
19 print "David Jones" in addition, three cards on the account.

20 Q But on the application form there is no provision
21 to check Ms. instead of Miss or Mrs.?

22 A No. Usually our customers, if they desired us to
23 know that, will write in Ms. on that account.

24 Q Have you thought about changing your application
25 form to reflect that?

1 A No, because as I say, we have tried to accommodate
2 our customers and they have always pointed out in the past,
3 that has never been a problem for us. I suppose if it became
4 a problem and someone called it to our attention that we
5 would definitely consider. There's no reason why we should
6 not, as I could see.

7 Q That would have to be drawn to your attention?

8 A Yes.

9 Q Is your credit department automated? That is, do
10 you keep your bills on a computer which are sent to the
11 credit bureau in town?

12 A Our bills are not sent to, or through, the credit
13 bureau. Our bills are kept on a computer system located in
14 San Francisco, California, at the Western States Bank Card
15 Association, and those statements are put on computer tape,
16 mailed to us. We print the statements in our bank on our
17 own computer and mail them directly to our cardholders.

18 Q But is the history of the account sent to the credit
19 bureau?

20 A My understanding is that once a month our accounting
21 system, Western States Bank Card Association, sends a magnetic
22 tape to the credit bureau where they send it locally or to
23 another location to update the record.

24 Q Would it be sent under the name of both persons
25 on the account or only the name of the person who is listed

1 on the first line of your application form?

2 A I am not familiar with the tape sent or the infor-
3 mation on it, or exactly how the accounts are updated. I
4 have no computer background. I do suppose, though, that
5 since our accounts are in the name as the applicant's wish
6 them to be by filling out that first line of the application,
7 and that's the way our billing is presented to them, that that
8 would be the way the update tape would update their tape,
9 according to that name.

10 Q If a woman, either divorced or single, has a credit
11 card with your bank, and marries another individual who has
12 a credit card with your bank, and she requests a new card
13 in her married name such as her name was originally Susan
14 Smith, now it's Susan Jones, she doesn't want it Mrs. John
15 Jones, she wants it Susan Jones, would you grant her the
16 credit card in her new married name, or would you combine
17 her account with her husband's account and close out her
18 account while she was single, or divorced?

19 A Our desire is to accommodate our customer and do
20 things the way they wish us to do them as nearly as possible,
21 and if she wants the name changed on her account to her new
22 married name, we would do that.

23 Q And keep her own separate account? She wouldn't
24 be joined with her husband's account?

25 A No.

1 Q Do you ever send out responsibility notes asking
2 for the husband to sign and be responsible for the account
3 of his wife?

4 A To my knowledge, I can't remember of an instance.
5 I can foresee a circumstance where, if the wife does not
6 meet our qualifications on her own, by that I mean, perhaps
7 she is unemployed, has no income on her own, and he is the
8 sole provider, then we would want him to sign the application
9 in addition to her.

10 Q Is that also true if a husband applies for an
11 account and the wife is the sole provider?

12 A Yes, sir.

13 Q In checking out the application forms that are
14 filled by persons applying for a Master Charge card, do you
15 rely on the credit bureaus to get your information to verify
16 their applications for them?

17 A Yes, sir, we obtain a credit report in most
18 instances.

19 Q Do you have any difficulty in getting the information
20 of a married woman while she was single if she had a credit
21 history while she was single, or the credit history of a
22 divorced woman if she had a credit history while she was
23 married?

24 A That is a very difficult question to answer, we --
25 and I would have to have the specific case to know whether

1 or not we would have difficulty. I am not fully acquainted
2 with what the credit bureau has on their files or as the
3 young lady prior to me mentioned, prior to their updating
4 and going to computer systems, I'm not sure how much infor-
5 mation they did put on the computer from their manual system
6 so as to whether we would have trouble in that area or not
7 I'm not sure.

8 Q So it depends on what the credit bureau gives you?

9 A Yes, I do know that the credit bureau's reporting
10 to us most generally situations as they exist at the current
11 time and as to whether previous old information has been
12 put on that computer system, I just don't know.

13 Q Have you found, through your experience, that the
14 credit history of a married couple is usually reported
15 under the husband's name, or is it reported under both
16 names, or what, when they both apply for a card?

17 A I'm not sure how it's reported, I do know the fashion
18 in which we receive credit reports. That lists, for married
19 people, the credit report is usually in the husband's, you
20 get back to husband's last name, abbreviation of his first
21 name, and a middle initial, and her first, the initials of
22 her first name.

23 Q Then it would first be reported under his name with
24 her name second?

25 A Most generally, I think that's the case.

1 Q Based on your observation of these reports, is
2 it difficult to separate who paid for most accounts, or are
3 they labeled? That is, the husband paid for this account,
4 and the wife paid for this account?

5 A We would not know unless perhaps for some reason
6 or other the credit bureau so noted on the actual credit
7 report. They do note from time to time that the report
8 may contain items for different members of the family.

9 Q Now, if they don't note that, do you assume it's
10 in one person's name, or the other's, what I mean by that,
11 do you assume it's in the name of the first person who's
12 listed on the credit report, or do you assume that it's
13 in the names of both people, or whoever is listed on the
14 report?

15 A We assume it's a joint report. And if it lists a
16 wife, if it indicates a wife, then we assume it's -- she's
17 a party to that credit report.

18 Q Have you had any experience with a credit report
19 of husband and wife who have become divorced and the ex-wife
20 is then asked for credit, is there difficulty in getting her
21 married credit record transferred to her when she's divorced,
22 or what has been your experience?

23 A I don't know if there's difficulty or not. It
24 would seem to me that, based upon my experience with the
25 credit bureau people, and they are the best ones that could

1 answer this question, but based upon my experience with
2 them that they are very accommodating and that they would
3 put the report in whoever's name they wished it in.

4 Of course, each individual is -- has the right to
5 note what is on his report and if he wishes to place these
6 accounts under his name and the husband or wife accounts
7 under their name, they have that right, and they may make
8 any statement they wish on that credit report so that all
9 creditors receiving that report would receive their state-
10 ment in addition to the general information.

