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## HOUSE JOINT RESOLUTION NO. 173

Offered January 9, 2008

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*Establishing a joint subcommittee to study access to credit in the Commonwealth. Report.*

Patron—Hugo

Referred to Committee on Rules

WHEREAS, the availability of credit to individual consumers in Virginia is a vital element of the Commonwealth's economic health; and

WHEREAS, Virginians are in a period of great uncertainty regarding access to credit, as evidenced by the ongoing crisis in the mortgage industry triggered by problems with subprime loans; and

WHEREAS, the range of short- and long-term credit issues facing Virginia's consumers include the rising level of residential mortgage foreclosures, high interest rates on student loans, fees and charges paid to financial depository institutions, credit card companies, consumer finance companies, pawnbrokers, payday lenders and title lenders; and

WHEREAS, there is increasing concern about the availability of credit options for certain segments of the Commonwealth's citizenry; and

WHEREAS, the General Assembly seeks information regarding the options that are available to help Virginia's consumers address their unmet needs for credit and other financial services; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study access to credit in the Commonwealth. The joint subcommittee shall comprehensively consider, among other issues it deems relevant, (i) the credit needs of Virginians for housing and personal items; (ii) the current nonprofit and private sector financial infrastructure to meet those credit needs; (iii) state laws affecting access to credit, including the extension of, and barriers to, credit; (iv) the status and extent of the "unbanked" and "underbanked" citizens outside the financial mainstream; (v) the role that state and local governments and nonprofit organizations can play in addressing credit access problems; and (vi) the effectiveness of innovative programs in other states in addressing the credit needs of individuals. The joint subcommittee shall recommend legislative and other action, if appropriate, that would encourage the private sector to address unmet credit needs.

The joint subcommittee shall have a total membership of 13 members that shall consist of eight legislative members, four nonlegislative citizen members, and one ex officio member. Members shall be appointed as follows: five members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; three members of the Senate to be appointed by the Senate Committee on Rules; two nonlegislative citizen members, one with expertise in consumer credit issues from the perspective of financial institutions and one with expertise in consumer credit issues from the perspective of borrowers, to be appointed by the Speaker of the House of Delegates; and two nonlegislative citizen members, one with expertise in consumer credit issues from the perspective of financial institutions and one with expertise in consumer credit issues from the perspective of borrowers, to be appointed by the Senate Committee on Rules. The Attorney General or his designee shall serve ex officio with voting privileges. Nonlegislative citizen members of the joint subcommittee shall be citizens of the Commonwealth of Virginia. Unless otherwise approved in writing by the chairman of the joint subcommittee and the respective Clerk, nonlegislative citizen members shall only be reimbursed for travel originating and ending within the Commonwealth of Virginia for the purpose of attending meetings. If a companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall be required. The joint subcommittee shall elect a chairman and vice-chairman from among its membership, who shall be members of the General Assembly.

In conducting its study, the joint subcommittee shall solicit input from consumers, appropriate nonprofit organizations involved in consumer credit issues, and private sector financial associations and institutions involved in the provision of credit to Virginians.

Administrative staff support shall be provided by the Office of the Clerk of the House of Delegates. Legal, research, policy analysis, and other services as requested by the joint subcommittee shall be provided by the Division of Legislative Services. All agencies of the Commonwealth shall provide assistance to the joint subcommittee for this study, upon request.

The joint subcommittee shall be limited to four meetings for the 2008 interim and four meetings for the 2009 interim, and the direct costs of this study shall not exceed \$9,600 for each year without

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59 approval as set out in this resolution. Approval for unbudgeted nonmember-related expenses shall require  
60 the written authorization of the chairman of the joint subcommittee and the respective Clerk. If a  
61 companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall  
62 be required.

63 No recommendation of the joint subcommittee shall be adopted if a majority of the House members  
64 or a majority of the Senate members appointed to the joint subcommittee (i) vote against the  
65 recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the  
66 joint subcommittee.

67 The joint subcommittee shall complete its meetings for the first year by November 30, 2008, and for  
68 the second year by November 30, 2009, and the chairman shall submit to the Division of Legislative  
69 Automated Systems an executive summary of its findings and recommendations no later than the first  
70 day of the next Regular Session of the General Assembly for each year. Each executive summary shall  
71 state whether the joint subcommittee intends to submit to the General Assembly and the Governor a  
72 report of its findings and recommendations for publication as a House or Senate document. The  
73 executive summaries and reports shall be submitted as provided in the procedures of the Division of  
74 Legislative Automated Systems for the processing of legislative documents and reports and shall be  
75 posted on the General Assembly's website.

76 Implementation of this resolution is subject to subsequent approval and certification by the Joint  
77 Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or  
78 delay the period for the conduct of the study, or authorize additional meetings during the 2008 and 2009  
79 interims.