108TH CONGRESS
2D SESSION

H. R. 5031

To amend the Bank Holding Company Act of 1956 to clarify the application
of the credit card bank exception to certain limited purpose credit card
banks serving community banks, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 8, 2004

Mr. NETHERCUTT introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To amend the Bank Holding Company Act of 1956 to clarify
the application of the credit card bank exception to cer-
tain limited purpose credit card banks serving community
banks, 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 "Community Credit

5 Card Bank Act of 2004".

6 **SEC. 2. COMMUNITY CREDIT CARD BANK EXCEPTION.**

7   Section 2(c)(2)(F)(v) of the Bank Holding Company

8 Act of 1956 (12 U.S.C. 1841(c)(2)(F)(v)) is amended by

1 inserting, before the period at the end, the following: "ex-

2 cept that, in the case of an institution—

"(I) which has total assets of less
than $1,000,000,000;

"(II) which was chartered before
June 1, 1998;

"(III) at least 80 percent of the
credit card receivables of which have
either been acquired in portfolio pur-
chases from unaffiliated insured de-
pository institutions, or issued
through unaffiliated insured deposi-
tory institutions as agents of such in-
stitutions; and

"(IV) which issues or services
commercial credit card loans that con-
stitute, in the aggregate, not more
than 10 percent of the credit card re-
ceivables of the institution,

the institution shall not be treated as en-
gaging in the business of making commer-
cial loans, for purposes of this subpara-
graph, solely on the basis of issuing or

1   servicing such commercial credit card ac-

2   counts.''.

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