11 Q Has there been a change in attitude in granting
12 credit to credit worthy women during the last several years?

13 A Based upon my experience at Continental Bank I
14 feel that we have always tried to treat everyone the same,
15 and I don't know if -- I have not noticed any such change.

16 Q Did you notice any increase in application forms
17 from credit worthy women in the last several years?

18 A We have never kept any records to show the number
19 of applications received from men as opposed to women, or
20 married couples, or anything, so I really couldn't answer
21 that question.

22 MR. LEVIS: I have no further questions.

23 MR. BARBERO: Mr. Chairman --

24 THE CHAIRMAN: I think that we're going to have to
25 hold them.

1 A Allen Bunker, 490 North Montway, and I am the
2 corporate treasurer and comptroller at Auerbach Company.

3 Q In your line of work and in Auerbach's, do you
4 ever use credit limits in relation to the income of the
5 applicants?

6 A No, we don't.

7 Q (By Mr. Bingham) Mr. Bunker, what credit procedures
8 do you use when a working woman who has an account marries
9 and changes her name?

10 A She would indicate to us, if she came to us and
11 indicated that she wanted a change of name, we would accom-
12 modate that. In some cases she may want to combine her
13 account together with her husband as a joint account, or
14 she may want to continue her account in her own name as an
15 individual account, but in her married name. We'd accommodate
16 either way.

17 Q And if she divorces and changes her name, what is
18 your procedure there?

19 A It would be the same thing.

20 Q Same with separation, if she should separate and
21 keep her name?

22 A If she were to separate, if she is a credit worthy
23 individual and had credit in her own right, then we would do
24 the same thing.

25 Q But if she -- if it's a joint account, are you

Really?

1 suggesting --

2 A Well, very likely what would happen is that if a
3 husband and wife separate we would end up closing the joint
4 account and then if both parties want to open individual
5 accounts then we would do that, assuming they are both credit
6 worthy.

7 Q And if she is widowed and wants to keep her name?

8 A Same.

9 MR. BINGHAM: Thank you.

10 Q (By Ms. Kasai) Mr. Bunker, do you prefer joint
11 accounts or separate accounts for married couples?

12 A I guess I would have to say that we would prefer
13 a joint account, although if a married couple preferred to
14 have it as individual accounts and have two, we would
15 accommodate that.

16 Q Well, who is liable on joint accounts?

17 A They both are.

18 MS. KASAI: Thank you.

19 Q (By Mr. Barbero) Mr. Bunker, who is the principal
20 cardholder on a joint account?

21 A It would be the name in which the account is carried
22 and that would be the person who fills out the application and
23 is designated as "applicant". It would be, really, the first
24 name on the application.

25 Q It could be the wife?

1 A Yes, it could be the wife, it could be the husband.

2 MR. BARBERO: Thank you.

3 Q (By Mr. Bingham) Is there any other consideration
4 regarding how the bill is sent or is that always sent to
5 the principal cardholder?

6 A It's sent to the principal cardholder.

7 Q (By Mr. Barbero) In the credit application for
8 your store you have a space for "applicant" and a second
9 space for "wife". Do you prefer that the husband apply?

10 A This, on this application we are currently in the
11 process of changing that. The first draft that I've seen
12 on that, the term "wife" is deleted and replaced by "spouse".

13 Q You mean it is in process presently?

14 A That's right. As soon as our present supply of
15 applications is used up then we will be going to a new
16 application.

17 Q (By Mr. Loos) Let me just ask you two questions,
18 if I might. If a divorced woman worked while she was married
19 how do you determine her credit history?

20 A Well, it is very difficult if we're going to the
21 credit bureau for information, if they have not carried the
22 account in the name that she wants to open her new account,
23 or they haven't carried her credit history in her new -- in
24 her old name. We're pretty much dependent on getting the
25 information from the credit bureau in the name which it is

1 carried.

2 Q So if she had a joint account with her husband
3 and her bills had been paid on time, the husband would
4 receive the credit for prompt payment, would he not?

5 A Yes, that's right, if the account was carried in
6 his name. By the same token if the account had been carried
7 in her name, the joint account and the husband wanted to get
8 credit, the very same problem would result, I think.

9 Q But most accounts are in the husband's name, are
10 they not?

11 A That's correct.

12 Q How should credit bureaus change their reporting
13 procedures to clarify individual credit histories during a
14 marriage? Is there any recommendation you can make that
15 would improve that system?

16 A You're asking that if we -- if there was some way
17 of identifying for a joint account?

18 Q Yes.

19 A It's a very difficult thing to do because there is
20 a certain amount of difficulty in identifying where the
21 payment is coming from. In our case most payments come by
22 a check which will say Mr. and Mrs. so and so, or have, it's
23 actually a joint checking account of the husband and wife,
24 so we don't really know where the check is coming from.

25 MR. LOOS: Thank you.

1 Q (By Ms. Henry) Do you think that the credit bureau
2 should change their reporting procedures to clarify individ-
3 ual's credit history during marriage so that the women
4 will not lose so much credit?

5 A Well, as I indicated, I still think there is a
6 problem in indicating where the payment is coming from. If
7 it's the husband who is the principal wage earner in the
8 family and the payment is basically coming from him, we would
9 really have no way of knowing if that's the case or if it's
10 the wife who is really paying the bill, and since we don't
11 know that, I don't know that the information would be
12 available to the credit bureau either.

13 Q Well, do you think it's the attitude of the society
14 in Utah that makes it difficult for women to get credit?

15 A I think I'd have to say that there is maybe a little
16 different attitude here than other places I have lived as
17 far as women and credit are concerned.

18 Q And what are you doing, you know, individually, or
19 personally to insure that women receive about the same credit
20 as men do?

21 A Well, as a basic policy in our stores, our feeling
22 is that we treat them the same, and I guess to some extent
23 this reflects a personal philosophy to some extent, I think
24 it reflects a social thing that's going on right now. But
25 I feel that's the right thing, that the women should be

1 treated just the same as the men as far as credit is
2 concerned.

