

108TH CONGRESS
2D SESSION

H. R. 5138

To amend the Truth in Lending Act to establish an equitable ceiling on credit card interest rates, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 2004

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

A BILL

To amend the Truth in Lending Act to establish an equitable ceiling on credit card interest rates, 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 “Fair Credit Card Inter-
5 est Rate Act”.

6 **SEC. 2. CREDIT CARD INTEREST RATE CEILING.**

7 (a) IN GENERAL.—Chapter 1 of the Truth in Lend-
8 ing Act (15 U.S.C. 1601 et seq.) is amended by inserting
9 after section 109 the following new section:

1 **“§ 110. Limitations on credit card interest rates**

2 “(a) IN GENERAL.—During any calendar quarter, no
3 creditor may impose a finance charge under any open end
4 consumer credit plan involving a credit card which results
5 in an annual percentage rate greater than 10 percentage
6 points over the most recent composite prime rate pub-
7 lished in the Wall Street Journal before the beginning of
8 the 10-business-day period ending on the first day of such
9 calendar quarter.

10 “(b) REGULATIONS BY BOARD.—The Board may
11 prescribe such regulations as the Board may, in the discre-
12 tion of the Board, determine to be appropriate to imple-
13 ment and carry out the requirements of subsection (a),
14 including the determination and publication of the applica-
15 ble maximum annual percentage rate under such sub-
16 section for any calendar quarter.”.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 for chapter 1 of the Truth in Lending Act is amended
19 by inserting after the item relating to section 109 the fol-
20 lowing new item:

“110. Limitation on credit card interest rates.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply with respect to calendar quarters
23 that begin after the end of the 6-month period beginning
24 on the date of the enactment of this Act.