

and

Whereas, As a result of the 1978 U.S. Supreme Court ruling in *Marquette v. First Omaha Service Corp.*, lenders that affix the word “national” to their name are allowed to export their home state’s high interest rate to borrowers in different states; and

Whereas, A lack of federal regulation has created a hostile environment for subprime, or low-income borrowers, who can easily fall victim to deceptive and predatory lending agreements that increase the chance of defaulting on a mortgage and ultimately losing a home or property through foreclosure and repossession; and

Whereas, According to United States Senator Bernie Sanders, one-third of all credit card holders in America are now paying interest rates above 20 percent and as high as 41 percent; and

Whereas, On April 2, 2009, Senator Sanders introduced legislation to establish a national usury law, which would require any lender in this country to cap all interest rates on consumer loans at 15 percent, including credit cards; and

Whereas, That same day the Senate voted 31 to 61 against the legislation; and

Whereas, Although a free-flowing credit market is crucial to the growth and prosperity of the nation, the United States Government must institute a national usury law that regulates lenders across the country, and protects borrowers from lenders who take advantage of state-to-state discrepancies to charge excessive interest rates and engage in predatory lending practices; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the federal government to institute a national usury law.

JCG
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