3 Q (By Mr. Levis) Mr. Bunker, when a woman applies
4 for a credit card at your store, do you send out a respon-
5 sibility note to the husband asking him to sign and be
6 responsible for the account?

7 A No, we don't.

8 Q Do you ever do that if a husband applies for the
9 account and ask the wife?

10 A No.

11 Q I was out of the room when some of the questions
12 were asked so this might have been asked already. Your
13 application form indicates that you have a space for an
14 applicant and a space for a wife. Why is this done?

15 A This was one that was asked while you were out and
16 I indicated that we are in the process right now of revising
17 both of our credit applications and changing "wife" to the
18 word "spouse".

19 Q Thank you. Is your credit department in your store
20 automated?

21 A No.

22 Q How do you transfer information to the credit
23 bureau and how do they transfer information to you?

24 A We, as far as transferring to them, periodically
25 on both a monthly and a weekly basis we give them a listing

*N.S.
Auerbach's
not automated.*

1 of new accounts and changes, and so forth, changes in status,
2 and it's basically a manual system at the present time. In
3 getting information back from them it's generally telephone
4 and if we request a written report then we would get that
5 via the mail.

6 Q Now, can a credit worthy woman obtain a card in
7 her own name if she's married?

8 A Yes, she can.

9 Q And would it be listed as "Mrs. John Jones" or
10 "Susan Jones"?

11 A It would be "Susan Jones" if that's how she wanted
12 it.

13 Q And that would be reported to the credit bureau
14 that way?

15 A Yes, the report to the credit bureau would be
16 however the account is set up, and if the account is set up
17 in the name of "Susan Jones", then that's how the report to
18 the credit bureau would be.

19 Q Have you experienced any difficulty in getting
20 information from the credit bureau?

21 A You mean in the case of a woman who is married?

22 Q Let's say a married woman getting the information
23 as to her individual accounts either while she was married,
24 is married, or while she was divorced, or a divorced woman,
25 while she was married?

1 A I can't answer that directly because I don't have
2 day to day working with the granting of credit. I'll give
3 you what I think is the answer and that is, I think we would
4 have a difficult time because the information would very
5 likely be in the name of the husband.

6 Q Have you talked to the credit bureau about possibly
7 changing this policy or --

8 A No, we haven't.

9 Q Do you ever count alimony or support payments to
10 determine total income?

11 A No, we don't.

12 Q Why not?

13 A Basically because it's really not guaranteed income
14 as a salary or wages would be.

15 Q So you rely primarily on a salary or wage?

16 A That's right.

17 Q Do you ever rely on trust accounts or --

18 A You know, I really don't know. I don't know if
19 that situation comes up. I would think if it did it would
20 be a very unusual type of thing. It's something that would
21 probably have to be judged on an individual merit.

22 Q Have you ever had a woman credit manager or officer?

23 A Our credit manager is a woman and her predecessor was
24 a woman.

25 MR. LEVIS: I have no further questions.

1 THE CHAIRMAN: Anyone else have any questions?
2 Thank you very much for participating with the
3 panel here and we appreciate your responses, and if you should
4 desire you are welcome to stay for the rest of the panels.

5 The next witness is Mrs. Lamar Bingham.

6

7

LAMAR BINGHAM

8

9 THE CHAIRMAN: Will you please state your name,
10 your address, and your occupation?

11 A My name is Lamar Bingham, I live at 3020 Crescent
12 Drive in Salt Lake, and I am office manager at Keith O'Brien
13 Department Store.

14 Q (By Ms. Kasai) Mrs. Bingham, what is your policy
15 towards counting a wife's part-time salary to determine the
16 total income?

17 A We include it as part of the income for the family.

18 Q And how often do you receive applications including
19 the wife's part-time salary?

20 A Well, if they are couples and she is employed, it's
21 always on there.

22 MS. KASAI: Thank you.

23 Q (By Mr. Loos) What is your policy in regard to
24 including alimony payments as part of her income for credit
25 purposes?

1 A We don't usually include it because it's too
2 insecure.

3 Q From your experience have you found that sometimes
4 women are not paid their alimony and child support, there-
5 fore --

6 A That's correct. They can't depend on it.

7 MR. LOOS: Thank you.

8 Q (By Mr. Barbero) When a husband and wife separate,
9 do you ask either of them to return their card?

10 A If they are going to maintain the account -- if he
11 is going to maintain the account in his name, assuming that
12 it was in his name in the beginning, then we let him keep
13 the card and maintain his account. If the account's good
14 and if she wishes to open an account in her name then we
15 open it in her own name, her own first name, give her a
16 different number so that we don't get the accounts combined.

17 Q (By Mr. Bingham) Mrs. Bingham, and I suppose the
18 record should show that I am not related to Mrs. Bingham.
19 But when a single woman who has an account with your store
20 marries, do you ask her to reapply for --

21 A We ask for an application in her husband's name
22 and we judge by that. If he has had no credit, then we use
23 the -- her previous record to judge whether --

24 Q You use her previous record. Is there a particular
25 reason for that, for that policy?

1 A Well, we, I'm assuming that he has no credit record.
2 If his credit record is good then we open it in his name
3 without considering hers.

4 Q Now, supposing she applies and wants the account
5 for her own use, or strictly her use and not her husband's,
6 do you still ask for her husband's credit history?

7 A We like to have it.

8 Q So you do ask for it?

9 A We ask when she marries, we do ask for the information
10 on that.

11 Q Irrespective of whether he uses the card itself?

12 A Right.

13 Q (By Mr. Loos) When a married woman applies for an
14 account with your store, in deciding whether or not to give
15 her one, do you consider her income, her husband's, or both?

16 A Both.

17 Q And whose signatures are required?

18 A Whoever comes in to apply will be responsible. If
19 she --

20 Q So she could sign a loan without her husband's
21 signature then?

22 A Right.

23 Q And do you, if a woman is married and asks for a
24 separate account is there any problem in receiving such?

25 A You mean a separate account besides the one he might

1 have?

2 Q Or just even in her own name. In other words, she's
3 Mrs. John Doe, she says, "I just want one that says Sally
4 Doe."

