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## Federal Regulation of Consumer-Creditor Relations

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## BOOK REVIEW

FEDERAL REGULATION OF CONSUMER-CREDITOR RELATIONS. By Kenneth R. Redden and James McClellan. Charlottesville: The Michie Company, 1982. pp.xxix, 642. \$45.00.

*Reviewed by Susan B. English\**

As anyone who has taught or practiced in the area of consumer law knows, there have been no texts written until now which attempt to bring together in a concise manner the many statutes and regulations which govern this rapidly developing area of law. Kenneth R. Redden, Professor of Law at the University of Virginia, and James McClellan, Chief Counsel and Staff Director of the Subcommittee on the Separation of Powers of the United States Senate Judiciary Committee, have taken the first step to fill this gap by providing us with a text in the area of consumer-creditor relations.

The authors' stated purpose in writing *Federal Regulation of Consumer-Creditor Relations* is to provide practitioners with a "comprehensive overview of the many disparate federal statutes, court decisions, and administrative regulations that now govern the new consumer-creditor relations field."<sup>1</sup> Although court decisions are mentioned as part of the book's coverage, the text is devoted primarily to federal legislation and regulations. Major court decisions which interpret these statutes appear in the footnotes. Those court decisions which are discussed in the text usually deal with constitutional limitations on consumer-creditor transactions or cover areas in which case law plays a greater role than statutory law.

*Federal Regulation of Consumer-Creditor Relations* is not a scholarly treatise. The authors are concerned with setting forth the law as it exists today and do not attempt to explore theories of what the law ought to be. For anyone concerned with the broader issues, however, the authors cite more scholarly or in-depth works in the footnotes and annotated bibliographies.

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1. K. REDDEN & J. MCCLELLAN, *FEDERAL REGULATION OF CONSUMER-CREDITOR RELATIONS* vii (1982).

The book is divided into four parts as follows: Part I, Credit Transactions and Warranties; Part II, Regulation of Sales Practices; Part III, Creditor Remedies and Debt Collection; and Part IV, Bankruptcy and Related Problems. Each Part is divided into chapters with a total of 15 chapters in the book. A chapter usually covers one piece of legislation plus any related regulations. For example, the first Chapter in Part I is entitled "The Truth in Lending Act" and includes Regulation Z. With the exception of the last chapter, each chapter in the book is followed by Appendices which contain additional useful information such as lists of enforcement agencies and charts.

In general, the coverage of *Federal Regulation of Consumer-Creditor Relations* is accurate and informative. However, there are several sections which this reviewer found particularly interesting. In Chapter 1, there is a very good discussion on how to compute the annual percentage rate for purposes of the Truth in Lending Act. The sample computation provided in the Appendix is quite helpful. In addition, Chapter 1 includes a useful table setting forth the disclosure requirements of Regulation Z. In Chapter 8, the authors provide an excellent overview of the FTC. They discuss how its powers derive from and relate to various pieces of legislation and how its authority extends to credit advertising. Virginia lawyers will find Chapter 11 quite useful. As part of a highly informative discussion of the federal Child Support Enforcement Program, the authors describe the Virginia state program. This description is provided as an illustration of the states' role in implementing this federal program. There is also a handy chart in the Appendix to this chapter setting forth which states have adopted the Uniform Reciprocal Enforcement of Support Act and in what form. Chapter 10 is useful in that it covers the Soldiers' and Sailors' Civil Relief Act, a statute with which many practitioners are probably unfamiliar even though it governs the debtor-creditor relations of millions of consumers who are in the military. Finally, Chapter 15 is quite helpful in pulling together those areas of a very complex statute, the Bankruptcy Reform Act of 1978, which are important to the consumer debtor.

The coverage of each statute or topic is as up-to-date as the publication schedule of any hard bound text will allow. The chapter on the Truth in Lending Act, for example, includes the Truth in Lending Simplification Act, which was enacted in 1980. Most of the bibliographies include citations to journal articles through 1979. It appears that the book encompasses any materials which were available to the authors up to and including 1980.<sup>2</sup> These materials will be updated through pocket part supplementation.

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2. The only exception to this observation is a list of A.L.R. citations in the bibliography to Chapter 6, the Fair Credit Reporting Act, which includes articles through 1981. Apparently, this list was added immediately prior to publication, since the citations included are very abbreviated.

