

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Con. Res. 344, as amended, the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SENSE OF CONGRESS THAT STATES SHOULD MORE CLOSELY REGULATE TITLE PAWN TRANSACTIONS AND OUTLAW IMPOSITION OF USURIOUS INTEREST RATES ON TITLE LOANS TO CONSUMERS

Mrs. ROUKEMA. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 312) expressing the sense of the Congress that the States should more closely regulate title pawn transactions and outlaw the imposition of usurious interest rates on title loans to consumers, as amended.

The Clerk read as follows:

H. CON. RES. 312

Whereas title loan lenders make title loans and title pawns to consumers by attaining the consumer's automobile title as collateral;

Whereas these loans and pawns are often offered at unscrupulously high rates of interest;

Whereas in many cases borrowers are forced to pay interest rates of up to 300 percent per year;

Whereas many of these borrowers are unaware of applicable rates and are forced into deeper and deeper debt to pay the initial lien;

Whereas this industry takes advantage of uneducated and poor consumers through usurious and exploitive lending practices;

Whereas title loans and title pawns threaten the ability of consumers to hold a job since default on the loan or pawn will result in repossession and sale of their car, which is often their only means of transportation to and from work;

Whereas this industry is expanding rapidly throughout the United States;

Whereas both the Federal Government and States have traditionally acted within their respective jurisdictions to protect citizens from usurious lending and abusive credit practices;

Whereas the spread of abusive lending practices, including those often characteristic of title loan and title pawn transactions, have recently resulted in heightened Federal interest, at the congressional, executive, and regulatory levels, in curbing predatory lending practices;

Whereas, as the result of extensive field hearings, a task force established by the Secretary of the Treasury and the Secretary of Housing and Urban Development has just underscored the need for Federal legislation to curb predatory lending;

Whereas the title loan and title pawn transaction problem is particularly acute in Alabama, Georgia, Idaho, Illinois, Minnesota, Mississippi, Missouri, Montana, Ne-

vada, New Hampshire, New Mexico, Oregon, South Carolina, South Dakota, Tennessee, and Utah; and

Whereas this problem has the potential to spread to other States that currently do not closely regulate the title loan and title pawn industry: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the Federal Government and the States should—

(1) engage in greater oversight of title loan and title pawn transactions;

(2) work cooperatively to address the problem of abuses in title loan and title pawn transactions through effective legislation at both the Federal and State level, as necessary, including by prohibiting title pawn transactions and prohibiting usurious interest rates in title loan transactions; and

(3) ensure that any Federal legislative effort preserves the ability of the States to enact stronger protections for consumers with respect to such transactions.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from New Jersey (Mrs. ROUKEMA) and the gentleman from Pennsylvania (Mr. MASCARA) each will control 20 minutes.

The Chair recognizes the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as chair of the Subcommittee on Financial Institutions and Consumer Credit of the Committee on Banking and Financial Services, I bring this to the floor, but I want to expressly thank and recognize the gentleman from Florida (Mr. SHAW), who is the original author of this concurrent resolution, and has brought before us the increasing awareness of the usury problems associated with title pawn and title loan industry.

□ 1100

The resolution expresses the sense of Congress that the Federal Government and the States should work together cooperatively to outlaw title pawn transactions and the imposition of excessive interest rates.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. SHAW), the author of the resolution.

Mr. SHAW. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, House Concurrent Resolution 312 puts this Congress on record as opposing the predatory and unscrupulous lending practices of the title loan industry. As many of my colleagues are aware, abuse by the title loan industry is an ever-increasing problem all across America. These fringe banking services offer short-term loans to people unable to borrow from traditional lending institutions, sparing the consumer's car, title and spare keys as collateral.

The interest rate on these loans which are usually not adequately disclosed to the borrower are so exorbitant that debtors frequently must take out additional loans just to pay the in-

terest on the initial lien, sending them deeper and deeper into debt. These rates can often be as much as 300 percent, and, in some cases, even higher.

Take, for example, the blight of a Miami, Florida, resident whom I will simply call John. As reported in the Miami Herald, John, in need of cash to pay bills, borrowed \$1,000, using the spare keys of his car as collateral. Not fully aware of the terms of the loan, he was quickly incapable of making the monthly interest-only payments of \$220 and subsequently took out additional loans just to pay the interest on the initial loan. This amounts to an annual rate of nearly 350 percent. Now knee-deep in debt and fearful that any day his car would be repossessed, which would likely cost him his job, John struggled to pay back what amounted to three times his initial loan. He eventually ended up destitute and in a homeless shelter. Unfortunately, this one example is not uncommon and reflects the cases of far too many Americans who have found themselves trapped in an ever-worsening cycle of debt because of the title loan industry.