5 A Yes, if she insists on having her name on it. It's
6 her choice.

7 MR. LOOS: Thank you.

8 Q (By Mr. Levis) Mrs. Bingham, it is your policy,
9 though, to have the account in the husband's name unless
10 she requests it to be in her name?

11 A If that's the way she fills out the application,
12 we put it in his name. Sometimes they request their own
13 name on, then we like to put it in that name.

14 Q Why do you require a single woman to return her
15 card if she gets married?

16 A Well, she's no longer that name, that name is
17 deleted from the -- she's no longer Miss Mary Smith. She
18 is now Mrs. John Jones and we don't feel that there is a
19 Mary Smith anymore.

20 Q What happens if she requests to remain Mary Smith?

21 A Well, if she pays her account and sometimes they
22 don't let us know that they are married, and we have people
23 who have had accounts for years and come in with their babies
24 and still have their single name on that account that they
25 maintain. If they maintain it we don't have any problem.

NB

1 Q But if you find out you ask them to change the name

2 A We ask them to, we do send out an application for
3 her to fill out in her new married name.

4 Q But it would be Mrs. John Jones and not Mary Jones?

5 A Whichever way she wants it.

6 Q Who would the billing go to?

7 A The way the accounts are set up, that's the way the
8 bill goes. If it's Mrs. Mary Jones, then it goes to Mary
9 Jones.

10 Q So it would be reported in her name?

11 A It would.

12 Q Now, if a husband gets married, do you request
13 him to reapply?

14 A If we already have the application and the infor-
15 mation on him we don't feel that's necessary. Occasionally
16 if he's remarried we want the new information with the new
17 wife's name.

18 Q But you don't do it as a general rule?

19 A No.

20 Q But you would for a woman generally, if she married?

21 A If she remarried, to get it into her husband's name.
22 We will have to know first whether the husband applied in
23 the beginning or whether she did.

24 Q Now, if a woman marries and she qualifies by herself
25 do you still require her husband to report his income?

1 A Oh, I don't know. When he puts the application in
2 that's generally part of the information they give us.

3 Q But if she just asks for a name change and nothing
4 else, would you require her to report her husband's income?

5 A Well, we ask for all the information on him, his
6 name and address and his employment. I guess we ask for it.
7 It wouldn't make any difference to whether we granted the
8 credit.

9 Q If she changes her name?

10 A No, unless he had very poor credit and we weren't
11 able to open it for him.

12 Q I'm saying that she had an account in her own name,
13 she qualified for credit and all she did was change her
14 name.

15 A Then we'd like the application in his name so that
16 we have the information and his signature if possible, but
17 if her credit was good before, we may or may not call and
18 get it on him.

19 Q Why would you need the information on him if she
20 qualifies on her own?

21 A Well, I don't know why. It's just a -- it helps
22 us if we have to find him, if her name is changed and we'd
23 like to know all we can about them so if we have to locate
24 them later on.

25 Q But if a husband requests a card do you request

1 information about the wife?

2 A We like to know what her name is and if she's
3 employed and where.

4 Q But do you ask for the same information that you
5 would request of the husband if the wife wants a new card?

6 A Well, it's very -- the only simple things we ask are
7 the name and address and your employment and we ask that
8 from both of them.

9 Q Upon separation who is asked to return the card,
10 the husband, the wife, or both?

11 A We don't ask them to return the card. If he's
12 going to use it and he's responsible person and he lives at
13 the same address, we let whoever -- him keep it, but if she's
14 divorced then her name is changed from Mrs. William Smith
15 to Mrs. Joan Smith, so, she almost always wants her own name
16 on there, not his.

17 Q How about if the card is already in her name, though?

18 A Then if she wants to keep it then that's all right.

19 Q And you stated that the information about the account
20 is reported to the credit bureau in the name of the person
21 who is listed on the account?

22 A Whatever name is on there.

23 Q Have you had any difficulty in getting information
24 from the credit bureau?

25 A No, not that I know of.

1 Q Not getting information concerning a married woman
2 while she was single or a divorced woman while she was
3 married?

4 A No, I haven't had any problems.

5 Q How do you transfer information to the credit bureau
6 and how do you get information from them?

7 A We call them on -- we have a telephone system. We
8 don't have an automated system but as far as reporting in
9 the past we have sent in a monthly report indicating only
10 those that were delinquent and, but we're in the process of
11 changing and expect to have a computer system.

12 Q When a wife applies for a credit card do you send
13 out a responsibility note to the husband asking him to sign
14 and be responsible for the account?

15 A No.

16 Q In your experience has it been more difficult for
17 women to get credit in Utah than men if they have the same
18 credit worthiness?

19 A No, we don't make any distinction there. If it's
20 their credit worthiness and they are employed, we use the
21 same method to decide whether they are men or women.

22 MR. LEVIS: I have no further questions of this
23 witness.

24 Q (By Mr. Oswald) May I ask just one question, Mrs.
25 Bingham? You indicated that when a single woman got married

1 and she underwent a name change among other things, I don't
2 recall your exact words, but you indicated that that person,
3 that single person, really no longer existed. Am I correct
4 in at least --

5 A Well, not the person, I mean her name is no longer
6 valid.

7 Q One of the things that the Committee is exploring
8 today is the credit worthiness of women and whether in fact
9 they are equal to others in terms of seeking credit. It is
10 my understanding that one of the ways that you become
11 established as credit worthiness, establishing a good credit
12 record. And I would imagine that for a great number of
13 women, while they are single, they undertake to do that, take
14 out credit cards, loans, and things, so that they would have
15 that credit worthiness and establish a credit worthy record
16 during the seven, eight, whatever number of years while they
17 are single.

18 Yet, you indicate that once they are married that
19 that name no longer exists. Would you also imagine that that
20 credit worthiness record they have established during those
21 single years also don't exist?

22 A Oh, I hope I didn't indicate that. No. Her credit
23 record is still there. I meant that legally when she's married
24 her name is changed and her record of course, still remains
25 in the name she had before.

