

119TH CONGRESS
2D SESSION

H. R. 10439

To amend the Truth in Lending Act to extend the consumer credit protections provided to members of the Armed Forces and their dependents under title 10, United States Code, to all consumers.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 16, 2026

Mr. GROTHMAN (for himself and Mr. GARCÍA of Illinois) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Truth in Lending Act to extend the consumer credit protections provided to members of the Armed Forces and their dependents under title 10, United States Code, to all consumers.

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.**

4 This Act may be cited as the “Veterans and Con-
5 sumers Fair Credit Act”.

1 **SEC. 2. LIMITATIONS ON CONSUMER CREDIT AND MAX-**
2 **IMUM RATES OF INTEREST.**

3 (a) IN GENERAL.—Chapter 2 of the Truth in Lend-
4 ing Act (15 U.S.C. 1631 et seq.) is amended by adding
5 at the end the following:

6 **“§ 140B. Limitations on consumer credit and max-**
7 **imum rates of interest**

8 “(a) APPLICATION OF THE MILITARY LENDING
9 ACT.—

10 “(1) IN GENERAL.—Except as provided in para-
11 graph (2), section 987(b) of title 10, United States
12 Code (commonly referred to as the ‘Military Lending
13 Act’), shall apply to a creditor who extends con-
14 sumer credit to a consumer to the same extent as
15 such section applies to a creditor who extends con-
16 sumer credit to a covered member or a dependent
17 with respect to a covered member (as those terms
18 are defined in such section 987).

19 “(2) EXCEPTIONS.—Paragraph (1) shall not
20 apply to an extension of credit that is—

21 “(A) a residential mortgage;

22 “(B) a loan procured to purchase a car,
23 when that loan is offered for the express pur-
24 pose of financing the purchase and is secured
25 by the car procured; or

1 “(C) a loan made by a Federal credit
2 union (as defined in section 101 of the Federal
3 Credit Union Act (12 U.S.C. 1752)), subject to
4 the usury limit provided under section
5 107(5)(A) of the Federal Credit Union Act (12
6 U.S.C. 1757(5)(A)), as implemented by the Na-
7 tional Credit Union Administration Board.

8 “(b) NO EXEMPTIONS PERMITTED.—The exemption
9 authority of the Director of the Bureau under section
10 105(f) shall not apply with respect to this section.

11 “(c) CALCULATION OF THE ANNUAL PERCENTAGE
12 RATE FOR OPEN-END CREDIT.—

13 “(1) IN GENERAL.—For purposes of this sec-
14 tion, the annual percentage rate applicable to an
15 open end credit plan shall be calculated under sec-
16 tion 107(a)(2), subject to adjustments to the
17 amount considered a finance charge, as provided in
18 the final rule issued by the Secretary of Defense on
19 July 22, 2015, to carry out section 987 of title 10,
20 United States Code.

21 “(2) EXCEPTION TO FINANCE CHARGE CAL-
22 CULATION.—

23 “(A) IN GENERAL.—Notwithstanding para-
24 graph (1), for consumer credit extended in a
25 credit card account under an open end con-

sumer credit plan that is not secured by a home, a bona fide fee other than a periodic rate is not a charge required to be included within the finance charge for purposes of this section if the fee is assessed in compliance with section 127(n).

“(B) LIMITATION.—Subparagraph (A) shall not apply to—

“(i) any credit insurance premium or fee, including any charge for single premium credit insurance, any fee for a debt cancellation contract, or any fee for a debt suspension agreement; or

“(ii) any fee for a credit-related ancillary product sold in connection with the credit card account under an open end consumer credit plan that is not secured by a home.

“(d) RELATION TO STATE LAW.—Nothing in this section may be construed to preempt any provision of State law that provides greater protection to consumers than is provided under this section.

“(e) PENALTIES AND REMEDIES.—Section 987(f) of title 10, United States Code, shall apply to a creditor who extends consumer credit to a consumer in violation of this

1 section to the same extent as such section 987(f) applies
2 to a creditor who extends consumer credit to a covered
3 member or a dependent with respect to a covered member
4 (as those terms are defined in such section 987).

