

109TH CONGRESS
1ST SESSION

H. R. 2201

To amend chapter 7 of title 11 of the United States Code, to exclude medically distress debtors from the application of the means test, to amend the Truth in Lending Act to require certain disclosures in connection with credit card applications and solicitations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2005

Mr. RUPPERSBERGER introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend chapter 7 of title 11 of the United States Code, to exclude medically distress debtors from the application of the means test, to amend the Truth in Lending Act to require certain disclosures in connection with credit card applications and solicitations, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Consumer Debt Pre-
3 vention and Education Act of 2005”.

4 **SEC. 2. AMENDMENT TO TITLE 11 OF THE UNITED STATES**
5 **CODE.**

6 (a) AMENDMENT.—Section 101(a)(2)(C) of the
7 Bankruptcy Abuse Prevention and Consumer Protection
8 Act of 2005 (Public Law 109–8) is amended by adding
9 at the end of section 707(b) of title 11 of the United
10 States Code, as added by such Act, the following:

11 “(8)(A) No judge, United States trustee (or bank-
12 ruptcy administrator, if any), trustee, or other party in
13 interest may file a motion under paragraph (2) if the debt-
14 or is a medically distressed debtor.

15 “(B) In this paragraph, the term medically distressed
16 debtor’ means a debtor who, in any consecutive 12-month
17 period during the 3 years before the date of the filing of
18 the petition—

19 “(i) had medical expenses for the debtor, a de-
20 pendent of the debtor, or a member of the debtor’s
21 household that were not paid by any third party
22 payor and were in excess of 25 percent of the debt-
23 or’s household income for such 12-month period;

24 “(ii) was a member of a household in which 1
25 or more members (including the debtor) lost all or
26 substantially all of the member’s employment or

1 business income for 4 or more weeks during such
2 12-month period due to a medical problem of a
3 member of the household or a dependent of the debt-
4 or; or

5 “(iii) was a member of a household in which 1
6 or more members (including the debtor) lost all or
7 substantially all of the member’s alimony or support
8 income for 4 or more weeks during such 12-month
9 period due to a medical problem of a person obli-
10 gated to pay alimony or support.”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall take effect on April 20, 2005.

13 **SEC. 3. DISCLOSURES IN CREDIT CARD SOLICITATIONS.**

14 Section 127(c) of the Truth in Lending Act (15
15 U.S.C. 1637(c)) is amended—

16 (1) by redesignating paragraph (5) as para-
17 graph (6); and

18 (2) by inserting after paragraph (4) the fol-
19 lowing new paragraph:

20 “(5) BROCHURE.—

21 “(A) IN GENERAL.—In addition to the in-
22 formation required under paragraph (1), any
23 application to open a credit card account for
24 any person under an open end consumer credit
25 plan, or a solicitation to open such an account

1 without requiring an application, that is mailed
2 to consumers shall be accompanied by a bro-
3 chure that describes the following:

4 “(i) An explanation of credit scores
5 and the negative effects that low credit
6 scores can have on the consumer.

7 “(ii) An explanation of how being over
8 a credit limit hurts the consumer.

9 “(iii) An explanation of how long it
10 would take paying off a credit balance by
11 just making the minimum payments re-
12 quired and the effect that negative amorti-
13 zation may have in extending such time.

14 “(B) BOARD.—The Board shall—

15 “(i) prescribe regulations that estab-
16 lish the minimum requirements for the
17 brochure required under subparagraph (A);
18 and

19 “(ii) develop a model brochure that
20 meets such requirements.”.

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