

111TH CONGRESS  
1ST SESSION

# S. 414

To amend the Consumer Credit Protection Act, to ban abusive credit practices, enhance consumer disclosures, protect underage consumers, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 11, 2009

Mr. DODD (for himself, Mr. LEVIN, Mr. MENENDEZ, Mr. REED, Mr. AKAKA, Mr. SCHUMER, Mr. TESTER, Mr. BROWN, Mr. MERKLEY, Mr. KERRY, Mr. LEAHY, Mr. DURBIN, Mr. HARKIN, Mrs. MCCASKILL, Mr. WHITEHOUSE, and Mr. CASEY) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the Consumer Credit Protection Act, to ban abusive credit practices, enhance consumer disclosures, protect underage consumers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Credit Card Accountability Responsibility and Disclosure  
6 Act of 2009” or the “Credit CARD Act of 2009”.

1 (b) TABLE OF CONTENTS.—The table of contents for  
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.  
 Sec. 2. Regulatory authority.

#### TITLE I—CONSUMER PROTECTION

- Sec. 101. Prior notice of rate increases required.  
 Sec. 102. Freeze on interest rate terms and fees on canceled cards.  
 Sec. 103. Limits on fees and interest charges.  
 Sec. 104. Consumer right to reject card before notice is provided of open account.  
 Sec. 105. Use of terms clarified.  
 Sec. 106. Application of card payments.  
 Sec. 107. Length of billing period.  
 Sec. 108. Prohibition on universal default and unilateral changes to cardholder agreements.  
 Sec. 109. Enhanced penalties.  
 Sec. 110. Enhanced oversight.  
 Sec. 111. Clerical amendments.

#### TITLE II—ENHANCED CONSUMER DISCLOSURES

- Sec. 201. Payoff timing disclosures.  
 Sec. 202. Requirements relating to late payment deadlines and penalties.  
 Sec. 203. Renewal disclosures.

#### TITLE III—PROTECTION OF YOUNG CONSUMERS

- Sec. 301. Extensions of credit to underage consumers.  
 Sec. 302. Restrictions on certain affinity cards.  
 Sec. 303. Protection of young consumers from prescreened credit offers.

#### TITLE IV—FEDERAL AGENCY COORDINATION

- Sec. 401. Inclusion of all Federal banking agencies.

#### TITLE V—MISCELLANEOUS PROVISIONS

- Sec. 501. Study and report.  
 Sec. 502. Credit Card Safety Rating System Commission.

### 3 **SEC. 2. REGULATORY AUTHORITY.**

4 The Board of Governors of the Federal Reserve Sys-  
 5 tem (in this Act referred to as the “Board”) may issue  
 6 such rules and publish such model forms as it considers  
 7 necessary to carry out this Act and the amendments made  
 8 by this Act.

1                   **TITLE I—CONSUMER**  
2                   **PROTECTION**

3 **SEC. 101. PRIOR NOTICE OF RATE INCREASES REQUIRED.**

4           Section 127 of the Truth in Lending Act (15 U.S.C.  
5 1637) is amended by adding at the end the following:

6           “(i) **ADVANCE NOTICE OF INCREASE IN INTEREST**  
7 **RATE REQUIRED.**—

8                   “(1) **IN GENERAL.**—In the case of any credit  
9           card account under an open end consumer credit  
10           plan, no increase in any annual percentage rate  
11           (other than an increase due to the expiration of any  
12           introductory percentage rate, or due solely to a  
13           change in another rate of interest to which such rate  
14           is indexed)—

15                           “(A) may take effect before the beginning  
16                           of the billing cycle which begins not earlier than  
17                           45 days after the date on which the obligor re-  
18                           ceives notice of such increase; or

19                           “(B) may apply to any outstanding balance  
20                           of credit under such plan, as of the effective  
21                           date of the increase required under subpara-  
22                           graph (A).

23                           “(2) **NOTICE OF RIGHT TO CANCEL.**—The no-  
24           tice referred to in paragraph (1) shall be made in a  
25           clear and conspicuous manner, and shall contain a

1 brief statement of the right of the obligor to cancel  
2 the account before the effective date of the in-  
3 crease.”.

4 **SEC. 102. FREEZE ON INTEREST RATE TERMS AND FEES ON**  
5 **CANCELED CARDS.**

6 Section 127 of the Truth in Lending Act (15 U.S.C.  
7 1637) is amended by adding at the end the following:

8 “(j) **FREEZE ON INTEREST RATE TERMS AND FEES**  
9 **ON CANCELED CARDS.—**

10 “(1) **IN GENERAL.—**If an obligor under an open  
11 end consumer credit plan closes or cancels a credit  
12 card account, the repayment of the outstanding bal-  
13 ance after the cancellation shall be subject to all  
14 terms and conditions in effect for the obligor imme-  
15 diately before the card was closed or cancelled, in-  
16 cluding the annual percentage rate and the min-  
17 imum payment terms in effect immediately prior to  
18 such closure or cancellation.

19 “(2) **RULE OF CONSTRUCTION.—**Closure or  
20 cancellation of an account by the obligor shall not  
21 constitute a default under an existing cardholder  
22 agreement, and shall not trigger an obligation to im-  
23 mediately repay the obligation in full.”.

1 **SEC. 103. LIMITS ON FEES AND INTEREST CHARGES.**

2 Section 127 of the Truth in Lending Act (15 U.S.C.  
3 1637) is amended by adding at the end the following:

4 “(k) PROHIBITION ON PENALTIES FOR ON-TIME  
5 PAYMENTS.—If an open end consumer credit plan pro-  
6 vides a time period within which an obligor may repay any  
7 portion of the credit extended without incurring an inter-  
8 est charge, and the obligor repays all or a portion of such  
9 credit within the specified time period, the creditor may  
10 not impose or collect an interest charge on the portion of  
11 the credit that was repaid within the specified time period.

12 “(l) OPT-OUT OF CREDITOR AUTHORIZATION OF  
13 OVER-THE-LIMIT TRANSACTIONS IF FEES ARE IM-  
14 POSED.—

15 “(1) IN GENERAL.—In the case of any credit  
16 card account under an open end consumer credit  
17 plan under which an over-the-limit-fee may be im-  
18 posed by the creditor for any extension of credit in  
19 excess of the amount of credit authorized to be ex-  
20 tended under such account, the consumer may elect  
21 to prohibit the creditor from completing any over-  
22 the-limit transaction that will result in a fee or con-  
23 stitute a default under the credit agreement, by noti-  
24 fying the creditor of such election in accordance with  
25 paragraph (2).

1           “(2) NOTIFICATION BY CONSUMER.—A con-  
2           sumer shall notify a creditor under paragraph (1)—

3                   “(A) through the notification system main-  
4                   tained by the creditor under paragraph (4); or

5                   “(B) by submitting to the creditor a signed  
6                   notice of election, by mail or electronic commu-  
7                   nication, on a form issued by the creditor for  
8                   purposes of this subparagraph.

