

# HOUSE JOINT RESOLUTION 5

I1

71r3387  
CF SJ 9

---

By: **Delegate Kaiser (Chair, Joint Committee on Federal Relations)**

Introduced and read first time: March 5, 2007

Assigned to: Rules and Executive Nominations

---

## HOUSE JOINT RESOLUTION

1 A House Joint Resolution concerning

2 **Protection for Maryland Consumers from Abusive Credit Practices**

3 FOR the purpose of recognizing the advantages of uniform standards for the  
4 regulation of consumer and residential credit terms and practices in the United  
5 States; objecting to the laws of another state preempting the laws of Maryland;  
6 resolving that only federal laws that establish certain national rules should  
7 preempt protection under State law; resolving that the General Assembly finds  
8 it good public policy for certain banks to offer competitive and uniform credit  
9 products on a nationwide basis; resolving that all lenders should have the choice  
10 of making consumer and residential loans pursuant to the consumer's state of  
11 residence pursuant to a national consumer lending code adopted by Congress;  
12 resolving that a copy of this resolution be forwarded by the Department of  
13 Legislative Services to certain individuals; and generally relating to protection  
14 for Maryland consumers from abusive credit practices.

15 WHEREAS, Favorable court decisions and federal regulatory action over the  
16 last 10 years have given a strong competitive advantage to large banking  
17 organizations with regard to national consumer credit programs; and

18 WHEREAS, Certain states have chosen to eliminate traditional restrictions on  
19 consumer lending practices in favor of economic development; and

20 WHEREAS, What is called "federal" preemption allows the laws of these "no  
21 rules" states to apply to credit transactions with citizens of Maryland and preempt the  
22 laws of Maryland that have traditionally applied to such credit transactions; and

23 WHEREAS, The Maryland legislature recognizes that it has lost the ability to  
24 protect its citizens from abusive credit practices from out-of-state lenders applying



1 the law of the state of the lender to transactions with citizens of Maryland pursuant to  
2 federal law; and

3 WHEREAS, The General Assembly recognizes that federal legislation is  
4 necessary to better protect consumers from abusive credit practices and to level the  
5 competitive playing field between large national banking firms on the one hand and  
6 state-chartered banks, nonbank lenders, and most community national banks on the  
7 other hand; now, therefore, be it

8 RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That the State  
9 of Maryland recognizes the advantages of uniform standards for the regulation of  
10 consumer and residential credit terms and practices in the United States, but  
11 strenuously objects to the laws of another state preempting the laws of Maryland as  
12 occurs under the current form of “federal” preemption; and be it further

13 RESOLVED, That only federal laws that establish national rules applicable to  
14 all consumer lenders should preempt the protection that State laws afford to their  
15 citizens; and be it further

16 RESOLVED, That the General Assembly finds it good public policy for  
17 state-chartered banks, nonbank lenders, and national banks to be able to offer  
18 competitive and uniform credit products on a nationwide basis pursuant to federal law  
19 that provides all consumers the benefit of reasonable consumer protections; and be it  
20 further

21 RESOLVED, That all lenders should have the choice of making consumer and  
22 residential loans pursuant to the law of the state where the consumer resides or  
23 pursuant to a national consumer lending code as adopted by the Congress of the  
24 United States; and be it further

25 RESOLVED, That a copy of this Resolution be forwarded by the Department of  
26 Legislative Services to the Maryland Congressional Delegation: Senators Barbara A.  
27 Mikulski and Benjamin L. Cardin, Senate Office Building, Washington, D.C. 20510;  
28 and Representatives Wayne T. Gilchrest, C. A. Dutch Ruppersberger III, John P.  
29 Sarbanes, Albert R. Wynn, Steny Hamilton Hoyer, Roscoe G. Bartlett, Elijah E.  
30 Cummings, and Christopher Van Hollen, Jr., House Office Building, Washington, D.C.  
31 20515; and be it further

32 RESOLVED, That a copy of this Resolution be forwarded by the Department of  
33 Legislative Services to the Honorable Martin O’Malley, Governor of Maryland; the  
34 Honorable Thomas V. Mike Miller, Jr., President of the Senate of Maryland; and the  
35 Honorable Michael E. Busch, Speaker of the House of Delegates.