5 “(f) PRESERVATION OF STATE ENFORCEMENT.—

6 “(1) STATE ATTORNEYS GENERAL.—Not later
7 than 3 years after the date on which a violation of
8 this section occurs, the attorney general of a State
9 (or an equivalent official) may bring a civil action on
10 behalf of the residents of that State—

11 “(A) in any district court of the United
12 States that is located in that State or in a
13 State court that is located in that State and
14 that has jurisdiction over the defendant; and

15 “(B) to—

16 “(i) enforce compliance with the re-
17 quirements of this section or rules issued
18 under this section; and

19 “(ii) secure remedies under this sec-
20 tion or remedies otherwise provided under
21 other law.

22 “(2) STATE REGULATORS.—Not later than 3
23 years after the date on which a violation of this sec-
24 tion occurs, a State regulator of a creditor may

1 bring a civil action or initiate another appropriate
2 proceeding to—

3 “(A) enforce compliance with the require-
4 ments of this section or regulations issued
5 under this section with respect to such creditor
6 that is, or is required to be, State-chartered, in-
7 corporated, licensed, or otherwise authorized to
8 do business under State law; and

9 “(B) secure remedies under this section or
10 remedies otherwise provided under other provi-
11 sions of law with respect to such creditor.

12 “(3) NOTICE REQUIREMENT.—

13 “(A) IN GENERAL.—Before initiating an
14 action pursuant to paragraph (1) or (2) to en-
15 force compliance with the requirements of this
16 section or rules issued under this section, a
17 State attorney general or State regulator shall
18 timely provide a copy of the complete complaint
19 to be filed and written notice describing such
20 action or proceeding to the Director of the Bu-
21 reau and the prudential regulator, if any, of the
22 creditor.

23 “(B) EMERGENCY ACTION.—If prior notice
24 is not practicable, the State attorney general or
25 State regulator shall provide a copy of the com-

1 plete complaint and the notice to Director of
2 the Bureau and the prudential regulator, if any,
3 immediately upon instituting the action.

4 “(C) CONTENTS OF NOTICE.—The notice
5 required under this paragraph shall, at a min-
6 imum, describe—

7 “(i) the identity of the parties;

8 “(ii) the alleged facts underlying the
9 proceeding; and

10 “(iii) whether there may be a need to
11 coordinate the prosecution of the pro-
12 ceeding so as not to interfere with any ac-
13 tion, including any rulemaking, undertaken
14 by Director of the Bureau, a prudential
15 regulator, or another Federal agency.

16 “(4) BUREAU RESPONSE.—In any action de-
17 scribed in paragraph (1) or (2), the Bureau may—

18 “(A) intervene in the action as a party;

19 “(B) upon intervening, remove the action
20 to the appropriate United States district court
21 (if the action was not originally brought there)
22 and be heard on all matters arising in the ac-
23 tion; and

1 “(C) appeal any order or judgment, to the
2 same extent as any other party in the pro-
3 ceeding may.

4 “(g) REGULATIONS.—

5 “(1) IN GENERAL.—Notwithstanding section
6 1027(o) of the Consumer Financial Protection Act
7 of 2010 (12 U.S.C. 5517(o)), not later than 1 year
8 after the date of enactment of this section, the Bu-
9 reau, in consultation with the Secretary of Defense,
10 shall—

11 “(A) issue rules carrying out this section;
12 and

13 “(B) notify Congress and the public, in-
14 cluding on the website of the Bureau, regarding
15 the issuance of the rules required under sub-
16 paragraph (A).

17 “(2) CONSISTENCY.—The rules issued by the
18 Bureau under paragraph (1)—

19 “(A) shall be consistent with rules issued
20 by the Secretary of Defense to carry out section
21 987 of title 10, United States Code; and

22 “(B) may not provide lesser protection to
23 consumers than the protection afforded covered
24 members, as that term is defined in section 987
25 of title 10, United States Code, in applicable

1 provisions in the rules issued by the Secretary
2 of Defense on July 22, 2015, to carry out such
3 section 987.”.

4 (b) CLERICAL AMENDMENT.—The table of contents
5 for chapter 2 of the Truth in Lending Act is amended
6 by adding at the end the following:

“140B. Limitations on consumer credit and maximum rates of interest.”.

7 (c) APPLICABILITY.—The amendments made by sub-
8 section (a) shall apply to an extension of credit made after
9 the earlier of—

10 (1) the date on which the rules issued by the
11 Director of the Bureau of Consumer Financial Pro-
12 tection under subsection (g) of section 140B of the
13 Truth in Lending Act, as added by subsection (a) of
14 this section, require compliance; and

15 (2) the date that is 18 months after the date
16 of enactment of this Act.

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