1 Q Do you think that that exists in practice as far
2 as your ability to receive records in terms of the credit
3 worthiness that women establish when they are single and
4 then get married?

5 A No, we're still able to get information when they
6 were single from what they maintained as single women.

7 Q In your experience is that information routinely *NO*
8 given to you or must you seek it out in terms of finding
9 out whether a woman, before she was married, did have a,
10 either a worthy or unworthy credit record?

11 A Well, we can get it if we ask for it, if we're
12 getting it on the husband, then unless we ask for it in her
13 name prior to her marriage, we don't usually get it.

14 Q Don't you think that presents some difficulty, the
15 fact that that's simply not information that's readily
16 available and does not have to be asked for?

17 A Well, perhaps it does. If we -- we could routinely
18 ask for it and say, if we often do ask, "If you don't have
19 anything in his name, please give us the information you
20 have on her as a single woman."

21 Q Do you suppose that might be a desirable practice
22 to make it a routine practice in every case to ask for single
23 records of women just to check and see what kind of a record
24 they did establish during their single years?

25 A It certainly would be helpful.

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MR. OSWALD: Thank you.

MR. CHAIRMAN: I believe that's all the questions for this witness here. And as I mentioned, we're a little bit behind time so we will try to catch up here and we do appreciate your attendance, and if you so desire you are welcome to stay for the rest of the hearing.

One person we usually forget about who has to do all the work regardless of who's talking, and that is the reporter. And periodically we have to take a break so he can rest and his fingers can keep operating for the rest of the evening, and we do have to have quite a bit of time to go yet, so we would like to take instead of a 15-minute break, a 10-minute break, and we'd like to reconvene here in 10 minutes.

(Recess at this time.)

THE CHAIRMAN: Is Frances Christopherson present?
Frances Christopherson?

Our next witness will be J. Earl Russell.

I believe the panel members on this one will be Jeff Bingham, Alberta Henry, Bill Loos, Ricardo Barbero, and -- is that it?

1 J. EARL RUSSELL

2
3 Q (By Mr. Barbero) Mr. Russell, for the record,
4 please state your name, address, and occupation?

5 A Yes. I am J. Earl Russell, Jr. I am credit sales
6 manager for ZCMI. I live at 2134 Hara Drive in Salt Lake
7 City.

8 I would request, if I could, please, any recap or
9 written material written from the statements made as far as
10 this, that I get permission before this is done.

11 Q In an interview you stated that you have met with
12 women's groups and discussed credit for women. What problems
13 surfaced during these discussions?

14 A I didn't hear you, sir. What prompted --

15 Q You had some discussions with women's groups. What
16 problems surfaces in these discussions with these women?

17 A Well, there were no problems. I have been invited
18 on several occasions to engage in conversations and talks
19 to women's groups regarding this movement of women's
20 liberation and credit, and so forth, which I have done. I
21 see no problems as far as ZCMI is concerned. Some 18 months
22 ago we stated a policy through our branch operation in
23 written form that we have liberalized our extension of credit
24 to women and that we have a different policy than we had
25 for many years and this is now in effect and should be carried

1 out throughout all our branch operations.

2 Q What is ZCMI doing to resolve the problems of
3 women? You seem to think that there are no problems, prob-
4 lems -- you have referred to the problems within your depart-
5 ment, however, there are problems in other areas, mainly in
6 the credit bureau. What are you doing to resolve those
7 problems?

8 A Let's restate your question. As far as problems of
9 the extension of credit in relation to credit bureau
10 records --

11 Q Yes, in relation to credit availability for women.

12 A Well, as we see it we have no problems. We have
13 restated our policy which is now enacted and enforced, and
14 to my knowledge the women that I have been involved with in
15 dealing with, are happy with what we are doing, and we are
16 extending credit to women regardless of marital status,
17 divorce, and so forth.

18 As far as any problems are concerned, I see none.
19 The credit bureau recently has gone to an automated system
20 which you're probably aware about. Prior to this it was on a
21 manual operation and as far as back history and background,
22 as far as credit, on the individual this information is not
23 as available as it was on manual system. So, I think the
24 previous statements have been made that the committee should
25 realize that they have gone through a transition which you're

1 going to talk at a later date about, I'm sure, but the infor-
2 mation is sufficient for us and we are happy with it, and it
3 seems to be working out in a satisfactory manner.

4 Q In this automated system, well, you keep records
5 there in the credit bureau computer, but do you keep separate
6 records in your company?

7 A Yes, we are automated, but we do have records both
8 printed and on CRT machines which of course, we recap the
9 information for a period of time on the customer's history
10 as far as payment record is concerned. But to answer your
11 question, yes, we do have records and maintain them.

12 Q Are those records in the computer and all you have to
13 do is call on the computer directly and ---

14 A We call up on the computer, the CRT machines, but
15 we also have microfilm on where we have records dating back
16 prior to the billing dates.

17 Q So then you don't depend on the credit bureau
18 records alone?

19 A As far as the resource of your own records, no.
20 We have that available. As far as our own ZCMI inhouse
21 credit records, we have a backlog of that.

22 MR. BARBERO: Thank you.

23 Q (By Mr. Loos) Mr. Russell, what is your credit
24 policy towards counting a wife's part-time salary? Do you
25 consider that?

1 A You're telling me, asking me if a wife comes in and
2 wants to open an account there are no major divorce evident.---

3 Q Marriage?

4 A -- do we extend credit on her?

5 Q In extending credit to a couple, do you consider a
6 wife's part-time salary, or just the husband's salary?

7 A Well, we would consider it on marginal accounts
8 particularly, two sources of income, yes.

9 Q Would you give it the same weight as you would for
10 a husband's salary except for the fact that it may be less'---

11 A I would say --

12 Q -- or would you discount it more?

13 A We rely heavily on credit past record of credit
14 payment record and so forth. Salary is not significant in
15 our area because we're not like the bank or loan company
16 where they are sizeable amounts involved. We're speaking
17 perhaps of two and three hundred dollar amounts as opposed
18 to the banking area.

