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This directive aims to promote safe and affordable lending practices to ensure financial empowerment and improved access to capital for individuals and communities. By encouraging responsible underwriting, transparent loan terms, and community engagement, we strive to protect consumers and provide access to loans that are structured in a manner that minimizes the risk of borrowers falling into a cycle of debt.

Small-Dollar Lending

The National Conference of State Legislators (NCSL) is committed to promoting financial empowerment through improved access to capital and safe lending products and services. The United Nations recognizes access to credit as an essential service to combat poverty and promote economic well-being. The need for small-dollar credit exists in every community, and it is essential to ensure that these loans are safe and affordable for borrowers. Loans that are safe and affordable should be structured in a way that assesses a borrower’s ability to repay and offer repayment in substantially equal installments of principal and interest, without balloon payments. Low-cost loans are more relevant to consumers than low-rate loans, as individuals make purchases with actual dollars and cents rather than annual percentage rates. Lenders should be licensed and audited by state authorities to protect consumers from predatory lending practices.

Responsible Underwriting

Lenders should have responsible underwriting practices that assess a borrower’s stability, ability, and willingness to repay the loan. This includes considering income, expenses, credit history, and other relevant factors. Lenders should fully support and
observe all applicable state laws regarding collection practices and make good faith attempts to remedy delinquent accounts in collaboration with borrowers. Loans should be structured in a manner that minimizes the risk of borrowers falling into a cycle of debt by providing reasonable repayment terms and options for borrowers facing financial challenges. Lenders should ensure clear and transparent communication of loan terms to borrowers, including interest rates, fees, repayment schedules, and any potential risks or consequences of non-payment.

**Lenders Involved in the Community**

Lenders are encouraged to actively participate in community activities and charitable endeavors, establishing themselves as vital members of the communities they serve. Lenders should contribute financially to organizations that offer financial literacy programs, helping borrowers develop necessary skills for effective money management. NCSL promotes collaboration among lenders, non-profit organizations, and government entities to improve financial literacy, enhance consumer protection measures, and support initiatives that benefit borrowers.

All Traditional Installment Lenders operating within the National Conference of State Legislatures should adhere to this directive and comply with applicable state and federal laws regarding lending practices.

This directive will be reviewed periodically to ensure its effectiveness in promoting safe and affordable lending practices. Updates and revisions may be made as necessary and will be communicated to all relevant parties.

By implementing this directive, the National Conference of State Legislators (NCSL) demonstrates its commitment to consumer protection, responsible lending practices, and financial empowerment, supporting the development of a marketplace that offers safe and affordable lending products and services.
Whereas, the internet presents certain risks for children under the age of 13 years who may not be able to recognize dangerous situations online.; and

Whereas, Congress passed the Children’s Online Privacy Protection Act of 1998 (COPPA) to limit personally identifiable information from children without their parents’ consent. In 2000, the Federal Trade Commission (FTC) issued a rule implementing COPPA that requires websites to post a complete privacy policy, notify parents directly about their information collection practices, and obtain verifiable parental consent before collecting personal information from their children or sharing it with others; and

Whereas, since COPPA’s enactment, research on children’s mental health and their online interactions has become available, showing a disturbing increase in youth mental health issues commensurate with social media presence. Studies have found that youth who spend over three hours per day on social media have double the risk of experiencing poor mental health outcomes such as depression and anxiety; and

Whereas, full compliance with COPPA has yet to occur and it has become a concern of the states to protect children online as their presence on social media platforms and other online websites has increased significantly since COPPA’s enactment and the FTC promulgated its rule; and

Whereas, states have begun to introduce and enact legislation to provide enhanced protections for children on the internet; and

Now therefore be it resolved that, given that Congress has already established a baseline structure for regulating content shown to children, and that there is a federal
agency in place to establish a regulatory framework, NCSL supports updating COPPA to reflect current concerns, encouraging compliance within the private sector, and creating reasonable federal standards to better protect children’s data that recognize important state interests and do not preempt state laws or create unimplementable, burdensome, or costly mandates for states.
WHEREAS, internet connectivity is essential to the success of families, businesses, and government services; and

Whereas, Congress created the Affordable Connectivity Program (ACP) in 2021 to make broadband service and connected devices available to lower-income households at discounted prices from providers that opt to participate in the program; and

WHEREAS, ACP has enabled low-income individuals and families to access online educational resources, gain employment opportunities, access vital services such as telehealth and government assistance, and participate in our civic life; and

Whereas, as of July 2023, more than 19 million low-income American households rely on support from ACP for access to the internet, and growing, many of whom receive broadband access effectively free after the ACP discount; and

Whereas, after state and federal broadband expansion investments, the ACP will help more Americans, including persons of color and residents in rural communities, stay connected; and

WHEREAS, many states are requiring recipients of the Department of Treasury’s Capital Projects Funds to participate in ACP; and

