

108TH CONGRESS
1ST SESSION

S. 904

To amend the Federal Deposit Insurance Act to clarify the scope of provisions relating to applicable rates of interest and other charge limitations.

IN THE SENATE OF THE UNITED STATES

APRIL 11, 2003

Mrs. LINCOLN (for herself and Mr. PRYOR) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Federal Deposit Insurance Act to clarify the scope of provisions relating to applicable rates of interest and other charge limitations.

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. CLARIFICATION OF SCOPE OF APPLICABLE**
4 **RATE PROVISION.**

5 Section 44(f) of the Federal Deposit Insurance Act
6 (12 U.S.C. 1831u(f)) is amended by adding at the end
7 the following new paragraphs:

8 “(3) OTHER LENDERS.—In the case of any
9 other lender doing business in the State described in

1 paragraph (1), the maximum interest rate or
 2 amount of interest, discount points, finance charges,
 3 or other similar charges that may be charged, taken,
 4 received, or reserved from time to time in any loan,
 5 discount, or credit sale made, or upon any note, bill
 6 of exchange, financing transaction, or other evidence
 7 of debt issued to or acquired by any other lender
 8 shall be equal to not more than the greater of the
 9 rates described in subparagraph (A) or (B) of para-
 10 graph (1).

11 “(4) OTHER LENDER DEFINED.—For purposes
 12 of paragraph (3), the term ‘other lender’ means any
 13 person engaged in the business of selling or financ-
 14 ing the sale of personal property (and any servicers
 15 incidental to the sale of personal property) in such
 16 State, except that, with regard to any person or en-
 17 tity described in such paragraph, such term does not
 18 include—

19 “(A) an insured depository institution; or

20 “(B) any person or entity engaged in the
 21 business of providing a short-term cash advance
 22 to any consumer in exchange for—

23 “(i) a consumer’s personal check or
 24 share draft, in the amount of the advance
 25 plus a fee, where presentment or negotia-

1 tion of such check or share draft is de-
2 ferred by agreement of the parties until a
3 designated future date; or

4 “(ii) a consumer authorization to
5 debit the consumer’s transaction account,
6 in the amount of the advance plus a fee,
7 where such account will be debited on or
8 after a designated future date.”.

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