19 Q Now, looking towards a woman, if she applied for
20 credit and did not have a large income from, say, employment,
21 but was receiving alimony and child support, would that be
22 considered as income?

23 A Well, we rely on that. Of course, it isn't stable
24 and this sometimes presents a problem, however, we have
25 found a lot of cases, divorced women receiving alimony,

1 and support, sometimes are much better financial shape than
2 their husband, they're the ones you've got to watch for as
3 far as we're concerned. I may get opposition to this, but
4 this is what we have found in extending credit many times.
5 That sometimes the husband is the one you got to be careful.
6 He's the guy that's paying the alimony if he's paying you,
7 see. But we have to take these things in consideration.

8 Q Let me ask you one more question, is it important for
9 you to know the marital status of an applicant such as
10 whether or not she's married, or divorced?

11 A In an application we have it on here basically for
12 the reason of resource back to the credit bureau. If we
13 don't know the marital status we can't pull the report from
14 their files because we have to have in most cases, the identity
15 of the wife's name to identify the individual, so this is
16 one reason why we have it on there, and of course in evalu-
17 ating the extension of credit we would like to know whether
18 they are married or single or divorced.

19 Q So the importance of knowing the marital status is
20 not so much in determining whether or not to give credit,
21 but as a resource for finding information, is that correct?

22 A This is one reason, yes.

23 Q Are there other reasons?

24 A Well, we would want to know this in evaluating the
25 report as far as the limited account. We limit all of our

1 accounts through our computer as far as increments of \$100.00
2 and this perhaps would limit the account based on her
3 ability to pay due to her limited income, and so forth.

4 Q But if a woman had an adequate income but was single
5 or divorced, that would not disqualify her for credit, would
6 it?

7 A That's true. We rely solely as the only basic four
8 C's of credit, character, capital, capacity and credit
9 rating. These are the things we now look for rather than
10 marital status, race, or creed, or so forth.

11 Q (By Mr. Oswald) May I ask just one question, Mr.
12 Russell? You indicated as well as many other witnesses to
13 that alimony and child support payments are not counted or
14 discounted a great deal because of their instability, or
15 liability. Do you know of any recent studies or information
16 that would verify that statistically or any other way,
17 other than simply that is a common understanding in the indu

18 A Well, it's been a common practice and by basing
19 information on this, and perhaps it isn't too reliable, and
20 I think here again we have to analyze individual background
21 where they are living, husband's occupation, if he's injected
22 in some organization and he has alimony and child support
23 of "X" dollars, going to be sure she will get that every
24 month, but if a man's say, on welfare, and works as a
25 truck driver part-time in the summertime and supposedly is

1 paying child support, there is a very good chance that he
2 will not continue to pay on a monthly basis child support,
3 so I think analyzing the credit report is very important and
4 this is what we try to do.

5 Q One of the things we are looking at today, I think,
6 is whether we have a -- enough available information. Would
7 you support, or do you think it might be necessary to under-
8 take some information study, needs assessment in terms of
9 whether in fact some of the things we believe and in fact
10 based our credit rating in the industry, might be changed
11 if we were to do some empirical data gathering on that,
12 such as child and alimony payments, or is it almost something
13 that's -- that's so evident it's -- that it's not necessary?

14 A Well, it's difficult to assimilate this information
15 on a credit report and the reliability of it, and authenticity
16 of it, in other words, how you will determine how much you
17 are getting in child support unless you have a verification
18 from the divorce decree, and so forth.

19 So, these things are really hard to pin down, but
20 I think as I stated, again, I think we should evaluate this
21 more on individual interview and credit investigation more
22 than has been in the past. I grant there has been abuse of
23 this, and to answer your question further, I think that there
24 could be some work done as far as credit bureau information to
25 help fortify decision-making as far as the credit grantor is

1 concerned, but we have to pick this out ourselves. It takes
2 time, and as far as retail is concerned, it's always in a
3 hurry to open up an account. You sometimes have to make a
4 quick decision "yes" or "no" or otherwise you're going to
5 lose the sale being in a very competitive field.

6 Q You mentioned that your company has gone, has under-
7 gone a liberalizing policy in the last little while in terms
8 of your dealing with credit worthy women. Could you be a
9 little more specific for us in terms of what you did before
10 you changed in terms of liberalization?

11 A Well, I guess you'd have a background or history of
12 this. I think it wasn't we were discriminating against women.
13 it was a fact that of practical need.

14 Years ago when we had, say a company had 150,000
15 accounts and to open up an account under a wife's name, a
16 child's name, and a husband's name, it's a big job to
17 manually file these tickets on an account and try to come
18 out with the correct balance for that customer every month,
19 is a very difficult thing to do. So, traditionally we have
20 always tried to say it should be under the husband's name,
21 and all the tickets should be written up that way. It isn't
22 that we're trying to discriminate against someone.

23 The second reason the credit bureau, of course, has
24 information, manually before conversion, had to be conveyed
25 back and forth either way, and if you had the wife's name

1 husband's name it was most difficult to perhaps get the
2 correct information on the credit report for record-keeping,
3 and so forth. And I think traditionally throughout the
4 years, that going back when I first started in credit work
5 some 25 years ago, traditionally a husband wanted an account,
6 it was kept that way. The wife agreed this is the way it
7 was to be and the children used it, it was a family convenience.

8 We're in a different era. We've got to recognize
9 this. And so, this is why we have done at ZCMI to liberalize
10 this. If a woman wants an account in her name, regardless of
11 marital status, we are happy to try to work out, based on
12 her background credit and correct credit procedures.

13 So I think the history of this thing is evolution
14 of this thing, why it was put in the husband's name is impor-
15 tant to realize, and now that we are in a different era,
16 living differently as far as our thinking is concerned, this
17 is what we should be concerned about. But to give us back-
18 ground, this is why we years ago had to have under the
19 husband's name, and now that automation is in effect we
20 could care less how many accounts a person has or whose
21 name the account is under.