9           “(3) EFFECTIVENESS OF ELECTION.—An elec-  
10           tion by a consumer under paragraph (1) shall be ef-  
11           fective beginning 3 business days after the date on  
12           which the consumer notifies the creditor in accord-  
13           ance with paragraph (2), and shall remain effective  
14           until the consumer revokes the election.

15           “(4) NOTIFICATION SYSTEM.—Each creditor  
16           that maintains credit card accounts under an open  
17           end consumer credit plan shall establish and main-  
18           tain a notification system, including a toll-free tele-  
19           phone number, Internet address, and Worldwide  
20           website, which permits any consumer whose credit  
21           card account is maintained by the creditor to notify  
22           the creditor of an election under this subsection, in  
23           accordance with paragraph (2).

24           “(5) ANNUAL NOTICE TO CONSUMERS OF  
25           AVAILABILITY OF ELECTION.—In the case of any

1 credit card account under an open end consumer  
2 credit plan, the creditor shall include a notice, in  
3 clear and conspicuous language, of the availability of  
4 an election by the consumer under this paragraph as  
5 a means of avoiding over-the-limit fees and a higher  
6 amount of indebtedness, and the method for pro-  
7 viding such election—

8 “(A) in the periodic statement required  
9 under subsection (b) with respect to such ac-  
10 count at least once each calendar year; and

11 “(B) in any such periodic statement which  
12 includes a notice of the imposition of an over-  
13 the-limit fee during the period covered by the  
14 statement.

15 “(6) NO FEES IF CONSUMER HAS MADE AN  
16 ELECTION.—If a consumer has made an election  
17 under paragraph (1), no over-the-limit fee may be  
18 imposed on the account for any reason that has  
19 caused the outstanding balance in the account to ex-  
20 ceed the credit limit.

21 “(m) OVER-THE-LIMIT FEE RESTRICTIONS.—With  
22 respect to a credit card account under an open end con-  
23 sumer credit plan, an over-the-limit fee, as described in  
24 subsection (c)(1)(B)(iii)—

1           “(1) may be imposed on the account only when  
2           an extension of credit obtained by the obligor causes  
3           the credit limit on such account to be exceeded, and  
4           may not be imposed when such credit limit is ex-  
5           ceeded due to a fee or interest charge; and

6           “(2) may be imposed only once during a billing  
7           cycle if, on the last day of such billing cycle, the  
8           credit limit on the account is exceeded, and may not  
9           be imposed in a subsequent billing cycle with respect  
10          to such excess credit, unless the obligor has obtained  
11          an additional extension of credit in excess of such  
12          credit limit during such subsequent cycle.

13          “(n) NO INTEREST CHARGES ON FEES.—With re-  
14          spect to a credit card account under an open end consumer  
15          credit plan, if the creditor imposes a transaction fee on  
16          the obligor, including a cash advance fee, late fee, over-  
17          the-limit fee, or balance transfer fee, the creditor may not  
18          impose or collect interest with respect to such fee amount.

19          “(o) LIMITS ON CERTAIN FEES.—

20                 “(1) NO FEE TO PAY A BILLING STATEMENT.—  
21                 With respect to a credit card account under an open  
22                 end consumer credit plan, the creditor may not im-  
23                 pose a separate fee to allow the obligor to repay an  
24                 extension of credit or finance charge, whether such

1        repayment is made by mail, electronic transfer, tele-  
2        phone authorization, or other means.

3            “(2) REASONABLE FEES FOR VIOLATIONS.—

4        The amount of any fee or charge that a card issuer  
5        may impose in connection with any omission with re-  
6        spect to, or violation of, the cardholder agreement,  
7        including any late payment fee, over the limit fee,  
8        increase in the applicable annual percentage rate, or  
9        any similar fee or charge, shall be reasonably related  
10       to the cost to the card issuer of such omission or  
11       violation.

12           “(3) REASONABLE CURRENCY EXCHANGE

13        FEE.—With respect to a credit card account under  
14        an open end consumer credit plan, the creditor may  
15        impose a fee for exchanging United States currency  
16        with foreign currency in an account transaction, only  
17        if—

18            “(A) such fee reasonably reflects the costs  
19            incurred by the creditor to perform such cur-  
20            rency exchange;

21            “(B) the creditor discloses publicly its  
22            method for calculating such fee; and

23            “(C) the primary Federal regulator of such  
24            creditor determines that the method for calcu-  
25            lating such fee complies with this paragraph.”.

1 **SEC. 104. CONSUMER RIGHT TO REJECT CARD BEFORE NO-**  
2 **TICE IS PROVIDED OF OPEN ACCOUNT.**

3 Section 127 of the Truth in Lending Act (15 U.S.C.  
4 1637) is amended by adding at the end the following:

5 “(p) CONSUMER RIGHT TO REJECT CARD BEFORE  
6 NOTICE OF NEW ACCOUNT IS PROVIDED TO CONSUMER  
7 REPORTING AGENCY.—A creditor may not furnish any in-  
8 formation to a consumer reporting agency (as defined in  
9 section 603) concerning a newly opened credit card ac-  
10 count under an open end consumer credit plan until the  
11 credit card has been used or activated by the consumer.”.

12 **SEC. 105. USE OF TERMS CLARIFIED.**

13 Section 127 of the Truth in Lending Act (15 U.S.C.  
14 1637) is amended by adding at the end the following:

15 “(q) USE OF TERMS.—The following requirements  
16 shall apply with respect to the terms of any credit card  
17 account under any open end consumer credit plan:

18 “(1) FIXED RATE.—The term ‘fixed’, when ap-  
19 pearing in conjunction with a reference to the an-  
20 nual percentage rate or interest rate applicable with  
21 respect to such account, may only be used to refer  
22 to an annual percentage rate or interest rate that  
23 will not change or vary for any reason over the pe-  
24 riod specified clearly and conspicuously in the terms  
25 of the account.

1           “(2) PRIME RATE.—The term ‘prime rate’,  
2           when appearing in any agreement or contract for  
3           any such account, may only be used to refer to the  
4           bank prime rate published in the Federal Reserve  
5           Statistical Release on selected interest rates (daily or  
6           weekly), and commonly referred to as the ‘H.15 re-  
7           lease’ (or any successor publication).”.

8   **SEC. 106. APPLICATION OF CARD PAYMENTS.**

9           Section 164 of the Truth in Lending Act (15 U.S.C.  
10 1666c) is amended—

11           (1) by striking the section heading and all that  
12           follows through “Payments” and inserting the fol-  
13           lowing:

14   **“§ 164. Prompt and fair crediting of payments**

15           “(a) IN GENERAL.—Payments”;

16           (2) by inserting “, by 5:00 p.m. on the date on  
17           which such payment is due,” after “in readily identi-  
18           fiable form”;

19           (3) by striking “manner, location, and time”  
20           and inserting “manner, and location”; and

21           (4) by adding at the end the following:

22           “(b) APPLICATION OF PAYMENTS.—Upon receipt of  
23 a payment from a cardholder, the card issuer shall—

24           “(1) apply the payment first to the card bal-  
25           ance bearing the highest rate of interest, and then

1 to each successive balance bearing the next highest  
2 rate of interest, until the payment is exhausted; and

3 “(2) after complying with paragraph (1), apply  
4 the payment in a way that minimizes the amount of  
5 any finance charge to the account.

