

106TH CONGRESS
1ST SESSION

H. R. 1332

To amend the Truth in Lending Act to expand protections for consumers by adjusting statutory exemptions and civil penalties to reflect inflation, to eliminate the Rule of 78s accounting for interest rebates in consumer credit transactions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1999

Mr. LAFALCE (for himself, Mr. VENTO, Mr. FRANK of Massachusetts, and Mr. HINCHEY) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To amend the Truth in Lending Act to expand protections for consumers by adjusting statutory exemptions and civil penalties to reflect inflation, to eliminate the Rule of 78s accounting for interest rebates in consumer credit transactions, 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.**

4 This Act may be cited as the “Truth in Lending Mod-
5 ernization Act of 1999”.

1 **SEC. 2. APPLICABLE CONSUMER CREDIT AND LEASE**
 2 **TRANSACTIONS.**

3 (a) CREDIT TRANSACTIONS.—Section 104(3) of the
 4 Consumer Credit Protection Act (15 U.S.C. 1603(3)) is
 5 amended by striking “\$25,000” and inserting “\$50,000”.

6 (b) LEASE TRANSACTIONS.—Section 181(1) of the
 7 Consumer Credit Protection Act (15 U.S.C. 1667(1)) is
 8 amended by striking “\$25,000” and inserting “\$50,000”.

9 **SEC. 3. CIVIL LIABILITY.**

10 (a) IN GENERAL.—Section 130(a)(2)(A) of the Con-
 11 sumer Credit Protection Act (15 U.S.C. 1640(a)(2)(A))
 12 is amended—

13 (1) in clause (ii)—

14 (A) by striking “\$100” and inserting
 15 “\$200”; and

16 (B) by striking “\$1,000” and inserting
 17 “\$5,000”; and

18 (2) in clause (iii), by striking “\$2,000” and in-
 19 serting “\$5,000”.

20 (b) MAXIMUM AMOUNT.—Section 130(a)(2)(B) (15
 21 U.S.C. 1640(a)(2)(B)) is amended by striking
 22 “\$500,000” and inserting “\$1,000,000”.

23 **SEC. 4. USE OF RULE OF 78s PROHIBITED.**

24 Section 933(b) of the Housing and Community De-
 25 velopment Act of 1992 (15 U.S.C. 1615(b)) is amended—

1 (1) by striking “of a term exceeding 61
2 months”; and

3 (2) by striking “September 30, 1993” and in-
4 serting “September 30, 1999”.

5 **SEC. 5. REGULATIONS.**

6 Before the end of the 6-month period beginning on
7 the date of the enactment of this Act, the Board of Gov-
8 ernors of the Federal Reserve System shall issue regula-
9 tions in final form to implement the amendments made
10 by this Act.

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