22 Q Has the credit bureau kept up as far as accommodating
23 your liberalizing policy?

24 A Well, of course they are a fact finding organization.
25 They are not to try to sway, persuade or direct anyone as far

1 as decision of credit making. Our decision may be different
2 than a bank or lending institution based on the volume and
3 the amount of credit that's involved, so the credit bureau
4 is reporting fact and it's up to us to assimilate this infor-
5 mation and discern whether we do or do not want to open up
6 an account. But I don't think they have liberalized their
7 thinking as far as credit extension to women whether divorced
8 or married, or so forth.

9 Q (By Mr. Bingham) I have a question. I think you
10 have basically answered the question, but I have a copy of
11 an application for credit at your store and it does indicate
12 where you can fill out the applicant's name as Mr., Mrs., or
13 Miss, and then a space is provided to the right for "wife's
14 name". We have had this comment with previous witnesses, and
15 the question is, is that an institutional preference that you
16 have a husband make the application? and I think you've
17 answered that basically.

18 A It's basically identification. In other words, if
19 you have "James C. Smith", how many Smiths do we have with
20 wife Mary and Susan, what have you? So, it's merely for
21 identification purposes. It has nothing to do on marital
22 status.

23 Q My question is, you also mentioned something about
24 reviewing these processes and possibly a form to use. Do
25 you intend to revise this form? Is this -- is my form

1 current, or are you undergoing some revision of that form?

2 A Are you, the form you have is one that was obtained
3 this spring from an interview.

4 Q Yes.

5 A This is our current form. We've continually revised
6 these as needs arise.

7 Q Do you see a revision in the near future of this
8 particular form?

9 A We have nothing planned at present, no.

10 MR. BINGHAM: Thank you.

11 Q (By Mr. Barbero) Mr. Russell, how many employees
12 do you have, approximately, in your credit section?

13 A I have 40 employees in our central operation from
14 six to ten in each of the branches which we have 35 branches.

15 Q You have about 90 people then?

16 A That's correct.

17 Q Approximately how many women do you have, what
18 ratio?

19 A We have a credit sales manager which is myself, and
20 we have an assistant credit manager, and we have a part-time
21 collector, and also one who works in our check division on
22 bad checks. Other than that they're all female employees.

23 Q Then 90, 90 percent female employees?

24 A That's correct, that's correct.

25 Q And how many minorities do you have in that number?

1 A Well, by speaking of minority, I don't look upon
2 that.

3 Q Blacks and Mexican-Americans?

4 A We have no blacks, we have none at the present time.
5 We have tried to get some, but frankly, we have had difficulty
6 in obtaining someone who has a background and interested in
7 this type of work.

8 Q Any Mexican-Americans?

9 A In the store we do. Now, as far as the credit
10 office is concerned we don't, but we do in the ZCMI operation,
11 we have several, yes.

12 Q Do you have any Japanese-Americans?

13 A Yes, I have a girl, woman that's employed that's
14 Japanese, that's correct, in my credit office.

15 Q You are aware that there are about probably seven to
16 nine percent minorities in the state?

17 A Yes.

18 MR. BARBERO: Okay, thank you.

19 MR. LEVIS: Mr. Chairman, I just have a few questions.

20 Q (By Mr. Levis) When a wife applies for a credit
21 card, do you send out a responsibility notice to the husband
22 asking for him to take responsibility for her account?

23 A No, sir.

24 Q In the statement you provided the staff concerning
25 your policy concerning extending credit to everyone, I think

1 you mentioned that you extend credit to everyone regardless
2 of their marital status, race, creed, or color, and I just
3 wondered why sex wasn't included in that particular statement?

4 A There is no reason why it was eliminated. You
5 certainly can include it.

6 Q It should be included?

7 A It should be included, sex, right. I didn't,
8 perhaps, elaborate.

9 Q If a woman marries or becomes divorced, do you
10 require that she return her credit card and apply for a new
11 card?

12 A The question is, if a woman is divorced or separated,
13 which is --

14 Q Well, let me go through several stages. First, a
15 woman is single, she has a card, she gets married, do you
16 require her to return her card and then to get a new card in
17 her name, or her husband's name?

18 A We prefer that she does. Of course, here again,
19 this is what her preference is. Whatever the customer wants
20 to do. Of course, legally she should return the card because
21 she now is a different type of individual by marital status
22 and we would prefer that she does return the card or destroy
23 the card and reopen the account in the husband's name, and
24 this is what the procedure generally is.

25 Q You prefer that she reopens it in her husband's name?

1 A Right.

2 Q Why do you have such a preference? Why couldn't
3 she reopen it in her own name?

4 A If she wants to maintain it that way that would be
5 up to her, but we'd like to change the marriage, the last
6 name of course, to her present marital status. If she wants
7 to have it under Mary Sue Smith, then this is how we would
8 be glad to do that.

9 Q What happens if she retains her maiden name as
10 such?

11 A Well, we have particular cases where they are very
12 insistent this is done, and we have done this to comply
13 with the wishes, but it's a very unfrequent called for
14 request as far as customer is concerned, but to answer your
15 question, there was circumstances that if they want to
16 maintain it, this is fine. We have some in the store because
17 of business status she wants to maintain her trade name and
18 this is what we have done, which is a maiden name.

19 Q If the credit card is changed it's put in her
20 married name, is the bill sent to her or to her husband?

21 A However the account is opened up and however they
22 want to have it that way.

23 Q So it could go to Sally Jones or Mrs. John Jones,
24 or to Mr. John Jones?

25 A By her request and preference or the individual.

1 Q Mr. Bingham asked some questions about your appli-
2 cation form, and I think the concern the Committee has is
3 the fact that the way the form reads right now it seems that
4 you assume that the husband is going to apply because you
5 ask for wife's name and not for spouse's name. It's on the
6 first line where you fill it in. I just wondered why this
7 wife's name instead of spouse's name?

8 A Well here again, just by tradition and past prefer-
9 ence of course, it does indicate Mr., Mrs., or Miss, so she
10 can circle how she wants the account listed. That's what
11 the connotation on the left of the application is listed
12 that way, so if that's the way she wants it we would be
13 happy to open the account that way.