6 “(c) CHANGES BY CARD ISSUER.—If a card issuer  
7 makes a material change in the mailing address, office,  
8 or procedures for handling cardholder payments, and such  
9 change causes a material delay in the crediting of a card-  
10 holder payment made during the 60-day period following  
11 the date on which such change took effect, the card issuer  
12 may not impose any late fee or finance charge for a late  
13 payment on the credit card account to which such payment  
14 was credited.

15 “(d) PRESUMPTION OF TIMELY PAYMENT.—Any evi-  
16 dence provided by a consumer in the form of a receipt  
17 from the United States Postal Service or other common  
18 carrier indicating that a payment on a credit card account  
19 was sent to the card issuer not less than 7 days before  
20 the due date contained in the periodic statement for such  
21 payment shall create a presumption that such payment  
22 was made by the due date, which may be rebutted by the  
23 creditor for fraud or dishonesty on the part of the con-  
24 sumer with respect to the mailing date.”.

1 **SEC. 107. LENGTH OF BILLING PERIOD.**

2 Section 163(a) of the Truth in Lending Act (15  
3 U.S.C. 1668(a)) is amended by striking “mailed at least  
4 fourteen days prior” and inserting “mailed at least 21  
5 days prior”.

6 **SEC. 108. PROHIBITION ON UNIVERSAL DEFAULT AND UNI-**  
7 **LATERAL CHANGES TO CARDHOLDER AGREE-**  
8 **MENTS.**

9 (a) IN GENERAL.—Chapter 4 of the Truth in Lend-  
10 ing Act (15 U.S.C. 1666 et seq.) is amended—

11 (1) by redesignating section 171 as section 173;

12 and

13 (2) by inserting after section 170 the following:

14 **“SEC. 171. LIMITS ON INTEREST RATE INCREASES.**

15 “(a) IN GENERAL.—No card issuer may increase any  
16 annual percentage rate, fee, or finance charge applicable  
17 to a credit card account under an open end consumer cred-  
18 it plan, or terminate early a lower introductory rate, fee,  
19 or charge, except as permitted under this section.

20 “(b) EXCEPTIONS.—The limitation under subsection  
21 (a) shall not apply to—

22 “(1) an increase due to the scheduled expiration  
23 of an introductory term;

24 “(2) an increase in a variable annual percent-  
25 age rate, fee, or finance charge in accordance with

1 a credit card agreement that provides for changes  
2 according to an index or formula;

3 “(3) an increase due to a specific, material ac-  
4 tion or omission of a consumer in violation of an  
5 agreement that is directly related to such account  
6 and that is specified in the contract or agreement as  
7 grounds for an increase, except that—

8 “(A) the creditor may not take into ac-  
9 count information not directly related to the ac-  
10 count, including adverse information concerning  
11 the consumer, information in any consumer re-  
12 port, or changes in the credit score of the con-  
13 sumer; and

14 “(B) an increase described in this para-  
15 graph shall terminate not later than 6 months  
16 after the date on which it is imposed, if the  
17 consumer commits no further violations; or

18 “(4) a change that takes effect upon renewal of  
19 the card in accordance with section 172.

20 “(c) MAP TO LOWER RATE.—

21 “(1) IN GENERAL.—A card issuer that in-  
22 creases an annual percentage rate, fee, or finance  
23 charge pursuant to subsection (b)(3) shall include,  
24 together with the notice of such increase under sec-

1 tion 127(i), a statement, provided in a clear and  
2 conspicuous manner—

3 “(A) of the discrete, specific action or  
4 omission of the consumer on which the increase  
5 was based; and

6 “(B) that the increase will terminate in 6  
7 months if the consumer does not commit fur-  
8 ther violations.

9 “(2) BOARD AUTHORITY.—The Board may, by  
10 rule, provide for exceptions to the requirements of  
11 subsection (b)(3)(B), if the Board determines that  
12 there are other appropriate factors that creditors  
13 may consider in determining the appropriate annual  
14 percentage rate for particular consumers.

15 **“SEC. 172. UNILATERAL CHANGES IN CREDIT CARD AGREE-  
16 MENT PROHIBITED.**

17 “A card issuer may not amend or change the terms  
18 of a credit card contract or agreement under an open end  
19 consumer credit plan, until after the date on which the  
20 credit card will expire if not renewed.”.

21 (b) CLERICAL AMENDMENT.—The table of sections  
22 for chapter 4 of the Truth in Lending Act is amended  
23 by striking the item relating to section 171 and inserting  
24 the following:

“171. Universal defaults prohibited.

“172. Unilateral changes in credit card agreement prohibited.

“173. Applicability of State laws.”.

1 **SEC. 109. ENHANCED PENALTIES.**

2 Section 130(a)(2)(A) of the Truth in Lending Act  
3 (15 U.S.C. 1640(a)(2)(A)) is amended by striking “or (iii)  
4 in the” and inserting the following: “(iii) in the case of  
5 an individual action relating to an open end consumer  
6 credit plan that is not secured by real property or a dwell-  
7 ing, twice the amount of any finance charge in connection  
8 with the transaction, with a minimum of \$500 and a max-  
9 imum of \$5,000, or such higher amount as may be appro-  
10 priate in the case of an established pattern or practice of  
11 such failures; or (iv) in the”.

12 **SEC. 110. ENHANCED OVERSIGHT.**

13 (a) IN GENERAL.—Section 127 of the Truth in Lend-  
14 ing Act (15 U.S.C. 1637) is amended by adding at the  
15 end the following:

16 “(r) EVALUATION OF CREDIT CARD POLICIES AND  
17 PROCEDURES.—

18 “(1) IN GENERAL.—In connection with its ex-  
19 amination of a credit card issuer under its super-  
20 vision, each agency referred to in paragraphs (1),  
21 (2), and (3) of section 108(a) shall conduct, as ap-  
22 propriate, an evaluation of the credit card policies  
23 and procedures used by such card issuer to ensure  
24 compliance with this section and sections 163, 164,  
25 171, and 172. Such agency shall promptly require

1 the card issuer to take any corrective action needed  
 2 to address any violations of any such section.

3 “(2) ANNUAL REPORTS TO CONGRESS.—Each  
 4 year, each agency referred to in subsections (a) and  
 5 (c) of section 108 shall submit a report to Congress  
 6 concerning the administration of its functions under  
 7 this section, including such recommendations as the  
 8 agency deems necessary or appropriate. Each such  
 9 report shall include an assessment of the extent to  
 10 which compliance with the requirements of this sec-  
 11 tion is being achieved and a summary of the enforce-  
 12 ment actions taken by the agency assigned adminis-  
 13 trative enforcement responsibilities under sub-  
 14 sections (a) and (c) of section 108.”.

15 (b) STRENGTHENED CREDIT CARD INFORMATION  
 16 COLLECTION.—Section 136(b) of the Truth in Lending  
 17 Act (15 U.S.C. 1646(b)) is amended—

18 (1) in paragraph (1)—

19 (A) by striking “The Board shall” and in-  
 20 serting the following:

21 “(A) IN GENERAL.—The Board shall”; and

22 (B) by adding at the end the following:

23 “(B) INFORMATION TO BE INCLUDED.—

24 The information under subparagraph (A) shall  
 25 include, as of a date designated by the Board—

1           “(i) a list of each type of transaction  
2           or event for which one or more of the card  
3           issuers has imposed a separate interest  
4           rate upon a cardholder, including pur-  
5           chases, cash advances, and balance trans-  
6           fers;

7           “(ii) for each type of transaction or  
8           event identified under clause (i)—

9                   “(I) each distinct interest rate  
10                   charged by the card issuer to a card-  
11                   holder, as of the designated date;

12                   “(II) the number of cardholders  
13                   to whom each such interest rate was  
14                   applied during the calendar month im-  
15                   mediately preceding the designated  
16                   date, and the total amount of interest  
17                   charged to such cardholders at each  
18                   such rate during such month;

19                   “(III) the number of cardholders  
20                   who are paying the stated default an-  
21                   nual percentage rate applicable in  
22                   cases in which the account is past due  
23                   or the account holder is otherwise in  
24                   violation of the terms of the account  
25                   agreement; and

1                   “(IV) the number of cardholders  
2                   who are paying above such stated de-  
3                   fault annual percentage rate;

4                   “(iii) a list of each type of fee that  
5                   one or more of the card issuers has im-  
6                   posed upon a cardholder as of the des-  
7                   ignated date, including any fee imposed for  
8                   obtaining a cash advance, making a late  
9                   payment, exceeding the credit limit on an  
10                  account, making a balance transfer, or ex-  
11                  changing United States dollars for foreign  
12                  currency;

13                  “(iv) for each type of fee identified  
14                  under clause (iii), the number of card-  
15                  holders upon whom the fee was imposed  
16                  during the calendar month immediately  
17                  preceding the designated date, and the  
18                  total amount of fees imposed upon card-  
19                  holders during such month;

20                  “(v) the total number of cardholders  
21                  that incurred any interest charge or any  
22                  fee during the calendar month immediately  
23                  preceding the designated date; and

1                   “(vi) any other information related to  
2                   interest rates, fees, or other charges that  
3                   the Board deems of interest.”; and

4                   (2) by adding at the end the following:

5                   “(5) REPORT TO CONGRESS.—The Board shall,  
6                   on an annual basis, transmit to Congress and make  
7                   public a report containing an assessment by the  
8                   Board of the profitability of credit card operations  
9                   of depository institutions. Such report shall include  
10                  estimates by the Board of the approximate, relative  
11                  percentage of income derived by such operations  
12                  from—

13                   “(A) the imposition of interest rates on  
14                   cardholders, including separate estimates for—

15                   “(i) interest with an annual percent-  
16                   age rate of less than 25 percent; and

17                   “(ii) interest with an annual percent-  
18                   age rate equal to or greater than 25 per-  
19                   cent;

20                   “(B) the imposition of fees on cardholders;

21                   “(C) the imposition of fees on merchants;

22                   and

23                   “(D) any other material source of income,  
24                   while specifying the nature of that income.”.

1 **SEC. 111. CLERICAL AMENDMENTS.**

2 Section 103(i) of the Truth in Lending Act (15  
3 U.S.C. 1602(i)) is amended—

4 (1) by striking “term” and all that follows  
5 through “means” and inserting the following:  
6 “terms ‘open end credit plan’ and ‘open end con-  
7 sumer credit plan’ mean”; and

8 (2) in the second sentence, by inserting “or  
9 open end consumer credit plan” after “credit plan”  
10 each place that term appears.

11 **TITLE II—ENHANCED**  
12 **CONSUMER DISCLOSURES**

13 **SEC. 201. PAYOFF TIMING DISCLOSURES.**

14 (a) IN GENERAL.—Section 127(b)(11) of the Truth  
15 in Lending Act (15 U.S.C. 1637(b)(11)) is amended to  
16 read as follows:

17 “(11)(A) A written statement in the following  
18 form: ‘Minimum Payment Warning: Making only the  
19 minimum payment will increase the interest rate you  
20 pay and the time it takes to repay your balance.’.

21 “(B) Repayment information that would apply  
22 to the outstanding balance of the consumer under  
23 the credit plan, including—

24 “(i) the number of months (rounded to the  
25 nearest month) that it would take to pay the  
26 entire amount of that balance, if the consumer

1           pays only the required minimum monthly pay-  
2           ments and if no further advances are made;

3           “(ii) the total cost to the consumer, includ-  
4           ing interest and principal payments, of paying  
5           that balance in full, if the consumer pays only  
6           the required minimum monthly payments and if  
7           no further advances are made; and

8           “(iii) the monthly payment amount that  
9           would be required for the consumer to eliminate  
10          the outstanding balance in 36 months, if no  
11          further advances are made, and the total cost  
12          to the consumer, including interest and prin-  
13          cipal payments, of paying that balance in full if  
14          the consumer pays the balance over 36 months.

15          “(C)(i) Subject to clause (ii), in making the dis-  
16          closures under subparagraph (B), the creditor shall  
17          apply the interest rate or rates in effect on the date  
18          on which the disclosure is made until the date on  
19          which the balance would be paid in full.

20          “(ii) If the interest rate in effect on the date on  
21          which the disclosure is made is a temporary rate  
22          that will change under a contractual provision apply-  
23          ing an index or formula for subsequent interest rate  
24          adjustment, the creditor shall apply the interest rate  
25          in effect on the date on which the disclosure is made

1 for as long as that interest rate will apply under  
2 that contractual provision, and then apply an inter-  
3 est rate based on the index or formula in effect on  
4 the applicable billing date.

5 “(D) All of the information described in sub-  
6 paragraph (B) shall—

7 “(i) be disclosed in the form and manner  
8 which the Board shall prescribe, by regulation,  
9 and in a manner that avoids duplication; and

10 “(ii) be placed in a conspicuous and promi-  
11 nent location on the billing statement, in type-  
12 face that is at least as large as the largest type  
13 on the statement.

14 “(E) In the regulations prescribed under sub-  
15 paragraph (D), the Board shall require that the dis-  
16 closure of such information shall be in the form of  
17 a table that—

18 “(i) contains clear and concise headings for  
19 each item of such information; and

20 “(ii) provides a clear and concise form  
21 stating each item of information required to be  
22 disclosed under each such heading.

23 “(F) In prescribing the form of the table under  
24 subparagraph (E), the Board shall require that—

1           “(i) all of the information in the table, and  
2           not just a reference to the table, be placed on  
3           the billing statement, as required by this para-  
4           graph; and

5           “(ii) the items required to be included in  
6           the table shall be listed in the order in which  
7           such items are set forth in subparagraph (B).

8           “(G) In prescribing the form of the table under  
9           subparagraph (D), the Board shall employ termi-  
10          nology which is different than the terminology which  
11          is employed in subparagraph (B), if such termi-  
12          nology is more easily understood and conveys sub-  
13          stantially the same meaning.”.

14          (b) CIVIL LIABILITY.—Section 130(a) of the Truth  
15          in Lending Act (15 U.S.C. 1640(a)) is amended, in the  
16          undesignated paragraph following paragraph (4), by strik-  
17          ing the second sentence and inserting the following: “In  
18          connection with the disclosures referred to in subsections  
19          (a) and (b) of section 127, a creditor shall have a liability  
20          determined under paragraph (2) only for failing to comply  
21          with the requirements of section 125, 127(a), or any of  
22          paragraphs (4) through (13) of section 127(b), or for fail-  
23          ing to comply with disclosure requirements under State  
24          law for any term or item that the Board has determined  
25          to be substantially the same in meaning under section

1 111(a)(2) as any of the terms or items referred to in sec-  
2 tion 127(a), or any of paragraphs (4) through (13) of sec-  
3 tion 127(b).”.

4 **SEC. 202. REQUIREMENTS RELATING TO LATE PAYMENT**  
5 **DEADLINES AND PENALTIES.**

6 Section 127(b)(12) of the Truth in Lending Act (15  
7 U.S.C. 1637(b)(12)) is amended to read as follows:

8 “(12) REQUIREMENTS RELATING TO LATE PAY-  
9 MENT DEADLINES AND PENALTIES.—

10 “(A) LATE PAYMENT DEADLINE AND  
11 POSTMARK DATE REQUIRED TO BE DIS-  
12 CLOSED.—In the case of a credit card account  
13 under an open end consumer credit plan under  
14 which a late fee or charge may be imposed due  
15 to the failure of the obligor to make payment  
16 on or before the due date for such payment, the  
17 periodic statement required under subsection  
18 (b) with respect to the account shall include, in  
19 a conspicuous location on the billing state-  
20 ment—

21 “(i) the date on which the payment is  
22 due or, if different, the date on which a  
23 late payment fee will be charged, together  
24 with the amount of the fee or charge to be

1 imposed if payment is made after that  
2 date; and

3 “(ii) the date by which the payment  
4 must be postmarked, if paid by mail, in  
5 order to avoid the imposition of a late pay-  
6 ment fee with respect to the payment, and  
7 a statement to that effect.

8 “(B) DISCLOSURE OF INCREASE IN INTER-  
9 EST RATES FOR LATE PAYMENTS.—If 1 or  
10 more late payments under an open end con-  
11 sumer credit plan may result in an increase in  
12 the annual percentage rate applicable to the ac-  
13 count, the statement required under subsection  
14 (b) with respect to the account shall include  
15 conspicuous notice of such fact, together with  
16 the applicable penalty annual percentage rate,  
17 in close proximity to the disclosure required  
18 under subparagraph (A) of the date on which  
19 payment is due under the terms of the account.

20 “(C) REQUIREMENTS RELATING TO POST-  
21 MARK DATE.—

22 “(i) IN GENERAL.—The date included  
23 in a periodic statement pursuant to sub-  
24 paragraph (A)(ii) with regard to the post-  
25 mark on a payment shall allow, in accord-

1           ance with regulations prescribed by the  
2           Board under clause (ii), a reasonable time  
3           for the consumer to make the payment and  
4           a reasonable time for the delivery of the  
5           payment by the due date.

6           “(ii) BOARD REGULATIONS.—The  
7           Board shall prescribe guidelines for deter-  
8           mining a reasonable period of time for  
9           making a payment and delivery of a pay-  
10          ment for purposes of clause (i), after con-  
11          sultation with the Postmaster General of  
12          the United States and representatives of  
13          consumer and trade organizations.

14          “(D) PAYMENTS AT LOCAL BRANCHES.—If  
15          the creditor, in the case of a credit card account  
16          referred to in subparagraph (A), is a financial  
17          institution which maintains branches or offices  
18          at which payments on any such account are ac-  
19          cepted from the obligor in person, the date on  
20          which the obligor makes a payment on the ac-  
21          count at such branch or office shall be consid-  
22          ered to be the date on which the payment is  
23          made for purposes of determining whether a  
24          late fee or charge may be imposed due to the

1 failure of the obligor to make payment on or  
2 before the due date for such payment.”.

3 **SEC. 203. RENEWAL DISCLOSURES.**

4 Section 127(d) of the Truth in Lending Act (15  
5 U.S.C. 1637(d)) is amended—

6 (1) by striking paragraph (2);

7 (2) by redesignating paragraph (3) as para-  
8 graph (2); and

9 (3) in paragraph (1), by striking “Except as  
10 provided in paragraph (2), a card issuer” and insert-  
11 ing the following: “A card issuer that has changed  
12 or amended any term of the account since the last  
13 renewal or”.

14 **TITLE III—PROTECTION OF**  
15 **YOUNG CONSUMERS**

16 **SEC. 301. EXTENSIONS OF CREDIT TO UNDERAGE CON-**  
17 **SUMERS.**

18 Section 127(c) of the Truth in Lending Act (15  
19 U.S.C. 1637(c)) is amended by adding at the end the fol-  
20 lowing:

21 “(8) APPLICATIONS FROM UNDERAGE CON-  
22 SUMERS.—

23 “(A) PROHIBITION ON ISSUANCE.—No  
24 credit card may be issued to, or open end con-  
25 sumer credit plan established by or on behalf

1 of, a consumer who has not attained the age of  
2 21, unless the consumer has submitted a writ-  
3 ten application to the card issuer that meets the  
4 requirements of subparagraph (B).

5 “(B) APPLICATION REQUIREMENTS.—An  
6 application to open a credit card account by an  
7 individual who has not attained the age of 21  
8 as of the date of submission of the application  
9 shall require—

10 “(i) the signature of the parent, legal  
11 guardian, or any other individual over the  
12 age of 21 having a means to repay debts  
13 incurred by the consumer in connection  
14 with the account, indicating joint liability  
15 for debts incurred by the consumer in con-  
16 nection with the account before the con-  
17 sumer has attained the age of 21;

18 “(ii) submission by the consumer of  
19 financial information indicating an inde-  
20 pendent means of repaying any obligation  
21 arising from the proposed extension of  
22 credit in connection with the account; or

23 “(iii) completion of a certified finan-  
24 cial literacy or financial education course  
25 designed for young consumers.

1                   “(C) CERTIFIED FINANCIAL LITERACY OR  
2                   EDUCATION COURSES FOR YOUNG CON-  
3                   SUMERS.—

4                   “(i) IN GENERAL.—The Secretary of  
5                   the Treasury, acting through the Office of  
6                   Financial Literacy and Education (in this  
7                   subparagraph referred to as ‘OFE’), shall  
8                   make and publish a list of all courses and  
9                   programs that have been certified for fi-  
10                  nancial literacy or financial education pur-  
11                  poses appropriate for young consumers.  
12                  When developing the certification criteria  
13                  the OFE shall take into account the course  
14                  or program’s—

15                               “(I) proven track record in pro-  
16                               ducing changed consumer behavior;  
17                               and

18                               “(II) use of practices or curricula  
19                               that have been shown to change con-  
20                               sumer behavior.

21                   “(ii) EXPLICIT ELIGIBILITY.—Courses  
22                   taken that are offered or required by col-  
23                   leges, universities, and high schools may be  
24                   certified by the OFE for purposes of this  
25                   subparagraph, as well as other programs

1 and courses. The OFE shall make an ef-  
 2 fort to provide certification to all types of  
 3 programs and courses, including those that  
 4 are conducted by nonprofit, faith-based, or  
 5 for-profit institutions and State and local  
 6 governments.

7 “(iii) SELECT PROGRAMS.—From  
 8 among those courses or programs that are  
 9 certified by the OFE under this subpara-  
 10 graph, the OFE may designate a select  
 11 number of programs or courses that  
 12 produce results that are far better than  
 13 those produced by other certified programs  
 14 as ‘highly certified’.”.

15 **SEC. 302. RESTRICTIONS ON CERTAIN AFFINITY CARDS.**

16 Section 127 of the Truth in Lending Act (15 U.S.C.  
 17 1637), as amended by this Act, is amended by adding at  
 18 the end the following:

19 “(s) RESTRICTIONS ON ISSUANCE OF AFFINITY  
 20 CARDS TO STUDENTS.—No credit card account under an  
 21 open end consumer credit plan may be established by an  
 22 individual who has not attained the age of 21 as of the  
 23 date of submission of the application pursuant to any di-  
 24 rect or indirect agreement relating to affinity cards, as  
 25 defined by the Board, between the creditor and an institu-

1 tion of higher education, as defined in section 101(a) of  
 2 the Higher Education Act of 1965 (20 U.S.C. 1001(a)),  
 3 unless the requirements of subsection (c)(8) are met with  
 4 respect to the obligor.”.

5 **SEC. 303. PROTECTION OF YOUNG CONSUMERS FROM**  
 6 **PRESCREENED CREDIT OFFERS.**

7 (a) IN GENERAL.—Section 604(c)(1)(B) of the Fair  
 8 Credit Reporting Act (15 U.S.C. 1681b(c)(1)(B)) is  
 9 amended—

10 (1) in clause (ii), by striking “and” at the end;

11 and

12 (2) in clause (iii), by striking the period at the  
 13 end and inserting the following: “; and

14 “(iv) the consumer report indicates that  
 15 the consumer is age 21 or older, except that a  
 16 consumer who is at least 18 years of age may  
 17 elect, in accordance with subsection (e)(7), to  
 18 authorize the consumer reporting agency to in-  
 19 clude the name and address of the consumer in  
 20 any list of names provided by the agency pursu-  
 21 ant to this paragraph.”.

22 (b) OPT-IN FOR YOUNG CONSUMERS.—Section  
 23 604(e) of the Fair Credit Reporting Act (15 U.S.C.  
 24 1681b(e)) is amended—

1           (1) by striking the subsection heading and in-  
2           serting the following:

3           “(e) ELECTION OF CONSUMERS REGARDING  
4           LISTS.—”; and

5           (2) by adding at the end the following:

6           “(7) OPT-IN FOR UNDERAGE CONSUMERS.—

7                   “(A) IN GENERAL.—A consumer who is at  
8                   least 18 years of age, but has not attained his  
9                   or her 21st birthday, may elect to have the  
10                   name and address of the consumer included in  
11                   any list provided by a consumer reporting agen-  
12                   cy under subsection (c)(1)(B) in connection  
13                   with a credit or insurance transaction that is  
14                   not initiated by the consumer by notifying the  
15                   agency in accordance with subparagraph (B)  
16                   that the consumer consents to the use of a con-  
17                   sumer report relating to the consumer in con-  
18                   nection with any credit or insurance transaction  
19                   that is not initiated by the consumer.

20                   “(B) MANNER OF NOTIFICATION.—An  
21                   election by a consumer described in subpara-  
22                   graph (A) shall be in writing, using a signed  
23                   notice of election form issued or made available  
24                   electronically by the consumer reporting agency

1 at the request of the consumer for purposes of  
2 this paragraph.

3 “(C) EFFECTIVENESS OF ELECTION.—An  
4 election by a consumer under subparagraph (A)  
5 to be included in a list provided by a consumer  
6 reporting agency—

7 “(i) shall be effective until the earlier  
8 of—

9 “(I) the 21st birthday of the con-  
10 sumer; or

11 “(II) the date on which the con-  
12 sumer notifies the agency, through the  
13 notification system established by the  
14 agency under paragraph (5), that the  
15 election is no longer effective; and

16 “(ii) shall be effective with respect to  
17 each affiliate of the agency.

18 “(D) RULE OF CONSTRUCTION.—An elec-  
19 tion by a consumer under subparagraph (A) to  
20 be included in a list provided by a consumer re-  
21 porting agency may not be construed to limit  
22 the applicability of this subsection to any per-  
23 son age 21 or older, and the consumer may  
24 elect to be excluded from any such list after the  
25 attainment of his or her 21st birthday in the

1 manner otherwise provided under this sub-  
2 section.”.

3 **TITLE IV—FEDERAL AGENCY**  
4 **COORDINATION**

5 **SEC. 401. INCLUSION OF ALL FEDERAL BANKING AGEN-**  
6 **CIES.**

7 (a) IN GENERAL.—Section 18(f)(1) of the Federal  
8 Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended  
9 in the second sentence—

10 (1) by striking “The Board of Governors of the  
11 Federal Reserve System (with respect to banks) and  
12 the Federal Home Loan Bank Board (with respect  
13 to savings and loan institutions described in para-  
14 graph (3)) and the National Credit Union Adminis-  
15 tration Board (with respect to Federal credit unions  
16 described in paragraph (4))” and inserting “Each  
17 appropriate Federal banking agency”; and

18 (2) by inserting “in consultation with the Com-  
19 mission” after “shall prescribe regulations”.

20 (b) FTC CONCURRENT RULEMAKING.—Section  
21 18(f)(1) of the Federal Trade Commission Act (15 U.S.C.  
22 57a(f)(1)) is amended by inserting after the second sen-  
23 tence the following: “Notwithstanding any other provision  
24 of this section, whenever such agencies commence such a  
25 rulemaking proceeding, the Commission, with respect to

1 the entities within its jurisdiction under this Act, may  
2 commence a rulemaking proceeding and prescribe regula-  
3 tions in accordance with section 553 of title 5, United  
4 States Code. The Commission, the Federal banking agen-  
5 cies, and the National Credit Union Administration Board  
6 shall consult and coordinate with each other so that the  
7 regulations prescribed by each such agency are consistent  
8 with and comparable to the regulations prescribed by each  
9 other such agency, to the extent practicable.”.

10 (c) PRESERVATION OF STATE LAW.—Section  
11 18(f)(6) of the Federal Trade Commission Act (15 U.S.C.  
12 57a(f)(6)) is amended to read as follows:

13 “(6) Notwithstanding any other provision of  
14 this subsection or any other provision of law, regula-  
15 tions promulgated under this subsection shall be  
16 considered supplemental to State laws governing un-  
17 fair and deceptive acts and practices, and may not  
18 be construed to preempt any provision of State law  
19 that provides equal or greater protections.”.

20 (d) GAO STUDY AND REPORT.—Not later than 18  
21 months after the date of enactment of this Act, the Comp-  
22 troller General shall transmit to Congress a report on the  
23 status of regulations of the Federal banking agencies and  
24 the National Credit Union Administration regarding un-

1 fair and deceptive acts or practices by depository institu-  
2 tions and Federal credit unions.

3 (e) TECHNICAL AND CONFORMING AMENDMENTS.—  
4 Section 18(f) of the Federal Trade Commission Act (15  
5 U.S.C. 57a(f)) is amended—

6 (1) in the subsection heading, by striking  
7 “BOARD” and all that follows through “ADMINIS-  
8 TRATION” and inserting “APPROPRIATE FEDERAL  
9 BANKING AGENCIES”;

10 (2) in paragraph (1), in the first sentence—

11 (A) by striking “banks or savings and loan  
12 institutions described in paragraph (3), each  
13 agency specified in paragraph (2) or (3) of this  
14 subsection shall establish” and inserting “de-  
15 pository institutions or Federal credit unions,  
16 each appropriate Federal banking agency shall  
17 establish”; and

18 (B) by striking “banks or savings and loan  
19 institutions described in paragraph (3), subject  
20 to its jurisdiction” and inserting “the deposi-  
21 tory institutions or Federal credit unions sub-  
22 ject to the jurisdiction of such appropriate Fed-  
23 eral banking agency”;

24 (3) in paragraph (1), in the final sentence—

1 (A) by striking “each such Board” and in-  
2 serting “each such appropriate Federal banking  
3 agency”;

4 (B) by striking “banks or savings and loan  
5 institutions described in paragraph (3), or Fed-  
6 eral credit unions described in paragraph (4),  
7 as the case may be,” each place that term ap-  
8 pears and inserting “depository institutions or  
9 Federal credit unions subject to the jurisdiction  
10 of such appropriate Federal banking agency”;

11 (C) by striking “(A) any such Board” and  
12 inserting “(A) any such appropriate Federal  
13 banking agency”; and

14 (D) by striking “with respect to banks,  
15 savings and loan institutions” and inserting  
16 “with respect to depository institutions”;

17 (4) in paragraph (2)(C), by inserting “than”  
18 after “(other”;

19 (5) in paragraph (3), by inserting “by the Di-  
20 rector of the Office of Thrift Supervision” before the  
21 period at the end;

22 (6) in paragraph (4), by inserting “by the Na-  
23 tional Credit Union Administration” before the pe-  
24 riod at the end;

1 (7) in paragraph (6), by striking “the Board of  
 2 Governors of the Federal Reserve System” and in-  
 3 serting “any Federal banking agency or the National  
 4 Credit Union Administration Board”; and

5 (8) by adding at the end the following new  
 6 paragraph:

7 “(8) For purposes of this subsection—

8 “(A) the term ‘appropriate Federal bank-  
 9 ing agency’ has the same meaning as in section  
 10 3 of the Federal Deposit Insurance Act, and in-  
 11 cludes the National Credit Union Administra-  
 12 tion Board with respect to Federal credit  
 13 unions;

14 “(B) the terms ‘depository institution’ and  
 15 ‘Federal banking agency’ have the same mean-  
 16 ings as in section 3 of the Federal Deposit In-  
 17 surance Act (12 U.S.C. 1813); and

18 “(C) the term ‘Federal credit union’ has  
 19 the same meaning as in section 101 of the Fed-  
 20 eral Credit Union Act (12 U.S.C. 1752).”.

## 21 **TITLE V—MISCELLANEOUS** 22 **PROVISIONS**

### 23 **SEC. 501. STUDY AND REPORT.**

24 (a) **STUDY REQUIRED.**—The Comptroller General (in  
 25 this section referred to as the “Comptroller”) shall con-

1 duct a study on interchange fees and their effects on con-  
2 sumers and merchants. The Comptroller shall review—

3 (1) the extent to which interchange fees are re-  
4 quired to be disclosed to consumers and merchants,  
5 and how such fees are overseen by the Federal bank-  
6 ing agencies or other regulators;

7 (2) the ways in which the interchange system  
8 affects the ability of merchants of varying size to ne-  
9 gotiate pricing with card associations and banks;

10 (3) the costs and factors incorporated into  
11 interchange fees, such as advertising, bonus miles,  
12 and rewards, how such costs and factors vary among  
13 cards; and

14 (4) the consequences of the undisclosed nature  
15 of interchange fees on merchants and consumers  
16 with regard to prices charged for goods and services.

17 (b) REPORT REQUIRED.—Not later than 180 days  
18 after the date of enactment of this Act, the Comptroller  
19 shall submit a report to the Committee on Banking, Hous-  
20 ing, and Urban Affairs of the Senate and the Committee  
21 on Financial Services of the House of Representatives con-  
22 taining a detailed summary of the findings and conclu-  
23 sions of the study required by this section, together with  
24 such recommendations for legislative or administrative ac-  
25 tions as may be appropriate.

1 **SEC. 502. CREDIT CARD SAFETY RATING SYSTEM COMMIS-**  
2 **SION STUDY.**

3 (a) DEFINITION.—In this section, the term “safety”  
4 refers to the amount of risk to cardholders that results  
5 from credit card practices and terms in credit card agree-  
6 ments that are either not well understood by consumers,  
7 or are not easily understood, or could have an adverse fi-  
8 nancial effect on consumers, other than interest rates,  
9 periodic fees, or rewards.

10 (b) ESTABLISHMENT OF SAFETY RATING SYSTEM.—  
11 The Comptroller General of the United States (in this sec-  
12 tion referred to as the “Comptroller”) shall establish an  
13 entity to be known as the “Credit Card Safety Rating Sys-  
14 tem Commission” (in this section referred to as the “Com-  
15 mission”).

16 (c) DUTIES.—The duties of the Commission shall  
17 be—

18 (1) to determine if a rating system to allow  
19 cardholders to quickly assess the level of safety of  
20 credit card agreements would be beneficial to con-  
21 sumers;

22 (2) to assess the impact on credit card trans-  
23 parency and consumer safety of various rating sys-  
24 tem policy options, including—

25 (A) the use of a 5-star rating system to re-  
26 flect the relative safety of card terms, mar-

1           keting and customer service practices, and  
2           product features;

3           (B) making the use of the system manda-  
4           tory for all cards;

5           (C) requiring a graphic display of rating  
6           on all marketing material, applications, billing  
7           statements, and agreements associated with  
8           that credit card, as well as on the back of each  
9           such credit card;

10          (D) requiring an annual review of the safe-  
11          ty rating system, to determine whether the  
12          point system is effectively aiding consumers and  
13          encouraging transparent competition and fair-  
14          ness to consumers; and

15          (E) requiring consumer access to ratings  
16          through public website and other outreach pro-  
17          grams;

18          (3) if it is deemed beneficial, to make rec-  
19          ommendations to Congress concerning how such a  
20          system should be devised;

21          (4) to study the effects of such system on the  
22          availability and affordability of credit and the impli-  
23          cations of changes in credit availability and afford-  
24          ability in the United States and in the general mar-  
25          ket for credit services due to the rating system; and

1           (5) by not later than March 1 of the second  
2 year after the date of enactment of this Act, to sub-  
3 mit a report to Congress containing detailed results  
4 and recommendations, including how to create such  
5 system, if creating such system is recommended.

6           (d) MEMBERSHIP.—

7           (1) NUMBER AND APPOINTMENT.—The Com-  
8 mission shall be composed of 15 members appointed  
9 by the Comptroller, in accordance with this section.

10           (2) QUALIFICATIONS.—

11           (A) IN GENERAL.—The membership of the  
12 Commission, subject to subparagraph (B), shall  
13 include individuals—

14           (i) who have achieved national rec-  
15 ognition for their expertise in credit cards,  
16 debt management, economics, credit avail-  
17 ability, consumer protection, and other  
18 credit card related issues and fields; and

19           (ii) who provide a mix of different  
20 professions, a broad geographic representa-  
21 tion, and a balance between urban and  
22 rural representatives.

23           (B) MAKEUP OF COMMISSION.—The Com-  
24 mission shall be comprised of—

1 (i) 4 representatives from consumer  
2 groups;

3 (ii) 4 representatives from credit card  
4 issuers or banks;

5 (iii) 7 representatives from nonprofit  
6 research entities or nonpartisan experts in  
7 banking and credit cards; and

8 (iv) not fewer than 1 of the members  
9 described in clauses (i) through (iii) who  
10 represents each of—

11 (I) the elderly;

12 (II) economically disadvantaged  
13 consumers;

14 (III) racial or ethnic minorities;

15 and

16 (IV) students and minors.

17 (C) ETHICS DISCLOSURES.—The Comp-  
18 troller shall establish a system for public diselo-  
19 sure by members of the Commission of financial  
20 and other potential conflicts of interest relating  
21 to such members. Members of the Commission  
22 shall be treated in the same manner as employ-  
23 ees of Congress whose pay is disbursed by the  
24 Secretary of the Senate for purposes of title I

1 of the Ethics in Government Act of 1978 (Pub-  
2 lic Law 95–521).

3 (3) CHAIRPERSON; VICE CHAIRPERSON.—The  
4 Comptroller shall designate a member of the Com-  
5 mission, at the time of appointment of the member  
6 as Chairperson and a member as Vice Chairperson  
7 for that term of appointment, except that in the case  
8 of vacancy in the position of Chairperson or Vice  
9 Chairperson of the Commission, the Comptroller  
10 may designate another member for the remainder of  
11 the term of that member.

12 (4) TERMS.—Members of the Commission shall  
13 be appointed for the life of the Commission. Any va-  
14 cancies shall not affect the power and duties of the  
15 Commission but shall be filled in the same manner  
16 as the original appointment.

17 (5) COMPENSATION.—

18 (A) MEMBERS.—While serving on the busi-  
19 ness of the Commission (including travel time),  
20 a member of the Commission shall be entitled  
21 to compensation at the per diem equivalent of  
22 the rate provided for level IV of the Executive  
23 Schedule under section 5315 of title 5, United  
24 States Code, and while so serving away from  
25 home and the regular place of business of the

1 member, the member may be allowed travel ex-  
2 penses, as authorized by the Chairperson.

3 (B) OTHER EMPLOYEES.—For purposes of  
4 pay (other than pay of members of the Commis-  
5 sion) and employment benefits, rights, and  
6 privileges, all employees of the Commission  
7 shall be treated as if they were employees of the  
8 United States Senate.

9 (6) MEETINGS.—The Commission shall meet at  
10 the call of the Chairperson.

11 (e) DIRECTOR AND STAFF; EXPERTS AND CONSULT-  
12 ANTS.—Subject to such review as the Comptroller deter-  
13 mines necessary to assure the efficient administration of  
14 the Commission, the Commission may—

15 (1) employ and fix the compensation of an Ex-  
16 ecutive Director (subject to the approval of the  
17 Comptroller General) and such other personnel as  
18 may be necessary to carry out its duties (without re-  
19 gard to the provisions of title 5, United States Code,  
20 governing appointments in the competitive service);

21 (2) seek such assistance and support as may be  
22 required in the performance of its duties from ap-  
23 propriate Federal departments and agencies;

24 (3) enter into contracts or make other arrange-  
25 ments, as may be necessary for the conduct of the

1 work of the Commission (without regard to section  
2 3709 of the Revised Statutes of the United States  
3 (41 U.S.C. 5));

4 (4) make advance, progress, and other pay-  
5 ments which relate to the work of the Commission;

6 (5) provide transportation and subsistence for  
7 persons serving without compensation; and

8 (6) prescribe such rules and regulations as it  
9 determines necessary with respect to the internal or-  
10 ganization and operation of the Commission.

11 (f) POWERS.—

12 (1) OBTAINING OFFICIAL DATA.—The Commis-  
13 sion may secure directly from any department or  
14 agency of the United States information necessary  
15 to enable it to carry out this section. Upon request  
16 of the Chairperson, the head of that department or  
17 agency shall furnish that information to the Com-  
18 mission on an agreed upon schedule.

19 (2) DATA COLLECTION.—In order to carry out  
20 its functions, the Commission shall—

21 (A) utilize existing information, both pub-  
22 lished and unpublished, where possible, collected  
23 and assessed either by its own staff or under  
24 other arrangements made in accordance with  
25 this section;

1           (B) carry out, or award grants or con-  
2           tracts for, original research and experimen-  
3           tation, where existing information is inad-  
4           equate; and

5           (C) adopt procedures allowing any inter-  
6           ested party to submit information for the Com-  
7           mission's use in making reports and rec-  
8           ommendations.

9           (3) ACCESS OF GAO INFORMATION.—The  
10          Comptroller shall have unrestricted access to all de-  
11          liberations, records, and nonproprietary data of the  
12          Commission, immediately upon request.

13          (4) PERIODIC AUDIT.—The Commission shall  
14          be subject to periodic audit by the Comptroller.

15          (g) ADMINISTRATIVE AND SUPPORT SERVICES.—The  
16          Comptroller shall provide such administrative and support  
17          services to the Commission as may be necessary to carry  
18          out this section.

19          (h) AUTHORIZATION OF APPROPRIATIONS.—There  
20          are authorized to be appropriated to the Commission such  
21          sums as may be necessary to carry out this section.

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