

107TH CONGRESS
1ST SESSION

S. 192

To amend title 9, United States Code, with respect to consumer credit transactions.

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 2001

Mr. FEINGOLD (for himself and Mr. LEAHY) introduced the following bill;
which was read twice and referred to the Committee on the Judiciary

A BILL

To amend title 9, United States Code, with respect to
consumer credit transactions.

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 “Consumer Credit Fair
5 Dispute Resolution Act of 2001”.

6 **SEC. 2. CONSUMER CREDIT TRANSACTIONS.**

7 (a) DEFINITIONS.—Section 1 of title 9, United States
8 Code, is amended—

9 (1) in the section heading, by striking “**and**
10 **‘commerce’ defined**” and inserting “, **‘com-**

**merce’, ‘consumer credit transaction’, and
‘consumer credit contract’ defined**”; and

(2) by inserting before the period at the end the following: “; ‘consumer credit transaction’, as herein defined, means the right granted to a natural person to incur debt and defer its payment, where the credit is intended primarily for personal, family, or household purposes; and ‘consumer credit contract’, as herein defined, means any contract between the parties to a consumer credit transaction.”.

(b) AGREEMENTS TO ARBITRATE.—Section 2 of title 9, United States Code, is amended—

(1) by striking “A written” and inserting “(a) IN GENERAL.—A written”; and

(2) by adding at the end the following:

“(b) CONSUMER CREDIT CONTRACTS.—

“(1) IN GENERAL.—Notwithstanding the preceding sentence, a written provision in any consumer credit contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of the contract, or the refusal to perform the whole or any part thereof, shall not be valid or enforceable.

“(2) LIMITATION.—Nothing in this section shall prohibit the enforcement of any written agree-

1 ment to settle by arbitration a controversy arising
2 out of a consumer credit contract, if such written
3 agreement has been entered into by the parties to
4 the consumer credit contract after the controversy
5 has arisen.”.

○