14 Q Have you thought about changing the application
15 form to read "spouse's name" instead of "wife's name"?

16 A We could, there's no reason why we can't as far as
17 changing is concerned.

18 Q The other thing is that I think that you list Mr.,
19 Mrs., and Miss, but you don't list Ms., which I think more
20 women are going by nowadays. Is there any thought of changing
21 the application form to have this provision?

22 A No reason why we can't. Of course, on our computeriz-
23 ed system we cannot bill under Miss, Mrs., or a title. It has
24 to go at the end of the account, because of our computer
25 operation, so generally it's on the first given name and

1 the last name after, if they want Doctor, or Major, or Colo-
2 nel, or whatever they want.

3 Q So, the computer would list as possibly Sally Smith,
4 Miss, Mrs., or Ms.?

5 A As far as the label that goes to the statement to
6 the customer, the credit card can be listed any way, there's
7 no problem there.

8 Q But the statement --

9 A The statement has to go with the first given name
10 without a preface or title.

11 Q Now, this information that is on your automated
12 tape is sent, I take it, to the credit bureau, is that
13 correct?

14 A That's correct.

15 Q And how is it listed? Would it be listed in the
16 name that's on the account?

17 A The name of the account. This is why as far as the
18 marital status is concerned if a woman wants it in her name
19 then that information as far as ZCMI records will go to the
20 credit bureau that way. If it's Susan Smith, that's the way
21 it's going to go and it would be listed under her own indi-
22 vidual identity. If she wants to apply for credit under
23 her name she would have to apply that way to search the files
24 for the credit bureau records

25 So, we are now doing this. We have records if the

1 customer has requested this under a woman's name that's the
2 way it would be listed in the credit bureau file, and there-
3 fore, it could not relate or could not show under the
4 husband's name as far as credit extension that that's how
5 the account was opened up.

6 Q So you send it to the credit bureau as Susan and
7 John Smith?

8 A We could, it isn't done.

9 Q How is it done if it's a joint account? x

10 A Well, it would be under John Smith and of course,
11 members of the family or wife can use the account. If she
12 wants it in her name then it should be under her first given
13 name of Sue Smith.

14 Q But if it's a joint account and they are both liable
15 for the account, shouldn't it be sent to the credit bureau
16 under both names?

17 A Well, we presume if it's under the husband's name
18 it is a joint account, put it that way. If she wants her
19 own separate account it would go that way. As far as the
20 credit bureau is concerned they do not disseminate this
21 information as Mr. and Mrs. under the husband's name.

22 Q I think the concern has been expressed by some
23 witnesses that the credit of a joint account does not follow
24 the woman, it follows the husband, the man, and I just wondered
25 if there is any way that it can be noted so that the credit

1 could follow both of them?

2 A Well, of course, we're not -- we're not responsible
3 after the information goes to the bureau. It's up to them
4 to disseminate the information and to process how they wish,
5 but at the present time they have no method of doing it unless
6 it goes under a certain account number and that's the way it's
7 listed and there's no distinction as to Mr. or Mrs.

8 Q But wouldn't it aid the bureau in a sense, converting
9 to a joint system to report it under both names, Susan and
10 John Smith?

11 A Well, technically it is reported under the husband's
12 name which is a joint account. If it's opened in the husband's
13 name it's a joint account which involves both spouses.

14 Q I think the concern is, though, that if they get a
15 divorce the account will only follow the husband and not the
16 wife. And in a sense, when a woman is divorced, her past
17 credit history, or part of it, is wiped out.

18 A Our interpretation of credit for if they are divorced
19 is that we would forward a report under the husband's name
20 and we would base it on that basis. If they had paid their
21 bills prior to the divorce just because they had a divorce,
22 life goes on, they're not going to change that payment pattern
23 as far as payment is concerned. So, if someone applies for
24 credit they have a record under a divorced name, we will many
25 times pull the report under the husband's name to see, during

1 this period of the marriage how they paid their bills.

2 Q This is a divorced woman you're talking about?

3 A Right. So we do use the information from the bureau
4 to determine the credit worthiness of the individual.

5 Q Based on the credit report of the husband?

6 A Prior to the divorce, right.

7 Q Is there any way you can determine when you receive
8 these credit bureau reports of a divorced woman, who paid
9 the bills if the credit of the husband was bad and the credit
10 of the woman was good, or is there no way to tell?

11 A There's no way because with five stores and 150,000
12 accounts, we don't know who paid the bill. The check came in,
13 it was credited to the account, either or both of them could
14 have paid their bills, but we have no way of knowing.

15 Q This is the concern again, is the fact that good
16 credit can get lost and bad credit can be conferred possibly
17 to the wrong person without labeling the account as possibly
18 a joint account, that is, Susan and John Smith, and also label
19 who was responsible and who has paid that account.

20 A This is why I stated that we -- we prefer if a woman
21 has a desire to have an account in her own name that's how
22 it should be opened up so this information will be accumu-
23 lated and sent to the bureau on a monthly basis. If they
24 don't want it in their own name we ascertain if they want to
25 have it under a joint account and that's the way it will be

1 reported.

2 Q But generally if they don't insist it's under their
3 own name it will be under the husband's name?

4 A That's correct.

5 MR. LEVIS: I have no further questions.

6 MR. CHAIRMAN: That will be all the questions for
7 you. We appreciate very much your attendance at this hearing
8 and if you so desire, you are welcome to stay to listen to
9 the rest of the testimony. I know that you have a previous
10 engagement so thank you very much.

11 We will have to move on to the next panel and before
12 we move on to the next panel, I notice that Frances
13 Christopherson is still not here, and therefore, I would like
14 to admit her written interview to the record and this will be
15 identified as Exhibit Number 5.

16 (Exhibit Number 5, admitted into the record.)

17 The next panel consists of Ofelia Valencia, Fred
18 Oswald, Jeff Bingham, and Rose Van Digglen, and this will be
19 on personal and installment loans.

20

21

RAE ANNE DUNN

22

23 Q (By Mr. Oswald) Miss Dunn, for the record, could
24 you please state your full name, occupation, and address?

25

A Rae Anne Dunn, nursing supervisor, Macon Manor, 370