

House Resolution 1101

By: Representatives Anderson of the 92nd, Scott of the 76th, Beasley-Teague of the 65th, Smith of the 125th, Waites of the 60th, and others

A RESOLUTION

1 Advocating for the protection of the elderly, active duty military personnel, veterans, and
2 persons with cognitive disabilities with limited financial understanding from predatory
3 short-term loans; and for other purposes.

4 WHEREAS, the House of Representatives has historically focused on ensuring the safe and
5 adequate protection of vulnerable populations; and

6 WHEREAS, those communities that require increased levels of protection should include the
7 elderly, military veterans, active duty military personnel, and those who may suffer from
8 cognitive disabilities about particular financial products and services, particularly regarding
9 short-term loans; and

10 WHEREAS, the elderly, in particular, continually experience abuse from many sectors of the
11 United States economy, one of the most egregious of which is financial exploitation; and

12 WHEREAS, the United States Department of Justice (DOJ) reported that "[f]inancial
13 exploitation of elders is complex and, in some instances, accompanied by other forms of
14 elder mistreatment"; and

15 WHEREAS, the DOJ sought to evaluate the "Incidence of Financial Exploitation" and
16 "Characteristics of Financial Exploitation"; and

17 WHEREAS, the DOJ study found that there was no adequate reporting mechanism in this
18 country, but a 1998 study by the National Center on Elder Abuse reported that financial
19 abuse accounted for about 12 percent of all elder abuse reported nationally in 1993 and 1994
20 and 30 percent of substantiated elder abuse reports submitted to Adult Protective Services
21 in 1996 after excluding reports of self-neglect; and

22 WHEREAS, the National Association of Adult Protective Services Administrators conducted
23 a survey in 2000 for the National Center on Elder Abuse and found that financial exploitation
24 comprised 13 percent of the investigated mistreatment allegations; and

25 WHEREAS, financial exploitation combined with neglect or abuse is referred to as hybrid
26 financial exploitation; and

27 WHEREAS, the DOJ found that the characteristics and dynamics of both pure and hybrid
28 financial exploitation cases vary depending on the type of exploitation involved; and

29 WHEREAS, the House of Representatives encourages states to enact appropriate laws and
30 statutes to protect the elderly from incidences of abuse within families and among those
31 entrusted with the care of the elderly, veterans, active duty military personnel, and those with
32 limited financial understanding; and

33 WHEREAS, appropriate safeguards should be established to protect the elderly, active duty
34 military personnel, veterans, and persons with cognitive disabilities with limited financial
35 understanding from predatory lending practices, in addition to protecting them from abuse
36 in the home; and

37 WHEREAS, this resolution maintains that responsibly structured credit is an essential part
38 of the wealth-building ecosystem that includes building a sound credit history as well as
39 saving and wise investment; and

40 WHEREAS, the key structural qualities of safe and affordable loans are that the lender
41 makes a good faith effort to assess the borrower's ability to repay the loan and that the loan
42 is repayable in substantially equal installments of principal and interest, with no balloon
43 payments; and

44 WHEREAS, it is the intention of the House of Representatives to ensure access to low-cost
45 loans rather than low-rate loans.

46 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES that
47 the members of this body request partnerships with organizations focused on protecting the
48 elderly, active duty military personnel, veterans, and those with limited financial
49 understanding to ensure that adequate safeguards and protections are put into place.

50 BE IT FURTHER RESOLVED that the House of Representatives supports lending that
51 protects consumers by encouraging responsible underwriting and assessing a borrower's
52 ability and willingness to repay the loan at a reasonable rate.

53 BE IT FURTHER RESOLVED that the members of this body encourage financial service
54 organizations that offer lending services to the elderly and service members to take the
55 following into account:

56 (1) That lenders should examine factors like a borrower's credit bureau reports, the
57 availability of monthly income for debt service, and the amount of the borrower's debt
58 compared to assets and income as a condition for making a loan;

59 (2) That lenders should adhere to all applicable state laws regarding collection practices
60 and that they should make good faith attempts with borrowers to remedy a delinquent
61 account, referring consumers to financial counseling if necessary;

62 (3) That any loan should be structured in such a way as to minimize the danger that a
63 borrower might fall into the cycle of debt;

64 (4) That lenders should take care to explain to borrowers the terms of a possible loan
65 transaction as clearly and transparently as possible;

66 (5) That lenders should be a vital part of the communities in which they operate and
67 actively participate in community activities and charitable endeavors;

68 (6) That lenders should support and participate in financial education programs by
69 contributing financially to organizations that offer these services to borrowers; and

70 (7) That lenders, nonprofit organizations, and government entities should work together
71 to improve financial education.

72 BE IT FURTHER RESOLVED that the House of Representatives supports the efforts of the
73 United States Department of Veterans Affairs to bring low-cost loans to service members and
74 requests that Congress take the necessary actions to ensure the continuance and even
75 expansion of such programs.

76 BE IT FURTHER RESOLVED that the House of Representatives supports efforts to protect
77 the elderly, active duty military personnel, veterans, and persons with cognitive disabilities
78 who may need short-term loans.

79 BE IT FURTHER RESOLVED that the Clerk of the House of Representatives is authorized
80 and directed to transmit an appropriate copy of this resolution to the President of the United
81 States, the Vice President of the United States, members of the United States House of

82 Representatives and United States Senate, and other federal and state government officials
83 as appropriate.