111TH CONGRESS
1ST SESSION

H. RES. 553

Expressing the sense of the House of Representatives that the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System should protect and enhance consumer and business access to credit by utilizing the provisions of the Federal Reserve Act and the Emergency Economic Stabilization Act of 2008, and reserving access to liquidity programs for those financial institutions that have maintained or increased lending activities since the height of our economic crisis in October 2008.

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2009

Ms. WATERS (for herself, Mr. GUTIERREZ, Mr. CLAY, Mr. AL GREEN of Texas, Mr. ELLISON, and Mr. GRAYSON) submitted the following resolution; which was referred to the Committee on Financial Services

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RESOLUTION

Expressing the sense of the House of Representatives that the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System should protect and enhance consumer and business access to credit by utilizing the provisions of the Federal Reserve Act and the Emergency Economic Stabilization Act of 2008, and reserving access to liquidity programs for those financial institutions that have maintained or increased lending activities since the height of our economic crisis in October 2008.

Whereas our country is currently in the middle of a foreclosure crisis, with an average of 6,600 foreclosures occurring each day;

Whereas since the initial credit disruption of 2007, our national unemployment rate has risen above 8 percent, leading to 5,700,000 lost jobs;

Whereas approximately 145,000,000 Americans presently have credit cards, with the average household carrying more than $8,000 in credit card debt;

Whereas with gas and food prices rising to record highs, many families are using credit cards to make up the difference between today's higher prices and their stagnant or lost wages;

Whereas even credit cardholders with accounts in good standing, have seen their credit limits reduced;

Whereas otherwise creditworthy borrowers have been denied credit;

Whereas the costs of accessing the capital markets remain too steep for many small and mid-sized companies, preventing them from obtaining needed capital for day-to-day expenses and expansion;

Whereas domestic businesses are increasingly drawing on their lines of credit to repay debt, meet payroll costs, and expand core product areas;

Whereas reductions in a business' ability to access credit is causing an increase in unemployment and a decrease in economic growth, as evidenced by a drop in gross domestic product of 6.1 percent for the first quarter of 2009;

Whereas reductions in a consumer's ability to access credit is causing significant financial hardship to the average American family;

Whereas since 2007, the United States Government has provided banks and financial institutions access to $700,000,000,000 through the Troubled Asset Relief Program (TARP);

Whereas the Supervisory Capital Assessment Program implemented by the Secretary of the Treasury and the Board of Governors of the Federal Reserve System demonstrates that our largest bank holding companies have enough capital to resume normal lending activities;

Whereas despite receiving more than $1,000,000,000,000 in Government assistance, improvements to system-wide liquidity, and signs of receding market risk, financial institutions continue to tighten restrictions on consumer and business access to credit; and

Whereas the inability of potential homebuyers to obtain mortgages is prolonging the housing and economic crises: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System should—

(1) protect and enhance every American consumer's and business's access to credit;

(2) encourage credit card issuers, banks, and other creditors to recognize longstanding customers

who are in good standing by not cutting their credit lines or raising their interest rates; and

(3) reserve access to programs under the Federal Reserve Act and the Emergency Economic Stabilization Act for those institutions that are working to increase consumer and business access to credit.

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