

BUSINESS AND ECONOMIC DEVELOPMENT (BED)

Resolution BED-23-24

INCREASING MINORITY VEHICLE OWNERSHIP

WHEREAS, the National Black Caucus of State Legislators (NBCSL) recognizes the importance of reliable transportation and the benefits that vehicle ownership can bring to individuals, families, and communities;

WHEREAS, black households are three times more likely to lack a vehicle than white households;

WHEREAS, studies have shown the correlation between employment opportunities and vehicle ownership, and that the difference in employment rates between vehicle-owners and non-vehicle¹⁸ owners is considerably larger among minorities than among non-minorities;

WHEREAS, studies further indicate that raising minority vehicle-ownership rates to the level of whites would considerably narrow inter-racial employment rate differentials;

WHEREAS, vehicle ownership can contribute to financial security and stability, vehicle owners generally benefit from purchasing power, as well as the ability to secure loans with their vehicle as collateral and borrow at lower interest rates;

WHEREAS, vehicle ownership also helps families with taking children to school, trips to the doctor and dentist, and grocery shopping, offering a reliable transportation option in both urban and rural communities;

WHEREAS, the NBCSL understands the historic challenges that people of color have experienced in accessing affordable vehicle financing;

WHEREAS, minorities have faced historical disadvantages in accessing traditional credit; and
WHEREAS, if the terms of a car loan contain too high of an APR or the term of the loan is too long then the consumer will never fully own the vehicle; and

WHEREAS, technology can be used to enable wider access to vehicle credit and lower discrimination rates by automating a process that previously required a human decision-maker.

THEREFORE, BE IT RESOLVED, that NBCSL encourages policymakers to ensure that laws and regulations do not inadvertently reduce the availability of vehicle finance to minority families, either by limiting the use of technology in lending, or by any other means that might prevent regulated lenders from serving minority communities;

BE IT FURTHER RESOLVED, that NBCSL believes that such financing should be reasonable in nature with reasonable APR rates and loan terms in line with industry norms, and not predatory in nature;

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BE IT FURTHER RESOLVED, that technology should be used to foster equality and not just a means to find other ways in which a person's ethnicity can be determined and result in larger interest rates;

BE IT FINALLY RESOLVED, that a copy of this resolution be transmitted to the President of the United States, the Vice President of the United States, members of the United States House of Representatives and United States Senate, and other federal and state government officials as appropriate.

Resolution ID: BED-23-24

Sponsored by: Rep. Karen Camper (TN), Rep. Kim Schofield (GA), Rep. Sandra Scott (GA)

Policy Committee: Business and Economic Development (BED)