As this industry spreads across this country, more and more States are taking action to eliminate this type of institutional usury. Just last month, in my home State, Florida, Governor Jeb Bush signed into law legislation limiting the outrageous rates that loan companies in Florida had been charging and limited it to 30 percent.

Nationwide recognition of this problem is needed. However, title loan companies can circumvent prohibitions imposed by individual States by crossing State lines and filing the proper paperwork in a State that has yet to regulate this industry. The result is that loan companies continue to spread like wildfire in States which are unregulated, and more and more people find themselves swimming in outrageous debt. This problem will persist until elected officials make the protection of their constituents a priority and rein in this fringe industry.

Mr. Speaker, passage of this resolution will put those who engage in this type of legal loan-sharking on notice that such predatory lending practices will no longer be tolerated. Although a number of States like Florida have stopped the title loan industry in its tracks, much remains to be done and Congress may need to play a role. While respecting the rights of the States to improve upon existing consumer protection laws, H. Con. Res. 312 makes it clear that, if necessary, Congress will take appropriate action to combat predatory lending practices.

Mr. Speaker, H. Con. Res. 312 puts Congress on record as condemning the practice of legal loan-sharking and opposing usury and unfair lending practices. I urge my colleagues to take this opportunity to express their concern for the consumer rights of their constituents and support this resolution.

This resolution goes to protect the most vulnerable in our society from some of the most unscrupulous practices in our society.

Mr. MASCARA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today, the House takes up a bipartisan resolution, H. Con. Res. 312, that, with the cooperation of its sponsor, the gentleman from Florida (Mr. SHAW), we amend it in a way that I can support. This resolution, as amended, expresses the sense of Congress that the Federal Government and the States should work together to better oversee abuses and unscrupulous practices of title loan and title pawn lenders and that both levels of government should address the problem with effective legislation, where necessary.

The resolution also urges that any Federal effort in this area should preserve the ability of the States to enact stronger consumer protection in this area. In fact, the State of Florida recently enacted legislation sponsored by State Assemblyman Kendrick Meek of Miami whose mother, the gentlewoman from Florida (Mrs. MEEK), represents the 17th District of Florida and is a co-sponsor of this resolution.

Mr. Speaker, I am pleased to support this resolution which puts the Congress on record as urging State and Federal action to address the devastating consequences to consumers of the predatory practices of title loan and title pawn lenders.

Our Nation is progressively being segmented into two separate, unequal, financial service systems: one serving middle- and upper-income individuals through mainstream financial institutions, and another serving lower-income households through check-cashers and pawnshops. This resolution sends the right message that Congress and the States, as appropriate, must take action to protect the vulnerable segment of the population who are preyed upon by unscrupulous lenders.

In many parts of our country, we are seeing the growth of title loan and title pawn lenders as yet another class of fringe lenders who take advantage of the lower-income consumers strapped for cash. Through deceptive practices, title pawnshops and other title lenders too often lure unwary consumers into using the title to their automobile and trucks as security for loans equal to a fraction of the value of the vehicle. Such loans typically carry interest rates in triple digits, often around 300 percent on an annual basis. At such a high interest rate, many of these borrowers are unable to pay off their loan and their vehicles are repossessed. When these loans are structured as a title pawn transaction, the title pawn broker sells the automobile and retains transfer to the pawn broker. The consumer loses all of his or her equity in the automobile and typically has little or no recourse to regain the automobile.

As is the case for most Americans, these consumers depend on their automobiles and trucks for transportation to their jobs, vital medical appointments, and school for their children. So the loss of a vehicle through an unfair foreclosure often results in the loss of a job or other serious consequences.

Mr. Speaker, it is incumbent upon both Congress and the States to act cooperatively with their respective jurisdictions to curb predatory lending practices. The abuses in the title pawn and title loan industry are just one of the areas which merit immediate and aggressive legislative action. The Congress must take action to curb the abuses in the title pawn and title loan industry. As the Clinton administration's Task Force on Predatory Lending recently urged in its report, Congress should enact new legislation in the title pawn and title loan industry. Congress should begin to do that forthwith.

The joint HUD-Treasury Task Force also urged Congress to amend existing laws to give borrowers more timely and more precise information regarding the cost and terms of loans. I am hopeful that we can work in a bipartisan fashion to enact legislation that will wipe out predatory lending practices, regardless of where and how they occur.

Mr. Speaker, I reserve the balance of my time.

Mrs. ROUKEMA. Mr. Speaker, I yield myself such time as I may consume.