WHEREAS, states and territories may require recipients of Broadband Equity, Access, and Deployment (BEAD) funding to participate in ACP or any successor program; and
WHEREAS, current ACP funding could be exhausted in early 2024; and

WHEREAS, allowing funding for the ACP program to lapse will impose a hardship on the millions of families that rely on such support to secure broadband services that are necessary for jobs, for homework, and for staying connected with loved ones; and

WHEREAS, in addition to impacts on broadband adoption, the end of ACP would also impede the success of ongoing federal and state efforts to close the digital divide through the construction of new infrastructure to help reach those in unserved and underserved parts of the country; and

WHEREAS, it is crucial for Congress to prioritize the continuity and sustainability of ACP to ensure that low-income American families can continue to afford broadband internet access service; and

NOW, THEREFORE BE IT RESOLVED that the National Conference of State Legislatures urges Congress to fund the ACP program to ensure the continuation of the program ensuring that all Americans can have access to broadband service; and

BE IT FINALLY RESOLVED that a copy of this Resolution be sent to the President of the United States and all members of Congress.
WHEREAS, it is well established that states have primary jurisdiction and responsibility for regulating insurance products offered by the life insurance industry to consumers in their respective jurisdictions; and

WHEREAS, the National Conference of State Legislatures (NCSL) strongly supports rights of states to regulate their unique insurance markets while joining together to support targeted modernization initiatives that protect insurance consumers and streamline regulation; and

WHEREAS, NCSL endorsed the development and implementation of the Interstate Insurance Product Regulation Compact (Insurance Compact) in 2004 and has actively supported its mission with NCSL legislators serving on the Insurance Compact Legislative Committee; and

WHEREAS, the Insurance Compact serves to bring states together to set national Uniform Standards that apply as the product requirements for life insurance, annuity, disability income, and long-term care insurance products, including requirements that in certain cases may differ from state-specific product requirements; and

WHEREAS, the Insurance Compact is an instrumentality of the states serving as a central clearinghouse for prompt and thorough product review and approval while preserving state authority over all other areas of insurance regulation—including agent
licensing, market conduct, company licensing and solvency regulation—as well as
preserving applicable state filing fee revenues; and

WHEREAS, since it became operational in 2006, the Insurance Compact has
demonstrated sustained growth in the number of Compacting States, the number of
Uniform Standards for the authorized product lines, the number of filing companies and
product filings and has transformed the state-based product filing platform for
Compacting States, their regulated entities and insurance consumers.

WHEREAS, the Compacting States represent 46 jurisdictions comprising more than 70
percent of the nationwide premium volume for asset-protection insurance products; and

WHEREAS, more than 100 product Uniform Standards prepared and adopted by the
Insurance Compact member states have fulfilled the promise of stringent and detailed
requirements administered by knowledgeable, professional staff, with over 12,000
insurance products reviewed and approved for use in the Compacting States; and

WHEREAS, states’ legislatures determine the extent and authority of participation in the
Insurance Compact, and further exercise their sovereign authority and rights, through
their legislatively designated representative to the Insurance Compact, who serves on
the Compact Commission, its governing body; and

WHEREAS, the Insurance Compact has become an extremely important part of the
fabric of state-based product regulation for these authorized insurance products; and

WHEREAS, a recent court opinion by the Colorado Supreme Court found that
congressional consent to an interstate compact would affect whether states could join
together to embrace provisions in duly promulgated uniform standards that may differ
from state laws; and
WHEREAS, it is well-established in interstate compact case law that regulations
adopted by states pursuant to an interstate compact with congressional consent can
apply when different from state law; and
WHEREAS, the Insurance Compact is considering adoption of a position statement
known as Position Statement 1-2022 to document that Congress conferred implied
consent for the Insurance Compact in 2006 in the form of Public Law 109-356 enacted
by Congress and signed by President George W. Bush, which authorized the District of
Columbia to enter the Compact, and approved the delegation of authority necessary for
the Commission to achieve the purposes of the Compact; and

NOW, THEREFORE BE IT RESOLVED that NCSL reaffirms its endorsement of the
Insurance Compact as the legislative-regulatory state-based solution to making the
product submission, review, and approval process more uniform, efficient, and robust
across states; and

BE IT ALSO RESOLVED that NCSL agrees that the Compact Commission, working
with legislators, regulators, and others in Compacting States, should take action to
further strengthen and inform on the legal foundation of the Insurance Compact, an
interstate agreement among the states requiring passage by their respective
legislatures; and

BE IT FURTHER RESOLVED that at the recommendation of the Insurance Task Force
of the Communications, Financial Services and Interstate Commerce Committee, NCSL
supports the adoption by the Compact Commission of Position Statement 1-2022
acknowledging implied congressional consent was given to the Insurance Compact in
2006; and

BE IT FINALLY RESOLVED that a copy of this Resolution shall be distributed to the
Office of the Interstate Insurance Product Regulation Commission with instructions to
distribute to its members, members of the Legislative Committee and members of its
Consumer and Industry Advisory Committees.