

RESOLUTION NO. _____

WHEREAS, in the state of Texas there are over 3,000 unlicensed and unregulated lending storefronts, making over \$3 billion in high-interest loans to Texas families each year; and

WHEREAS, there are over 117 businesses in our local community promising “easy credit” with annual percentage rates upwards of 500%, and loan terms that often pull people deeper into debt;

WHEREAS, 15 states and the District of Columbia have adopted a 36% or lower annual percentage rate cap for these small loans and the federal government has adopted a similar rate cap for payday and auto title loans to the military based on a Department of Defense finding that these loans, “undermine military readiness, harm the morale of troops and their families, and add to the cost of fielding an all volunteer fighting force”;

WHEREAS, the Commissioners Court of Travis County adopted a resolution on December 7, 2010 in support of House Bill 212;

WHEREAS, the changes in House Bill 212 would close a loophole in state law that allows payday, auto title and other unregulated consumer loans to carry annual percentage rates upwards of 500%; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That the City Council amends its Legislative Program to endorse passage of House Bill 212, authored by State Representative Eddie Rodriguez, or legislation substantially similar.

BE IT FURTHER RESOLVED:

That the City Manager is directed to inform the members of the Austin-Area Delegation to the State Legislature of the City's position as evidenced by this Resolution.

ADOPTED: _____, 2010 **ATTEST:** _____
Shirley A. Gentry
City Clerk