This resolution expresses the sense of the Congress that the Federal government and the States should work together cooperatively to outlaw title pawn transactions and the imposition of excessive interest rates on title loans. In these types of transactions, the business takes the consumer's automobile title as collateral, often as part of a very small pawn transaction or title loan. Abuses in title loans and title pawn transactions often include excessively high interest rates and other exploitive lending practices.

I want to note, in light of what the gentleman from Pennsylvania (Mr. MASCARA) has stated and certainly what the author of this amendment has stated, I want to note that as the chairwoman of the Subcommittee on Financial Institutions and Consumer Credit, I want to make the point that we, on the committee, are continuing to study predatory lending. The Committee on Banking and Financial Services recently held a hearing on this very subject, and while title loan and title pawn transactions are certainly a component of the practices that are considered predatory, we are also considering what regulatory or legislative changes might be needed on a broader scale; and I think our colleague from Pennsylvania has referenced that possibility.

Clearly, cooperation among the Federal and State governments and Federal and State regulators and the financial services industry is critical and

key. With respect to the abuses in the title pawn transactions and the title loans and the lack of meaningful regulation of this area in some States, the cooperation, as outlined and required in this concurrent resolution, H. Con. Res. 312, is absolutely necessary. A consistent set of rules must be applied and consumers should not be taken advantage of because of weak laws or regulations in a particular State.

Mr. Speaker, again, I want to thank the gentleman from Florida (Mr. SHAW) for his leadership on this issue.

Mr. MCCOLLUM. Mr. Speaker, I support H. Con. Res. 312, expressing the sense of the Congress that the States should more closely regulate title pawn transactions and outlaw the imposition of usurious interest rates on title loans to consumers.

As a Floridian, I am acutely aware of the struggles in which the citizens of Florida have engaged in order to rein in unscrupulous practices and usurious interest rates on title loans. I am pleased that the culmination of these efforts has led to wise and judicious legislation. I praise the Floridian approach of title lending because it weighs both the importance of curbing the abuses that too often surround title loan transactions against the importance of providing otherwise "un-lendable" borrowers with access to credit. This emergency credit can keep a small businessman from going under, or cover immediate needs at the end of the month.

Starting October 1, 2000, the Florida Department of Banking and Finance will begin to license and regulate title lenders in the state of Florida. Among initial changes will be an annual interest rate cap of 30%. Other improvements include empowering the Department of Banking and Finance to impose fines and promulgate rules. For worst case offenders, the Florida legislation establishes criminal penalties.

Furthermore, the Florida legislation does not preclude local governments in the state of Florida from enacting more stringent restriction. I firmly believe that democracy is best served when state and local governments can exercise their informed judgement to serve their citizens. This Sense of the Congress reiterates my concern both for the abuses that have dogged title lending throughout several states across the nation, but also my sincere wish that states will take up this issue in their home legislative chambers.

I look forward to casting my vote for this excellent legislation, sponsored by fellow Floridian, CLAY SHAW, and I encourage my colleagues from all 50 states to do the same.

Mr. SMITH of Michigan. Mr. Speaker, H. Con. Res. 312 calls on states to more closely regulate certain types of loans and establish ceilings on the rates of interest that can be charged for them. I oppose H. Con., Res. 312 for two reasons.

The first is that regulation of lending markets, especially the establishment of ceilings on interest rates, can harm those who most need access to them. None of us can help but be appalled by unscrupulous lenders who take advantage of needy borrowers. However, the regulations encouraged by this resolution would most likely reduce the number and availability of lenders.

As a member of the Michigan legislature, I remember that we attempted to "help" people in a similar manner by restricting lending practices and interest rates to what we consider a "fair" rate. The result wasn't that interest rates were lowered. Instead, the borrowers came to us and asked us to remove the restrictions because they couldn't get loans any more. Mr. Speaker where there is competition, rates of interest are best left to the marketplace rather than to the notions of politicians.

Second, I find it odd that we in Washington need to tell the states how they should handle what are traditionally local measures. We certainly have no greater understanding of these issues than our counterparts at the state level.

Mrs. ROUKEMA. Mr. Speaker, I yield back the balance of my time.

Mr. MASCARA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentlewoman from New Jersey (Mrs. ROUKEMA) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 312, as amended.

The question was taken.

Mrs. ROUKEMA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mrs. ROUKEMA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Con. Res. 312, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

EXPRESSING THE SENSE OF THE HOUSE OF REPRESENTATIVES THAT THE OHIO MOTTO IS CONSTITUTIONAL

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 494) expressing the sense of the House of Representatives that the Ohio State motto is constitutional and urging the courts to uphold its constitutionality.

