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By: **Delegate Murray**

Rules suspended

Introduced and read first time: March 15, 2006

Assigned to: Rules and Executive Nominations

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HOUSE JOINT RESOLUTION

1 A House Joint Resolution concerning

2                   **Fair Competition for State-Chartered Financial Institutions and Protection**  
3                   **of Maryland Consumers from Abusive Credit Practices**

4 FOR the purpose of urging the United States Congress to enact legislation that would  
5 allow financial institutions to better compete with national banks and  
6 out-of-state lenders and that would protect Maryland consumers from abusive  
7 credit practices.

8       WHEREAS, Court decisions and federal regulatory action over the last 10 years  
9 have given a strong competitive advantage to national banks that provide national  
10 consumer credit in Maryland and throughout the United States; and

11       WHEREAS, Certain states have chosen to eliminate restrictions on lending  
12 practices that protect consumers in order to promote economic development; and

13       WHEREAS, Federal law allows the laws of these states to apply to credit  
14 transactions between lenders located in these states and Maryland residents and  
15 preempts Maryland laws that protect consumer borrowers in Maryland; and

16       WHEREAS, In light of the preemption of Maryland consumer credit laws, the  
17 General Assembly recognizes that it is no longer able to protect its residents from  
18 abusive credit practices engaged in by out-of-state lenders; and

19       WHEREAS, The General Assembly recognizes that federal legislation is  
20 necessary to better protect Maryland consumers from abusive credit practices and to  
21 allow financial institutions chartered in the State to better compete with national  
22 banks and out-of-state lenders; and

23       WHEREAS, Only federal law that provides uniform national standards  
24 governing consumer credit in all states should be allowed to preempt state laws that  
25 afford protection to their residents; and

26       WHEREAS, The General Assembly finds that it is good public policy to allow  
27 State-chartered financial institutions, national banks, and out-of-state lenders to  
28 offer competitive and uniform credit products on a nationwide basis under a federal

1 law that will provide all consumers the benefit of reasonable consumer protections;  
2 now, therefore, be it

3       RESOLVED, That the General Assembly urge the members of Congress to enact  
4 legislation that establishes uniform national standards governing the provision of  
5 consumer credit by national banks, State-chartered financial institutions, and  
6 out-of-state lenders or that would allow each state to require a national bank or an  
7 out-of-state lender to comply with the consumer credit laws of the state in which a  
8 consumer borrower resides; and be it further

9       RESOLVED, That a copy of this Resolution be forwarded by the Department of  
10 Legislative Services to the Maryland Congressional Delegation: Senators Paul S.  
11 Sarbanes and Barbara A. Mikulski, Senate Office Building, Washington, D.C. 20510;  
12 and Representatives Wayne T. Gilchrest, C.A. Dutch Ruppersberger III, Benjamin L.  
13 Cardin, Albert R. Wynn, Steny Hamilton Hoyer, Roscoe G. Bartlett, Elijah E.  
14 Cummings, and Christopher Van Hollen, Jr., House Office Building, Washington,  
15 D.C. 20515; and be it further

16       RESOLVED, That a copy of this Resolution be forwarded by the Department of  
17 Legislative Services to the Honorable Robert L. Ehrlich, Jr., Governor of Maryland;  
18 the Honorable Thomas V. Mike Miller, Jr., President of the Senate of Maryland; and  
19 the Honorable Michael E. Busch, Speaker of the House of Delegates.