
HOUSE CONCURRENT RESOLUTION

URGING THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES
CONGRESS TO ADOPT LEGISLATION ESTABLISHING A FEDERAL USURY
RATE.

1 WHEREAS, the United States does not have a federal usury
2 rate establishing a maximum interest rate that can be charged to
3 an individual who takes out a loan or open a credit card
4 account; and
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6 WHEREAS, usury statutes protect consumers from being taken
7 advantage of in loan situations, including unfair scenarios that
8 convince consumers to commit to loans they cannot afford; and
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10 WHEREAS, allowing excessive interest rates in commercial
11 loans disproportionately hurts consumers at the bottom of the
12 economic ladder, who have accepted high loan rates because
13 financial hardship has left them with few other options; and
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15 WHEREAS, forty-eight out of fifty states have passed usury
16 laws to protect their citizens; and
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18 WHEREAS, state laws were rendered unenforceable by the 1978
19 United States Supreme Court opinion in *Marquette National Bank
20 of Minneapolis v. First of Omaha Service Corporation*, 439 U.S.
21 299 (1978), where the Supreme Court held that a bank operating
22 nationally could charge interest rates up to the amount allowed
23 by the bank's home state; and
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25 WHEREAS, since the *Marquette* opinion, banks and credit card
26 companies have moved their operations to states with no
27 restrictions on interest rates, circumventing state usury
28 statutes; and
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H.C.R. NO. 118

1 WHEREAS, proposed federal legislation that would have
 2 capped credit card interest rates at fourteen per cent was
 3 introduced in 1991, but was not enacted; and

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 5 WHEREAS, the United States is currently facing a financial
 6 crisis caused in large part by predatory lending practices; and

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 8 WHEREAS, many leading economists and financial forecasters
 9 are predicting an extended "credit crunch," resulting in limited
 10 credit availability and increased interest rates; and

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 12 WHEREAS, some credit card companies are currently charging
 13 interest rates of thirty per cent or more, making it extremely
 14 difficult for hardworking Americans to break the cycle of debt;
 15 and

16
 17 WHEREAS, a national usury law would provide immediate
 18 relief to those people facing high credit card debt, allowing
 19 them to save more, provide a better quality of life for their
 20 families, and bolster the economy; now, therefore,



21
 22 BE IT RESOLVED by the House of Representatives of the
 23 Twenty-fifth Legislature of the State of Hawaii, Regular Session
 24 of 2009, the Senate concurring, that the President of the United
 25 States and the United States Congress are urged to adopt
 26 legislation establishing a federal usury rate of not more than
 27 ten per cent, or no more than two percentage points higher than
 28 the change in the Consumer Price Index each year, for credit
 29 card lending; and

30
 31 BE IT FURTHER RESOLVED that certified copies of this
 32 Concurrent Resolution be transmitted to the President of the
 33 United States, the Chairman of the United States Senate
 34 Committee on Banking, Housing, and Urban Affairs, the Chairman
 35 of the United States House of Representatives Committee on
 36 Financial Services, and the members of Hawaii's congressional
 37 delegation.

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OFFERED BY:




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