

106TH CONGRESS
2D SESSION

H. CON. RES. 312

Expressing the sense of the Congress that the States should more closely regulate title pawn transactions and outlaw the imposition of usurious interest rates on title loans to consumers.

IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2000

Mr. SHAW (for himself, Mrs. MEEK of Florida, Mr. McCOLLUM, Mr. HASTINGS of Florida, Ms. ROS-LEHTINEN, Mrs. THURMAN, Mr. DAVIS of Florida, and Mr. STEARNS) submitted the following concurrent resolution; which was referred to the Committee on Banking and Financial Services

CONCURRENT RESOLUTION

Expressing the sense of the Congress that the States should more closely regulate title pawn transactions and outlaw the imposition of usurious interest rates on title loans to consumers.

Whereas title loan lenders make title loans and title pawns to consumers by attaining the consumer's automobile title as collateral;

Whereas these loans and pawns are often offered at unscrupulously high rates of interest;

Whereas in many cases borrowers are forced to pay interest rates of up to 300 percent per year;

Whereas many of these borrowers are unaware of applicable rates and are forced into deeper and deeper debt to pay the initial lien;

Whereas this industry takes advantage of uneducated and poor consumers through usurious and exploitive lending practices;

Whereas title loans and title pawns threaten the ability of consumers to hold a job since default on the loan or pawn will result in repossession and sale of their car, which is often their only means of transportation to and from work;

Whereas this industry is expanding rapidly throughout the United States;

Whereas the States have traditionally protected their citizens from usurious lending and abusive credit practices;

Whereas a number of States have already resolved this problem on their own without Federal intervention;

Whereas this problem is particularly acute in Alabama, Florida, Georgia, Idaho, Illinois, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Mexico, Oregon, South Carolina, South Dakota, Tennessee, and Utah; and

Whereas this problem has the potential to spread to other States that currently do not closely regulate the title loan and title pawn industry: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
 2 *concurring)*, That it is the sense of Congress that States
 3 should more closely regulate title pawn transactions and

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- 1 outlaw the imposition of usurious interest rates on title
- 2 loans to consumers.

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