

**RESOLUTION NO. 20101216-067**

**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:**

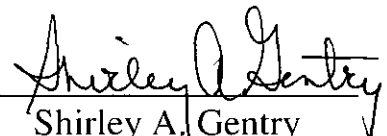
That the City Council amends its Legislative Program to endorse passage of House Bill 212, authored by State Representative Eddie Rodriguez, or legislation substantially similar.

**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:** December 16, 2010

**ATTEST:**

  
Shirley A. Gentry  
City Clerk