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## HOUSE 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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30           WHEREAS, proposed federal legislation that would have  
31 capped credit card interest rates at fourteen per cent was  
32 introduced in 1991, but was not enacted; and  
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# H.R. NO. 95

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

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4 WHEREAS, many leading economists and financial forecasters  
5 are predicting an extended "credit crunch," resulting in limited  
6 credit availability and increased interest rates; and

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8 WHEREAS, some credit card companies are currently charging  
9 interest rates of thirty per cent or more, making it extremely  
10 difficult for hardworking Americans to break the cycle of debt;  
11 and

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

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

25  
26 BE IT FURTHER RESOLVED that certified copies of this  
27 Resolution be transmitted to the President of the United States,  
28 the Chairman of the United States Senate Committee on Banking,  
29 Housing, and Urban Affairs, the Chairman of the United States  
30 House of Representatives Committee on Financial Services, and  
31 the members of Hawaii's congressional delegation.  
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OFFERED BY:







