To suspend payments on certain consumer loans during the COVID–19 emergency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2020

Mrs. Beatty introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To suspend payments on certain consumer loans during the COVID–19 emergency, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE.

This Act may be cited as the “Relief for Consumers During COVID–19 Act of 2020”.

SEC. 2. SUSPENSION OF OTHER CONSUMER LOAN PAYMENTS.

(a) IN GENERAL.—During the COVID–19 emergency, a debt collector may not, with respect to a debt
of a consumer (other than debt related to a federally re-
lated mortgage loan)—

(1) capitalize unpaid interest;

(2) apply a higher interest rate triggered by the
nonpayment of a debt to the debt balance;

(3) charge a fee triggered by the nonpayment of
a debt;

(4) sue or threaten to sue for nonpayment of a
debt;

(5) continue litigation to collect a debt that was
initiated before the date of enactment of this section;

(6) submit or cause to be submitted a confes-
sion of judgment to any court;

(7) enforce a security interest through reposses-
sion, limitation of use, or foreclosure;

(8) take or threaten to take any action to en-
force collection, or any adverse action for non-
payment of a debt, or for nonappearance at any
hearing relating to a debt;

(9) commence or continue any action to cause
or to seek to cause the collection of a debt, including
pursuant to a court order issued before the end of
the 120-day period following the end of the COVID–
19 emergency, from wages, Federal benefits, or
other amounts due to a consumer by way of garnish-
ment, deduction, offset, or other seizure;

(10) cause or seek to cause the collection of a
debt, including pursuant to a court order issued be-
fore the end of the 120-day period following the end
of the COVID–19 emergency, by levying on funds
from a bank account or seizing any other assets of
a consumer;

(11) commence or continue an action to evict a
consumer from real or personal property; or

(12) disconnect or terminate service from utility
service, including electricity, natural gas, tele-
communications or broadband, water, or sewer.

(b) RULE OF CONSTRUCTION.—Nothing in this sec-
tion may be construed to prohibit a consumer from volun-
tarily paying, in whole or in part, a debt.

c) REPAYMENT PERIOD.—After the expiration of the
COVID–19 emergency, with respect to a debt described
under subsection (a), a debt collector—

(1) may not add to the debt balance any inter-
est or fee prohibited by subsection (a);

(2) shall, for credit with a defined term or pay-
ment period, extend the time period to repay the
debt balance by 1 payment period for each payment
that a consumer missed during the COVID–19
emergency, with the payments due in the same
amounts and at the same intervals as the pre-existing payment schedule;

(3) shall, for an open end credit plan (as defined under section 103 of the Truth in Lending Act) or other credit without a defined term, allow the consumer to repay the debt balance in a manner that does not exceed the amounts permitted by formulas under section 170(c) of the Truth in Lending Act and regulations promulgated thereunder; and

(4) shall, when the consumer notifies the debt collector, offer reasonable and affordable repayment plans, loan modifications, refinancing, options with a reasonable time in which to repay the debt.

(d) COMMUNICATIONS IN CONNECTION WITH THE COLLECTION OF A DEBT.—

(1) IN GENERAL.—During the COVID–19 emergency, without prior consent of a consumer given directly to a debt collector during the COVID–19 emergency, or the express permission of a court of competent jurisdiction, a debt collector may only communicate in writing in connection with the collection of any debt (other than debt related to a federally related mortgage loan).

(2) REQUIRED DISCLOSURES.—
(A) IN GENERAL.—All written communications described under paragraph (1) shall inform the consumer that the communication is for informational purposes and is not an attempt to collect a debt.

(B) REQUIREMENTS.—The disclosure required under subparagraph (A) shall be made—

(i) in type or lettering not smaller than 14-point bold type;

(ii) separate from any other disclosure;

(iii) in a manner designed to ensure that the recipient sees the disclosure clearly;

(iv) in English and Spanish and in any additional languages in which the debt collector communicates, including the language in which the loan was negotiated, to the extent known by the debt collector; and

(v) may be provided by first-class mail or electronically, if the borrower has otherwise consented to electronic communication with the debt collector and has not revoked such consent.
(C) **Oral Notification.**—Any oral notification shall be provided in the language the debt collector otherwise uses to communicate with the borrower.

(D) **Written Translations.**—In providing written notifications in languages other than English in this section, a debt collector may rely on written translations developed by the Bureau of Consumer Financial Protection.

(e) **Violations.**—

(1) **In General.**—Any person who violates this section shall—

   (A) except as provided under subparagraph (B), be subject to civil liability in accordance with section 813 of the Fair Debt Collection Practices Act, as if the person is a debt collector for purposes of that section; and

   (B) be liable to the consumer for an amount 10 times the amounts described in such section 813.

(2) **Predispute Arbitration Agreements.**—Notwithstanding any other provision of law, no predispute arbitration agreement or predispute joint-action waiver shall be valid or enforceable with respect to a dispute brought under this section, includ-
ing a dispute as to the applicability of this section, which shall be determined under Federal law.

(f) TOLLING.—Except as provided in subsection (g)(5), any applicable time limitations, including statutes of limitations, related to a debt under Federal or State law shall be tolled during the COVID–19 emergency.

(g) CLAIMS OF AFFECTED CREDITORS AND DEBT COLLECTORS.—

(1) VALUATION OF PROPERTY.—With respect to any action asserting a taking under the Fifth Amendment of the Constitution of the United States as a result of this section or seeking a declaratory judgment regarding the constitutionality of this section, the value of the property alleged to have been taken without just compensation shall be evaluated—

(A) with consideration of the likelihood of full and timely payment of the obligation without the actions taken pursuant to this section; and

(B) without consideration of any assistance provided directly or indirectly to the consumer from other Federal, State, and local government programs instituted or legislation enacted in response to the COVID–19 emergency.
(2) Scope of Just Compensation.—In an action described in paragraph (1), any assistance or benefit provided directly or indirectly to the person from other Federal, State, and local government programs instituted in or legislation enacted response to the COVID–19 emergency, shall be deemed to be compensation for the property taken, even if such assistance or benefit is not specifically provided as compensation for property taken by this section.

(3) Appeals.—Any appeal from an action under this section shall be treated under section 158 of title 28, United States Code, as if it were an appeal in a case under title 11, United States Code.

(4) Repose.—Any action asserting a taking under the Fifth Amendment to the Constitution of the United States as a result of this section shall be brought within not later than 180 days after the end of the COVID–19 emergency.

(5) Severability.—If any provision of this section or the application of such provision to any person or circumstance is held to be invalid or unconstitutional, the remainder of this section and the application of the provisions of this section to any person or circumstance shall not be affected thereby.
(h) DEFINITIONS.—In this section:

   (1) CONSUMER.—The term “consumer” means any individual obligated or allegedly obligated to pay any debt.

   (2) COVID–19 EMERGENCY.—The term “COVID–19 emergency” means the period that begins upon the date of the enactment of this Act and ends on the date of the termination by the Federal Emergency Management Agency of the emergency declared on March 13, 2020, by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 4121 et seq.) relating to the Coronavirus Disease 2019 (COVID–19) pandemic.

   (3) CREDITOR.—The term “creditor” means—

      (A) any person who offers or extends credit creating a debt or to whom a debt is owed or other obligation for payment;

      (B) any lessor of real or personal property;

      or

      (C) any provider of utility services.

   (4) DEBT.—The term “debt”—

      (A) means any past due obligation or alleged past due obligation that—
(i) was created before the COVID–19 emergency, whether or not such obligation has been reduced to judgment; and
(ii) arises out of a transaction with a consumer in which the money, property, insurance or services which are the subject of the transaction, are primarily for personal, family, or household purposes; and
(B) does not include a federally related mortgage loan.

(5) Debt Collector.—The term “debt collector” means a creditor, and any person or entity that engages in the collection of debt, including the Federal Government and a State government, irrespective of whether the debt is allegedly owed to or assigned to that person or to the entity.

(6) Federally Related Mortgage Loan.—The term “federally related mortgage loan” has the meaning given that term under section 3 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2602).

SEC. 3. CREDIT FACILITY FOR OTHER PURPOSES.
(a) Establishment.—The Board of Governors of the Federal Reserve System shall establish a facility that the Board of Governors shall use to make payments to
covered financial institutions to compensate such institutions for documented financial losses caused by the suspension of payments required under section 2.

(b) COVERED FINANCIAL INSTITUTION DEFINED.—

In this section, the term “covered financial institution” means the holder of a loan described under section 2.