



Legislation Text

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190326
SUBSTITUTE 1

ALD. JOHNSON

Substitute resolution supporting U.S. Senate Bill 1389, known as the Loan Shark Prevention Act, in the 116th Congress (2019-2020).

This resolution expresses the City's support of U.S. Senate Bill 1389, known as the Loan Shark Prevention Act, introduced in the 116th Congress (2019-2020) by Sen. Bernie Sanders (I-VT), and for the companion House legislation expected to be introduced by Rep. Alexandria Ocasio-Cortez, (D-NY), Senate Bill 1389 proposes establishment of a maximum national usury rate of 15% on credit cards and other consumer loans.

Whereas, Interest rates for unpaid balances on bank-type credit cards can be as high as 18% to 25%, and are often even higher for retail store credit cards; and

Whereas, High interest rate charges on credit cards shamelessly enrich financial institutions issuing these cards by far exceeding the costs incurred to extend this credit to customers, and unfairly exploits cardholders; and

Whereas, Interest and fees charged on payday-type loans, estimated by the Pew Research Center at 391%, can trap borrowers in an endless cycle of ever-increasing, impoverishing debt, unraveling the often threadbare fabric of the economic lives of those most at risk of financial ruin; and

Whereas, U.S. Senate Bill 1389, known as the Loan Shark Prevention Act, in the 116th Congress (2019-2020) was introduced by Sen. Bernie Sanders (I-VT), and it is expected companion legislation will be introduced in the U.S. House by Rep. Alexandria Ocasio-Cortez (D-NY) in the near future; and

Whereas, The Loan Shark Prevention Act caps interest on credit cards and other consumer loans at 15%, providing relief to credit cardholders and payday borrowers from exploitive and usurious interest and fee charges; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the City of Milwaukee supports U.S. Senate Bill 1389, known as the Loan Shark Prevention Act, in the 116th Congress (2019-2020), and companion legislation to be introduced in the U.S. House; and, be it

Further Resolved, The Department of Administration - Intergovernmental Relations Division is directed to lobby the U.S. Congress to enact this legislation; and, be it

Further Resolved, The City Clerk shall forward copies of this resolution to members of the City of Milwaukee's delegation to the U.S. Senate and House of Representatives.

LRB 174334 - 2
Aaron Cadle
May 30, 2019