The Clerk read as follows:

Whereas the official motto of the State of Ohio—"With God All Things Are Possible"—has been the State motto for 41 years, since October 1, 1959;

Whereas the motto is a powerful expression of hope and humility for all the people of Ohio;

Whereas the motto does not establish, promote, endorse, advance, or discriminate against any specific set of religious beliefs;

Whereas the motto is consistent with the American tradition of seeking spiritual guidance in matters of public affairs;

Whereas faith in God was a founding principle of the Nation and the State of Ohio;

Whereas the motto helps promote positive values and citizenship in the youth of Ohio;

Whereas several States or territories and the United States have mottoes or seals making explicit reference to God or Providence;

Whereas the Declaration of Independence and the constitutions or preambles of 45 States make explicit reference to a divine power;

Whereas since 1864, United States coins have borne the motto "In God We Trust", which Congress made mandatory on all gold and silver coins in 1908 (35 Stat. 164, Chap. 173) and on all United States coins and currency in 1955 (69 Stat. 290, Chap. 303);

Whereas in 1956, Congress declared the national motto of the United States to be "In God we trust" (70 Stat. 732, Chap. 795); and

Whereas Members of Congress take an oath to uphold the Constitution and vigilantly do so in the performance of their legislative duties: Now, therefore, be it

Resolved, That—

(1) it is the sense of the House of Representatives that—

(A) the Ohio State motto and other longstanding mottoes which make reference to God or Providence do so as long-accepted expressions consistent with American tradition and rooted in the sentiments of the American people;

(B) such mottoes are "those references to God that we accept in ceremonial phrases or in other contexts that assure neutrality", *Lynch v. Donnelly*, 465 U.S. 668, 717 (1984) (Brennan, J., dissenting), and State and Federal courts should uphold them as such; and

(C) the decision of a three-judge panel of the United States Court of Appeals for the Sixth Circuit striking down the Ohio State motto is a misinterpretation and misapplication of the United States Constitution; and

(2) the House of Representatives—

(A) finds repugnant all misinterpretations and misapplications of the Constitution by Federal courts which disregard those references to God which are well within the American tradition and within the Constitution;

(B) supports the decision of the Governor and the Attorney General of the State of Ohio to appeal the ruling; and

(C) affirms its support for the Ohio State motto and other State mottoes making reference to a divine power.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. CHABOT) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. CHABOT).

GENERAL LEAVE

Mr. CHABOT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 494.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CHABOT. Mr. Speaker, I yield myself such time as I may consume.

I rise today in support of House Resolution 494, expressing the sense of the House of Representatives that the Ohio State motto is constitutional. I would

like to thank the gentleman from Ohio (Mr. OXLEY), who will be speaking shortly, for introducing this legislation.

"With God, all things are possible." Those are the offending words, words that the Sixth Circuit Court of Appeals, in a 2 to 1 vote, held to be unconstitutional because, according to the majority judges, they constitute a government endorsement of religion.

Mr. Speaker, 41 years ago the State of Ohio was looking for a new motto, one that expressed both the unbending optimism and quiet humility of the people of our State. A 10-year-old schoolboy submitted his choice, a passage that said simply, with God, all things are possible. The selection was easy; and in 1959, the new Ohio motto was adopted.

Mr. Speaker, 38 years passed without controversy until 1997 when then Governor GEORGE VOINOVICH, decided to place the motto carved in stone in front of the State House, in Columbus, our capital. This apparently caused a great deal of alarm. The Sixth Circuit has ruled that this passage comes directly from the Gospel according to Matthew and therefore must be stricken as Ohio's creed. Other scholars in Ohio dispute this and have traced its non-Christian origins back to Homer's epic poem "The Odyssey" and point out its prevalence as an inspirational catch phrase throughout the history of Western literature, before Christ and after.

The official motto of the United States is, "In God We Trust." We have it right up there in front of us. As I am looking here today it says, in very large letters, "In God We Trust," here on the floor of the House of Representatives. The Supreme Court of the United States heralds the beginning of every session with the words, "God save this honorable court." We in Congress pause each morning for a prayer that calls upon guidance from God.

Like these other reflections upon faith, the Ohio motto does not seek to promote a certain religion or endorse one set of religious beliefs over another.

□ 1115

Ohio's Secretary of State, J. Kenneth Blackwell, has said and I quote, "The motto implies a challenge for self-betterment, and that solid ethics must be at the root of all our actions as individuals and communities. It inspires and instructs that with faith and hard work, any challenge can be met." That is what our Secretary of State, J. Kenneth Blackwell, said.

George Washington said, and I quote, "Reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle."

I am inclined to agree with the father of our country, the man who, against