What little criticism there is of this work goes not to its accuracy or usefulness, but to its scope and organization. In a work which purports to cover consumer-creditor relations it is questionable whether Chapter 11 was properly included. Chapter 11 covers the Child Support Enforcement Program and the Uniform Reciprocal Enforcement of Support Act. The interests protected by this legislation are difficult to classify as interests arising out of "consumer transactions" if one accepts the definition of such transactions as being "those in which individuals enter into consensual arrangements for the purchase of property or services or for the borrowing of money."<sup>3</sup> The basic purpose of the Program is to strengthen the ability of one parent to obtain child support payments or alimony from the other. Although the absent parent owes a debt (i.e., child support) to his or her spouse, this debt does not arise out of a consumer transaction. To the extent that this legislation enables a parent to meet his or her debts to outside creditors, it could be considered consumer legislation. The authors probably included this chapter to make the practitioner aware that this type of relief is available to any of his clients who are having trouble paying consumer debts. Although the chapter is highly informative for this purpose, it would greatly expand the traditional scope of consumer law if such related public welfare legislation were included in its coverage.

The organization of the book could be improved. The format of the chapters, for example, is inconsistent. The majority of chapters are headed by the name of a statute and deal exclusively with the application of that statute. The other chapters have topical headings and pull together various statutes and cases relating to that topic. The quality of the writing within each chapter is also inconsistent. Some chapters have excellent introductions and transitions between sections whereas others lack these informative devices. Chapter 1, for example, is very difficult to read because its introduction is too short and it lacks transitions. Reading this chapter is comparable to reading the text of the Truth in Lending Act, itself. Similarly, Chapter 8 needed an introduction since it was the first chapter with a topical approach rather than a statutory one. Although the reader can quickly figure out what the authors are trying to do in this chapter, the book would be easier to use if the reader were informed of this fact right from the start. There are several chapters, on the other hand, which had excellent introductions and transitions. In the introduction to Chapter 2, for example, the authors included a concise legislative history of the Real Estate Settlement Procedures Act and a short analysis of the alternatives considered before passage of the Act. This information led the reader smoothly into the discussion of the Act which followed.

Whether or not these structural problems will make a significant differ-

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3. J. SPANOGLE & R. ROHNER, *CONSUMER LAW: CASES AND MATERIALS* xv (1979).

ence to the user depends upon his reasons for using the book. The attorney who consults this book with a particular legal problem in mind will probably not be bothered by the lack of transitions or introductory information. He can consult either the index or detailed table of contents and go right to the section which applies to the problem at hand. The law student, however, may have more difficulty using this book. Most students would be using it as a text to supplement their casebooks in Consumer Law. Since it is important for a text to read smoothly, the student may have problems with the chapters lacking good introductions or transitions.

The bibliographies contain citations to books, journal articles and A.L.R. articles. The annotations are concise and generally well written. There are only a few areas in which the bibliographies could be improved.

Each bibliography needs a short introductory paragraph explaining the criteria under which materials were included or excluded. Without this information, the user may mistakenly assume that the bibliographies contain everything worth reading in the area covered. For example, the only bibliography which includes books is at the end of Chapter 1. Since the other bibliographies have no citations to books, one might conclude that there are no books worth consulting on the topics covered in Chapters 2 through 15. Since this conclusion is, in fact, erroneous, there should be some caveat at the beginning of the bibliographies advising the reader how these lists should be used. There should also be an explanation why there is no bibliography at the end of Chapter 15.

Another minor problem with the bibliographies is that not all of the entries are annotated. If a bibliography is to be labeled "annotated", then all the entries should have annotations. Only the books and journal articles are annotated. The A.L.R. citations are not. Although the titles of the A.L.R. articles give a good indication of the content, the bibliography in Chapter 6 did not even include titles in the A.L.R. citations. If the authors feel that annotations to A.L.R. articles are unnecessary, then some introductory remarks to this effect would be appropriate.

No book review would be complete without a comment on the quality of the publication itself. Although this book is not significantly below current standards in law book publishing, there are a few disappointing qualities which are worth mentioning. The pages are poorly glued and there are several typographical errors. The ink has a tendency to smudge, especially in the headings with bold typeface. Given the cost of this book and the amount of work put into it by the authors, it is unfortunate that the publishers did not produce a higher quality product.

Despite the problems discussed above, *Federal Regulation of Consumer-Creditor Relations* is well worth purchasing. In the law school setting, it could be used successfully with any of the recent casebooks in

Consumer Law. Because of its structure, it would be most useful in a course where the professor takes a problem approach in teaching the materials. The book also meets its intended purpose of providing a working tool for the practicing attorney. Perhaps the best support for this conclusion comes from an attorney who told this reviewer that a member of his law office had recently purchased the book. He had already used it productively in a few garnishment cases and anticipated that other members of his firm would find it equally helpful.







